



Hemlo Explorers

301 – 141 Adelaide Street West
Toronto, Ontario M5H 3L5

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general and special meeting of the shareholders (the “**Meeting**”) of Hemlo Explorers Inc. (the “**Corporation**”) will be held at 141 Adelaide Street West, Suite 301, Toronto, Ontario on the 27th day of July, 2022, at 11:00 a.m. (Toronto time). The following is a list of business to be conducted at the Meeting:

1. to receive the audited financial statements of the Corporation for the fiscal year ended January 31, 2022, together with the report of the auditors thereon;
2. to elect directors;
3. to reappoint the auditors and to authorize the directors to fix the auditors’ remuneration;
4. to consider and, if thought appropriate, to pass an ordinary resolution, with or without variation, approving the Corporation’s amended “rolling” stock option plan, as more particularly described in the management information circular (the “**Circular**”) dated June 27, 2022 which accompanies this notice (the “**Stock Option Plan Resolution**”);
5. to transact such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

To deal with the public health impact of COVID-19, shareholders and proxyholders are strongly encouraged not to attend the Meeting in person. We want to ensure that no one is unnecessarily exposed to any risks.

The Corporation urges all shareholders to vote by proxy in advance of the Meeting in accordance with the instructions set out below and to listen to the Meeting through the live conference call details provided below:

Date and Time	Wednesday, July 27, 2022, at 11:00 a.m. (Toronto time)
Dial-in Numbers	+1 (647) 723-3984 (Toronto) +1 (866) 365-4406 (North America – Toll Free)
Access Code	8487744#

The COVID-19 situation is dynamic and continues to evolve daily. If events arise that require us to make changes to the date, time and/or location of the Meeting we will promptly notify shareholders and communicate any changes through a press release. The Corporation intends to resume holding unrestricted in-person shareholder's meetings in future years.

The nature of the business to be transacted at the Meeting, including the text of the Stock Option Plan Resolution, is described in further detail in the Circular.

The record date for the determination of shareholders entitled to receive notice of and to vote at the Meeting (the "**Record Date**") is June 27, 2022. Shareholders whose names have been entered in the register of shareholders at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting.

A shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting, or any adjournment thereof, in person are requested to date, sign and return the accompanying form of proxy (the "**Proxy Form**") for use at the Meeting or any adjournment thereof. To be effective, the enclosed proxy must be deposited at the office of TSX Trust Company, by mail to Suite 301, 100 Adelaide Street West, Toronto, Ontario, M5H 4H1 or by fax to (416) 361-0470, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the time set for the Meeting or any adjournment thereof.

The instrument appointing a proxy shall be in writing and shall be executed by the shareholder or the shareholder's attorney authorized in writing or, if the shareholder is a company, under its corporate seal by an officer or attorney thereof duly authorized.

The persons named in the enclosed form of proxy are directors and/or officers of the Corporation. Each shareholder of the Corporation has the right to appoint a proxyholder other than such persons, who need not be a shareholder, to attend and to act for such shareholder and on such shareholder's behalf at the Meeting. To exercise such right, the names of the nominees of management should be crossed out and the name of the shareholder's appointee should be legibly printed in the blank space provided on the Proxy Form.

In the event of a strike, lockout or other work stoppage involving postal employees, all documents required to be delivered by a shareholder should be delivered by fax to TSX Trust Company at (416) 361-0470.

DATED at Toronto, Ontario as of the 27th day of June, 2022.

BY ORDER OF THE BOARD OF
DIRECTORS

(signed) "Brian Howlett"

Brian Howlett
President & Chief Executive Officer



Hemlo Explorers

301 – 141 Adelaide Street West
Toronto, Ontario M5H 3L5

MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

THIS INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF HEMLO EXPLORERS INC. (the “**Corporation**”) of proxies to be used at the annual general and special meeting of shareholders (the “**Meeting**”) of the Corporation to be held at the time and place and for the purposes set forth in the enclosed notice of Meeting (the “**Notice of Meeting**”). While it is expected that the solicitation will be primarily by mail, proxies may also be solicited personally by regular employees of the Corporation at nominal cost. The cost of solicitation by management will be borne directly by the Corporation. The information contained herein is given as at June 27, 2022, unless indicated otherwise.

The Corporation may pay the reasonable costs incurred by persons who are the registered but not beneficial owners of common shares of the Corporation (the “**Common Shares**”) (such as brokers, dealers, other registrants under applicable securities laws, nominees and/or custodians) in sending or delivering copies of the Notice of Meeting, this information circular (the “**Information Circular**”) and the form of proxy (collectively, the “**Meeting Materials**”) to the beneficial owners of such Common Shares. The Corporation will provide, without cost to such persons, upon request to the Secretary of the Corporation, additional copies of the Meeting Materials required for this purpose.

NON-REGISTERED HOLDERS

Only registered holders of Common Shares (the “**Shareholders**”) at the close of business on June 27, 2022 (the “**Record Date**”) or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a “**Non-Registered Holder**”) are registered either: (i) in the name of a nominee such as an intermediary (an “**Intermediary**”) with whom the Non-Registered Holder deals in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant. In accordance with the requirements of NI 54-101, the Corporation will have distributed copies of the Meeting Materials to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders. Non-Registered Holders will be given, in substitution for the proxy otherwise contained in Meeting Materials, a request for voting instructions (the “**voting instructions form**”) which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary, will constitute voting instructions which the Intermediary must follow.

The purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Holder who receives the voting instructions form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should so indicate in the place provided for that purpose in the voting instructions form and a form of legal proxy will be sent to the Non-Registered Holder by the applicable Intermediary. **In any event, Non-Registered Holders should carefully follow the instructions of their Intermediary set out in the voting instructions form.**

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. As a result, NOBOs can expect to receive a scannable Voting Instruction Form (“**VIF**”) from TSX Trust Company. These VIFs are to be completed and returned to TSX Trust Company as set out in the instructions provided on the VIF. TSX Trust Company will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs it receives. This Information Circular, with related material, is being sent to both registered and non registered owners of the shares of the Corporation. If you are a non-registered owner, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your shares 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 these materials to you, and (ii) executing your proper voting instructions. Please return your VIF as specified in your request for voting instructions that you receive.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are directors and/or officers of the Corporation. **A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON, WHO NEED NOT BE A SHAREHOLDER, TO REPRESENT HIM, HER OR IT AT THE MEETING MAY DO SO** either by crossing out the names of the management nominees and inserting the name of the Shareholder’s appointee in the blank space provided in the form of proxy or by completing another proper form of proxy and, in either case, depositing the completed proxy at the office of the Corporation’s transfer agent and registrar, TSX Trust Corporation, by mail to Suite 301, 100 Adelaide Street West, Toronto, Ontario, M5H

4H1 or by fax to (416) 361-0470, not later than 48 hours (excluding Saturdays, Sundays and holidays in the Province of Ontario) before the time of the Meeting or any adjournment thereof at which the proxy is to be used.

A Shareholder who has given a proxy has the power to revoke it as to any matter on which a vote has not already been cast pursuant to the authority conferred by such proxy and may do so either:

1. by delivering another properly executed form of proxy bearing a later date and depositing it as described above;
2. by depositing an instrument in writing revoking the proxy executed by such Shareholder or by the Shareholder's attorney authorized in writing:
 - (a) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used; or
 - (b) with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof; or
3. in any other manner permitted by law.

Only a registered shareholder of the Corporation has the right to revoke a proxy. A Non-Registered Holder who wishes to change his, her or its vote must arrange for the Intermediary to revoke the proxy on his, her or its behalf in accordance with the instructions of such Intermediary set out in the voting instructions form.

A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

EXERCISE OF DISCRETION BY PROXIES

The Common Shares represented by proxies in favour of management nominees will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and, if the Shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the Common Shares represented by the proxy shall be voted accordingly. **WHERE NO CHOICE IS SPECIFIED, THE PROXY WILL CONFER DISCRETIONARY AUTHORITY AND WILL BE VOTED FOR: (1) THE ELECTION OF EACH OF THE DIRECTORS; (2) THE REAPPOINTMENT OF AUDITORS AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THEIR REMUNERATION; AND (3) THE APPROVAL OF THE AMENDED STOCK OPTION PLAN, ALL AS STATED ELSEWHERE IN THIS INFORMATION CIRCULAR. THE ENCLOSED FORM OF PROXY ALSO CONFERS DISCRETIONARY AUTHORITY UPON THE PERSONS NAMED THEREIN TO VOTE WITH RESPECT TO ANY AMENDMENTS OR VARIATIONS TO THE MATTERS IDENTIFIED IN THE NOTICE OF MEETING AND WITH RESPECT TO OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING IN SUCH MANNER AS SUCH NOMINEE IN HIS**

JUDGMENT MAY DETERMINE. As at the date of this Information Circular the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Corporation shall make a list of all Shareholders at the close of business on the Record Date and the number of Common Shares registered in the name of each such person on that date. Each Shareholder is entitled to one vote for each Common Share registered in his, her or its name as it appears on the list.

The authorized capital of the Corporation consists of an unlimited number of Common Shares. As at the Record Date 34,987,899 Common Shares were issued and outstanding.

To the knowledge of the directors and executive officers of the Corporation, as of the Record Date, the only persons or companies beneficially owning, controlling or directing, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of outstanding voting securities of the Corporation are as follows:

Name	Type of Ownership	Number of Common Shares held	Percentage of Common Shares held
Northfield Capital Corporation	Of record	8,129,120*	23.23%
O3 Mining Inc.	Of record	3,703,833	10.59%

* Includes 105,299 Common Shares held personally by Robert Cudney, President of Northfield Capital Corporation.

EXECUTIVE AND DIRECTOR COMPENSATION

The Corporation reports its financial results in Canadian Dollars. Unless otherwise indicated, in this executive compensation disclosure.

The purpose of this Compensation Discussion and Analysis (“**CD&A**”) is to provide information about the Corporation’s executive compensation philosophy, objectives, and processes and to discuss compensation decisions relating to the Corporation’s senior leaders, being the two identified named executive officers (the “**NEOs**”) during the financial year ended January 31, 2022. The NEOs who are the focus of the CD&A and who appear in the compensation tables of this Information Circular are Brian Howlett, President and Chief Executive Officer of the Corporation (the “**CEO**”) and Fraser Laschinger, Chief Financial Officer and Secretary of the Corporation (the “**CFO**”).

Board Oversight of Compensation

Among its other duties, the Board of Directors of the Corporation (the “**Board**”) is responsible for (i) overseeing the Corporation’s human resources policies, executive compensation, management succession and development, and equity compensation plans, and (ii) ensuring that the Corporation’s executive and director compensation policies and programs are competitive and reflect the long term interest of the Corporation and its shareholders. Given the size of the Corporation and the number of directors on

the Board, the Board has not delegated any of the above responsibilities to a committee of the Board and instead performs such functions itself. In performing its duties, the Board has the authority to engage such advisors, including executive compensation consultants, as it considers necessary.

In order to ensure that the process for determining executive compensation remains objective, the Board requires that executive directors remove themselves from any deliberations or determinations relating to their own compensation. The Board considers the experience and insight of the executive directors to be an asset in the Board's discussions and decisions relating to human resources and general compensation matters and relies on their input in matters that are not directly related to their own compensation.

Compensation Program

The primary goal of the Corporation's executive compensation program is to retain and motivate top quality individuals at the executive level. The program is designed to ensure that the compensation provided to the Corporation's executive officers is determined with regard to the Corporation's business strategy and objectives and financial condition, such that the financial interests of the executive officers are matched with the financial interests of the Corporation's shareholders. The Corporation strives to ensure that the Corporation's executive officers are compensated fairly and commensurately with their contributions to furthering the Corporation's strategic direction and objectives.

Neither the Corporation nor the Board currently has any contractual arrangement with any executive compensation consultant who has a role in determining or recommending the amount or form of executive officer or director compensation. The Board relies on the knowledge and experience of the members of the Board and the recommendations of the CEO to set appropriate levels of compensation for executive officers (other than the CEO).

Compensation Program Design

The total compensation mix was designed on the basis of the Corporation's compensation objectives. Standard compensation arrangements for the Corporation's executive officers are composed of the following elements, which are linked to the Corporation's compensation and corporate objectives.

Base Salary

Base salary is determined for each of the Corporation's executive officers on an individual basis, taking into consideration the individual's experience, performance and contributions to the Corporation's success and competitive industry pay practices for comparable positions with the primary goal of retaining highly qualified executives in a competitive market environment.

Bonus

The Corporation, in its discretion, may award cash bonuses in order to motivate executives to achieve corporate goals. A discretionary bonus for each NEO is determined annually based on an assessment of performance of the executive throughout the year and the attainment of goals and objectives set for the executive. Annual incentives are approved by the Board.

Stock Options

The Board believes that stock options encourage the Corporation's executive officers to own and hold Common Shares which aligns their long-term interests directly to those of shareholders and helps to achieve the Corporation's objective of retaining highly qualified executives. Under the terms of the Corporation's stock option plan (the "**Stock Option Plan**"), the Board may propose and designate employees, including executive officers, eligible to receive options to acquire such numbers of Common Shares as the Board determines at an exercise price determined in accordance with the terms of the Stock Option Plan.

When granting options pursuant to the Stock Option Plan, consideration is given to the exercise price of the aggregate options that would be held by an individual after the award. In determining the individual grants, the Board considers the following factors: the executive officer's relative position and performance as well as past equity grants.

The incentive stock options granted to executive officers increase in value as the market price of the Common Shares increase, thereby linking equity-based executive compensation to shareholder returns.

The Board regularly assesses the individual performance of the Corporation's executive officers. Based on these assessments, the Board makes decisions concerning the nature and scope of the equity-based compensation to be paid to the Corporation's executive officers. The criteria upon which these assessments are based reflect the Board's views as to the nature and value of the contributions made by the executive officers to the achievement of the Corporation's corporate plans and objectives. The Board generally considers option grants following the annual meeting of shareholders, except in exceptional circumstances.

Director Compensation

The director compensation program is designed to achieve the following goals: (i) compensation should attract and retain the most qualified people to serve on the Board; (ii) compensation should align directors' interests with the long-term interests of shareholders; (iii) compensation should fairly pay directors for risks and responsibilities related to being a director of an entity of the Corporation's size and scope; and (iv) the structure of the compensation should be simple, transparent and easy for shareholders to understand.

Directors may receive options as compensation for their services as recommended and determined by the Board. The exercise price of such options is determined by the Board, but shall in no event be less than the discounted market price of the Common

Shares at the time of the grant of the options. During the financial year ended January 31, 2022, other than as described herein, there were no standard or other arrangements pursuant to which the Corporation compensated the directors for their services in their capacity as directors, and there were no amounts paid for special assignments.

Compensation Process

The Board has ultimate responsibility for the Corporation's compensation program and compensation decisions. The Board seeks the advice of the President and CEO and confers with the Corporation's legal counsel and CFO on matters that fall within their respective realms of responsibility in considering compensation decisions. The compensation of the President and CEO is reviewed and determined by the Board without the President and CEO. The Board reviews the performance of other executive officers with the President and CEO.

The Corporation is an exploratory stage mining company and will not be generating revenues from operations for a significant period of time, if at all. As a result, the use of traditional performance standards, such as corporate profitability, is considered by the Board to be inappropriate in the evaluation of corporate or NEO performance. The compensation of the Corporation's executive officers is based, in substantial part, on industry compensation practices, trends in the mining industry as well as achievement of the Corporation's business objectives. In determining executive compensation, the Board generally relies on Board discussions without any formal objectives, criteria and analysis.

The Board uses all the relevant data available to it to ensure that the Corporation is maintaining a level of compensation that is both commensurate with the size of the Corporation and sufficient to retain personnel it considers essential to its success. In reviewing comparative data, the Board does not engage in benchmarking for the purpose of establishing compensation levels relative to any predetermined level. Independent surveys and informal surveys prepared by the Corporation regarding compensation paid to persons occupying similar positions with mining exploration companies of comparable size and stage of development provides the Board with insight into what is considered fair compensation.

Option Granting

Typically, the Board considers option grants following the annual meeting of shareholders, except in exceptional circumstances. The Board determines individual grants including the particulars with respect to all options granted to executive officers in accordance with the terms of the Stock Option Plan. In determining the nature and scope of such grants the Board considers the recommendations of the Board and the executive officer's relative position, performance and past equity grants. See "Securities Authorized for Issuance Under Equity Compensation Plans - Stock Option Plan" for more information regarding the Stock Option Plan.

Managing Compensation-Related Risk

The Board has not formally considered the implications of the risks associated with the Corporation's compensation policies and practices. However, the Board believes that the Corporation's compensation program is structured in a way that does not encourage excessive risk taking by its management. In particular, executive compensation is not tied to performance targets. Accordingly, no single metric or objective can significantly impact executive compensation in a given year.

Restrictions on Financial Instruments

The Corporation does not have a policy that would prohibit a NEO or director from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. However, management is not aware of any NEO or director purchasing such an instrument.

Summary Compensation Table

The following table provides a summary of the compensation earned by the NEOs and directors for services rendered in all capacities during the financial years ended January 31, 2022 and January 31, 2021:

<i>Table of compensation for NEOs and directors excluding compensation securities</i>							
Name and Principal Position	Financial Year Ended	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	All other Compensation (\$)	Total Compensation (\$)
Brian Howlett⁽¹⁾ President, CEO and a Director	Jan. 31, 2021	65,625	-	-	-	-	65,625
	Jan. 31, 2022	96,875	-	-	-	-	96,875
Fraser Laschinger⁽²⁾ CFO and Secretary	Jan. 31, 2021	148,800	-	-	-	-	148,800
	Jan. 31, 2022	127,800	-	-	-	-	127,800
Christopher D. Hodgson Director	Jan. 31, 2021	Nil	-	-	-	-	Nil
	Jan. 31, 2022	Nil	-	-	-	-	Nil
John D. Harvey⁽³⁾ Director	Jan. 31, 2021	4,800	-	-	-	-	4,800
	Jan. 31, 2022	19,200	-	-	-	-	19,200
	Jan. 31, 2021	Nil	-	-	-	-	Nil

Gordon J. Cyr Director	Jan. 31, 2022	Nil	-	-	-	-	Nil
Michael G. Leskovec Director	Jan. 31, 2021	Nil	-	-	-	-	Nil
	Jan. 31, 2022	Nil	-	-	-	-	Nil
Ernie Eves⁽⁴⁾ Director	Jan. 31, 2021	Nil	-	-	-	-	Nil
	Jan. 31, 2022	Nil	-	-	-	-	Nil

Notes:

- (1) Brian Howlett was appointed CEO effective March 9, 2020 and received consulting fees through Brian Michael Howlett & Associates Inc., a corporation he controls. Brian Howlett did not receive any additional compensation as a director.
- (2) Fraser Laschinger acted as Interim CEO from August 1, 2019 to March 9, 2020.
- (3) Geological consulting fees paid to Harvey Holdings Inc., a corporation controlled by John Harvey.
- (4) Ernie Eves was appointed to the Board of Directors on October 27, 2020.

Stock Options and other Compensation Securities

The following table provides details regarding all compensation securities granted or issued to each director and/or NEO by the Corporation during the financial year ended January 31, 2022:

<i>Compensation securities received by NEOs and directors</i>							
Name and Principal Position	Type of compensation security⁽¹⁾	Number of compensation securities, number of underlying securities and percentage of class⁽²⁾	Date of issue or grant⁽³⁾	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
Brian Howlett President, CEO and a Director	Incentive stock options	100,000 (0.3%)	01/11/22	0.225	0.17	0.17	01/11/27
Fraser Laschinger CFO and Secretary	Incentive stock options	100,000 (0.3%)	01/11/22	0.225	0.17	0.17	01/11/27
Christopher D. Hodgson Director	Incentive stock options	100,000 (0.3%)	01/11/22	0.225	0.17	0.17	01/11/27
John D. Harvey Director	Incentive stock options	100,000 (0.3%)	01/11/22	0.225	0.17	0.17	01/11/27
Gordon J. Cyr Director	Incentive stock options	100,000 (0.3%)	01/11/22	0.225	0.17	0.17	01/11/27
Michael G. Leskovec Director	Incentive stock options	100,000 (0.3%)	01/11/22	0.225	0.17	0.17	01/11/27
Ernie Eves, Director	Incentive stock options	100,000 (0.3%)	01/11/22	0.225	0.17	0.17	01/11/27

Notes:

- (1) Incentive stock options granted pursuant to the Stock Option Plan.
- (2) One incentive stock option is exercisable into one common share of the Corporation.
- (3) Grant took place on January 11, 2022.

The following table provides details regarding the exercise by a director and/or NEO of compensation securities during the financial year ended January 31, 2022:

<i>Exercise of Compensation Securities by NEOs and Directors</i>							
Name and Position	Type of Compensation Security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Brian Howlett President, CEO and a Director	N/A	Nil	N/A	N/A	N/A	N/A	Nil
Fraser Laschinger CFO and Secretary	N/A	Nil	N/A	N/A	N/A	N/A	Nil
Christopher D. Hodgson Director	N/A	Nil	N/A	N/A	N/A	N/A	Nil
John D. Harvey Director	N/A	Nil	N/A	N/A	N/A	N/A	Nil
Gordon J. Cyr Director	N/A	Nil	N/A	N/A	N/A	N/A	Nil
Michael Leskovec Director	N/A	Nil	N/A	N/A	N/A	N/A	Nil
Ernie Eves Director	N/A	Nil	N/A	N/A	N/A	N/A	Nil

Termination and Change of Control Benefits

The Corporation has not entered into employment agreements with any of its employees or consulting agreements with any of its officers, except as described below.

The Corporation entered into an employment agreement effective March 1, 2013 (the “**CFO Agreement**”) with Mr. Fraser Laschinger, the CFO of the Corporation. Pursuant to the CFO Agreement, Mr. Laschinger is entitled to an annual salary of \$148,800 (which has since been temporarily reduced to \$127,800 as agreed to by the parties) and Mr. Laschinger is eligible for grants of stock options as the Board may award from time to time. Subject to earlier termination as provided for therein, the initial term of the CFO Agreement expired on December 31, 2013 and was automatically renewed on such date, and on each successive anniversary date, for an additional one-year period on the same terms and conditions unless re-negotiated. The CFO Agreement provides that Mr. Laschinger may terminate the agreement upon providing three months’ advance written notice. In addition, the CFO Agreement provides that Mr. Laschinger may terminate the CFO Agreement upon thirty days’ prior written notice to the Corporation for a period of six months following the occurrence of any of the following (each, a “**Change of Control**”):

1. the acquisition (whether in one transaction or a series of transactions), directly or indirectly and by any means whatsoever, by any person (other than Mr. Laschinger), or by a group of persons (excluding Mr. Laschinger) acting jointly or in concert, of beneficial ownership of, or control or direction over, that number of Common Shares which is greater than 50% of the total outstanding Common Shares immediately after such acquisition;

2. the replacement by way of election or appointment at any time of a majority of the total number of then incumbent members of the Board;
3. any transaction or series of transactions, whether by way of reconstruction, reorganization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise, whereby all or substantially all of the Corporation's assets become, directly or indirectly, the property of or controlled by, any other person (other than Mr. Laschinger or a subsidiary of the Corporation or a corporation formed upon the amalgamation of the Corporation with another corporation which is a wholly-owned subsidiary of the Corporation) (the "**Successor Entity**") unless:
 - a. persons who were holders of Common Shares immediately prior to such transaction hold, as a result of such transaction, in the aggregate, at least 50% of the voting securities of the Successor Entity;
 - b. a majority of the members of the board of directors of the Successor Entity is comprised of individuals who were members of the Board immediately prior to such transaction; and
 - c. after such transaction, no person, or group of persons acting jointly or in concert, holds more than 50% of the voting securities of the Successor Entity;
4. a transaction or series of transactions in which, directly or indirectly, the Corporation sells or otherwise transfers to any person, other than an affiliate or affiliates of the Corporation, assets:
 - a. having an aggregate fair market value of more than 50% of the aggregate fair market value of all the assets of the Corporation, or
 - b. that generated during the Corporation's last completed fiscal year or are expected to generate in the Corporation's then current fiscal year more than 50% of its operating income or cash flow.

If the CFO Agreement is terminated by Mr. Laschinger within six months following a Change of Control, Mr. Laschinger will be entitled to receive an amount equal to one and one-half times the annual salary payable to Mr. Laschinger under the CFO Agreement. If the CFO Agreement is terminated by the Corporation without cause, Mr. Laschinger will be entitled to receive an amount equal to three months of his salary. If the CFO Agreement is terminated by the Corporation upon the permanent disability of Mr. Laschinger, Mr. Laschinger will be entitled to receive an amount equal the lesser: (i) four months of his salary; and (ii) the salary that he would have otherwise received over the balance of the unexpired term of the CFO Agreement had such termination not occurred.

The following table sets out the estimated payments in the event of termination of employment for Mr. Laschinger, assuming that the event giving rise to the payment occurred on January 31, 2022.

Employee	Termination by the Employee	Termination by the Corporation	
	Within Six Months following a Change of Control	Without Cause	Upon Permanent Disability
Fraser Laschinger	\$223,200	\$37,200	\$49,600 ⁽¹⁾

Note:

- (1) The amount Mr. Laschinger would have otherwise received over the balance of the unexpired term of the CFO Agreement would have been \$136,400.

The CFO Agreement also contains provisions in favour of the Corporation relating to non-solicitation and confidentiality.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Corporation maintains insurance for the benefit of the Corporation's directors and officers against liability incurred by them in their capacity as directors and officers. The policy provides coverage in respect of a maximum total liability of \$5,000,000, subject to a deductible of \$25,000 per event. The premium for the year ended January 31, 2022 amounted to \$11,500, which was paid by the Corporation.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information as of January 31, 2022 with respect to the Common Shares that may be issued under the Stock Option Plan. See also "Compensation securities received by NEOs and directors".

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a) and (c)) (c)
Equity compensation plans approved by securityholders	3,485,000	\$0.49	13,789 ⁽¹⁾
Equity compensation plans not approved by securityholders	Nil	\$Nil	Nil
Total	3,485,000	\$0.49	13,789

Note:

- (1) The Stock Option Plan provides for the issuance of options to purchase up to an aggregate of 10% of the issued and outstanding Common Shares from time to time.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Financial Statements

The audited financial statements of the Corporation for the fiscal year ended January 31, 2022 together with the auditors' report thereon (collectively, the "**Financial Statements**") will be placed before the Shareholders at the Meeting. Receipt of the Financial Statements at the Meeting will not constitute approval or disapproval of any matters referred to therein.

2. Election of Directors

Unless otherwise directed, the persons named in the accompanying form of proxy intend to vote in favour of the election, as directors of the Corporation, of the nominees (the "**Nominees**") whose names are set forth below. Management does not contemplate that any of the Nominees will be unable to serve as a director of the Corporation.

Each elected director will hold office until the close of business of the next annual meeting of Shareholders following his election unless his office is earlier vacated in accordance with the Corporation's by-law.

At the Meeting, Shareholders will be asked to elect six directors to the Board. Shareholders can vote for all of these directors, vote for some of them and withhold their votes for others, or withhold votes for all of them. The following table provides the names of the Nominees, the province and country of residence, all positions and offices in the Corporation held by each of them, the year in which each was first elected a director of the Corporation and the number of Common Shares that each has advised are beneficially owned, or controlled or directed, directly or indirectly, by each Nominee. Information regarding the present principal occupation, business or employment of each Nominee within the preceding five years is set out following the table below.

Name, Residence and Position with the Corporation	Principal Occupation	Period of Service as a Director	Number of Common Shares Beneficially Owned, or Controlled or Directed, directly or indirectly ⁽²⁾
Brian M. Howlett Ontario, Canada <i>President, CEO and Director</i>	President, CEO and Director of the Corporation	Since March 9, 2020	313,500 ⁽³⁾
Christopher D. Hodgson ⁽¹⁾ Ontario, Canada <i>Director</i>	President of the Ontario Mining Association	Since January 10, 2008	24,166 ⁽⁴⁾
John D. Harvey Ontario, Canada <i>Director</i>	Consulting geologist for J.D. Harvey & Associates	Since January 10, 2008	33,333

Gordon J. Cyr ⁽¹⁾ British Columbia, Canada <i>Director</i>	President of Cyr Drilling International Ltd.	Since January 10, 2008	5,000
Michael G. Leskovec ⁽¹⁾ Ontario, Canada <i>Director</i>	Chief Financial Officer at Northfield Capital Corporation and Chief Financial Officer for Nighthawk Gold Corporation	Since August 3, 2016	46,250 ⁽⁵⁾
Ernie Eves Ontario, Canada <i>Director</i>	President and CEO of Natel Strategies International Inc.	Since October 27, 2020	Nil

Notes:

- (1) Member of the Audit Committee.
- (2) The information as to the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, not being within the knowledge of the Corporation, has been furnished by the respective Nominees individually as at the date hereof.
- (3) 10,000 Common Shares are held by Brian Michael Howlett & Associates Inc., a corporation controlled by Brian Howlett.
- (4) 12,500 Common Shares are held by Christopher Hodgson's spouse.
- (5) 21,250 Common Shares are held by 2245445 Ontario Inc., a corporation controlled by Michael Leskovec.

Cease Trade Orders and Bankruptcies

None of the Nominees is, as at the date of this Information Circular, or has been, within ten years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than thirty consecutive days that was issued:

- (a) while such Nominee was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) after such Nominee ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while such Nominee was acting in the capacity as director, chief executive officer or chief financial officer.

Corporate Bankruptcies

No Nominee (or any personal holding company of such Nominee), is, as of the date of this Information Circular, or has been within ten years before the date of this Information Circular, a director or executive officer of any company (including the Corporation) that, while such Nominee 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.

Personal Bankruptcies

No Nominee (or any personal holding company of such Nominee), has, within the ten years before the date of this Information 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 such Nominee.

Penalties or Sanctions

No Nominee (or any personal holding company of such Nominee), has been subject to:

- (a) 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
- (b) 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 Nominee.

Director Biographies

Mr. Brian M. Howlett

Mr. Howlett is a seasoned professional with over 30 years of senior management experience. Mr. Howlett is the former President and Chief Executive Officer of Dundee Sustainable Technologies Inc. He previously served as the President and Chief Financial Officer of Superior Copper Corporation. Prior to that, Mr. Howlett spent 12 years with ELI Eco Logic Inc., including 6 years as Chief Financial Officer. Mr. Howlett graduated in 1982 with a B. Comm. in finance from Concordia University and received his CMA designation in 1989. He currently serves on the Board of Directors of Nighthawk Gold Corp. and Bitfarms Ltd.

Mr. Gordon J. Cyr

Mr. Cyr has been involved in numerous world-class exploration drilling programs for over thirty years, including surface and underground field operations. Mr. Cyr has held senior management positions with Canadian-based Midwest Drilling and Major Drilling International Inc. Prior to his departure from Major Drilling International Inc. in 2003, Mr. Cyr was the General Manager of their North American operations. In May, 2003, Mr. Cyr became a consultant to the mining industry, and in 2004 established Cyr Drilling International Ltd., a drilling consulting company for which Mr. Cyr is the President.

Mr. John D. Harvey

Mr. Harvey graduated with a Bachelor of Science degree in Geology from the University of New Brunswick in 1959. He has served as President and Chief Executive Officer of Hemlo Gold Mines Inc. from 1989 to 1991. He also held the position of President of Noranda Exploration Company Limited from May 1982 to October 1994. Mr. Harvey is currently a member of the Canadian Institute of Mining and Metallurgy and the Professional Engineers of Ontario and was the Chief Operating Officer of Noront

Resources Inc. from June 2008 until September 2009. During the last 5 years, Mr. Harvey has been engaged as a consulting geologist for J.D. Harvey & Associates.

Mr. Chris Hodgson

Mr. Hodgson is the President of the Ontario Mining Association and President of Chris Hodgson Enterprises. He is also on the Board of Directors for Recipe Unlimited Corporation, Fairfax Africa Holding Corporation, and Fairfax India Holding Corporation. He previously served as Lead Director for The Brick Ltd. As a Member of Provincial Parliament he served as Minister of Natural Resources, Minister of Northern Development and Mines, Chairman of the Management Board of Cabinet, Commissioner of the Board of Internal Economy, and Minister of Municipal Affairs and Housing. Previously he enjoyed a career in municipal government and real-estate development and is an Honours Bachelor of Arts graduate from Trent University.

Mr. Michael Leskovec

Mr. Leskovec is a Chartered Professional Accountant with over twenty years of financial experience with publicly listed companies and capital markets. He serves as the Chief Financial Officer of Northfield Capital Corporation (TSXV:NFD.A), an investment holding company where he works with publicly listed companies, assisting with corporate structuring, mergers and acquisitions, investment analysis, financings and go public transactions in Canada. He also serves as the Chief Financial Officer of Nighthawk Gold Corp. (TSX:NHK) an advanced gold exploration company focused on advancing the Colomac Gold project in the NWT, Canada. Prior to this, Mr. Leskovec served as an officer of Gold Eagle Mines Ltd., which was involved in the development of the Bruce Channel deposit in Red Lake, Ontario, and was sold to Goldcorp Inc. for \$1.5 billion in 2008. Mr. Leskovec earned his Chartered Professional Accountant, Chartered Accountant (CPA, CA) designation while working in the audit and assurance practice for Smith Nixon LLP and has his Honours Bachelor of Accounting (BAcc) Degree from Brock University.

Mr. Ernie Eves

Mr. Ernie Eves, Q.C, LL.D (Hon), is the former Premier of Ontario (2002-2003) and former Finance Minister (1995-2001). Since 2003, Mr. Eves has served as the President and Chief Executive Officer of Natel Strategies International Inc. and currently serves as an advisor, consultant or board member for several Canadian and international companies. As well, Mr. Eves serves as Chair of The Justin Eves Foundation and is a former member of the Board for Special Olympics Canada.

IF ANY OF THE NOMINEES IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR ANOTHER NOMINEE IN THEIR DISCRETION UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN THE ELECTION OF DIRECTORS.

3. Reappointment of Auditors

At the Meeting, Shareholders will be requested to reappoint MNP LLP as the Corporation's auditors to hold office for the ensuing year at a remuneration to be fixed by the Board. The reappointment of MNP LLP, as auditors of the Corporation for the ensuing year at a remuneration to be fixed by the Board must be approved by a majority of the votes cast at the Meeting.

Unless such authority is withheld, the persons named in the accompanying Form of Proxy intend to vote for the reappointment of MNP LLP, Chartered Accountants, as auditors of the Corporation to hold office until the next annual meeting of Shareholders, at a remuneration to be fixed by the directors.

4. Approval of Amended Stock Option Plan

The Corporation's current stock option plan (the "**Stock Option Plan**") dated effective March 4, 2008 governs the issuance of stock options of the Corporation, was last approved by Shareholders on July 27, 2021.

Effective November 24, 2021 the TSX Venture Exchange (the "**TSXV**") adopted Policy 4.4, Security Based Compensation ("**Policy 4.4**"). On June 27, 2022, the Board approved certain amendments to the Stock Option Plan which incorporate changes in order to better align the Stock Option Plan with Policy 4.4.

A copy of the amended stock option plan (the "**Amended Stock Option Plan**") is attached to this Information Circular as Schedule "B" and filed together with the Meeting proxy materials under the Corporation's profile on SEDAR at www.sedar.com. A copy of the Amended Stock Option Plan, as amended, may also be inspected at the head office of the Corporation, 141 Adelaide Street West, Suite 301, Toronto, Ontario during normal business hours and at the Meeting.

At the Meeting, Shareholders will be asked to consider and, if thought appropriate, to pass an ordinary resolution, with or without variation, approving the Amended Stock Option Plan (the "**Stock Option Plan Resolution**"), as further detailed in this Information Circular.

Purpose of the Stock Option Plan

The Stock Option Plan is intended to benefit the Corporation as it aligns the optionees' interests with those of the shareholders of the Corporation. It enables the Corporation to attract, retain and reward personnel of appropriate experience and qualifications on a cost-effective basis by offering an opportunity for them to participate with shareholders in any increase in value of the Common Shares resulting from their efforts and thereby share in the Corporation's success. The Stock Option Plan was first approved by shareholders of the Corporation at the Corporation's annual and special meeting of shareholders on March 4, 2008. The aggregate number of Common Shares reserved for issuance under the Stock Option Plan shall not exceed 10% of the issued and outstanding Common Shares (calculated on a non-diluted basis) from time to time.

Some stock exchanges may require that “rolling” stock option plans be approved by shareholders on an annual basis. Therefore, at the Meeting, the Shareholders entitled to vote on the matter will be asked to consider, and if thought advisable, to pass the Stock Option Plan Resolution, the full text of which is set out below. In the event that the Stock Option Plan Resolution is not passed by the requisite number of votes cast at the Meeting, the Corporation will not have an operative stock option plan and therefore the Board will not be able to issue additional options until such time as another stock option plan is created and approved, and may consequently have difficulty attracting and retaining highly experienced and qualified personnel.

Key Terms of the Stock Option Plan

The maximum number of Common Shares which may be reserved for issuance to any one person under the Stock Option Plan in a 12-month period is 5% of the issued Common Shares at the time of the grant. The exercise price of Common Shares in respect of which an option may be granted shall be fixed by the Board but shall not be less than the market price of the Common Shares at the time the option is granted less the permissible discount permitted by the rules of any stock exchange or other regulatory body having jurisdiction. The market price shall be deemed to be the closing price of the Common Shares as reported by the principal Canadian stock exchange on which the Common Shares are listed or admitted to trading (or, if the Common Shares are not so listed, the average between the closing bid and asked prices as reported on any over-the-counter market) on the day immediately preceding the day upon which the option is granted, or if not so traded, the average between the closing bid and asked prices thereof as reported for the day immediately preceding the day upon which the option is granted. Options granted under the Stock Option Plan are exercisable over a period not exceeding five years, subject to earlier cancellation upon the optionee ceasing to be an employee, executive officer, director or consultant of the Corporation, as applicable, or upon the optionee retiring, becoming permanently disabled or dying. All options granted under the Stock Option Plan are non-assignable and non-transferable. The Stock Option Plan contains provisions for adjustment in the number of Common Shares issuable in the event of a subdivision, consolidation, reclassification or change of the Common Shares, 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 options granted thereunder.

As of the date hereof, options to purchase an aggregate of 2,873,334 Common Shares are outstanding pursuant to the Stock Option Plan.

Summary of the Amendments to the Stock Option Plan

The main amendments being proposed to the Stock Option Plan are as follows (qualified entirely by the full text of the Amended Stock Option Plan set out in Schedule “B” hereto):

- a) revising the definition of “Consultant”, and adding definitions of “Investor Relations Activities” and “VWAP” to align with the policies of the TSXV;

- b) adding clarity in respect of the limitations and restrictions relating to consultants and investor relations persons;
- c) adding a cashless exercise feature providing for payment in cash or securities upon the exercise of options;
- d) adding a provision allowing for the automatic extension to the expiry date of options if such date falls within a blackout period during which the Corporation prohibits participants under the Amended Stock Option Plan from exercising their options;
- e) setting out the Corporation's authorizations in respect of tax withholding obligations and options issued pursuant to the Amended Stock Option Plan;
- f) adding a form of stock option agreement as a schedule to the Amended Stock Option Plan;
- g) adding a comprehensive provision that sets out certain amendments that may be made to the Amended Stock Option Plan only upon receipt of requisite regulatory approval or shareholder approval, as applicable; and
- h) certain other housekeeping amendments.

Resolution to Approve the Amended Stock Option Plan

To be effective, the Stock Option Plan Resolution must receive the affirmative vote of a majority of the votes cast at the Meeting. At the Meeting, Shareholders will be asked to pass the Stock Option Plan Resolution set out below:

“BE IT HEREBY RESOLVED as an ordinary resolution that:

- (a) the Amended Stock Option Plan of the Corporation, in the form attached to the Circular be approved;**
- (b) the Board be authorized on behalf of the Corporation to make any further amendments to the Amended Stock Option Plan as may be required by regulatory authorities, without further approval of the Shareholders, in order to ensure adoption of the Amended Stock Option Plan; and**
- (b) the approval of the Amended Stock Option Plan by the Board is hereby ratified and confirmed and any one director or officer of the Corporation be and is hereby authorized to execute and deliver, under corporate seal or otherwise, all such deeds, documents, instruments and assurances and to do all such acts and things as such person may deem necessary or desirable to give effect to the foregoing”.**

Unless otherwise directed, it is the intention of the Corporation's management nominees to vote for the approval of the Stock Option Plan Resolution.

MANAGEMENT CONTRACTS

There are no management functions of the Corporation which are not to any substantial degree performed by any person other than the directors or executive officers of the Corporation.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS OF THE CORPORATION

No executive officer, director, employee, or former executive officer, director or employee of the Corporation or any of its subsidiaries is or was indebted in respect of any purchase of securities or otherwise to the Corporation, to any subsidiary of the Corporation or to any other entity for which the indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries at any time during the last completed financial year.

No person who is, or was at any time during the most recently completed financial year, a director or executive officer of the Corporation, no Nominee and no associate of any such director, executive officer or Nominee is, or at any time since the beginning of the most recently completed financial year has been, indebted to the Corporation or any subsidiary of the Corporation, or indebted to another entity, which indebtedness is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries, in respect of any security purchase program or any other program.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No person who has been a director or executive officer of the Corporation at any time since the beginning of its last completed financial year, no Nominee and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors. The foregoing notwithstanding, it is hereby acknowledged that directors and executive officers may also be interested in the approval of the Stock Option Plan Resolution as detailed in this Information Circular, as such persons are entitled to participate in the Stock Option Plan.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person (as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) of the Corporation, no Nominee and no associate or affiliate of any informed person or Nominee has or had any material interest, direct or

indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

AUDIT COMMITTEE

National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) requires the Corporation to disclose certain information concerning the constitution of the audit committee of the Board (the “**Audit Committee**”) and its relationship with its independent auditor, as set forth below.

Charter

The Audit Committee is governed by its charter. A copy of the text of the Audit Committee's charter, established in accordance with NI 52-110, is included in Schedule “A” attached hereto.

Composition of the Audit Committee

The current members of the Audit Committee are Michael G. Leskovec, Chris Hodgson and Gordon J. Cyr. Mr. Leskovec is the Chairman of the Audit Committee. All members of the Audit Committee are “independent” within the meaning of NI 52-110. All members of the Audit Committee are “financially literate” within the meaning of NI 52-110.

Education and Experience

Each member of the Audit Committee has acted as a director or audit committee member of a number of public issuers in the past and, as such, has obtained experience that is relevant to the performance of his responsibilities as a member of the Audit Committee. As well, each member of the Audit Committee owns his own business and in such capacity has experience in the preparation, analysis and/or evaluation of financial statements generally and an understanding of internal controls and procedures for financial reporting. Given the scope and nature of the Corporation's business, its financial statements and the accounting issues arising therefrom are relatively uncomplicated. Based on the foregoing, it is the Board's conclusion that each of the members of the Audit Committee has an understanding of the accounting principles used by the Corporation to prepare its financial statements, the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves and experience in 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 Corporation's financial statements. See “Particulars of Matters to be Acted Upon - 2. Election of Directors - Director Biographies” for a biographical description of each member of the Audit Committee.

Audit Committee Oversight

Since February 1, 2021, the commencement of the Corporation's most recently completed financial year, all recommendations of the Audit Committee to nominate or compensate an external auditor were adopted by the Board.

Pre-Approval Policies and Procedures

In the event that the Corporation wishes to retain the services of the Corporation's external auditors for tax compliance, tax advice, tax planning or other non-audit services, such services must be pre-approved by the Audit Committee.

Auditor Services Fees

The following chart summarizes the aggregate fees billed by the external auditors of the Corporation for professional services rendered to the Corporation during the financial years ended January 31, 2021 and January 31, 2022.

	Year Ended January 31, 2021 (\$)	Year Ended January 31, 2022 (\$)
Audit Fees ⁽¹⁾	27,285	32,100
Audit-Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	1,873	2,140
All Other Fees ⁽⁴⁾	Nil	Nil

Notes:

- (1) Aggregate fees billed for the preparation of annual financial statements and services normally provided by the external auditor in connection with statutory and regulatory filings.
- (2) Aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of financial statements and are not reported as "Audit Fees", including, assistance with aspects of tax accounting, attest services not required by statute or regulation and consultation regarding financial accounting and reporting standards.
- (3) Aggregate fees billed for tax compliance, advice, planning and assistance with tax for specific transactions.
- (4) Aggregate fees billed in respect of administration fees of the Canadian Public Accountability Board.

Reliance on Certain Exemptions

Since February 1, 2021, the commencement of the Corporation's most recently completed financial year, the Corporation has not relied on an exemption provided under NI 52-110 whereby approval for a *de minimis* amount of non-audit services is not required, nor has the Corporation obtained or relied upon any exemption granted by a securities regulatory or regulator from the requirements of NI 52-110.

The Corporation is relying upon the exemption in Section 6.1 of NI 52-110 which provides, in part, that the Corporation, as a "venture issuer", is not required to comply with Part 5 (Reporting Obligations) of NI 52-110.

CORPORATE GOVERNANCE

The Board is committed to a high standard of corporate governance practices. The Board believes that this commitment is not only in the best interest of the Corporation's shareholders but that it also promotes effective decision making at the Board level.

Mandate of the Board

The Board has responsibility for the stewardship of the Corporation. In carrying out this mandate, the Board meets regularly and a broad range of matters are discussed and reviewed for approval. These matters include overall corporate plans and strategies, budgets, internal controls and management information systems, risk management as well as interim and annual financial and operating results. The Board is also responsible for the approval of all major transactions, including equity issuances, acquisitions and dispositions, as well as the Corporation's debt and borrowing policies. The Board strives to ensure that actions taken by management correspond closely with the objectives of the Board and the Corporation's shareholders.

Composition of the Board

The Board consists of six directors who provide a diversity of business experience. Of these directors, Brian Howlett is a non-independent director due to his current position as a member of management of the Corporation. Christopher D. Hodgson, John D. Harvey, Gordon J. Cyr, Michael G. Leskovec and Ernie Eves are independent directors.

Details of directorships held by the directors in other public issuers, if any, are set out in the table below.

<i>Name of Director</i>	<i>Name of Reporting Issuer</i>
Brian Howlett	Nighthawk Gold Corporation Bitfarms Ltd.
Chris Hodgson	Recipe Unlimited Corporation Helios Fairfax Partners Corporation Fairfax India Holdings Corporation GreenFirst Forest Products Inc.
Michael Leskovec	Aurelius Minerals Inc. Millennial Precious Metals Corp. Rhyolite Resources Ltd.
Ernie Eves	Nighthawk Gold Corporation

The Board believes that it functions independently of management. To enhance its ability to act independently of management, the Board reviews its procedures on an ongoing basis to ensure that it can function independently of management. The Board meets, as required, without management present. When conflicts do arise, interested parties are precluded from voting on matters in which they may have an interest. In light of the suggestions contained in National Policy 58-201 – *Corporate Governance Guidelines*, the Board convenes meetings, as deemed necessary, of the independent

directors, at which non-independent directors and members of management are not in attendance.

Orientation and Continuing Education

The Corporation does not have a formal process of orientation for new directors. However, at all regular Board meetings there is a discussion of the business of the Corporation which provides new and existing directors with an overview of the Corporation's operations. From time to time, corporate officers and legal, financial and other experts are invited to attend Board meetings to describe matters in their areas of expertise.

Ethical Business Conduct

The Corporation does not have a written code of ethics for directors and officers. All new employees are provided with an employee manual setting out their duties and responsibilities. A director with a material interest in a transaction or agreement considered by the Corporation is required to declare his interest and abstain from voting on the resolutions respecting such matters.

Nomination of Directors

The Board has not appointed a formal nominating committee. However, any member of the Board is free to recommend additional members, as required, and the Board will consider such recommendations as a whole. Until a committee is formed, the Board as a whole will be responsible for assessing the effectiveness of the Board, the committees of the Board and the contribution of individual directors, taking into account the competencies and skills that the Board as a whole should possess as well as the competencies and skills that each director should possess.

Compensation

The Board sets the level of compensation for directors. The Board reviews directors' compensation as needed, taking into account time commitment, comparative fees, risks and responsibilities, to ensure that the amount of compensation adequately reflects the responsibilities and risks of being a director and makes adjustments as deemed necessary. See "Board Oversight of Compensation", "Compensation Program" and "Compensation Program Design" under the heading "Executive Compensation" in this Information Circular.

Other Board Committees

The Board does not have any standing committees other than the Audit Committee.

Assessments

Based upon the Corporation's size, its current state of development and the number of individuals on the Board, the Board considers a formal process for assessing regularly the effectiveness and contribution of the Board, as a whole, its committee or individual directors to be unnecessary at this time. In light of the fact that the Board and the Audit Committee meet on numerous occasions during each year, each director has significant opportunity to assess other directors. The Board plans to continue evaluating its own effectiveness on an ad hoc basis.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information is provided in the Corporation's audited financial statements and Management Discussion and Analysis for the year ended January 31, 2022. Copies of the Corporation's financial statements and Management Discussion and Analysis may be obtained through www.sedar.com or upon written request to the President at 301 – 141 Adelaide Street West, Toronto, Ontario, M5H 3L5.

DIRECTORS' APPROVAL

The contents of this Information Circular and the sending of it have been approved by the directors of the Corporation. This Information Circular has been sent to each director of the Corporation, each shareholder of the Corporation entitled to the Notice of Meeting and the auditors of the Corporation.

DATED as of the 27th day of June, 2022.

BY ORDER OF THE BOARD OF
DIRECTORS

(Signed) "Brian Howlett"

Brian Howlett
President & Chief Executive Officer

SCHEDULE “A”

HEMLO EXPLORERS INC. (the “Corporation”)

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

I. PURPOSE

The Audit Committee is a committee of the Corporation’s board of directors (the “**Board of Directors**”). The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities relating to the financial accounting and reporting process and internal controls for the Corporation by:

- reviewing the financial reports and other financial information before such reports and other financial information is provided by the Corporation to any governmental body or the public;
- recommending the appointment and reviewing and appraising the audit efforts of the Corporation’s external auditors and providing an open avenue of communication among the external auditors, financial and senior management and the Board of Directors;
- serving as an independent and objective party to monitor the Corporation’s financial reporting process and internal controls, the Corporation’s processes to manage business and financial risk, and its compliance with legal, ethical and regulatory requirements; and
- encouraging continuous improvement of, and fostering adherence to, the Corporation’s policies, procedures and practices at all levels.

The Audit Committee will primarily fulfill these responsibilities by carrying out the activities enumerated in Part III of this Charter. The Audit Committee’s primary function is to assist the Board of Directors in fulfilling its responsibilities. It is, however, the Corporation’s management which is responsible for preparing the Corporation’s financial statements and it is the Corporation’s external auditors which are responsible for auditing those financial statements.

II. COMPOSITION AND MEETINGS

The Audit Committee is to be comprised of such number of directors (but at least three) as determined by the Board of Directors, a majority of whom must not be employees or “officers” of the Corporation or any of its “affiliates” (as such terms are defined in the *Business Corporations Act* (Alberta)).

The members of the Audit Committee shall be appointed by the Board of Directors and serve until the next annual meeting of shareholders of the Corporation or until their successors are duly appointed. Unless a Chairman is appointed by the full Board of Directors, the members of the Audit Committee may designate a Chairman by majority vote of the full Audit Committee membership.

The Audit Committee is to meet at least four times annually (and more frequently if circumstances require). The Audit Committee is to meet prior to the filing of quarterly financial statements to review and discuss the unaudited financial results for the preceding quarter and the related management discussion & analysis (“**MD&A**”) and is to meet prior to filing the annual audited financial statements and MD&A in order to review and discuss the audited financial results for the year and related MD&A.

As part of its role in fostering open communication, the Audit Committee should meet at least annually with management and the external auditors in separate executive sessions to discuss any matters that the Audit Committee or each of these groups believe should be discussed privately.

The Audit Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. For purposes of performing their oversight related duties, members of the Audit Committee are to be provided with full access to all corporate information and are to be permitted to discuss such information and any other matters relating to the financial position of the Corporation with senior employees, officers and external auditors of the Corporation.

A quorum for the transaction of business at any meeting of the Audit Committee is (the presence in person or by telephone or other communication equipment of) a majority of the members of the Audit Committee or such greater number as the Audit Committee may by resolution determine. If within one hour of the time appointed for a meeting of the Audit Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, the quorum for the adjourned meeting will consist of the members then present.

Should a vacancy arise among the members of the Audit Committee, the remaining members of the Audit Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.

Meetings of the Audit Committee are to be held from time to time at such place as the Audit Committee or the Chairman of the Audit Committee may determine upon at least seven days’ prior notice to each of the members, in the regular course of the Audit Committee’s affairs, or 48 hours notice in cases where necessity requires. The notice period may be waived by a quorum of the Audit Committee. The Chairman of the Audit Committee, any member of the Audit Committee, the Chairman of the Board of Directors, the Corporation’s external auditors, or the Chief Executive Officer, Chief Financial Officer or Secretary of the Corporation is entitled to request that the Chairman of the Audit

Committee call a meeting. A notice of the Audit Committee may be given verbally, in writing or by telephone, fax or other means of communication, and need not specify the purpose of the meeting.

III. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties, the Audit Committee shall:

Generally

1. Create an agenda for the ensuing year.
2. Review and update this Charter at least annually, prepare revisions to its provisions where conditions so dictate and submit such proposed revisions to the Board of Directors for approval.
3. Describe in each management information circular of the Corporation in which management solicits proxies for the purposes of electing directors to the Board of Directors the Audit Committee's composition and other form requirements under Multilateral Instrument 52-110.
4. Report periodically to the Board of Directors.
5. Conduct or authorize investigations into any matters within the Audit Committee's scope of responsibilities.
6. The Audit Committee shall be empowered to retain and compensate independent counsel, accountants and other professionals to assist it in the performance of its duties as it deems necessary.
7. Perform any other activities consistent with this Charter, the Corporation's By-law and governing law, as the Audit Committee or the Board of Directors deems necessary or appropriate.

Documents/Reports Review

8. Review the Corporation's interim and annual financial statements, results of audits as well as all interim and annual MD&A and interim and annual earnings press releases prior to their publication and/or filing with any governmental body, or the public.
9. Review policies and procedures with respect to directors' and senior officers' expense accounts and management perquisites and benefits, including their use of corporate assets and expenditures related to executive travel and entertainment, and review the results of the procedures performed in these areas by the external auditors, based on terms of reference agreed upon by the external auditors and the Audit Committee.

10. Satisfy itself 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, other than the public disclosure addressed in paragraph 8 of this part, and periodically assess the adequacy of such procedures.
11. Review the audited annual financial statements to satisfy itself that they are presented in accordance with general accepted accounting principles.
12. Provide insight to related party transactions entered into by the Corporation.

External Auditors

13. Recommend to the Board of Directors the selection of the external auditors, considering independence and effectiveness, and approve the fees and other compensation to be paid to the external auditors. Instruct the external auditors that the Board of Directors, as the shareholders' representative, is the external auditors' client.
14. Monitor the relationship between management and the external auditors, including reviewing any management letters or other reports of the external auditors and discussing and resolving any material differences of opinion between management and the external auditors.
15. Review and discuss, on an annual basis, with the external auditors all significant relationships they have with the Corporation to determine their independence.
16. Pre-approve all audit and non-audit services to be provided to the Corporation or its subsidiaries by the external auditors.
17. Oversee the work and review the performance of the external auditors and approve any proposed discharge of the external auditors when circumstances warrant. Consider with management and the external auditors the rationale for employing accounting/auditing firms other than the principal external auditors.
18. Periodically consult with the external auditors out of the presence of management about significant risks or exposures, internal controls and other steps that management has taken to control such risks, and the completeness and accuracy of the Corporation's financial statements. Particular emphasis should be given to the adequacy of internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper.
19. Ensure that the external auditors report directly to the Audit Committee, ensure that significant findings and recommendations made by the external auditors are received and discussed with the Audit Committee on a timely basis and arrange for the external auditors to be available to the Audit Committee and the full Board of Directors as needed.

20. Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the Corporation's external auditors.

Financial Reporting Processes

21. In consultation with the external auditors, review the integrity of the Corporation's financial reporting processes, both internal and external.
22. Consider the external auditors' judgments about the quality and appropriateness, not just the acceptability, of the Corporation's accounting principles and financial disclosure practices, as applied in its financial reporting, particularly about the degree of aggressiveness or conservatism of its accounting principles and underlying estimates and whether those principles are common practices.
23. Consider and approve, if appropriate, major changes to the Corporation's accounting principles and practices as suggested by management with the concurrence of the external auditors and ensure that management's reasoning is described in determining the appropriateness of changes in accounting principles and disclosure.

Process Improvement

24. Establish regular and separate systems of reporting to the Audit Committee by each of management and the external auditors regarding any significant judgments made in management's preparation of the financial statements and the view of each as to appropriateness of such judgments.
25. Review the scope and plans of the external auditors' audit and reviews prior to the audit and reviews being conducted. The Audit Committee may authorize the external auditors to perform supplemental reviews or audits as the Audit Committee may deem desirable.
26. Following completion of the annual audit and quarterly reviews, review separately with management and the external auditors any significant changes to planned procedures, any difficulties encountered during the course of the audit and reviews, including any restrictions on the scope of work or access to required information and the cooperation that the external auditors received during the course of the audit and reviews.
27. Review and resolve any significant disagreements between management and the external auditors in connection with the preparation of the financial statements.
28. Where there are significant unsettled issues, the Audit Committee is to assist in arriving at an agreed course of action for the resolution of such matters.
29. Review with the external auditors and management significant findings during the year and the extent to which changes or improvements in financial or accounting

practices, as approved by the Audit Committee, have been implemented. This review should be conducted at an appropriate time subsequent to implementation of changes or improvements, as decided by the Audit Committee.

30. Review activities, organizational structure, and qualifications of the Corporation's Chief Financial Officer and staff in the financial reporting area and see to it that matters related to succession planning within the Corporation are raised for consideration to the full Board of Directors.

Ethical and Legal Compliance

31. Establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
32. Review and update periodically a code of ethical conduct (the "**Code of Conduct**") and ensure that management has established a system to enforce the Code of Conduct. Review appropriateness of actions taken to ensure compliance with the Code of Conduct and to review the results of confirmations and violations thereof.
33. Review management's monitoring of the Corporation's systems in place to ensure that the Corporation's financial statements, reports and other financial information disseminated to governmental organizations and the public satisfy legal requirements.
34. Review, with the Corporation's counsel, legal and regulatory compliance matters, including corporate securities trading policies, and matters that could have a significant impact on the Corporation's financial statements.

Risk Management

35. Review management's program of risk assessment and steps taken to address significant risks or exposures, including insurance coverage, and obtain the external auditors' opinion of management's assessment of significant financial risks facing the Corporation and how effectively such risks are being managed or controlled.

SCHEDULE “B”
Stock Option Plan
Of
HEMLO EXPLORERS INC.
Amended [●], 2022

1. INTERPRETATION

For the purposes of this Plan, the following terms shall have the following meanings:

- (a) **“Blackout Period”** shall have the meaning ascribed under Section 6(i) to this Plan;
- (b) **“Board”** means the board of directors of the Company;
- (c) **“Cashless Exercise Right”** shall have the meaning ascribed under Section 6(d) of this Plan;
- (d) **“Company”** means Hemlo Explorers Inc., a corporation existing under to the laws of the Province of Ontario;
- (e) **“Consultant”** means an individual (other than a director, officer or employee of the Company or of any of its Subsidiaries) or company that:
 - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to any of its subsidiaries, other than services provided in relation to the sale of securities from the treasury of the Company;
 - (ii) provides the services under a written contract between the Company or any of its Subsidiaries and the individual or the Company, as the case may be; and
 - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or of any of its subsidiaries;
- (f) **“Eligible Person”** means, subject to all applicable laws, any employee, senior officer, director or Consultant of the Company or any Subsidiary or any personal holding corporation controlled by an officer or director of the Company or any Subsidiary;
- (g) **“Insider”** shall have the meaning ascribed under Section 1(1) of the *Securities Act* (Ontario);
- (h) **“Investor Relations Activities”** has the meaning ascribed under Section 1.2 of the TSX Venture Exchange Policy 1.1 – *Interpretation*;
- (i) **“Option”** means an option to purchase Shares granted to an Eligible Person pursuant to the terms of the Plan;
- (j) **“Participant”** means Eligible Persons to whom Options have been granted;

- (k) **“Plan”** means this Stock Option Plan of the Company;
- (l) **“Share Compensation Arrangement”** means any stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares, including a share purchase from treasury which is financially assisted by the Company by way of a loan, guarantee or otherwise;
- (m) **“Shareholders”** shall have the meaning ascribed under Section 10 to this Plan;
- (n) **“Shares”** means the common shares of the Company;
- (o) **“Subsidiary”** means any company that is a subsidiary of the Company as defined under Section 1(4) of the *Securities Act* (Ontario);
- (p) **“Tax Act”** shall have the meaning ascribed under Section 6(d) to this Plan;
- (q) **“Termination Date”** means the date on which a Participant ceases to be an Eligible Person;
- (r) **“VWAP”** means the volume weighted average trading price of the Shares on the stock exchange on which the Shares are listed, calculated by dividing the total value by the total volume of such securities traded for the five trading days immediately preceding the exercise of the subject Options; and
- (s) **“Withholding Obligation”** shall have the meaning ascribed under Section 6(n) to this Plan;

Words importing the singular number only shall include the plural and vice versa and words importing the masculine shall include the feminine.

This Plan and all matter which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

2. PURPOSE

The purpose of this Plan is to encourage ownership of the Shares by directors, officers and employees of the Company, and its Subsidiaries thereof and Consultants, who are primarily responsible for the management and profitable growth of its business and to advance the interests of the Company by providing additional incentive for superior performance by such persons and to enable the Company and its Subsidiaries to attract and retain valued directors, officers, employees and Consultants.

3. ADMINISTRATION

The Plan shall be administered by the Board. Subject to the limitations of the Plan, the Board shall have the authority:

- (a) to grant options to purchase Shares to Eligible Persons;
- (b) to determine the terms, limitations, restrictions and conditions respecting such grants;

- (c) to interpret the Plan and to adopt, amend and rescind such administrative guidelines and other rules and regulations relating to the Plan as it shall from time to time deem advisable; and
- (d) to make all other determinations and to take all other actions in connection with the implementation and administration of the Plan as it may deem necessary or advisable.

The Board's guidelines, rules, regulations, interpretations and determinations shall be conclusive and binding upon the Company and all other persons.

4. SHARES SUBJECT TO THE PLAN

The maximum number of Shares which may be reserved and set aside for issue under this Plan shall not exceed 10% of the issued Shares of the Company at the time of the stock option grant (on a non-diluted basis).

Any Shares subject to an Option which for any reason is cancelled or terminated without having been exercised shall again be available for grants under the Plan. No fractional Shares shall be issued, and the Board may determine the manner in which fractional share value shall be treated.

5. PARTICIPATION

Options shall be granted under the Plan only to Eligible Persons designated from time to time by the Board and shall be subject to the approval of such regulatory authorities as may have jurisdiction.

6. TERMS AND CONDITIONS OF OPTIONS

The terms and conditions of each Option granted under the Plan shall include the following, as well as such other provisions, not inconsistent with the Plan, as may be deemed advisable by the Board including those contained in any stock option agreement, which shall be substantially in the form of stock option agreement attached as Schedule "A" hereto, entered into between the Company and a Participant:

- (a) Option Price: The option price of any Shares in respect of which an Option may be granted shall be fixed by the Board but shall be not less than the market price of the Shares at the time the Option is granted. For the purpose of this Section 6(a), "market price" shall be deemed to be the closing price as reported by the principal Canadian stock exchange on which the Shares are listed or admitted to trading (or, if the Shares are not so listed, the average of the closing bid and asked prices as reported on any over-the-counter market) on the day immediately preceding the day upon which the Option is granted, or if not so traded, the average between the closing bid and asked prices thereof as reported for the day immediately preceding the day upon which the Option is granted. In the resolution allocating any Option, the Board may determine that (i) the date of grant of the Option shall be a future date determined in the manner specified in such resolution, in which case, for the purpose of this Section 6(a), "market price" shall be deemed to be the weighted average trading price of the Shares as reported by the principal Canadian stock exchange on which the Shares are listed or admitted to trading (or, if the Shares are not so listed, the weighted average of the average of the

closing bid and asked prices as reported on any over-the-counter market) for five (5) trading days preceding the date of the grant, and (ii) the date or dates of the vesting of the Option shall be a future date or dates determined in the manner specified in such resolution. The Board may also determine that the option price per share may escalate at a specified rate dependent upon the date on which any Option may be exercised by the Participant.

- (b) Exercise of Option: Subject to the provisions contained in Section 6(h), no Option may be exercised unless the Participant is then an Eligible Person. This Plan shall not confer upon the Participant any right with respect to continuation of employment by the Company. Absence on leave approved by an officer of the Company or of any Subsidiary authorized to give such approval shall not be considered an interruption of employment for any purpose of the Plan. Subject to the provisions of the Plan, an Option may be exercised from time to time by delivery to the Corporate Secretary of the Company at its offices in Toronto of a written notice of exercise specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full of the purchase price of the Shares then being purchased.
- (c) Payment: As soon as practicable after receipt of a notification of exercise, full payment of the exercise price or election of a Cashless Exercise Right in accordance with Section 6(d), but subject to the terms of the Plan (including, but not limited to, Section 6(n)), the number of Shares in respect of which the Option is exercised shall be duly issued as fully paid and non-assessable. A holder of an Option shall have none of the rights of a shareholder until such time as the Shares are issued to the holder.
- (d) Cashless Exercise Right. Notwithstanding anything to the contrary contained herein, in lieu of exercising the Option pursuant to Section 6(a) above, the Participant shall have the right (but not the obligation) to deal with such Option on a “cashless exercise” basis, on such terms as the Board may determine in its discretion (the “**Cashless Exercise Right**”). The Cashless Exercise Right may be completed as follows:
 - (i) Broker Arranged Cashless Exercise. Upon vesting of an Option, if the Company has an arrangement with a brokerage firm pursuant to which the brokerage firm will loan money to a Participant to purchase the Shares underlying the Options, the Participant may elect to work with the brokerage firm to exercise a cashless exercise of the Options. In this case, the brokerage firm will then sell a sufficient number of Shares to cover the exercise price of the Options in order to repay the loan made to the Participant. The brokerage firm will receive an equivalent number of Shares from the Company as a result of the exercise of the Options and the Participant will then receive the balance of Shares from the Company or the cash proceeds from the balance of such Shares sold by the brokerage firm; or
 - (ii) Net Exercise. Upon vesting of an Option, a Participant, excluding any Participants who are persons engaged to conduct Investor Relations Activities, may elect to surrender all or part of the Option to the Company in consideration of a payment in only the number of Shares that is the equal to the quotient obtained by dividing:

- (A) the product of the number of Options being exercised multiplied by the difference between the VWAP of the Shares and the exercise price; by
- (B) the VWAP of the Shares.

Where the Participant is subject to the *Income Tax Act* (Canada) and any regulations thereunder as amended from time to time (the "**Tax Act**"), in respect of the Options, the Company shall make the election provided for in subsection 110(1.1) of the Tax Act.

Pursuant to Section 6(n) and for greater certainty, the number of Shares or cash payment shall be reduced by the Withholding Obligation.

- (e) Term of Option: Options granted under this Plan may be exercisable over a period not exceeding five (5) years. Each Option shall be subject to earlier termination as provided in Section 6(h).
- (f) Limitation on Grants: Subject to the maximum amount of Shares which may be reserved and set aside for issuance as set out in Section 4:
 - (i) unless the Company has obtained the requisite disinterested Shareholder approval, the aggregate number of Shares which may be reserved for issuance to any one person under the Plan must not exceed 5% of the issued Shares (determined at the date the Option was granted) in a 12 month period;
 - (ii) unless the Company has obtained the requisite disinterested Shareholder approval, the aggregate number of Shares which may be reserved for issuance to Insiders (as a group) under the Plan must not exceed 10% of the issued Shares (determined at the date the Option was granted);
 - (iii) unless the Company has obtained the requisite disinterested Shareholder approval, the aggregate number of Shares which may be reserved for issuance to Insiders (as a group) under the Plan must not exceed 10% of the issued Shares (determined at the date the Option was granted) in a 12 month period;
 - (iv) the aggregate number of Options granted to any one Consultant under the Plan in a 12 month period must not exceed 2% of the issued Shares of the Company, calculated at the date the option was granted to the Consultant; and
 - (v) the aggregate number of Options granted to Eligible Persons performing Investor Relations Activities under the Plan must not exceed 2% of the issued Shares of the Company in any 12 month period, calculated at the date the Option was granted.
- (g) Representation of Company: For stock options granted to Employees, Consultant or Management Company Employees, the Company represents that the Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be.

- (h) Termination of Options: Any Option granted pursuant hereto, to the extent not validly exercised, will terminate on the earlier of the following dates:
- (i) the date of expiration specified in the Option agreement or in the resolution of the Board granting such Option, as the case may be, being not more than five (5) years after the date upon which the Option was granted;
 - (ii) ninety (90) days after the Participant ceases to be an Eligible Person, other than by reason of retirement, permanent disability or death. Without limitation, and for greater certainty only, this provision will apply regardless of whether the Participant was dismissed with or without cause and regardless of whether the Participant received compensation in respect of dismissal or was entitled to a period of notice of termination which would otherwise have permitted a greater portion of the Option to vest with the Participant;
 - (iii) one hundred and eighty (180) days after the date of the death of the Participant during which period the Option may be exercised by the Participant's legal representative or the person or persons to whom the deceased Participant's rights under the Option shall pass by will or the applicable laws of descent and distribution, and only to the extent the Participant would have been entitled to exercise the Option on the date of death;
 - (iv) ninety (90) days after termination of the Participant's employment by reason of permanent disability or retirement under any retirement plan of the Company or any Subsidiary, during which ninety (90) day period the Participant may exercise the Option to the extent he was entitled to exercise it at the time of such termination, provided that if the Participant shall die within such ninety (90) day period, then such right shall be extended to ninety (90) days following the date of death of the Participant and shall be exercisable only by the persons described in clause 6(g)(iii) hereof and only to the extent therein set forth; and
 - (v) thirty (30) days after the date of a Participant who is performing Investor Relations Activities ceases to be employed or retained by the Company to provide such Investor Relations Activities.
- (i) Blackout Period: Notwithstanding Section 6(h), if an Option expiry date falls within a period during which the Company prohibits Participants from exercising their Options (a "**blackout period**") the expiry date of such Option will be automatically extended to the 10th business day following such blackout period provided that the following requirements are satisfied:
- (i) the blackout period must be formally imposed by the Company pursuant to its internal trading policies. For greater certainty, in the absence of the Company formally imposing a blackout period, the expiry date of any Options will not be automatically extended;
 - (ii) the blackout period must expire following the general disclosure of the undisclosed Material Information. The expiry date of the affected Options can be extended to no later than ten business days after the expiry of the blackout period;

- (iii) the automatic extension of a Participant's Options will not be permitted where the Participant or the Company is subject to a cease trade order (or similar order under securities laws) in respect of the Company's securities; and
- (iv) the automatic extension is available to all Participants under this Plan under the same terms and conditions.
- (j) Nontransferability of Stock Option: No Option shall be transferable or assignable by the Participant other than by will or the laws of descent and distribution and such Option shall be exercisable during his lifetime only by the Participant.
- (k) Applicable laws or Regulations: The Plan, the grant and exercise of Options hereunder and the Company's obligation to sell and deliver Shares upon exercise of Options shall be subject to all applicable federal, provincial and foreign laws, rules and regulations, the rules and regulations of any stock exchange on which the Shares are listed for trading and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Company, be required. The Company shall not be obligated by any provision of the Plan or the granting of any Option hereunder to issue or sell Shares in violation of such laws, rules and regulations or any condition of such approvals. No Option shall be granted and no Shares issued or sold hereunder where such grant, issue or sale would require registration of the Plan or the Shares under the securities laws of any foreign jurisdiction and any purported grant of any Option or issue or sale of Shares hereunder in violation of this provision shall be void. In addition, the Company shall have no obligation to issue any Shares pursuant to the Plan unless such Shares shall have been duly listed, upon official notice of issuance, with all stock exchanges on which the Shares are listed for trading. Shares issued and sold to Participants pursuant to the exercise of Options may be subject to limitations on sale or resale under applicable securities laws.
- (l) Vesting: The vesting of Options shall be as determined by the Board, however, Options issued to Participants performing Investor Relations Activities will vest as determined by the Board in stages over 12 months, with no more than ¼ of the Options vesting in any three month period.
- (m) Hold Period: All Options must be legended with a four (4) month hold period commencing on the date the Options are granted.
- (n) Tax Withholding: The Company may withhold from any amount payable to a Participant, either under this Plan or otherwise, such amount as may be necessary so as to ensure that the Company will be able to comply with the applicable provisions of any federal, provincial, state or local law relating to the withholding of tax or that any other required deductions are paid or otherwise satisfied ("**Withholding Obligation**"). Subject to the other provisions of this Plan, the Company shall also have the right in its discretion to satisfy any such liability for withholding or other required deduction amounts by retaining any Shares that would otherwise be issuable and selling them on the Participant's behalf through a broker-assisted sale, or retaining any amount payable, which would otherwise be issued or delivered, provided or paid to a Participant hereunder. The Company may require a Participant, as a condition to exercise of an Option, to pay to the Company any amounts as are necessary for the Company to comply with its

withholding obligations for any such withholding or other required deduction amounts related to the exercise of Options, a Share issuance hereunder.

7. ADJUSTMENTS IN SHARES SUBJECT TO THE PLAN

- (a) Subdivisions and Redivisions: In the event of any subdivision or redivision or subdivisions or redivisions of the Shares at any time while any Option is outstanding into a greater number of Shares, the Company shall thereafter deliver at the time of exercise of any Option, in lieu of the number of Shares in respect of which such Option is then being exercised, such greater number of Shares as would result from said subdivision or redivision or subdivisions or redivisions had such Option been exercised before such subdivision or redivision or subdivisions or redivisions without the Participant making any additional payment or giving any other consideration therefor.
- (b) Consolidations: In the event of any consolidation or consolidations of the Shares at any time while any Option is outstanding into a lesser number of Shares, the Company shall thereafter deliver, and the Participant shall accept, at the time of exercise of any Option, in lieu of the number of Shares in respect of which such Option is then being exercised, such lesser number of Shares as would result from such consolidation or consolidations had such Option been exercised before such consolidation or consolidations.
- (c) Reclassifications/Changes: In the event of any reclassification or change or reclassifications or changes of the Shares at any time while any Option is outstanding, the Company shall thereafter deliver at the time of exercise of any Option hereunder the number of securities of the Company of the appropriate class or classes resulting from said reclassification or change or reclassifications or changes as the Participant would have been entitled to receive in respect of the number of Shares in respect of which such Option is then being exercised had such Option been exercised before such reclassification or change or reclassifications or changes.
- (d) Other Capital Reorganizations: In the event of any capital reorganization of the Company at any time while any Option is outstanding, not otherwise covered in this Section 7 or a consolidation, amalgamation or merger with or into any other entity or the sale of the properties and assets as or substantially as an entirety to any other entity, the Participant if he has not exercised his Option prior to the effective date of such reorganization, consolidation, amalgamation, merger or sale, upon the exercise of such Option thereafter, shall be entitled to receive and shall accept in lieu of the number of Shares then subscribed for by him but for the same aggregate consideration payable therefor, the number of other securities or property of the entity resulting from such merger, amalgamation or consolidation to which such sale may be made, as the case may be, that the Participant would have been entitled to receive on such capital reorganization, consolidation, amalgamation, merger or sale if, on the record date or the effective date thereof, the Participant had been the registered holder of the number of Shares so subscribed for.
- (e) If the Company at any time while any Option is outstanding shall pay any stock dividend or stock dividends upon the Shares, the Company will thereafter deliver at the time of exercise of any Option in addition to the number of Shares in respect

of which such Option is then being exercised, such additional number of securities of the appropriate class as would have been payable on the Shares so purchased if such Shares had been outstanding on the record date for the payment of such stock dividend or dividends.

- (f) The Company shall not be obligated to issue fractional Shares in satisfaction of its obligations under the Plan or any Option and the Participant will not be entitled to receive any form of compensation in lieu thereof.
- (g) If at any time the Company grants to its shareholders the right to subscribe for and purchase pro rata additional securities or of any other corporation or entity, there shall be no adjustments made to the number of Shares or other securities subject to the Options in consequence thereof and the Options shall remain unaffected.
- (h) The adjustment in the number of Shares issuable pursuant to Options provided for in this Section shall be cumulative.
- (i) On the happening of each and every of the foregoing events, the applicable provisions of the Plan and each of them shall, ipso facto, be deemed to be amended accordingly and the Board shall take all necessary action so as to make all necessary adjustments in the number and kind of securities subject to any outstanding Options (and the Plan) and the exercise price thereof.

8. AMENDMENT AND TERMINATION OF PLAN AND OPTIONS

- (a) Subject in all cases to the approval of all stock exchanges and regulatory authorities having jurisdiction over the affairs of the Company, the Board may from time to time amend or revise the terms of the Plan (or any Option granted thereunder) or may terminate the Plan (or any Option granted thereunder) at any time provided however that no such action shall, without the consent of the Participant, in any manner adversely affect a Participant's rights under any Option theretofore granted under the Plan.
- (b) To the extent required by applicable law or by the policies of the stock exchange on which the Shares trade (if applicable), shareholder approval (as required by such policies) and approval of such stock exchange, as applicable, will be required for the following types of amendments:
 - (i) persons eligible to be granted or issued Options under the Plan;
 - (ii) the maximum number or percentage, as the case may be, of Shares that may be issuable under the Plan;
 - (iii) the limits under the Plan on the amount of Options that may be granted or issued to any one person or any category of persons;
 - (iv) the method for determining the exercise price of Options;
 - (v) the maximum term of any Options;
 - (vi) the expiry and termination provisions applicable to any Options; and
 - (vii) any method or formula for calculating prices, values or amounts under the Plan that may result in a benefit to a Participant.

Notwithstanding the foregoing, the following types of amendments do not require to Shareholder approval:

- (viii) amendments to fix typographical errors; and
 - (ix) amendments to clarify existing provisions of the Plan that do not have the effect of altering the scope, nature and intent of such provisions.
- (c) Disinterested shareholder approval will be required to be obtained for any amendment to Options held by Insiders which results in a benefit to such Insider, including, for certainty, a reduction in the exercise price or extension to the term if the Optionee is an Insider of the Company at the time of the proposed amendment.

9. EFFECTIVE DATE AND DURATION OF PLAN

The Plan becomes effective on the date of its adoption by the Board and Options may be granted immediately thereafter. The Plan shall remain in full force and effect until such time as the Board shall terminate the Plan, and for so long thereafter as Options remain outstanding in favour of any Participant.

10. APPROVAL OF PLAN

The establishment of the Plan shall be subject to approval of the shareholders of the Company (the “**Shareholders**”). In addition, all Options granted pursuant to the Plan prior to the approval thereof by the Shareholders shall also be subject to approval of the Shareholders; provided that all Options granted subsequent to such approval shall not require approval by the Shareholders unless such approval is required by the regulatory authorities or stock exchanges having jurisdiction over the affairs of the Company.

11. NO ADVICE REGARDING GRANT

The Company is not providing any tax, legal, or financial advice, nor is the Company making any recommendations regarding Participant’s participation in the Plan, or Participant’s acquisition or sale of the underlying Shares. Participant acknowledges, understands and agrees he or she should consult with his or her own personal tax, legal, and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

SCHEDULE "A"

FORM OF OPTION AGREEMENT

**HEMLO EXPLORERS INC.
(the "Company")**

**STOCK OPTION PLAN
OPTION AGREEMENT**

This Option Agreement is entered into between HEMLO EXPLORERS INC. (the "**Company**") and the Participant named below pursuant to the *terms and conditions of the Company's Stock Option Plan (the "Plan"), a copy of which is attached as Schedule "A" hereto, the terms and conditions of which are hereby incorporated herein. All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Plan.*

Effective the ● day of ● (the "**Effective Date**"), the Company has agreed to grant to **[Insert Name]**, Options to acquire ● Common Shares ("**Shares**") exercisable up to 5:00 p.m. Toronto Time on the ● day of ● (the "**Expiry Date**") at an exercise price of Cdn. \$● per Share which shall Vest as follows:

● **[NTD: insert vesting details]**

To exercise your Options, deliver a written notice substantially in the form set out in Schedule "B" hereto specifying the number of Shares you wish to acquire, together with a certified cheque or bank draft, or other form of payment as agreed to with the Company, payable to the Company for the aggregate exercise price, to the Company (except in the case of a net exercise of Options in accordance with Section 6(c) of the Plan, provided that you are not a person engaged to conduct Investor Relations Activities). A certificate for the Shares so acquired will be issued by the transfer agent as soon as practicable thereafter.

HEMLO EXPLORERS INC.

Authorized Signatory

You acknowledge having received a copy of the Plan. In the event of any inconsistency between the terms of this Agreement and the Plan, it is hereby acknowledged that the terms of the Plan shall govern.

Agreed to:

Signature of Participant

SCHEDULE "A"

**HEMLO EXPLORERS INC.
STOCK OPTION PLAN**

[See attached.]

SCHEDULE "B"

NOTICE OF ELECTION TO EXERCISE OPTION

TO: HEMLO EXPLORERS INC. (the "Company")

Pursuant to the Company's Stock Option Plan (the "**Plan**") the undersigned hereby elects:

(A) to exercise _____ Options, to acquire _____ common shares in the capital of the Company (the "**Shares**"), and enclosed herewith is a certified cheque or bank draft payable to the Company, unless other arrangements have been made with the Company, in the aggregate amount of \$_____, being an amount equal to \$_____ per Share;

OR

(B) to exercise _____ Options on a cashless basis to receive such number of Shares that is equal to the quotient obtained by dividing: (a) the product of the number of such Options multiplied by the difference between the VWAP of the Shares and the Exercise Price; by (b) the VWAP of the Shares, in accordance with the terms of the Plan.

The undersigned requests that the Shares be issued as follows:

Name: _____
(Print name as name is to appear on share certificate)

Address: _____

Other Instructions: _____

DATED this _____ day of _____, 20_____.

SIGNED, SEALED & DELIVERED

in the presence of:

)
)
)
)
)
)
)
)
)
)

Participant:

