



**Annual and Special Meeting of**

**Shareholders  
to be held**

**Monday, June 24, 2019**

**Management Information Circular**

**Dated May 10, 2019**

**55 UNIVERSITY AVENUE, SUITE 1805, TORONTO, ONTARIO, CANADA M5J 2H7**  
**Telephone: 416-362-8243    Facsimile: 416-368-5344**  
**Email: [info@xtierra.ca](mailto:info@xtierra.ca)    Website: [www.xtierra.ca](http://www.xtierra.ca)**

**XTIERRA INC.**  
**NOTICE OF ANNUAL AND SPECIAL  
MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that an Annual and Special Meeting (the "**Meeting**") of the shareholders of Xtierra Inc. (the "**Corporation**") will be held at 55 University Avenue, Suite 1805, Toronto, Ontario M5J 2H7 on Monday, June 24, 2019 at 12:00 P.M. (Toronto time) for the following purposes:

1. to receive the report of the Directors and consider the financial statements of the Corporation for the financial year ended December 31, 2018, together with the report of the auditors thereon;
2. to elect Directors;
3. to appoint auditors for the ensuing year and upon the advice and recommendation of the Audit Committee to authorize the Directors to fix their remuneration;
4. to consider and, if thought advisable, to approve an ordinary resolution ratifying the Corporation's existing Stock Option Plan, as more particularly set forth in the accompanying Information Circular prepared for the purposes of the Meeting; and
5. to transact such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

Shareholders who are unable to attend the Meeting in person are requested to complete, date, sign and return the enclosed form of proxy so that as large a representation as possible may be had at the Meeting.

The Circular has been prepared to help you make an informed decision on each of the matters to be voted on at the Meeting. Please review the Circular carefully before voting. The Corporation has elected to use the notice-and-access provisions under National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer (the "**Notice and Access Provisions**") for the Meeting. The Notice and Access Provisions allow the Corporation to post proxy-related materials both on SEDAR and a non-SEDAR website, rather than delivering the materials by mail. Shareholders will still receive this Notice of Meeting and a form of Proxy (or Voting Instruction Form, if applicable) and may choose to receive a paper copy of the Circular.

The Meeting materials, including the Circular, are available on the Corporation's website at [www.xtierra.ca](http://www.xtierra.ca) and will remain on the website for at least one full year from the date of this Notice. The Meeting materials are also available under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Any shareholder who wishes to receive a printed paper copy of this Circular may request a copy from the Corporation by calling (647) 728-4106 or download a copy from the Corporation's website at [www.xtierra.ca](http://www.xtierra.ca). If a shareholder requests a printed copy of the Circular prior to the date of the Meeting, the Corporation will send a printed paper copy of the Circular to the requesting shareholder at no cost to them within three business days of the request. If a shareholder requests a printed paper copy of the Circular after the date of the Meeting, the Corporation will send printed paper copies of the Circular to the requesting shareholder at no cost to them within ten calendar days of the request. A shareholder may also contact the Corporation at the contact number or address above to request and receive a copy of the Corporation's Financial Statements and Management's Discussion and Analysis. ("**MD&A**") for the fiscal year ended December 31, 2018. All shareholders are invited to attend the Meeting. Only shareholders at the close of business on May 10, 2019 are entitled to receive notice of and vote at the Meeting.

In order to allow for reasonable time to be allotted for a shareholder to receive and review a paper copy of the Circular prior to the proxy deadline, any shareholder wishing to request a paper copy of the Circular as described above, should ensure such request is received by June 7, 2019.

If you are a registered shareholder, you will have received this Notice of Meeting and a form of Proxy from the Corporation (the "**Proxy**"). Registered shareholders who are unable to attend the Meeting are requested to read the notes included in the form of Proxy enclosed and then to complete, date, sign and mail the enclosed form of Proxy, in accordance with the instructions set out in the Proxy Completed Proxies must be received by 12:00 p.m. (Eastern Standard Time) on June 20, 2019, unless the Chairman of the Meeting elects to exercise his discretion to accept Proxies received subsequently.

If you are a non-registered (beneficial) shareholder, you will have received this Notice and a form of Proxy. Non-registered shareholders are requested to read the instructions included in the Proxy enclosed and then to complete the Proxy in accordance with the instructions, and by the deadline, set out therein.

DATED at Toronto, Canada as of the May 10, 2019.

**BY ORDER OF THE BOARD OF DIRECTORS**

*"John F. Kearney"*

John F. Kearney

Chairman

NOTES: Shareholders are entitled to vote at the Meeting in person or by proxy. If it is not your intention to be present at the Meeting, please exercise your right to vote by promptly signing, dating and returning the enclosed form of proxy in the envelope provided for that purpose to the Corporation office, 55 University Avenue, Suite 1805, Toronto, Ontario, M5J 2H7, no later than 12:00 pm. (Toronto time) on June 20, 2019. The accompanying information circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this notice. Also accompanying this notice is a form of proxy. Any adjournment of the Meeting will be held at a time and place to be specified at the Meeting.

Only holders of common shares of record at the close of business on May 10, 2019 will be entitled to receive notice of and vote at the Meeting. If you are unable to attend the Meeting in person, please complete, sign and date the enclosed form of proxy and return the same in the enclosed return envelope provided for that purpose within the time and to the location set out in the form of proxy accompanying this notice.

As provided under the Business Corporation Act, (Ontario) the directors have fixed a record date of May 10, 2019. Accordingly, shareholders registered on the books of the Corporation at the close of business on May 10, 2019 are entitled to Notice of the Meeting.

A copy of the consolidated financial statements of the Corporation for the financial year ended December 31, 2018 will be mailed to shareholders of the Corporation who requested same and are available under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Corporation's website at [www.xtierra.ca](http://www.xtierra.ca)

If you are a beneficial shareholder and receive these materials through your broker or another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or intermediary.

# XTIERRA INC

55 University Avenue, Suite 1805, Toronto, Ontario  
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## MANAGEMENT INFORMATION CIRCULAR SOLICITATION OF PROXIES

**This Information Circular is furnished in connection with the solicitation of proxies by and on behalf of the management of XTIERRA INC. (the "Corporation" or "Xtierra")** for use at the Annual and Special Meeting of Shareholders of the Corporation (the "**Meeting**") to be held on Monday, June 24, 2019 at 12:00 P.M. (Toronto time), in the office of the Corporation at 55 University Avenue, Suite 1805, Toronto, Ontario, M5J 2H7 for the purposes set out in the accompanying Notice of Meeting. It is expected that the solicitation will be made primarily by mail. Proxies may be solicited by officers, directors and regular employees of the Corporation personally or by telephone. The cost of such solicitation will be borne by the Corporation.

### Notice and Access

The Corporation has elected to use the notice and access provisions ("**Notice and Access Provisions**") for the Meeting pursuant to National Instrument 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer ("**NI 54-101**") with respect to the mailing to its non-registered (beneficial) shareholders. The Notice and Access Provisions allow the Corporation to post proxy-related materials both on SEDAR and a non SEDAR website, rather than delivering the materials by mail. Shareholders will receive a Notice of Meeting and a form of proxy or voting instruction form and may choose to receive a printed paper copy of the Information Circular.

The Corporation is not using procedures known as 'stratification' in relation to the Notice and Access Provisions. Stratification occurs when a reporting issuer using the Notice and Access Provisions provides a paper copy of the Information Circular to some, but not all, shareholders with the Notice of Meeting.

### Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the "**Proxy**") as proxyholders, 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 the persons designated in the Proxy, who need not be a shareholder, to attend and act for you on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided by 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 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 shares will be voted accordingly. The Proxy confers discretionary authority on persons 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 persons named in the Proxy will vote the shares represented by the Proxy in favour of each matter identified on the Proxy and for the nominees of management for directors and auditors as identified in the Proxy, as applicable.**

### Registered Shareholders

If you are a registered shareholder, you may wish to vote by proxy whether or not you attend the Meeting in person. If you submit a proxy, you must complete, date and sign the Proxy and return it to the Corporation's office at 55 University Avenue, Suite 1805, Toronto, Ontario M5J 2H7 in the enclosed envelope and ensuring that the Proxy is received by 12:00 p.m. on June 20, 2019 or any adjournment thereof at which the Proxy is to be used.

## **Beneficial Shareholders**

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

If shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those shares will not be registered in the shareholder's name on the records of the Corporation. Such shares will more likely be registered under the names of the shareholder's broker or an agent of that broker (an "intermediary"). In Canada, the vast majority of such 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).

## **Non-Objecting Beneficial Owners**

The Corporation is taking advantage of those provisions of National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer of the Canadian Securities Administrators, which permit the Corporation to deliver proxy-related materials directly to its NOBOs.

This Circular, with related material and form of Proxy, is being sent or made available to both registered and non-registered shareholders of the Corporation. If you are a non-registered owner, and the Corporation has sent these materials directly to you, your name, address and details about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary who holds your shares on your behalf.

By choosing to send these materials to you directly, the Corporation (and not the Intermediary holding your shares on your behalf) has assumed responsibility for (i) delivering the materials to you, and (ii) executing your proper voting instructions. Please return your completed Proxy to the address specified.

The Corporation is taking advantage of those provisions of National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer of the Canadian Securities Administrators, which permit the Corporation to deliver proxy-related materials directly to its NOBOs. These Proxies are to be completed and returned to the Corporation as set out in the instructions provided on the Proxy.

The Corporation will tabulate the results of the Proxy's received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the Proxies it receives. You have the right to appoint a person (who need not be a Shareholder) other than any of the persons designated in the Proxy to represent your shares at the Meeting and that person maybe you.

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

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of Canada and securities laws of the provinces in 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 *Business Corporation Act* (Ontario), as amended, certain of its directors and its executive officers are residents of Canada and countries other than the United States, and all of the assets of the Corporation and a substantial portion of 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 PROXY

Any Registered Shareholder who has returned a Proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a Proxy may be revoked by instrument in writing, including a Proxy bearing a later date, executed by the Registered Shareholder or by his attorney authorized in writing or, if the Registered Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. The instrument revoking the Proxy must be deposited at the registered office of the Corporation, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the Chairman of the Meeting on the day of the Meeting. **Only Registered Shareholders have the right to revoke a Proxy. Non-registered holders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries to revoke the Proxy on their behalf.**

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Each holder of common shares in the capital of the Corporation ("**Common Shares**") of record at the close of business on May 10, 2019 will be entitled to vote at the Meeting or at any adjournment thereof, either in person or by proxy, except to the extent that such holder has transferred any Common Shares after the record date and the transferee of such Common Shares establishes proper ownership thereof and demands, not later than ten days before the Meeting, to be included in the list of shareholders entitled to vote at the Meeting, in which case such transferee is entitled to vote.

As at May 10, 2019, the Corporation had 138,813,057 issued and outstanding Common Shares. Each Common Share carries the right to one vote per share. The outstanding Common Shares are listed on the TSX Venture Exchange (the "**TSXV**") under the symbol "**XAG**".

To the knowledge of the Directors and executive officers of the Corporation, the following table sets out the names of all persons who beneficially own, directly or indirectly, or exercise control or direction over more than 10% of the outstanding Common Shares:

	<b>Number of Common Shares Beneficially Owned (Directly or Indirectly), Controlled or Directed</b>	<b>Percentage of Issued and Outstanding Common Shares as of May 10, 2019</b>
Buchans Resources Limited	30,000,003	22%

Buchans Resources also owns warrants on 13 million shares exercisable at \$0.05 per share until February 7, 2020.

As at the date hereof, the Directors and senior officers of the Corporation, as a group, beneficially own, directly, or indirectly approximately 14 per cent of the outstanding Common Shares.

Messrs. Kearney and McKillen, Directors of the Corporation, are directors and Messrs. Steenberg and Varma are Officers of Buchans Resources Limited.

## INTERESTS OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No person who has been a Director or executive officer since the beginning of the Corporation's last completed fiscal year, proposed nominee for election as a Director, and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any matter to be acted upon at the Meeting other than the election of directors or appointment of auditors.

## PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

### ELECTION OF DIRECTORS

Under the constating documents of the Corporation, the Board is to be elected annually. The Board currently consists of five Directors. Management proposes to nominate five Directors for election to the Board at the Meeting.

At the Meeting, shareholders will be asked to approve an ordinary resolution for the election of the five persons named hereunder as directors of the Corporation (the “**Nominees**”). **Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote for the election of the Nominees.**

Management does not contemplate that any of the Nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the accompanying proxy to vote the proxy for the election of any other person or persons in place of any Nominee or Nominees unable to serve. Each director elected will hold office until the close of the first annual meeting of shareholders of the Corporation following his or her election or until his or her successor is duly elected or appointed unless his or her office is earlier vacated in accordance with the by-laws of the Corporation.

Each of the Nominees were elected at the last annual and special meeting of the Corporation’s shareholders held on June 25, 2018.

The following table sets out the name of each of the persons proposed to be nominated for election as a director, all positions and offices in the Corporation held by each of them, the principal occupation or employment of each of them for the past five years, the year in which each was first elected a director of the Corporation (where applicable) and the approximate number of Common Shares that each has advised are beneficially owned (directly or indirectly) or subject to his or her control or direction:

<b>Name and Municipality of Residence</b>	<b>Office with the Corporation</b>	<b>Principal Occupation</b>	<b>Director/Officer Since</b>	<b>Shares held Directly or Indirectly, or over which control or direction is exercised</b>
Timothy Gallagher <sup>(2)</sup> Toronto, Ontario	President and Director	Financial Executive, Chairman and CEO of Music Royalties Inc. Prior to 2017, Chairman & CEO of Metalla Royalty & Streaming Ltd	August 14, 2008	9,923,000
John F. Kearney <sup>(1)</sup> Toronto, Ontario	Chairman and Director	Mining Executive Chairman of Buchans Resources Limited, NorZinc Ltd and Labrador Iron Mines Holdings Limited	August 14, 2008	10,000,000
Terence N. McKillen <sup>(1) (2)</sup> Mississauga, Ontario	Director	Mining Engineer/Geologist (retired) Director of Conquest Resources Limited and Buchans Resources Limited. Prior to 2013, CEO of the Corporation, Conquest Resources and Minco plc.	August 14, 2008	Nil
Gerald Gauthier <sup>(2)</sup>	Director	Professional Mining Engineer (retired) Director of Conquest Resources Limited and Labrador Iron Mines Holdings Limited. Prior to 2017, Chief Operating of the Corporation.	August 24, 2017	33,000
Neil J.F. Steenberg <sup>(1)</sup> Toronto, Ontario	Secretary and Director	Barrister & Solicitor, principal of Steenberglaw Professional Corporation, a law firm	August 14, 2008	Nil

Notes:

- Messrs. Kearney and McKillen are directors and/or officers and shareholders and Mr. Steenberg is Secretary of Buchans Resources Limited which holds 30,000,003 Xtierra Shares (22%);
- Member of the Audit Committee.

### **Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

No director, officer, promoter or other member of management of Xtierra is, or within the ten years prior to the date hereof has been, a director, officer, promoter or other member of management of any other issuer that, while that person was acting in the capacity of a director, officer, promoter or other member of management of that issuer, was the subject of a cease trade order or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than thirty consecutive days or was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets except as follows:

Mr. Steenberg served as a Director of Tagish Lake Gold Corp. On April 9, 2010, Tagish filed an application to the British Columbia Supreme Court and an Order was made granting an Initial Order under the Companies' Creditors Arrangement Act. This order was lifted, and a plan of arrangement was implemented on October 27, 2010 pursuant to which all of the creditors of Tagish were paid in full.

Messrs. Kearney, Gauthier and Steenberg are Directors and/or Officers of Labrador Iron Mines Holdings Limited ("LIMH") which on April 2, 2015, instituted proceedings in the Ontario Superior Court of Justice for a financial restructuring under the *Companies' Creditors Arrangement Act* and had a plan of arrangement sanctioned by the Court on December 14, 2016, having been approved by creditors on December 6, 2016.

## **STATEMENT OF EXECUTIVE COMPENSATION**

The Corporation does not employ any full time executive officers. Management of the Corporation is conducted by the directors on a part-time basis. Due to the financial condition of the Corporation, all executive compensation was suspended in 2017, except for payment to specific management for professional services actually performed at the request of management of the Corporation. This policy is expected to continue until the Corporation's financial position merits its reconsideration.

The Corporation has not paid any salaries or fixed retainers to Executive Officers in their capacity as executive officers during the last financial year. However, Executive Officers may be compensated for professional management or consulting services actually provided to the Corporation in accordance with industry rates based upon invoices submitted periodically. The Directors of the Corporation consider this compensation strategy to be appropriate in the current financial circumstances of the Corporation. Upon achieving a reorganization of its financial affairs, the Corporation's compensation arrangements for the Named Executive Officers will be reviewed.

In normal circumstances, the general compensation philosophy of the Corporation for executive officers would be to provide a level of compensation that is competitive within the North American marketplace and that will attract and retain individuals with the necessary experience and qualifications necessary, and to provide long-term incentive compensation which aligns the interest of executives with those of shareholders and provides long-term incentives to members of senior management whose actions have a direct and identifiable impact on the performance of the Corporation.

The Board of Directors does not have a Compensation Committee. Compensation matters are reviewed by the full board of directors. An interested board member is required to abstain from voting on matters concerning his own compensation.

The Corporation is in the mineral exploration and development business and, accordingly, does not yet have significant revenues from operations and often operates with sufficient financial resources only to ensure that funds are available to complete scheduled programs. As a result, the Board of Directors has to consider not only the financial situation of the Corporation at the time of the determination of executive compensation, but also the estimated financial situation of the Corporation in the mid-and long-term.

### Stock Options

The Corporation has established an incentive stock option plan. The Stock Option Plan is administered by the board of directors of the Corporation. The Stock Option Plan is designed to give each option holder an interest in preserving and maximizing shareholder value in the longer term, to enable the Corporation to attract and retain individuals with experience and ability, and to reward individuals for current performance and expected future performance.

In January 2018, the Corporation granted a total of 9,500,000 incentive stock options to directors, officers and consultants pursuant to the Corporation's Stock Option Plan. All these stock options are exercisable at a price of \$0.05 per share for a period of five years from January 30, 2018.

### Other Incentives

The Corporation does not have a formal annual incentive bonus plan in place. Any award of a bonus to executive officers would be entirely at the discretion of the Board of Directors. No bonuses were paid to the Named Executive Officers during the fiscal year ended December 31, 2018.

## Defined Benefit or Actuarial Plan

The Corporation does not have a defined benefit or actuarial plan.

## Director and Named Executive Officer Compensation

Particulars of compensation earned by each NEO and Director in the two most recently audited financial years are set out in the summary compensation table below: Expressed in Canadian dollars unless otherwise noted.

Table of compensation excluding compensation securities							
Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Timothy Gallagher President, CEO & Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Danesh Varma, Chief Financial Officer	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
John Kearney Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Terence McKillen Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Neil Steenberg Secretary & Director	2018	Nil	Nil	Nil	Nil	21,630 <sup>(1)</sup>	21,630
	2017	Nil	Nil	Nil	Nil	27,720 <sup>(1)</sup>	27,720
Gerald Gauthier Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil

Note: (1) Accrued to a professional corporation controlled by Mr. Steenberg for legal services provided to the Corporation.

## Stock Options and Other Compensation Securities

The following table sets out incentive option-based awards granted or issued to each Director and Named Executive Officer during the financial year ended December 31, 2018. The Company does not award any compensation securities other than options.

Compensation Securities							
Name	Type of Compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Timothy Gallagher President, CEO & Director	Stock Options	4,000,000	Jan 30/18	0.05	0.05	0.06	Jan 30/23
Danesh Varma, Chief Financial Officer	Stock Options	300,000	Jan 30/18	0.05	0.05	0.06	Jan 30/23
John Kearney Director	Stock Options	2,000,000	Jan 30/18	0.05	0.05	0.06	Jan 30/23
Terence McKillen Director	Stock Options	300,000	Jan 30/18	0.05	0.05	0.06	Jan 30/23
Neil Steenberg Secretary & Director	Stock Options	400,000	Jan 30/18	0.05	0.05	0.06	Jan 30/23
Gerald Gauthier Director	Stock Options	300,000	Jan 30/18	0.05	0.05	0.06	Jan 30/23



## **Termination and Change of Control Benefits**

Except as otherwise disclosed herein, the Corporation and its subsidiaries have no compensatory plan or arrangement in respect of compensation received or that may be received by an executive officer of the Corporation in the Corporation's most recently completed or current financial year to compensate such executive officer in the event of the termination of employment (resignation, retirement, change of control) or in the event of a change in responsibilities following a change in control, where in respect of the executive officer the value of such compensation exceeds \$100,000.

## **Stock Option Plan**

Under the Stock Option Plan of the Corporation (the "**Stock Option Plan**"), options to purchase common shares of the Corporation may be granted to employees, officers and directors of the Corporation or subsidiaries of the Corporation and other persons or companies engaged to provide ongoing management or consulting services ("**Service Providers**") for the Corporation or any entity controlled by the Corporation. In determining the number of common shares of the Corporation subject to each option granted under the Stock Option Plan, consideration is given to the present and potential contribution by such person or company to the success of the Corporation.

## **Pension Plan Benefits**

The Corporation does not provide any form of group pension plan benefits to employee, officers or directors.

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

No person who is, or, was at any time during the most recently completed financial year of the Corporation an officer or director of the Corporation, no proposed nominee for election as a director, or any associate of any such person was indebted to the Corporation.

## **INDEMNIFICATION OF DIRECTORS AND OFFICERS**

The by-laws of the Corporation provide that the Corporation is required to indemnify a director or officer, or former director or officer, or a person who acts or acted at the request of the Corporation as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his or her heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him or her in respect of any civil, criminal or administrative action or proceeding to which he or she is made a party by reason of having been a director or officer of such body corporate if (a) he or she acted honestly and in good faith with a view to the best interests of the Corporation, and (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he or she had reasonable grounds for believing that his or her conduct was lawful.

## **RE-APPOINTMENT OF AUDITORS**

The directors propose to nominate UHY McGovern, Hurley LLP, the present auditors, as the auditors of the Corporation to hold office until the close of the next annual meeting of shareholders. UHY McGovern, Hurley LLP were first appointed auditors of the Corporation effective August 26, 2008.

In the past, the directors have negotiated with the auditors of the Corporation on an arm's length basis in determining the fees to be paid to the auditors. Such fees have been based on the complexity of the matters in question and the time incurred by the auditors. The directors believe that the fees negotiated in the past with the auditors of the Corporation were reasonable and, in the circumstances would be comparable to fees charged by other auditors providing similar services.

In order to appoint UHY McGovern, Hurley LLP as auditors of the Corporation to hold office until the close of the next annual meeting, and authorize the directors to fix the remuneration thereof, a majority of the votes cast at the Meeting must be voted in favour thereof.

The management representatives named in the attached form of proxy intend to vote in favour of the appointment of UHY McGovern, Hurley LLP as auditors of the Corporation and in favour of authorizing the directors to fix the remuneration of the auditors, unless a shareholder specifies in the proxy that his or her Common Shares are to be withheld from voting in respect of the appointment of auditors and the fixing of their remuneration.

## **RATIFICATION OF STOCK OPTION PLAN**

Shareholders will be asked at the Meeting to consider and, if thought advisable, to ratify the Corporation's existing incentive stock option plan (the "**Stock Option Plan**"), which is considered a "rolling" stock option plan, which reserves a maximum of 10% of the Corporation's total outstanding Common Shares at the time of grant for issuance pursuant to the Stock Option Plan. The policies of the TSXV provide that, where a Corporation has a rolling stock option plan in place, it must seek shareholder approval, for such plan annually.

The purpose of the Stock Option Plan is to provide incentive to employees, directors, officers, management companies and consultants who provide services to the Corporation and reduce the cash compensation the Corporation would otherwise have to pay.

The Stock Option Plan complies with the current policies of the TSXV, including the requirement for annual approval by shareholders. Under the Stock Option Plan, a maximum of 10% of the issued and outstanding shares of the Corporation are proposed to be reserved at any time for issuance on the exercise of stock options. As the number of shares reserved for issuance under the Stock Option Plan increases with the issue of additional shares of the Corporation, the Stock Option Plan is considered to be a "rolling" stock option plan.

Shareholders may obtain copies of the Stock Option Plan from the Corporation prior to the meeting upon written request.

As at the date of this Circular there are 138,813,057 common shares of the Corporation issued and outstanding and accordingly, the maximum number of options which may be issued as of the date of this Circular is 4,381,305.

During the financial year ended December 31, 2018, 9,500,000 incentive stock options were granted to directors, officers and consultants pursuant to the Company's Stock Option Plan.

Shareholders will be asked at the Meeting to approve with or without variation the following resolution:

**"BE IT RESOLVED THAT** the Stock Option Plan of the Corporation be and it is hereby approved, and that in connection therewith a maximum of 10% of the issued and outstanding shares at the time of each grant be reserved for granting as options and that the board of directors be and they are hereby authorized, without further shareholder approval, to make such changes to the existing Stock Option Plan as may be required or approved by regulatory authorities."

Unless a shareholder who has given a proxy has instructed that the shares represented by such proxy are to be voted against, on any ballot that may be called for ratification of the Stock Option Plan, the person named in the enclosed proxy will cast the shares represented by such proxy FOR such ratification.

## **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The only equity compensation plan which the Corporation has in place is the Incentive Stock Option Plan which was last approved by the shareholders in June 2018. The Stock Option Plan has been 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 Stock Option Plan is administered by the directors of the Corporation. The Stock Option Plan provides that options will be issued to directors, officers, employees and consultants of the Corporation or a subsidiary of the Corporation. The Stock Option Plan provides that the number of common shares issuable under the Stock Option 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.

### **Equity Compensation Plan Information**

The following is a summary of shares subject to options outstanding under the Corporation's Stock Option Plan and shares remaining available for grant as at December 31, 2018.

	<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 security holders	9,500,000	0.05	3,981,305
Equity compensation agreements subject to approval by security holders	Nil	N/A	Nil
<b>Total</b>	<b>9,500,000</b>	<b>N/A</b>	3,981,305

In January 2018, the Corporation granted a total of 9,500,000 incentive stock options to directors, officers and consultants pursuant to the Corporation's Stock Option Plan. All these stock options are exercisable at a price of \$0.05 per share for a period of five years from January 30, 2018.

### Summary of Stock Option Plan

The Corporation has established a stock option plan to provide incentive compensation to the Corporation's directors, officers, employees and consultants.

The Stock Option Plan is administered by the board of directors of the Corporation. Stock options may be granted at any time to any director, senior officer, key employee or other person providing services to the Corporation (each an "**Optionee**"), taking into consideration his or her contribution to the success of the Corporation and any other factor which the board of directors of the Corporation may deem proper and relevant. The aggregate number of Common Shares which may be reserved for issuance pursuant to the Stock Option Plan and any other share compensation arrangements of the Corporation will not exceed 10% of the total number of issued and outstanding Common Shares (calculated on a non-diluted basis) from time to time.

Stock options granted under the Stock Option Plan are exercisable over a period not exceeding five years, subject to earlier cancellation upon the termination of the optionee's employment with the Corporation, upon the optionee ceasing to be an employee, senior officer, director or consultant of the Corporation, as applicable, or upon the optionee retiring, becoming permanently disabled or dying. Under the Stock Option Plan, the Board of Directors, in its discretion but upon the advice of its Human Resources and Corporate Governance Committee, is authorized to impose deferred vesting restrictions on any options granted and to fix the exercise price provided that such price may not be lower than the market price of the Corporation's shares determined in accordance with the rules of any stock exchange or other trading market upon which the shares of the Corporation are then listed or quoted or, if the shares of the Corporation do not trade on any such exchange or market, by the Board of Directors in their discretion. The stock options are non-assignable and non-transferable. The Stock Option Plan contains provisions for adjustment in the number of shares issuable in the event of a subdivision, consolidation, reclassification or change of the Common Shares, or a merger or other relevant changes in the Corporation's capitalization. The Stock Option Plan does not contain any provision for financial assistance by the Corporation in respect of stock options granted thereunder.

The Board may from time to time amend or revise the terms of the Stock Option Plan or may discontinue the Stock Option Plan at any time provided however that no such right may in any manner adversely affect an Optionee's rights under the option theretofore granted under the Stock Option Plan without consent of such Optionee.

Any amendments to the Stock Option Plan are subject to the prior approval of any stock exchange upon which shares of the Corporation are then listed for trading and any other regulatory authority having jurisdiction over the Corporation.

Shareholder approval will be required for the following types of amendments to the Stock Option Plan:

- an increase in the maximum number of Common Shares issuable under the Stock Option Plan;
- a change in the manner of determining the option price;
- an extension of the expiry date of an option;
- an extension of the period during which options may be granted; and
- an alteration or impairment of any option previously granted to an Optionee, without the prior written consent of the Optionee.

All other amendments to the Stock Option Plan will not require shareholder approval.

A full copy of the Stock Option Plan will be available at the Meeting for review by shareholders. Shareholders may also obtain copies of the Stock Option Plan from the Corporation prior to the meeting upon written request.

## **DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES**

### **Corporate Governance**

National Instrument 58-101 ("**NI 58-101**") of the Canadian Securities Administrators requires the disclosure by each listed corporation of its approach to corporate governance. It is recognized that the unique characteristics of individual corporations will result in varying degrees of compliance.

The following discloses the Corporation's corporate governance practices as required by NI 58-101.

### **Board of Directors**

NI 58-101 suggests that a majority of the Board of Directors should be "independent" directors. NI 58-101 defines an "independent director" as a director who has no direct or indirect material relationship with the Corporation. A "material relationship" is in turn defined as a relationship which could, in the view of the Corporation's board of directors (the "**Board**"), be reasonably expected to interfere with such member's independent judgement. The Board is currently comprised of three independent directors.

Messrs. Gauthier and McKillen are considered to be independent directors since they are independent of management and free from any material relationship with the Corporation. The basis for this determination is that, since the beginning of the fiscal year ended December 31, 2018, the independent directors have not worked for the Corporation, received direct remuneration from the Corporation or had material contracts with or material interests in the Corporation which could interfere with their ability to act with a view to the best interests of the Corporation. Mr. Kearney and Mr. McKillen are directors and Mr. Steenberg and Mr. Varma are officers of Buchans Resources which hold 22% of the Corporation's shares and is the Corporation's largest creditor.

Mr. Steenberg operates an independent business law practice and provides legal services to, and acts as Secretary of the Corporation.

The Board believe that a relatively small Board is appropriate for the current size, stage of development and financial condition of the Corporation and to ensure that the Board can function effectively.

### **Participation of Directors in Other Reporting Issuers**

The participation of the Directors in other reporting issuers is described in the following table:

<b>Name of Director</b>	<b>Name of Other Reporting Issuer</b>
Timothy Gallagher	PowerOre Inc. (Director)
John Kearney	Anglesey Mining plc (Chairman & Director) Buchans Resources Limited (Chairman & Director) Conquest Resources Limited (Chairman & Director) Labrador Iron Mines Holdings Limited (Chairman & Director) NorZinc Ltd. (Chairman & Director)
Terence McKillen	Buchans Resources Limited (Director) Conquest Resources Limited (Director)
Gerald Gauthier	Conquest Resources Limited (Director)
Neil J.F. Steenberg	Conquest Resources Limited (Secretary & Director) Labrador Iron Mines Holdings Limited (Secretary)

## **Orientation and Continuing Education**

While the Corporation currently has no formal orientation and education program for Board members, sufficient information (such as recent reports, prospectus, proxy solicitation materials, technical reports and various other operating, property and budget reports) is provided to all Board members to ensure that directors are familiarized with the Corporation's business and the procedures of the Board. In addition, directors are encouraged to meet with management on a regular basis. The Corporation also encourages continuing education of its directors and officers where appropriate in order to ensure that they have the necessary skills and knowledge to meet their respective obligations to the Corporation.

## **Ethical Business Conduct**

As some of the directors of the Corporation also serve as directors and officers of other companies engaged in similar business activities, must comply with the conflict of interest provisions under the Business Corporations Act, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director is required to declare the nature and extent of his or her interest and is not entitled to vote at meetings of directors where such a conflict arises.

The Board has found 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 performs the functions of a nominating committee with responsibility for the appointment and assessment of directors. The Board believes that this is a practical approach at this stage of the Corporation's development and given the size of the Board.

While there are no specific criteria for Board membership, the Corporation attempts to attract and maintain directors with business knowledge and a particular knowledge of mineral exploration and development or other areas which provide knowledge which would assist in guiding the officers of the Corporation. As such, nominations tend to be the result of recruitment efforts by management of the Corporation and discussions among the directors prior to the consideration by the Board as a whole.

## **Compensation**

Currently, the independent directors of the Corporation do not receive fees in their capacities as directors, as described under "Compensation of Directors". All directors are eligible to participate in the Corporation's Stock Option Plan. See "Compensation of Directors".

## **Committees**

The Board has one committee: the Audit Committee. From time to time, the Board will form ad hoc committees to consider specific transactions comprised of persons unrelated to the transaction.

## **Assessments**

The Board does not, at present, have a formal process in place for assessing effectiveness of the Board as a whole or its individual directors.

## **Board and Corporate Diversity**

The Corporation currently does not have any women Board members or in executive officer positions (as such term is defined in the Canadian Securities Administrators guidelines for effective corporate governance). The Corporation recognizes the value of individuals with diverse attributes on the Board and in executive officer positions and the desirability of representation of women on the Board and in executive officer positions.

The Corporation has not adopted a written policy relating to the identification and nomination of women directors or regarding the number of women in executive positions because it does not believe that a written policy is the best way to achieve the Corporation's business objectives.

The Corporation believes that the interests of the Corporation would be best served by ensuring that new directors or executives are identified and selected from the widest possible group of potential candidates. A formalized written diversity policy governing the identification and selection of potential women candidates may unduly restrict the Corporation's ability to select the best and most suitable candidate.

The Board is responsible for establishing qualifications and skills necessary for an effective Board and various committees of the Board and for senior executive positions, including factors such as professional experience, particular areas of expertise, personal character, potential conflicts of interest, diversity and other commitments.

Although diversity, which includes diversity in gender, age, ethnicity and cultural background, is one of the factors considered in the Corporation's identification and selection process, other factors, including knowledge and relevant experience, or particular areas of expertise, are given greater consideration in the identification and selection process. In light of the Corporation's view that candidates should be selected from the widest possible group of qualified individuals, the level of representation of women may be considered but is not a major factor in identifying and appointing individuals to the Board.

The Corporation's policy with respect to the representation of women in executive officer positions is the same as its views on the representation of women in the director identification and selection process. In making decisions as to executive officer appointments, the Corporation believes that decisions to hire or promote an individual should be based on that person's knowledge and experience, particular areas of expertise, character and merit. Accordingly, the representation of women in executive officer positions may be considered but is not a major factor and is not an issue when making executive officer appointments.

The Corporation has not adopted a target regarding the representation of women on the Board or in executive officer positions for the reasons set out above. The Corporation believes that adopting such a target would unduly restrict its ability to select, hire or promote the best and most suitable candidate for the position in question.

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

### **Audit Committee**

The Audit Committee assists the board of directors in fulfilling its responsibilities for oversight of financial and accounting matters. The committee recommends the auditors to be nominated and reviews the compensation of the auditors. The committee is directly responsible for overseeing the work of the auditors, must pre-approve non-audit services, be satisfied that adequate procedures are in place for the review of Xtierra's public disclosure of financial information extracted or derived from Xtierra's financial statements and must establish procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters. The current members of the Audit Committee are Messrs. Kearney, Gallagher and McKillen, all of whom are independent and each of whom is financially literate in accordance with National Instrument 52-110 (**NI 52-110**) – *Audit Committees*.

The Audit Committee has adopted a Charter, the text of which is set out below:

### **PURPOSE**

The Audit Committee (the "**Committee**") is appointed by the Board of Directors to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for Xtierra Inc. The Committee's primary duties and responsibilities are to:

- review the quarterly and annual financial statements and management's discussion and analysis of the Corporation and report thereon to the Board;
- select and monitor the independence and performance of the outside auditors of the Corporation (the "**Independent Auditors**"), including meetings with the Independent Auditors;
- conduct such reviews and discussions with management and the independent auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- provide oversight to related party transactions entered into by the Corporation; and
- if necessary, assess the integrity of internal controls and financial reporting procedures of the Corporation and review the internal control report prepared by management required to be included with the annual report of the Corporation;

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the Independent Auditors as well as any officer of the Corporation, or outside counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall

have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

## **COMPOSITION AND MEETINGS**

The Committee and its membership shall meet all applicable legal and listing requirements, including, without limitation, those of the TSX Venture Exchange.

1. The Committee shall be composed of three or more directors, one of whom shall serve as the Chair; both the members and the Chair shall be designated by the Board from time to time.
2. A majority of the members of the Committee shall be "independent" as defined by National Instrument 58-101 - *Disclosure of Corporate Governance Practices*, and all of whom shall be financially literate in accordance with National Instrument 52-110 - *Audit Committees*.
3. The Committee shall meet at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements, and a majority of the members of the Committee shall constitute a quorum.
4. If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
5. The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by, the Committee.
6. Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
7. The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
8. The Committee may invite such officers, directors and employees of the Corporation and its subsidiary as it may see fit, from time to time, to attend at meetings of the Committee.
9. The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.
10. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose; actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose.

The Committee members will be elected annually at the first meeting of the Board following the annual meeting of shareholders.

## **RESPONSIBILITIES**

### **Financial Accounting and Reporting Process and Internal Controls**

1. The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review the interim financial statements. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the external auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.

2. The Committee shall review any internal control reports prepared by management and the evaluation of such report by the external auditors, together with management's response.
3. The Committee shall be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, management's discussion and analysis and interim financial press releases, and periodically assess the adequacy of these procedures.
4. The Committee shall review management's discussion and analysis relating to annual and interim financial statements and any other public disclosure documents, including interim financial press releases, that are required to be reviewed by the Committee under any applicable laws before the Corporation publicly discloses this information.
5. The Committee shall meet no less frequently than annually with the external auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, the officer of the Corporation in charge of financial matters, deem appropriate.
6. The Committee shall inquire of management and the external auditors about significant risks or exposures, both internal and external, to which the Corporation may be subject, and assess the steps management, has taken to minimize such risks.
7. The Committee shall review the post-audit or management letter containing the recommendations of the external auditors and management's response and subsequent follow-up to any identified weaknesses.
8. The Committee shall establish procedures for:
  - a. the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
  - b. the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
9. The Committee shall provide oversight to related party transactions entered into by the Corporation.

#### **Independent Auditors**

1. The Committee shall recommend to the Board the external auditors to be nominated, shall set the compensation for the external auditors, provide oversight of the external auditors and shall ensure that the external auditors report directly to the Committee.
2. The Committee shall be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.
3. The Committee shall pre-approve all audit and non-audit services not prohibited by law to be provided by the external auditors in accordance with the terms of this charter.
4. The Committee shall monitor and assess the relationship between management and the external auditors and monitor, support and assure the independence and objectivity of the external auditors.
5. The Committee shall review the external auditors' audit plan, including the scope, procedures and timing of the audit.
6. The Committee shall review the results of the annual audit with the external auditors, including matters related to the conduct of the audit.
7. The Committee shall obtain timely reports from the external auditors describing critical accounting policies and practices, alternative treatments of information within IFRS that were discussed with management, their ramifications, and the external auditors' preferred treatment and material written communications between the Corporation and the external auditors.



8. The Committee shall review fees paid by the Corporation to the external auditors and other professionals in respect of audit and non-audit services on an annual basis.
9. The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Corporation.
10. The Committee shall monitor and assess the relationship between management and the external auditors and monitor the independence and objectivity of the external auditors.

#### **Other Responsibilities**

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

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

The Audit Committee is composed of Tim Gallagher, Terence McKillen and Gerald Gauthier. The Board of Directors has determined that the Committee members have the appropriate level of financial understanding and industry specific knowledge to be able to perform the duties of the position. Furthermore, the Board has determined that each member of the Audit Committee is financially literate as defined in MI 52-110 and a majority are independent.

The education and experience of each Audit Committee Member is set forth below:

**Tim Gallagher:** Mr. Gallagher is a graduate in commerce from McMaster University and holds a Master of Business Administration from York University and is a Chartered Financial Analyst. He was previously Chairman & CEO of Metalla Royalty & Streaming Ltd. He has been a director or senior officer of a number of public and private companies including Music Royalties Inc and PowerOre Inc. Previously he was in institutional sales for Loewen Ondaatje McCutcheon and Union Bank of Switzerland (Canada). Mr. Gallagher has assisted a number of companies implement their growth plans primarily through the TSXV's Capital Pool Program since 1997.

Mr. Gallagher has served as an officer and director of public companies for a period in excess of twenty years. He has an in depth understanding of the accounting principles used by the Corporation to prepare its financial statements and has the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves. He has in depth experience preparing, auditing, analyzing and evaluating financial statements with accounting issues at least comparable to the financial statements and the issues that can be reasonably be expected to be raised by the Corporation's financial statements. He has an in depth understanding of internal controls and procedures for financial reporting.

**Terence McKillen:** Mr. McKillen is a professional geologist with almost 50 years of experience in the mining and mineral exploration industry. He was Chief Executive of Xtierra Inc. and Minco from 2007 until April 2013. Mr. McKillen is a director of Xtierra. Mr. McKillen has worked on exploration and development projects in Ireland, Europe, Africa, Southeast Asia, as well as North, Central and South America.

Mr. McKillen has been an officer and director of public companies for a period in excess of forty years. He has an in depth understanding of the accounting principles used by the Corporation to prepare its financial statements and has the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves. He has in depth experience in supervising the preparation, auditing analyzing and evaluation of financial statements with accounting issues at least comparable to the financial statements and the issues that can be reasonably be expected to be raised by the Corporation's financial statements. He has an in depth understanding of internal controls and procedures for financial reporting.

**Gerald Gauthier:** Mr. Gauthier is a professional mining engineer with over 40 years' experience in Canada, Africa, the U.S.A. and Mexico, Mr. Gauthier holds a B.Sc. in mining engineering from Queen's University. He was Chief Operating Officer of Xtierra from 2008 to 2017. Prior to June 2008 was Chief Operating Officer, Nevsun Resources Inc. and was formerly Vice-President Mining of Glencairn Gold Inc. From 1987-1994, Mr. Gauthier was Senior Vice President North American Operations for Lac Minerals Ltd. and from 1979 to 1987 was employed by Lac Minerals as Manager of various Canadian mines including General Manager of the Page Williams gold mine at Hemlo, Ontario.

He has served as an officer of public companies for a period in excess of twenty years. He has an in depth understanding of the accounting principles used by the Corporation to prepare its financial statements and has the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves. He has experience evaluating financial statements with accounting issues at least comparable to the financial statements and the issues that can be reasonably be expected to be raised by the Corporation's financial statements. He has an understanding of internal controls and procedures for financial reporting.

### Pre-approval Policies & Procedures

The Audit Committee has adopted procedures requiring Audit Committee review and approval in advance of all particular engagement for services provided by the Auditors. Consistent with applicable laws, the procedures permit limited amounts of services, other than audit services, to be approved by the Audit Committee provided the Audit Committee is informed of each particular service. All of the engagements and fees for Fiscal 2018 and 2017 were approved by the Audit Committee. The Audit Committee reviews with the auditors whether the non-audit services to be provided are compatible with maintaining the Auditor's independence.

Since the adoption of these procedures, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board of Directors.

### Audit Fees & Services

The aggregate amounts billed by Auditors for the two fiscal years ended December 31, 2018 and 2017 for audit fees, audit related fees, tax fees and all other fees are set forth below:

	Year Ended December 31, 2018	Year Ended December 31, 2017
Audit Fees <sup>(1)</sup>	\$10,200	\$10,000
Audit-Related Fees <sup>(2)</sup>	Nil	Nil
Tax Fees <sup>(3)</sup>	Nil	Nil
All Other Fees	Nil	Nil
Total	\$10,200	\$10,000

Notes:

1. "Audit Fees" represent fees for the audit of the annual financial statements, and review in connection with statutory and regulatory filings.
2. "Audit Related Fees" represents fees for assurance and related services that are related to the performance of the audit.
3. "Tax Fees" represent fees for tax compliance, tax advice and planning.

### INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS AND MATTERS TO BE ACTED UPON

No person who has been a director or executive officer since the beginning of the Corporation's last completed fiscal year, proposed nominee for election as a director, shareholder beneficially owning (directly or indirectly) or exercising control or direction over more than 10% of the Common Shares of the Corporation, and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the beginning of the Corporation's last completed fiscal year or in any proposed transaction which, in either case, has materially affected or will materially affect the Corporation, other than:

In January 2018, the Corporation entered into a standstill and support agreement with Buchans Resources Limited, the holder of US\$690,000 in outstanding secured Notes, to defer repayment of principal and accrued interest, and suspend further interest accruals, on those Notes for a term of two years and also to provide additional financial support of up to US\$100,000 to fund working capital and maintain the Corporation's properties, in consideration of the issue to Buchans of 13,000,000 warrants exercisable at C\$0.05 per share for a term of two years.

Messrs. Kearney and McKillen are directors and Messrs. Steenberg and Varma are officers, and/or shareholders of Buchans.

### ADDITIONAL INFORMATION

Financial information is provided in the Corporation's Consolidated Financial Statements and Management Discussion and Analysis for the year ended December 31, 2018 which is also available on SEDAR and on the Corporation's website at [www.xtierra.ca](http://www.xtierra.ca). Shareholders may also contact the Secretary of the Corporation to request copies of the Corporation's Financial Statements and Management Discussion and Analysis. Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com).

### APPROVAL

**The contents and the sending of this Management Information Circular have been approved by the Directors of the Corporation.**

**Dated: May 10, 2019**

*"Neil J.F. Steenberg"*

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Neil J.F. Steenberg,  
Secretary