

**SECOVA METALS CORP.**  
Suite 488, 1090 West Georgia Street  
Vancouver, British Columbia V6E 3V7  
Telephone: (604) 506-7555

**MANAGEMENT PROXY CIRCULAR**  
as of December 13, 2019 (*except as otherwise indicated*)

## **MANAGEMENT SOLICITATION OF PROXIES**

**This Management Proxy Circular is furnished in connection with the solicitation of proxies by management of Secova Metals Corp. (the “Corporation”) for use at the annual meeting (the “Meeting”) of its shareholders to be held on January 23, 2020 at the time and place for purposes set forth in the accompanying notice of the Meeting.**

In this Management Proxy Circular, references to “the Corporation”, “we” and “our” refer to **Secova Metals Corp.** “Common Shares” means common shares without par value in the capital of the Corporation. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

## **GENERAL PROXY INFORMATION**

### **Solicitation of Proxies**

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Corporation. The Corporation will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

### **Appointment of Proxyholders**

The individuals named in the accompanying form of proxy (the “**Proxy**”) are officers and/or directors of the Corporation. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

### **Voting by Proxyholder**

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

**In respect of a matter for which a choice is not specified in the Proxy, the management appointee acting as a proxyholder will vote in favour of each matter identified on the Proxy and, if applicable, for the nominees of management for directors and auditors as identified in the Proxy.**

### **Registered Shareholders**

Registered shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered shareholders electing to submit a proxy may do so using one of the following methods:

- (a) complete, date and sign the enclosed form of proxy and return it to the Corporation's transfer agent, Computershare Investor Services Inc. ("**Computershare**"), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to the 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; or
- (b) use a touch-tone phone to transmit voting choices to a toll free number. Registered shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll free number, the holder's account number and the proxy access number; or
- (c) log on to Computershare's website at [www.investorvote.com](http://www.investorvote.com). Registered shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the proxy access number; and

in all cases the proxy must be received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or the adjournment thereof at which the proxy is to be used.

### **Beneficial Shareholders**

The following information is of significant importance to shareholders who do not hold Common Shares in their own name. Beneficial Shareholders should note the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Corporation as the registered holders of Common Shares) or as set out in the following disclosure.

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In Canada the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and in the United States, under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

There are two kinds of Beneficial owners - those who object to their name being made known to the issuers of securities which they own (called **OBOs** for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called **NOBOs** for Non-Objecting Beneficial Owners).

The Corporation is taking advantage of provisions of National Instrument 54-101- *Communication with Beneficial Owners of Securities of a Reporting Issuer*, which allows the Corporation to deliver proxy-related materials directly to its NOBOs. As a result NOBOs can expect to receive a scannable Voting Instruction Form ("**VIF**") from Computershare, our transfer agent. VIFs are to be completed and returned to Computershare following the instructions using one of the methods detailed on the VIF. Computershare tabulates results of VIFs received from NOBOs and provides appropriate instructions at the Meeting concerning Common Shares represented by VIFs they received prior to the Meeting.

Securityholder materials are sent to both registered and non-registered owners of the Corporation's securities. If you are a non-registered owner, and the Corporation or its agent sent these materials directly to you, your name, address and information about your holdings of securities, were obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

By choosing to send these materials to you directly, the Corporation (and not the intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your VIF as specified in your request for voting instructions.

If you are an OBO please follow the instructions of your intermediary carefully to ensure your Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the proxy provided to registered shareholders by the Corporation. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**") in Canada and the United States. Broadridge mails a VIF in lieu of a proxy provided by the Corporation. The VIF will name the same persons as the Corporation's Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Corporation), different from the persons designated in the VIF, to represent your Common Shares at the Meeting, and that person may be you. To exercise this right, insert the name of your desired representative in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge following Broadridge's instructions using one of the methods detailed on the VIF. Broadridge then tabulates results of all instructions received and provides appropriate instructions concerning voting of Common Shares to be represented at the Meeting. **If you receive a VIF from Broadridge, it must be completed and returned to Broadridge, in accordance with Broadridge's instructions, well in advance of the Meeting in order to: (a) have your Common Shares voted as per your instructions, or (b) to have an alternate representative you have chosen, if any, duly appointed to attend and vote your Common Shares on your behalf at the Meeting.**

#### **Notice to Shareholders in the United States**

The solicitation of proxies involve securities of an issuer located in Canada and are being effected in accordance with the corporate laws of Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the *United States Securities Exchange Act of 1934*, as amended, are not applicable to the Corporation or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Corporation is incorporated under the *Canada Business Corporations Act* (the "**CBCA**"), certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

#### **Revocation of Proxies**

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it as follows:

- (a) sign a proxy bearing a later date or sign a valid notice of revocation, either of the foregoing to be signed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the

shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and deliver the proxy bearing a later date to Computershare, or to the address of the registered office of the Corporation at 1500 Royal Centre, 1055 West Georgia Street, PO Box 11117, Vancouver, British Columbia, V6E 4N7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or

- (b) the registered shareholder may attend the Meeting in person and vote their Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

#### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

No director or executive officer of the Corporation, or any person who has held such a position since the beginning of the last completed financial year of the Corporation, nor any nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors and as may be set out herein.

#### **VOTING SHARES AND PRINCIPAL SHAREHOLDERS**

The board of directors (the “**Board**”) of the Corporation has fixed December 13, 2019 as the record date (the “**Record Date**”) for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Common Shares of the Corporation are listed for trading on the TSX Venture Exchange (the “**TSXV**”). As of December 13, 2019, there were 69,907,129 Common Shares issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

To the knowledge of the directors and executive officers of the Corporation, no person or corporation beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all issued and outstanding Common Shares of the Corporation as at December 13, 2019.

#### **FINANCIAL STATEMENTS**

The audited consolidated financial statements of the Corporation for each of the fiscal years ended June 30, 2015, 2016, 2017, 2018 and 2019, reports of the auditor and related management discussion and analyses will be placed before the Meeting.

#### **VOTES NECESSARY TO PASS RESOLUTIONS**

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment of the Corporation’s auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

## ELECTION OF DIRECTORS

The Articles of Incorporation of the Corporation provide that the number of directors of the Corporation will be a minimum of one and a maximum of nine. The term of office of each of the three current directors will end at the conclusion of the Meeting. Unless the director's office is vacated earlier in accordance with the provisions of the CBCA, each director elected will hold office until the conclusion of the next annual meeting of the Corporation, or if no director is then elected, until a successor is elected.

The following table sets out the names of management's three nominees for election as directors, all major offices and positions with the Corporation and any of its significant affiliates each now holds, the period of time during which each has been a director of the Corporation and the number of Common Shares of the Corporation beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at December 13, 2019.

<b>Name of Nominee; Current Position with the Corporation and Province or State and Country of Residence</b>	<b>Period as a Director of the Corporation</b>	<b>Common Shares Beneficially Owned or Controlled<sup>(1)</sup></b>
P. Bradley Kitchen <sup>(2) (3)</sup> Chief Executive Officer, Corporate Secretary and Director British Columbia, Canada	Since April 1, 2015	Nil
Don Fuller <sup>(3)(4)</sup> Director British Columbia, Canada	Since February 22, 2018	300,000
Sheng-Chieh (Jack) Huang Nominated Director, British Columbia, Canada	nominee	2,000,000

Notes:

- (1) The information as to Common Shares beneficially owned or controlled is not within the knowledge of management of the Corporation and has been furnished by the respective nominees.
- (2) Mr. Kitchen was appointed director by the Board on April 1, 2015
- (3) Member of the Audit Committee. Mr. Kitchen is Chairman of the Audit Committee.
- (4) Mr. Fuller was appointed director by the Board on February 22, 2018.

None of the proposed nominees for election as a director of the Corporation are proposed for election pursuant to any arrangement or understanding between the nominee and any other person, except the directors and senior officers of the Corporation acting solely in such capacity.

### **Occupation, Business or Employment of Director Nominees**

The following disclosure sets out each nominee's principal occupation, business or employment within the five preceding years. The information as to principal occupation, business or employment is not within the knowledge of management of the Corporation and has been furnished by the respective nominees.

#### ***P. Bradley Kitchen – President, CEO and Director***

Mr. Kitchen has a 25-year record of investment banking and heading up corporations, which included his responsibility for all operations and closing structured financings for primarily resource-based small, medium and large private and public companies. He acquired extensive knowledge of resource exploration and development over the last 15 years working in the mining and oil and gas industries. As a result Mr. Kitchen has

significant experience in mergers and acquisitions, public listings, all forms of equity and debt markets, derivatives, interest rate sensitive products and micro-cap financings. He has structured financings utilizing traditional capital market products to match corporate needs. He has a detailed knowledge of regulatory, security and tax issues, cross-border financings and market influences with which he has addressed the business challenges of issuers and investors. He has worked as both a leader and a team player in critical corporate situations to generate synergies, create corporate successes and achieve set targets and goals. Mr. Kitchen is an excellent motivator and communicator who enjoys working with teams and public speaking.

***Don Fuller – Director***

Mr. Fuller has been involved in a number of aspects of residential and commercial real estate sales, development and finance since 1993. From 1989 to 1992 he was an environmental policy consultant to the federal government of Canada. After graduating from the University of British Columbia with a Bachelor of Arts Degree in 1985, Mr. Fuller furthered his studies in England and received in 1989 an honours law degree from the University of Leeds. He then completed his bar admission course in 1990. Since 2005, he has been extensively involved in the creation and management of investment funds, including residential and commercial property funds, in Canada and internationally.

***Sheng-Chieh (Jack) Huang – Director Nominee***

Mr. Huang is a British Columbia based businessman who specializes in the practice of accounting.

**Cease Trade Orders and Bankruptcy**

Except as set out below, no proposed director is, as at the date of this Management Proxy Circular, or has been, within ten (10) years before the date of this Management Proxy Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation in respect of which this Management Proxy Circular is being prepared) that:

- (a) was subject to a cease trade or similar order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade or similar order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No proposed director is, as at the date of this Management Proxy Circular, or has been, within ten (10) years before the date of this Management Proxy Circular, a director or executive officer of any company (including the Corporation in respect of which this Management Proxy Circular is being prepared) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Other than as set out below, no proposed director has, within the ten (10) years before the date of this Management Proxy Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

**Penalties and Sanctions**

No proposed director of the Corporation has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court

or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

#### *Management Cease Trade Order*

On October 30, 2019 the Corporation announced the British Columbia Securities Commission (the “**BCSC**”) granted the Corporation a Management Cease Trade Order (the “**MCTO**”) pursuant to National Policy 12-203 – Management Cease Trade Orders (“**NP 12-203**”), pursuant to which the Corporation’s CEO and Chief Financial Officer (the “**CFO**”) were prohibited from trading in securities of the Corporation until such time as the annual audited financial statements for the Corporation’s fiscal year ended June 30, 2019, including the related management discussion and analysis and related officers’ certifications (together, the “**Required Documents**”), such filing of the Required Documents to be completed by December 27, 2019. It is expected that upon filing of the Required Documents, the Executive Director of the BCSC will revoke the MCTO. Meanwhile the MCTO does not affect shareholders’ ability to trade their securities of the Corporation. Management of the Corporation will continue to satisfy the provisions of the alternative information guidelines of NP 12-203 by issuing bi-weekly default status reports for the duration of the MCTO.

### **APPOINTMENT OF AUDITOR**

Davidson & Company LLP, Chartered Accountants, Suite 1200 – 609 Granville Street, Vancouver, British Columbia will be nominated at the Meeting for reappointment as auditor of the Corporation at remuneration to be fixed by the directors.

### **AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR**

National Instrument 52-110 of the Canadian Securities Administrators (“**NI 52-110**”) requires the Corporation, as a venture issuer, to disclose annually in its Management Proxy Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

#### **The Audit Committee’s Charter**

The Audit Committee has a charter, a copy of which is attached as Schedule “A” to the Management Proxy Circular for the Corporation’s 2012 annual and special meeting, which was filed on October 12, 2012 under the Corporation’s profile at [www.sedar.com](http://www.sedar.com).

#### **Composition of the Audit Committee**

The members of the Audit Committee are P. Bradley Kitchen and Don Fuller. Don Fuller is the only independent member of the Audit Committee as defined under section 1.4 of NI 52-110. Bradley Kitchen is President. Therefore Mr. Kitchen is a non-independent member of the Audit Committee. All members of the Audit Committee are financially literate as required under section 1.6 of NI 52-110. A newly nominated director will also serve as the third member of the Audit Committee.

#### **Relevant Education and Experience**

See disclosure under heading “Occupation, Business or Employment of Director Nominees” for relevant education and experience for each member of the Audit Committee.

Each member of the audit committee has:

- (a) an understanding of the accounting principles used by the issuer to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the issuer's financial statements, or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

### Audit Committee Oversight

The Audit Committee has not made any recommendations to nominate or compensate any auditor other than Davidson & Company LLP, Chartered Professional Accountants.

### Reliance on Certain Exemptions

The Corporation has not relied on any exemptions under section 2.4 *De Minimis Non-Audit Services* of NI 52-110 or an exemption granted under Part 8 (Exemptions) of NI 52-110, during its most recently completed financial year.

### Pre-Approval Policies and Procedures

Effective October 5, 2012, the Corporation adopted specific policies and procedures for the engagement of non-audit services in its Audit Committee Charter. Pursuant to section 4.4 of the Audit Committee Charter, all non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Corporation or any subsidiary of the Corporation shall be subject to the prior approval of the Audit Committee. The Audit Committee may delegate to one or more independent members of the Audit Committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the Audit Committee at its next scheduled meeting. The Audit Committee may satisfy the requirement for the pre-approval of non-audit services if: (i) the aggregate amount of all non-audit services that were non-pre-approved is reasonably expected to constitute no more than 5% of the total amount of fees paid by the Corporation to the external auditor during the fiscal year in which the services are provided; or (ii) the services are brought to the attention of the Audit Committee and approved, prior to completion of the audit, by the Audit Committee or by one or more of its members to whom authority to grant such approvals has been delegated.

### External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by Davidson & Company LLP, Chartered Professional Accountants to the Corporation to ensure auditor independence. Fees incurred with Davidson & Company LLP, Chartered Professional Accountants for audit and non-audit services in the last six fiscal years for audit fees are outlined in the following table:

Nature of Services	Fees Paid to Auditor in Financial Year Ended June 30:					
	2019	2018	2017	2016	2015	2014
Audit Fees <sup>(1)</sup>	\$25,704	\$24,452	\$24,098	\$19,954	\$15,810	\$12,240
Audit-Related Fees <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil	Nil
Tax Fees <sup>(3)</sup>	Nil	Nil	Nil	Nil	Nil	Nil
All Other Fees <sup>(4)</sup>	Nil	Nil	Nil	Nil	Nil	Nil
Total	\$25,704	\$24,452	\$24,098	\$19,954	\$15,810	\$12,240

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Corporation's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.



- (2) “Audit-Related Fees” include services traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All Other Fees” include all other non-audit services.

### **Exemption**

The Corporation is relying upon the exemption in section 6.1 of NI 52-110 with respect to Parts 3 – *Composition of the Audit Committee* and 5 – *Reporting Obligations*.

## **CORPORATE GOVERNANCE**

### **General**

Corporate governance refers to the policies and structure of the board of directors of a corporation, whose members are elected by and are accountable to the shareholders of a corporation. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices, as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

### **Board of Directors**

Directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A “**material relationship**” is a relationship, which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The Board meets formally on an as needed basis to review and discuss the Corporation’s business activities, and to consider and, if thought fit, approve matters presented to the Board for approval, and to provide guidance to management. In addition, management informally provides updates to the Board at least once per quarter between formal meetings. In general, management consults with the Board when deemed appropriate to keep it informed regarding the Corporation’s affairs.

The Board facilitates the exercise of independent supervision over management through these various meetings and through committees of the Board. At present, the Board has an Audit Committee. When necessary, the Board will strike a special committee of independent directors to deal with matters requiring independence. The composition of the Board is such that the independent directors have significant experience in business affairs and, as a result, these directors are able to provide significant and valuable independent supervision over management.

In the event of a conflict of interest at a meeting of the Board, the conflicted director will in accordance with corporate law and in accordance with his fiduciary obligations as a director of the Corporation, disclose the nature and extent of his interest to the meeting and abstain from voting on or against the approval of such participation.

Currently, the sole independent member of the Board is Don Fuller. The non-independent member of the Board is P. Bradley Kitchen, who is the President and CEO of the Corporation.

### **Directorships**

None of the directors are currently serving on the board of any another reporting company or equivalent.

### **Orientation and Continuing Education**

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Corporation’s industry, business and operations and the responsibilities of directors. Board meetings may

also include presentations by the Corporation's management and employees to give the directors additional insight into the Corporation's business.

### **Ethical Business Conduct**

The Board is of the view that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

### **Nomination of Directors**

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience. The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole.

### **Compensation**

The Board, as a whole, annually reviews and determines compensation for the directors and its Chief Executive Officer.

### **Other Board Committees**

The Board has no committees other than the Audit Committee.

### **Assessments**

The Board regularly monitors the adequacy of information given to directors, communication between the Board and management, and the strategic direction and processes of the Board and the Audit Committee.

## **STATEMENT OF EXECUTIVE COMPENSATION**

The following information is provided as required under *Statement of Executive Compensation – Venture Issuer*, Form 51-102F6V (the “F6V”), as such form is defined in NI 51-102 and relates to the Corporation's December 31, 2018 financial year end.

For the purposes of the F6V “**compensation securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Corporation or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Corporation or any of its subsidiaries.

All currency references in this F6V section are expressed in Canadian Dollars unless otherwise specified. References to “US\$” are to U.S. dollars.

### ***Named Executive Officer***

In this section “Named Executive Officer” (“NEO”) means any individual who, during the Corporation's financial years ended June 30, 2014, 2015, 2016, 2017, 2018 and 2019 was:

- a) an individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer (“CEO”);

- b) an individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer (“CFO”);
- c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than C\$150,000 for that financial year; and
- d) an individual who would be a NEO under paragraph (c) but for the fact that the individual was not an executive officer of the Corporation or any of its subsidiaries, and was not acting in a similar capacity, at the end of the Corporation’s financial years ended June 30, 2014, 2015, 2016, 2017, 2018 and 2019.

### **Compensation Discussion and Analysis**

The Board has not considered the implications of the risks associated with the Corporation’s compensation program. Once the Corporation achieves intends to formalize its compensation policies and practices and will take into consideration the implications of the risks associated with the Corporation’s compensation program and how it might mitigate those risks.

The Corporation has not adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the knowledge of the Corporation, none of the executive officers or directors have purchased such financial instruments.

### Philosophy and Objectives

The Corporation is a natural resource corporation engaged in the acquisition and exploration of resource properties. The compensation program for the senior management of the Corporation is designed within this context with a view that the level and form of compensation achieves certain objectives, including:

- (a) attracting and retaining qualified executives;
- (b) motivating the short and long-term performance of these executives; and
- (c) better aligning their interests with those of the Corporation’s shareholders.

In compensating its senior management, the Corporation has employed a combination of base salary and equity participation through its share option plan. Recommendations for senior management compensation are presented to the Board for review.

### Base Salary

In the Board’s view, paying base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which the Corporation operates is a first step to attracting and retaining qualified and effective executives.

### Bonus Incentive Compensation

The Corporation’s objective is to achieve certain strategic objectives and milestones. The Board will consider executive bonus compensation dependent upon the Corporation meeting those strategic objectives and milestones and sufficient cash resources being available for the granting of bonuses. The Board approves executive bonus compensation dependent upon compensation levels based on recommendations of the Chief Executive Officer.

## Equity Participation

The Corporation believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Corporation's share option plan. Stock options are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. The amounts and terms of options granted are determined by the Board based on recommendations put forward by the CEO. Due to the Corporation's limited financial resources, the Corporation emphasises the provision of option grants to maintain executive motivation.

## Actions, Decisions or Policies Made after June 30, 2019

Given the nature of the Corporation's business, the Board continues to review and redesign the overall compensation plan for senior management so as to continue to address the objectives identified above.

## **Option-Based Awards**

The Corporation has a share option plan in place, which was established to provide incentive to qualified parties to increase their proprietary interest in the Corporation and thereby encourage their continuing association with the Corporation. Management proposes stock option grants to the Board based on such criteria as performance, previous grants, and hiring incentives. All grants require approval of the Board. The share option plan is administered by the directors of the Corporation and provides that options will be issued to directors, officers, employees or consultants of the Corporation or a subsidiary of the Corporation.

## **Summary of Compensation**

P. Bradley Kitchen, CEO and Director; Michael Mulberry, former CEO and Vice President, Operations and former Director; Bao Huo, former CFO; Donald Fuller, Director; Daniel Dennis, former Director; David Vincent, former Director; Sean Kingsley, former Vice President, Finance; Morgan Good, former President and former Director; Pierre-Jean Lafleur, former Director; Joseph Carusone, former Director and Michael Moore, former CEO, former COO and former Director are each an NEO of the Corporation for the purposes of the following disclosure.

The compensation paid to the NEOs during the Corporation's financial years ended June 30, 2015, 2016, 2017, 2018 and 2019 is as set out below and expressed in Canadian dollars unless otherwise noted.

<b>Table of compensation excluding compensation securities</b>							
<b>Name and Principal Position</b>	<b>Year</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees<sup>(5)</sup> (\$)</b>	<b>Value of Perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
P. Bradley Kitchen <sup>(1)</sup> CEO and Director	2019	\$180,000	-	\$30,000	-	-	\$210,000
	2018	\$218,568	-	\$30,000	-	-	\$248,568
	2017	\$352,756	-	\$30,000	-	-	\$382,756
	2016	\$146,320	-	\$30,000	-	-	\$176,320
	2015	\$34,730	-	-	-	-	\$34,730
Michael Mulberry <sup>(2)</sup> former Vice President Operations, former Director and former President and CEO	2019	-	-	-	-	-	-
	2018	-	-	-	-	-	-
	2017	-	-	-	-	-	-
	2016	\$53,000	-	-	-	-	\$53,000
	2015	\$25,400	-	-	-	-	\$25,400

Table of compensation excluding compensation securities							
Name and Principal Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees <sup>(5)</sup> (\$)	Value of Perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Bao Huo <sup>(3)</sup> former CFO	2019	-	-	-	-	-	-
	2018	\$30,000	-	-	-	-	\$30,000
	2017	\$30,000	-	-	-	-	\$30,000
	2016	\$31,000	-	-	-	-	\$31,000
	2015	\$42,109	-	-	-	-	\$42,109
Donald Fuller <sup>(4)</sup> Former Director	2019	-	-	\$30,000	-	-	\$30,000
	2018	-	-	\$10,000	-	-	\$10,000
	2017	-	-	-	-	-	-
	2016	-	-	-	-	-	-
	2015	-	-	-	-	-	-
Daniel Denis <sup>(5)</sup> Former Director	2019	-	-	-	-	-	-
	2018	-	-	-	-	-	-
	2017	-	-	-	-	-	-
	2016	-	-	-	-	-	-
	2015	-	-	-	-	-	-
David Vincent <sup>(6)</sup> Former Director	2019	-	-	-	-	-	-
	2018	-	-	-	-	-	-
	2017	-	-	-	-	-	-
	2016	-	-	-	-	-	-
	2015	-	-	-	-	-	-
Sean Kingsley <sup>(7)</sup> Former Vice President Finance	2019	\$30,000	-	-	-	-	\$30,000
	2018	\$87,587	-	-	-	-	\$87,587
	2017	\$92,685	-	-	-	-	\$92,685
	2016	-	-	-	-	-	-
	2015	-	-	-	-	-	-
Morgan Good <sup>(8)</sup> Former President and Director	2019	-	-	-	-	-	-
	2018	\$55,000	-	\$15,000	-	-	\$70,000
	2017	\$279,131	-	\$30,000	-	-	\$309,131
	2016	\$131,720	-	\$12,500	-	-	\$144,220
	2015	-	-	-	-	-	-
Pierre-Jean Lafleur <sup>(9)</sup> Former Director	2019	-	-	-	-	-	-
	2018	-	-	-	-	-	-
	2017	\$53,316	-	-	-	-	\$53,316
	2016	\$38,083	-	-	-	-	\$38,083
	2015	-	-	-	-	-	-
Joseph Carusone <sup>(10)</sup> Former Director	2019	-	-	-	-	-	-
	2018	-	-	-	-	-	-
	2017	-	-	-	-	-	-
	2016	\$56,274	-	-	-	-	\$56,274
	2015	-	-	-	-	-	-
Michael Moore <sup>(11)</sup> Former CEO, COO and Director	2019	-	-	-	-	-	-
	2018	-	-	-	-	-	-
	2017	-	-	-	-	-	-
	2016	-	-	-	-	-	-
	2015	-	-	-	-	-	-

Notes:

- (1) P. Bradley Kitchen was appointed CEO on April 1, 2015 when Mr. Mulberry resigned from the position
- (2) Mr. Mulberry was a member of the board of directors from June 25, 2013 to March 1, 2016, President and CEO from November 1, 2013 to March 1, 2016 and Vice President, Operations from April 1, 2015 to March 1, 2016.
- (3) Mr. Huo was appointed to the position of CFO on July 1, 2015.
- (4) Mr. Donald Fuller was appointed to the Board on February 22, 2018.
- (5) Mr. Daniel Denis was appointed to the Board on February 5, 2019 and ceased as a director effective October 2, 2019.
- (6) Mr. David Vincent was appointed to the Board on April 2, 2018 and remained in the position of Director until he resigned on June 4, 2019.

- (7) Sean Kingsley was appointed Vice President Finance on December 1, 2016, and remained in the position until February 22, 2018.
- (8) Mr. Good was appointed President and Director of the Corporation on February 4, 2016 and he resigned from the position on November 13, 2017.
- (9) Mr. Lafleur was appointed director on February 4, 2016 and resigned from the position on January 11, 2017.
- (10) Mr. Carusone was appointed Director of the Corporation on August 10, 2015 and resigned from the position on September 27, 2016.
- (11) Mr. Moore was President and CEO from July 16, 2009 to February 13, 2012. Mr. Moore was appointed Chief Operating Officer on February 13, 2012 and resigned from the position on November 17, 2014. Mr. Moore was appointed director on February 13, 2012 and resigned on November 17, 2014.

## Incentive Plan Awards

### Stock Options and other compensation securities

The Company did not grant any compensation securities to any director or NEO, nor have any of the previously granted compensation securities been exercised, during the financial years ended June 30, 2015, 2016, 2017, 2018 and 2019 for services provided or to be provided, directly or indirectly, to the Corporation or any of its subsidiaries.

### Pension Plan Benefits

The Corporation has no pension plans for its directors, officers or employees.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

As at June 30, 2019, the only equity compensation plan which the Corporation had in place was the Corporation's share option plan. See heading "*Option Based Awards*".

The following table sets out equity compensation plan information as at the Corporation's financial year ends of June 30, 2015, 2016, 2017, 2018 and 2019. The issued and outstanding Common Shares at each June 30 financial year end was: 2015 (20,815,456); 2016 (46,789,456); 2017 (161,084,879); 2018 (18,207,560); and 2019 (69,907,129).

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column(a)) (c)</b>
Equity compensation plans approved by securityholders	1,405,000	\$0.07	676,545
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
<b>Total - 2015</b>	<b>1,405,000</b>	<b>\$0.07</b>	<b>676,545</b>
Equity compensation plans approved by securityholders	4,035,000	\$0.05	643,945
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
<b>Total - 2016</b>	<b>4,035,000</b>	<b>\$0.05</b>	<b>643,945</b>
Equity compensation plans approved by securityholders	2,090,000	\$0.05	14,018,488
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
<b>Total - 2017</b>	<b>2,090,000</b>	<b>\$0.05</b>	<b>14,018,488</b>
Equity compensation plans approved by securityholders	45,000	\$0.05	1,775,756
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
<b>Total - 2018</b>	<b>45,000</b>	<b>\$0.05</b>	<b>1,775,756</b>

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column(a)) (c)</b>
Equity compensation plans approved by securityholders	2,000,000	\$0.05	4,990,713
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
<b>Total - 2019</b>	<b>2,000,000</b>	<b>\$0.05</b>	<b>4,990,756</b>

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Corporation were indebted to the Corporation as of the end of the most recently completed financial year or as at the date hereof.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

To the knowledge of management of the Corporation, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Corporation or any associate or affiliate of any informed person or proposed director had any interest in any transaction since the commencement of the Corporation's most recently completed financial year which has materially affected or would materially affect the Corporation or any of its subsidiaries.

### **MANAGEMENT CONTRACTS**

There are no management functions of the Corporation, which are to any substantial degree performed by a person or company other than the directors or executive officers of the Corporation.

### **PARTICULARS OF MATTER TO BE ACTED ON**

#### **A. Continuation of Share Option Plan**

A number of Common Shares equal to ten (10%) percent of the issued and outstanding Common Shares in the capital stock of the Corporation from time to time are reserved for the issuance of stock options pursuant to the Corporation's 2012 Share Option Plan dated for reference October 5, 2012 (the "Plan"). The Plan was approved by shareholders at the Corporation's annual and special meeting held on November 8, 2012. As the Plan is a rolling plan, under TSXV policy, the Plan must be presented to shareholders for approval by ordinary resolution at every annual meeting of the Corporation to ratify and approve the Plan for continuation.

The Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Corporation and thereby encourage their continuing association with the Corporation. The Plan is administered by the CEO and CFO of the Corporation. The Plan provides that options will be issued to directors, officers, employees or consultants of the Corporation or a subsidiary of the Corporation. The Plan also provides that the number of Common Shares issuable under the Plan, together with all of the Corporation's other previously established or proposed share compensation arrangements, may not exceed 10% of the total number of issued and outstanding Common Shares. Pursuant to the Plan all options expire on a date not later than 10 years after the date of grant of an option.

Pursuant to TSXV Policies, the Corporation wishes to seek shareholder approval to continuation of the Plan.

At December 13, 2019 there were 69,907,129 Common Shares issued and outstanding. Accordingly, under the Plan the Corporation has the authority to grant options to purchase up to a total of 6,990,713 Common Shares. At the date of this Information Circular, options to purchase an aggregate of 2,000,000 Common Shares are granted and outstanding under the Plan, representing approximately 2.9 % of the outstanding Common Shares in the capital of the Corporation.

*Material Terms of the Plan*

The following is a summary of the material terms of the Plan:

- (a) Persons who are Service Providers to the Corporation or its affiliates, or who are providing services to the Corporation or its affiliates, are eligible to receive grants of options under the Plan;
- (b) Options granted under the Plan are non-assignable, and non-transferable for a period of up to 10 years;
- (c) For options granted to Service Providers, the Corporation must ensure that the proposed optionee is a bona fide Service Provider of the Corporation or its affiliates;
- (d) An option granted to any Service Provider will expire within 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the optionee at any time prior to expiry of the option) after the date the optionee ceases to be employed by or provide services to the Corporation, but only to the extent that such option was vested at the date the optionee ceased to be so employed by or to provide services to the Corporation;
- (e) If an optionee dies, any vested option held by him or her at the date of death will become exercisable by the optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such optionee and the date of expiration of the term otherwise applicable to such option;
- (f) In the case of an optionee being dismissed from employment or service for cause, such optionee's options, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same;
- (g) The exercise price of each option will be set by the Board on the effective date of the option and will not be less than the Discounted Market Price (as defined in the Plan);
- (h) Vesting of options shall be at the discretion of the Board, and will generally be subject to:
  - (i) the Service Provider remaining employed by or continuing to provide services to the Corporation or its affiliates, as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Corporation or its affiliates during the vesting period; or
  - (ii) the Service Provider remaining as a director of the Corporation or its affiliates during the vesting period;
- (i) In the event of a change of control of the Corporation, options granted and outstanding, which are subject to vesting provisions, shall be deemed to have immediately vested upon the occurrence of the change of control, subject to the approval of the TSXV (or NEX, as the case may be) for vesting requirements imposed by the policies of the TSXV; and
- (j) The Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Plan with respect to all Plan shares in respect of options which have not yet been granted under the Plan.

The Board has determined that, in order to reasonably protect the rights of participants, as a matter of administration, it is necessary to clarify when amendments to the Plan may be made by the Board without further shareholder approval. Accordingly, the Plan also provides the following:

- (a) The Board may, without shareholder approval:
  - (i) amend the Plan to correct typographical, grammatical or clerical errors;
  - (ii) change the vesting provisions of an option granted under the Plan, subject to prior written approval of the TSXV, if applicable;
  - (iii) change the termination provision of an option granted under the Plan if it does not entail an extension beyond the original expiry date of such option;
  - (iv) make such amendments to the Plan as are necessary or desirable to reflect the changes to securities laws applicable to the Corporation;



- (v) make such amendments as may otherwise be permitted by the policies of the TSXV;
- (vi) if the Corporation becomes listed or quoted on a stock exchange or stock market senior to the TSXV, make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (vii) amend the Plan to reduce the benefits that may be granted to Service Providers.

A copy of the Plan is attached as Schedule “C” to the Management Proxy Circular related to the annual and special meeting held November 8, 2012, which was SEDAR filed at [www.sedar.com](http://www.sedar.com) on October 12, 2012. A copy of the Plan will be available at the Meeting.

### **Shareholder Approval**

At the Meeting, shareholders will be asked to consider and vote on the ordinary resolution to ratify and approve the Plan for continuation, as follows:

“**RESOLVED** that the Share Option Plan dated for reference October 5, 2012 be ratified and approved for continuation until the next annual meeting of the shareholders of the Corporation.”

The Board recommends shareholders vote in favour of the above resolution.

An ordinary resolution is a resolution passed by the shareholders of the Corporation at a meeting of the shareholders by a simple majority of the votes cast in person or by proxy.

The Board is of the view that the Plan provides the Corporation with the flexibility to attract and maintain the services of executives, employees and other service providers in competition with other companies in the industry. A copy of the Plan will be available for inspection at the Meeting. A shareholder may also obtain a copy of the Plan by contacting the Corporation at telephone No. 604-506-7555.

### **ADDITIONAL INFORMATION**

Financial information is provided in the audited annual financial statements of the Corporation for each of the fiscal years ended June 30, 2015, 2016, 2017, 2018 and 2019; and in each of the related annual management discussion and analysis as filed under the Corporation’s profile at [www.sedar.com](http://www.sedar.com) (together the “financial statements”). Copies of the financial statements will be available at the Meeting.

Additional information relating to the Corporation is filed under the Corporation’s profile at [www.sedar.com](http://www.sedar.com) and is available on request from the Corporation’s Corporate Secretary at Suite 488 – 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7, telephone number 604-506-7555. Copies of documents will be provided free of charge to security holders of the Corporation. The Corporation may require payment of a reasonable charge from any person or company who is not a securityholder of the Corporation, who requests a copy of any such document.

### **OTHER MATERIAL FACTS**

The Board is not aware of any other matters, which it anticipates will come before the Meeting as of the date of mailing of this Management Proxy Circular.

### **SHAREHOLDER PROPOSALS**

Pursuant to Canadian law, shareholder proposals to be considered for inclusion in the management proxy circular for the 2020 annual meeting of the Corporation (expected to be held in December 2020) must be received by P. Bradley Kitchen, CEO, on or before the close of business on September 30, 2020.

**DIRECTORS' APPROVAL**

The contents of this Management Proxy Circular and its distribution to shareholders have been approved by the Board of the Corporation.

DATED at Vancouver, British Columbia, this 19<sup>th</sup> day of December, 2019.

**BY ORDER OF THE BOARD**

*“P. Bradley Kitchen”*

P. Bradley Kitchen  
Chief Executive Officer and Director