



NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
AND
MANAGEMENT INFORMATION CIRCULAR

APRIL 24, 2020

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ARES STRATEGIC MINING INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special meeting (the “**Meeting**”) of the holders of the common shares (collectively, the “**Shareholders**” or individually, a “**Shareholder**”) of Ares Strategic Mining Inc.. (the “**Corporation**”) will be held at the Corporation office at 409 Granville Street, Suite 1001, Vancouver, BC, V6C 1T2 on Wednesday, June 3, 2020 at the hour of 10:00 AM, local time for the following purposes:

1. to receive the audited financial statements of the Corporation for the financial year ended September 30, 2019, together with the report of the auditor thereon;
2. to elect the directors of the Corporation to hold office for the ensuing year;
3. to appoint Manning Elliott LLP, Chartered Professional Accountants, as auditor of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix its remuneration;
4. to consider and, if thought appropriate, pass with or without variation, a resolution authorizing the Board of Directors to approve L&S International Trading Limited as a new Control Person (as defined in the policies of the TSX Venture Exchange), as more fully described in the Circular;
5. to consider and, if thought appropriate, pass with or without variation, a resolution approving the Corporation’s rolling stock option plan, as more fully described in the accompanying Circular; and
6. to transact such other business as may properly be brought before the meeting or any adjournment for adjournments thereof.

A Shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit his, her or its duly executed form of proxy with the Corporation’s transfer agent and registrar, TSX Trust Company, by mail or by hand at 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 1S3, by fax at 1-416-595-9593 on or before 10:00 AM on Monday, June 1, 2020 or deliver it to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting.

Shareholders who are unable to be present personally at the Meeting are urged to sign, date and return the enclosed form of proxy in the envelope provided for that purpose. If you plan to be present personally at the Meeting, you are requested to bring the enclosed form of proxy for identification. The record date for the determination of those Shareholders entitled to receive the Notice of Annual and Special Meeting of Shareholders and to vote at the Meeting was the close of business on Friday, April 24, 2020

In light of ongoing concerns related to the spread of COVID-19, and in order to mitigate potential risks to the health and safety of the Company’s shareholders, employees, communities and other stakeholders, meeting participants are encouraged not to attend in person. Rather, participants are encouraged to vote on the matters before the meeting by proxy and to join the meeting by teleconference. To access the meeting by teleconference, dial toll free at 1-877-860-3058, Access Code: 714-598-4711

DATED at Vancouver, British Columbia as of this 24 day of April, 2020

BY ORDER OF THE BOARD

“James Walker”

James Walker
President & CEO

ARES STRATEGIC MINING INC.

MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This management information circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management of Ares Strategic Mining Inc. (the “**Corporation**”) for use at the annual and special meeting (the “**Meeting**”) of holders (collectively, the “**Shareholders**” or individually, a “**Shareholder**”) of common shares in the capital of the Corporation (“**Common Shares**”) to be held at the time and place and for the purposes set forth in the attached Notice of Annual and Special Meeting of Shareholders (the “**Notice**”). The solicitation will be primarily by mail, but proxies may also be solicited personally or by telephone by regular employees of the Corporation. The cost of solicitation will be borne by the Corporation.

Except as noted below, the Corporation has distributed or made available for distribution, copies of the Notice, the Circular and form of proxy or voting instruction form (if applicable) (the “**Meeting Materials**”) to clearing agencies, securities dealers, banks and trust companies or their nominees (collectively, the “**Intermediaries**”) for distribution to Beneficial Shareholders (as defined below) whose Common Shares are held by or in custody of such Intermediaries. Such Intermediaries are required to forward such documents to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. The Corporation has elected to pay for the delivery of the Meeting Materials to objecting Beneficial Shareholders by the Intermediaries. The Corporation is sending proxy-related materials directly to non-objecting Beneficial Shareholders, through the services of its transfer agent and registrar, TSX Trust Company. The solicitation of proxies from Beneficial Shareholders will be carried out by the Intermediaries or by the Corporation if the names and addresses of the Beneficial Shareholders are provided by Intermediaries. The Corporation will pay the permitted fees and costs of Intermediaries incurred in connection with the distribution of the Meeting Materials. The Corporation is not relying on the notice-and-access provisions of securities laws for delivery of the Meeting Materials to registered Shareholders or Beneficial Shareholders.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. **A Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act for such Shareholder and on his, her or its behalf at the Meeting other than the persons designated in the enclosed form of proxy.** Such right may be exercised by inserting in the blank space provided for that purpose the name of the desired person or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to the Corporation’s transfer agent and registrar, TSX Trust Company by mail or hand at 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 1S3, by fax at 1-416-595-9593, not later than 10:00 AM on Monday, June 1, 2020 or delivering it to the chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting. A proxy must be executed by the registered Shareholder or his or her attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized.

Proxies given by Shareholders for use at the Meeting may be revoked prior to their use:

- (a) by depositing an instrument in writing executed by the Shareholder or by such Shareholder’s attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized indicating the capacity under which such officer or attorney is signing:

- (i) at the registered office, Suite 1001, 409 Granville Street, Vancouver, British Columbia, V6C 1T2, at any time up to and including Tuesday, June 2, 2020 ; or
 - (ii) with the chairman of the Meeting on the day of the Meeting or any adjournment thereof; or
- (b) in any other manner permitted by law.

EXERCISE OF DISCRETION BY PROXIES

The persons named in the accompanying form of proxy will vote the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholders appointing them. **In the absence of such direction, such Common Shares will be voted in favour of the passing of the matters set out in the Notice. The form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting or any adjournment thereof.** At the time of the printing of this Circular, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice. **However, if any other matters which at present are not known to the management of the Corporation should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.**

ADVICE TO BENEFICIAL SHAREHOLDERS

Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares, or non-objecting beneficial owners whose names have been provided to the Corporation's registrar and transfer agent, can be recognized and acted upon at the Meeting. The information set forth in this section is therefore of significant importance to a substantial number of Shareholders who do not hold their Common Shares in their own name (referred to in this section as "**Beneficial Shareholders**"). If Common Shares are listed in an account statement provided to a Shareholder by an Intermediary, then in almost all cases those Common Shares will not be registered in such Shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Shareholder's Intermediary or an agent of that Intermediary. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co., as nominee for CDS Clearing and Depository Services Inc., which acts as a depository for many Canadian Intermediaries. Common Shares held by Intermediaries or their nominees can only be voted for or against resolutions upon the instructions of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting Common Shares for their clients.

Applicable regulatory policy requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its Intermediary is identical to the form of proxy provided by the Corporation to the Intermediaries. However, its purpose is limited to instructing the Intermediary how to vote on behalf of the Beneficial Shareholder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails the voting instruction forms or proxy forms to the Beneficial Shareholders and asks the Beneficial Shareholders to return the voting instruction forms or proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A Beneficial Shareholder

receiving a proxy or voting instruction form from Broadridge cannot use that proxy to vote Common Shares directly at the Meeting - the proxy must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of their Intermediary, a Beneficial Shareholder may attend the Meeting as proxyholder for the Intermediary and vote their Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their own Common Shares as proxyholder for the Intermediary should enter their own names in the blank space on the management form of proxy or voting instruction form provided to them and return the same to their Intermediary (or the agent of such Intermediary) in accordance with the instructions provided by such Intermediary or agent well in advance of the Meeting. **Beneficial Shareholders should carefully follow the instructions of their Intermediaries and their service companies.**

All references to shareholders in this Circular and the accompanying form of proxy and Notice are to Shareholders of record unless specifically stated otherwise.

NOTE TO NON-OBJECTING BENEFICIAL OWNERS

The Meeting Materials are being sent to both registered and Beneficial Shareholders. If you are a Beneficial Shareholder, and the Corporation or its agent has sent the Meeting Materials directly to you, your name and address and information about your holdings of Common Shares, have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send the Meeting Materials to you directly, the Corporation (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering the Meeting Materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Corporation fixed the close of business on Friday, April 24, 2020 as the record date (the “**Record Date**”) for the purposes of determining Shareholders entitled to receive the Notice and vote at the Meeting. As at the Record Date, 56,118,396 Common Shares carrying the right to one vote per share at the Meeting were issued and outstanding. The Corporation has no other class of voting securities.

To the knowledge of the directors and executive officers of the Corporation, as at the date of this Circular, the persons who beneficially own, or control or direct, directly or indirectly, voting securities of the Corporation carrying 10% or more of the voting rights attached to the Common Shares are as follows:

Name	Number of Common Shares Owned (Percentage of Class and Type of Ownership)	
	Common Shares ⁽¹⁾	Percentage of Voting Rights
L&S International Trading Limited	7,398,575	13.18%

(1) The shareholdings are based on information available on public record.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

Oversight and Description of Director and Named Executive Officer Compensation

Compensation policies and programs are designed to focus on shareholder return. The Corporation's objective is to attract, motivate and retain high quality executives. The executive compensation program and its various components are constructed to reflect market practices. Several components of this compensation vary with results, aligning executive interests with the interests of the Corporation's shareholders. The executive compensation program is also designed to provide an incentive to executives to achieve other objectives in a manner consistent with the Corporation's strategic plan.

Elements of Compensation

The elements of the executive compensation program are described in the table below:

Compensation element	How it is paid	What it is designed to reward
Base salary or fee	Cash	Rewards skills, capabilities, knowledge and experience, reflecting the level of responsibility, as well as the contribution expected from each executive.
Short-term Incentive	Cash	Rewards contribution to both the performance of the relevant documents and the Corporation's overall performance. Rewards for results within the current fiscal year.
Long-term Incentive	Stock Options	Provides alignment between the interests of executives and shareholders. Rewards contribution to the long-term performance of the Corporation and demonstrated potential for future contribution. Aligns with long-term corporate performance and provides added incentive for executives to enhance shareholder value.

The Corporate Governance and Compensation Committee ("CG&CC") considers a broad range of factors when setting compensation for executive management, including but not limited to, market data, individual performance, corporate performance and sector performance.

Base Salary

The base salary or fee provides an executive with basic compensation and reflects individual responsibility, knowledge and experience, market competitiveness and the contribution expected from each individual. At its discretion, the CG&CC may compare each executive officer's salary with the base salaries for similar positions in the comparator group, and recommends appropriate adjustments, as needed.

Short-term Incentive Compensation - Bonuses

Short-term incentive compensation is based on annual results. The short-term incentive ensures that a significant portion of an executive's compensation varies with actual results in a given year, while providing financial incentives to executives to achieve short-term financial and strategic objectives. It communicates to executives the key accomplishments the CG&CC wishes to reward and ensures that

overall executive compensation correlates with corporate objectives. The short-term incentive component is structured to reward not only increased value for shareholders but also performance with respect to key operational factors and non-financial goals important to long-term success.

Establishment and payment of bonuses is subject to approval of the board of directors (the “**Board**”) and the Board has the right to amend or suspend the bonus plan at its discretion. No bonuses were paid during the year ended September 30, 2019.

Long-term Incentive Compensation – Stock Options

The Corporation’s directors, officers, employees and consultants, if any, are eligible under the Corporation’s stock option plan (the “**Stock Option Plan**”) to receive grants of stock options. The Stock Option Plan is an important part of the Corporation’s long-term incentive strategy for its officers and directors, permitting them to participate in appreciation of the market value of the Common Shares over a stated period of time. The Stock Option Plan is intended to reinforce commitment to long-term growth in profitability and shareholder value. The size of the stock option grants to officers and directors is dependent on each officer’s and director’s level of responsibility, authority and importance to the Corporation and to the degree to which such officer’s or director’s long-term contribution to the Corporation will be key to its long term success.

The long-term incentive component of executive compensation is designed to motivate executives to focus on the long term interests of the Corporation and its shareholders. Stock option grants are determined by factors including the number of individuals eligible to receive grants under the Stock Option Plan, the number of Common Shares to be acquired under existing options relative to the number of issued and outstanding Common Shares, and future hiring plans. Options are granted by the Board of the Corporation. In monitoring or adjusting the option allotments, the Board takes into account its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value, previous option grants and the objectives set for the Named Executive Officers. The scale of options is generally commensurate to the appropriate level of base compensation for each level of responsibility. The Board will make these determinations subject to and in accordance with the provisions of the Stock Option Plan.

Stock options reward executives for growth in the value of the Corporation's Common Shares over the long term. This is the high risk, high-return component of the executive total compensation program because stock options deliver value to an executive only if the trading price of the Common Shares is above the exercise price. This long-term equity incentive includes both a corporate and personal component.

Stock options are granted under the Stock Option Plan to directors, officers, employees and certain consultants upon their commencement of service. Additional grants are made periodically to recognize the exemplary performance of, or the special contribution by eligible individuals. An annual grant may be made to eligible individuals based on individual performance and the Corporation's performance during the most recently completed financial year in relation to expected performance.

Compensation of Directors

The CG&CC reviews director compensation annually and recommends updates to the Board for approval when considered appropriate or necessary to recognize workload, time commitment and responsibility of Board and committee members. The directors are reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as directors.

Non-Executive Directors receive compensation in the amount of \$250 per Board or Compensation or Audit Committee meeting. Both Executive and Non-Executive Directors are eligible to receive grants of stock options under the Plan.

Named Executive Officers who also act as directors of the Corporation will not receive any additional compensation for services rendered in such capacity, other than as paid by the Corporation to such Named Executive Officers in their capacity as executive officers.

Compensation Governance

The CG&CC has the responsibility for determining compensation for the Board and the Named Executive Officers. The CG&CC is comprised of Basil Botha, Paul Sarjeant and Karl Marek, Basil Botha is considered to be a non-independent director by virtue of his role as the Executive Chairman of the Corporation. Paul Sarjeant and Karl Marek are independent as such term is defined in National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“NI 58-101”).

The CG&CC meets on compensation matters as and when required with respect to executive compensation. The primary goal of the meetings of CG&CC as they relate to compensation matters is to ensure that the compensation provided to the Named Executive Officers is determined with regard to the Corporation’s business strategies and objectives, such that the financial interest of the executive officers is aligned with the financial interest of shareholders, and to ensure that their compensation is fair and reasonable and sufficient to attract and retain qualified and experienced executives.

To determine compensation payable, the CG&CC reviews compensation paid for directors and Chief Executive Officers of companies of similar size and stage of development in the mineral exploration industry and determine an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Corporation. In setting the compensation, the CG&CC annually reviews the performance of the Chief Executive Officer in light of the Corporation’s objectives and considers other factors that may have impacted the success of the Corporation in achieving its objectives.

As a whole, the members of the CG&CC have direct experience and skills relevant to their responsibilities in executive compensation, including with respect to enabling the CG&CC in making informed decisions on the suitability of the Corporation’s compensation policies and practices. Each of the members of the CG&CC has experience on the board of directors and related committees of other companies, as described under “Particulars of Matters to be Acted Upon - Election of Directors” in this Circular.

Executive Compensation-Related Fees

In the financial years ending September 30, 2019 and 2018, neither the Board nor the CG&CC retained a compensation consultant or advisor to assist the Board or the CG&CC in determining the compensation for any of the Corporation’s executive officers’ or directors’ compensation.

Summary Compensation Table

In this section, “**Named Executive Officer**” or “**NEO**” means: (a) the Chief Executive Officer; (ii) the Chief Financial Officer, and (iii) the Executive Chairman for the Corporation’s financial year ended September 30, 2019. The Corporation had three (3) “executive officers” as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations* (“NI 51-102”) whose compensation must be disclosed for such financial year.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission⁽¹⁾ (\$)	Bonus (\$)	Committee or meeting fees⁽¹⁾ (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Basil Botha Executive Chairman	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	35,200	Nil	Nil	Nil	Nil	35,200
James Walker President and Chief Executive Officer	2019	96,000	Nil	Nil	Nil	Nil	96,000
	2018	96,000	Nil	Nil	Nil	Nil	96,000
Viktoriya Griffin ⁽²⁾ Chief Financial Officer	2019	40,169	Nil	Nil	Nil	Nil	40,169
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Paul Sarjeant ⁽³⁾ Director	2019	Nil	Nil	1,250	Nil	Nil	1,250
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Changxian Li Director	2019	Nil	Nil	1,000	Nil	Nil	1,000
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Alberto Hassan Former Director	2019	Nil	Nil	1,250	Nil	Nil	1,250
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Karl Marek Director	2019	Nil	Nil	750	Nil	Nil	750
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Raul Sanabria Director	2019	Nil	Nil	500	Nil	Nil	500
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Michael Hepworth ⁽⁴⁾ Director	2019	Nil	Nil	1,000	Nil	Nil	1,000
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Grant Smith ⁽⁵⁾ Former Chief Financial Officer	2019	12,000	Nil	Nil	Nil	Nil	12,000
	2018	58,203	Nil	Nil	Nil	Nil	58,203

Notes:

- (1) Amounts were paid or accrued to the NEO during the years ended September 30, 2019 and 2018.
- (2) Fees are paid to Viktoriya Griffin CFO Corp, a company of which Viktoriya Griffin, CFO, is a principal.
- (3) Fees are paid to Doublewood Consulting Inc, a company of which Paul Sarjeant, Director, is a principal.
- (4) Fees are paid to Results Exchange Inc, a company of which Michael Hepworth, Director, is a principal.
- (5) Fees are paid to Clearline CPA, a company of which Grant Smith, former CFO, used to be a principal.

Stock Options and Other Compensation Securities

The following table provides information regarding the compensation securities granted or issued to each director and Named Executive Officer by the Corporation during the financial year ending September 30, 2019:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Basil Botha ⁽¹⁾ Executive Chairman	Option ⁽²⁾	Nil	N/A	N/A	N/A	N/A	N/A
James Walker ⁽³⁾ President and Chief Executive Officer	Option ⁽²⁾	Nil	N/A	N/A	N/A	N/A	N/A
Viktoriya Griffin Chief Financial Officer	Option ⁽²⁾	Nil	N/A	N/A	N/A	N/A	N/A
Paul Sarjeant ⁽⁴⁾ Director	Option ⁽²⁾	Nil	N/A	N/A	N/A	N/A	N/A
Changxian Li ⁽⁵⁾ Director	Option ⁽²⁾	Nil	N/A	N/A	N/A	N/A	N/A
Alberto Hassan ⁽⁶⁾ Former Director	Option ⁽²⁾	Nil	N/A	N/A	N/A	N/A	N/A
Karl Marek Director	Option ⁽²⁾	Nil	N/A	N/A	N/A	N/A	N/A
Raul Sanabria Director	Option ⁽²⁾	Nil	N/A	N/A	N/A	N/A	N/A
Michael Hepworth ⁽⁷⁾ Director	Option ⁽²⁾	Nil	N/A	N/A	N/A	N/A	N/A
Grant Smith ⁽⁸⁾ Former Chief Financial Officer	Option ⁽²⁾	Nil	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) As at September 30, 2019, held options to purchase 20,000 Common Shares at a price of \$1.30 per share until Jan 24, 2022.
- (2) Options vested immediately upon grant.
- (3) As at September 30, 2019, held options to purchase 17,500 Common Shares at a price of \$1.30 per share until Jan 24, 2022.
- (4) As at September 30, 2019, held options to purchase 12,500 Common Shares at a price of \$1.30 per share until Jan 24, 2022.
- (5) As at September 30, 2019, held options to purchase 15,000 Common Shares at a price of \$1.30 per share until Jan 24, 2022.
- (6) As at September 30, 2019, held options to purchase 12,500 Common Shares at a price of \$1.30 per share until Jan 24, 2022.
- (7) As at September 30, 2019, held options to purchase 20,000 Common Shares at a price of \$1.30 per share until Jan 24, 2022.
- (8) As at September 30, 2019, held options to purchase 12,500 Common Shares at a price of \$1.30 per share until Jan 24, 2022.

Exercise of Compensation Securities by Directors and Named Executive Officers

No Named Executive Officer or director of the Corporation exercised a compensation security during the financial year ended September 30, 2019.

Employment, Consulting and Management Agreements

Basil Botha

Mr. Botha's services as Executive Chairman were provided under a consulting agreement (the "**Botha Agreement**"). Pursuant to the Botha Agreement, Mr. Botha's monthly consulting fee was \$12,000, and Mr. Botha was entitled to stock option grants as determined by the Board. Furthermore, the Corporation reimbursed Mr. Botha for reasonable out-of-pocket expenses incurred by him on behalf of the Corporation. The initial term of the Botha Agreement was from August 15, 2014 or such earlier date in accordance with the terms of the agreement. The Botha Agreement contained no termination or change of control benefits and therefore assuming an event of termination occurred on September 30, 2019, the Corporation would have been obligated to pay Mr. Botha no termination or change of control benefits.

James Walker

Mr. Walker's services as President & Chief Executive Officer were provided under a consulting agreement (the "**Walker Agreement**"). Pursuant to the Walker Agreement, Mr. Walker's monthly consulting fee was \$8,000, and Mr. Walker was entitled to stock option grants as determined by the Board. Furthermore, the Corporation reimbursed Mr. Walker for reasonable out-of-pocket expenses incurred by him on behalf of the Corporation. The initial term of the Walker Agreement was from October 1, 2016 or such earlier date in accordance with the terms of the agreement. The Walker Agreement contained no termination or change of control benefits and therefore assuming an event of termination occurred on September 30, 2019, the Corporation would have been obligated to pay Mr. Walker no termination or change of control benefits.

Viktoriya Griffin

Mrs. Griffin's services as Chief Financial Officer were provided under a consulting agreement (the "**Griffin Agreement**"). Pursuant to the **Griffin Agreement**, Mrs. Griffin's monthly consulting fee was \$4,000, and Mrs. Griffin was entitled to stock option grants as determined by the Board. Furthermore, the Corporation reimbursed Mrs. Griffin for reasonable out-of-pocket expenses incurred by her on behalf of the Corporation. The initial term of the **Griffin Agreement** was from January 21, 2019 or such earlier date in accordance with the terms of the agreement. The **Griffin Agreement** contained no termination or change of control benefits.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information regarding the number of Common Shares to be issued upon the exercise of outstanding options and the weighted-average exercise price of the outstanding options in connection with the Stock Option Plan as at September 30, 2019:

Plan Category	Number of Common Shares to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of Common Shares remaining available for future issuance under equity compensation plans
	#	\$	#
Equity compensation plans approved by security holders	160,000	1.28	5,451,840
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	160,000	1.28	5,451,840

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Circular, no individual who is an executive officer, director, employee or former executive officer, director or employee of the Corporation or any of its subsidiaries is indebted to the Corporation or any of its subsidiaries pursuant to the purchase of securities or otherwise.

No individual who is, or at any time during the financial year ended September 30, 2019 was, a director or executive officer of the Corporation, a proposed management nominee for election as a director of the Corporation, or an associate of any such director, executive officer or proposed nominee, was indebted to the Corporation during the financial year ended September 30, 2019 or as at the date of this Circular in connection with security purchase programs or other programs.

REPORT ON CORPORATE GOVERNANCE

Maintaining a high standard of corporate governance is a priority for the Board and the Corporation's management as both believe that effective corporate governance will help create and maintain shareholder value in the long term. A description of the Corporation's corporate governance practices, which addresses the matters set out in NI 58-101, is set out at Schedule "A" to this Circular.

AUDIT COMMITTEE

The Audit Committee is responsible for, and assists the Board in fulfilling its responsibility for: (i) the oversight and supervision of the audit of financial statements of the Corporation; (ii) the management of the relationship with the auditor of the Corporation; (iii) meeting with the auditor as required in connection with the audit services provided by the auditor; (iv) the oversight and supervision of the accounting and financial reporting practices and procedures of the Corporation; (v) the oversight and supervision of the adequacy of the Corporation's internal accounting controls and procedures; and (vi) the oversight and supervision of the quality and integrity of the Corporation's financial statements.

The Audit Committee is comprised of Paul Sarjeant, Michael Hepworth and Karl Marek. Each member of the current Committee is a director of the Corporation. In accordance with Policy 3.1 of the TSX Venture Exchange (the "**Exchange**"), the majority of the Audit Committee are not employees, Control Persons (as defined by the rules and policies of the Exchange) or officers of the Corporation.

All members of the Audit Committee are "independent" as such term is defined in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). All members of the Audit Committee are "financially literate" as such term is defined in NI 52-110. A copy of the charter of the Audit Committee (the "**Audit Committee Charter**") is attached as Schedule "B" to this Circular.

Relevant Education and Experience

All of the current members of the Audit Committee have the education and/or practical experience required to understand and evaluate 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.

Michael Hepworth

Mr. Hepworth is an accomplished entrepreneur and business leader with more than 40 years diverse international business experience. Mr. Hepworth has started and built 5 successful businesses from the ground up. He also consulted and advised businesses, in many sectors including professional and financial services, high tech, engineering and manufacturing. Mr. Hepworth has over 12 years of corporate development and M&A experience in the resources industry. He is experienced negotiator of technology agreements, corporate acquisitions and divestitures. Currently Mr. Hepworth is a director of Alpha Resource Management Inc.

Paul Sarjeant

Mr. Sarjeant is a Professional Geologist who has been involved in mineral exploration and development in North and South America and throughout Africa, Asia and Europe for more than 25 years. He holds a BSc (Honours) in geological sciences from Queen's University in Kingston, Ontario and is a member of the Association of Professional Geoscientists of Ontario. Mr. Sarjeant has previously held management positions in several junior mining companies. He currently is founder of Doublewood Consulting Inc., a consulting company that provides management and technical advice and services to the exploration/mining sector. Mr. Sarjeant serves as a director, Qualified Person and consultant to a number of private and public mining companies. Currently Mr. Sarjeant acts as Manager of Geology for Largo Resources Ltd.

Karl Marek

Mr. Karl Marek has been involved in the public markets for over 20 years, during which time Karl served in: due diligence, deal sourcing, marketing and capital raising. Karl has been involved in projects ranging from Technology, to BioFuel, to Clean Coal, to Oil and Gas and Mining Exploration. Karl held the role of CEO & Chairman of American Strategic Minerals from 2014 till 2018 when his role changed to Secretary and Chairman till the 2020, he currently works as branch manager for Blue tiger Coffee Ltd

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year have any recommendations by the Audit Committee respecting the appointment and/or compensation of the Corporation's external auditors not been adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on exemptions in relation to "*De Minimis Non-audit Services*" or any exemption provided by Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

Pursuant to the terms of the Audit Committee Charter, the Audit Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditor.

External Auditor Service Fees (By Category) YE 2019 & 2018

- (a) *Audit Fees* - The Corporation's external auditors billed the Corporation approximately \$26,890 and \$28,890 during the financial years ended September 30, 2019 and 2018, respectively, for audit fees.
- (b) *Audit-Related Fees* - The Corporation's external auditors billed the Corporation approximately \$Nil and \$1,890 during the financial years ended September 30, 2019 and 2018 respectively.
- (c) *Tax Fees* - The Corporation's external auditors billed the Corporation approximately \$Nil and \$Nil during the financial years ended September 30, 2019 and 2018 respectively, for tax fees.
- (d) *All Other Fees* - The Corporation's external auditors billed the Corporation approximately \$Nil and \$Nil during the financial years ended September 30, 2019 and 2018 respectively.

Exemption

The Corporation is relying upon the exemption in section 6.1 of NI 52-110.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No "informed person" (as such term is defined in NI 51-102) or proposed nominee for election as a director of the Corporation or any associate or affiliate of the foregoing has any material interest, direct or indirect, in any transaction in which the Corporation has participated since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or will materially affect the Corporation.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Election of Directors

The Board of Directors currently consists of seven directors. It is intended that each person whose name appears below will be nominated at the Meeting for election as a director of the Corporation to hold office until the next annual meeting of shareholders or until his successor is duly elected or appointed pursuant to the by-laws of the Corporation. The enclosed form of proxy permits Shareholders to vote for each nominee on an individual basis.

The current Board of Directors comprised of four independent directors: Karl Marek, Michael Hepworth , Paul Sarjeant, Changxian Li. Basil Botha, James Walker and Raul Sanabria are considered to be a non-independent director by virtue of their role as the Executive Chairman, President & Chief Executive Officer and Vice President Exploration of the Corporation respectively.

UNLESS THE SHAREHOLDER SPECIFIES IN THE ENCLOSED FORM OF PROXY THAT THE COMMON SHARES REPRESENTED BY THE PROXY ARE TO BE WITHHELD FROM VOTING IN THE ELECTION OF DIRECTORS, THE PERSON NAMED IN THE FORM OF PROXY SHALL VOTE THE COMMON SHARES REPRESENTED BY THE PROXY IN FAVOUR OF THE ELECTION OF THE PERSONS WHOSE NAMES ARE SET FORTH BELOW. MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF SUCH NOMINEES WILL BE UNABLE TO SERVE AS DIRECTORS. HOWEVER, IF FOR ANY REASON, ANY OF THE PROPOSED NOMINEES DO NOT STAND FOR ELECTION OR ARE UNABLE TO SERVE. AS SUCH, PROXIES IN FAVOUR OF MANAGEMENT DESIGNEES WILL BE VOTED FOR ANOTHER NOMINEE IN THEIR DISCRETION UNLESS THE SHAREHOLDER HAS SPECIFIED IN HIS OR HER PROXY THAT HIS OR HER COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN THE ELECTION OF DIRECTORS.

The following table sets out certain information as at the date of this Circular (unless otherwise indicated) with respect to the persons being nominated at the Meeting for election as directors. Information regarding Common Shares owned by each director of the Corporation is presented to the best knowledge of management of the Corporation and has been furnished to management of the Corporation by such directors.

MICHAEL HEPWORTH		
Principal Occupation and Biographical Information		
Ontario, Canada Director Since: Aug 1, 2018 INDEPENDENT	Mr. Hepworth has been a self-employed businessman since 1989. He has more than 40 years of international business experience and management consulting experience.	
Current Board/Committee Membership	Number of Common Shares Beneficially Owned, Controlled or Directed	Other Public Board Memberships
Member of the Board Member of the Audit Committee	Nil	Nil

PAUL SARJEANT			Principal Occupation and Biographical Information		
Ontario, Canada Director Since: Oct 13, 2011 INDEPENDENT	Mr. Sarjeant is a Professional Geologist who has been involved in mineral exploration and development in North and South America and throughout Africa, Asia and Europe for more than 25 years. He holds a BSc (Honours) in geological sciences from Queen's University in Kingston, Ontario and is a member of the Association of Professional Geoscientists of Ontario. Mr. Sarjeant has previously held management positions in several junior mining companies. He currently is founder of Doublewood Consulting Inc., a consulting company that provides management and technical advice and services to the exploration/mining sector. Mr. Sarjeant serves as a director, Qualified Person and consultant to a number of private and public mining companies. Currently Mr. Sarjeant acts as Manager of Geology for Largo Resources Ltd.				
Current Board/Committee Membership	Number of Common Shares Beneficially Owned, Controlled or Directed	Other Public Board Memberships			
Member of the Board Member of the Audit Committee Member of the Corporate Governance and Compensation Committee	31,250	Global Energy Metals Corporation. (TSXV: GEMC)			

Karl Marek			Principal Occupation and Biographical Information		
London, UK Director Since: June 1, 2019 INDEPENDENT	Mr. Karl Marek has been involved in the public markets for over 20 years, during which time Karl served in: due diligence, deal sourcing, marketing and capital raising. Karl began his career in sales at a Vancouver Investor relations company, and in 2007 Karl started his own multi-tiered marketing firm which quickly rose to become an industry leader in their field. Within 2 years, said company was a buyout target for one of the world's most influential marketing companies, and was sold. For the past 8 years Karl has started and been running a successful private boutique equity firm that has consistently shown large annual returns. Karl has been involved in projects ranging from Technology, to BioFuel, to Clean Coal, to Oil and Gas and Mining Exploration				
Current Board/Committee Membership	Number of Common Shares Beneficially Owned, Controlled or Directed	Other Public Board Memberships			
Chairman of the Board Member of the Board Member of the Audit Committee Member of the Corporate Governance and Compensation Committee	779,625	Nil			

CHANGXIAN LI		
Principal Occupation and Biographical Information		
Beijing, China Director Since: Oct 19, 2016 INDEPENDENT	Mr. Li has over 30 years experience in trading between China and the rest of the world. As a manager of Mitsubishi Corporation in China, he was responsible for their iron ore trading operations. After this, he established a resources trading investment and company, Normet Industries Limited, which primarily invested in and traded iron ore and steel products between China and the United States, Canada and Australia. He currently is the founder and partner of OMC Investments Limited, which primarily focus on new resource supply for fast growing China market.	
Current Board/Committee Membership	Number of Common Shares Beneficially Owned, Controlled or Directed	Other Public Board Memberships
Member of the Board	964,900(1)	Nil

(1) 952,400 held by OMC Investments Limited., a company owned or controlled by Changxian Li. 12,500 held by Changxian Li.

Raul Sanabria		
Principal Occupation and Biographical Information		
British Columbia, Canada Director Since: June 1, 2019 NOT-INDEPENDENT	Mr. Sanabria has over 20 years of international experience as an exploration and mine geologist in a variety of mineral deposits. He started his career working 5 years for MINERSA Group, the largest European Fluorspar Producer. He is VP Exploration for Rover Metals Corp. and recently worked as Senior Exploration Manager for Tudor Gold Corp., Chief Geologist for Red Eagle Exploration, and VP Exploration of American Creek Resources Ltd., G4G Resources Ltd., and Northern Iron Corp. He was President and CEO of Condor Precious Metals Inc. Currently he is President of Malabar Gold Corp./Minera La Fortuna SAS focused on small scale gold production and toll milling in Colombia	
Current Board/Committee Membership	Number of Common Shares Beneficially Owned, Controlled or Directed	Other Public Board Memberships
Member of the Board	573,750	Nil

BASIL BOTHA		
Principal Occupation and Biographical Information		
British Columbia, Canada Director Since: Mar 23, 2010 NOT-INDEPENDENT	Mr. Botha has more than 40 years international coal mining and marketing experience, primarily gained with Otavi Mining Ltd. and Reef Coal Mining Ltd. in Johannesburg, South Africa. He has extensive knowledge dealing with coal beneficiation processes and ancillary by-products and has specialized in start-up mining operations, mergers, acquisitions and corporate finance.	
Current Board/Committee Membership	Number of Common Shares Beneficially Owned, Controlled or Directed	Other Public Board Memberships
Member of the Board Member of the Corporate Governance and Compensation Committee	156,225	Nil

James Walker		Principal Occupation and Biographical Information	
British Columbia, Canada Director Since: Dec 1, 2019 NOT-INDEPENDENT	<p>James Walker has extensive experience in engineering and project management; particularly within mining engineering, mechanical engineering, construction, manufacturing, engineering design, infrastructure, safety management, and nuclear engineering.</p> <p>James' professional experience includes designing nuclear reactors, submarines, chemical plants, factories, mine processing facilities, infrastructure, automotive machinery, and testing rigs.</p> <p>Mr. Walker holds degrees in Mechanical Engineering, Mining Engineering, and Nuclear Engineering, as well as qualifications in Project Management and Accountancy, and is a Chartered Engineer with the IMechE, registered as a Project Manager Professional with the APM, and registered with APEGA as an Engineer.</p>		
Current Board/Committee Membership	Number of Common Shares Beneficially Owned, Controlled or Directed	Other Public Board Memberships	
Member of the Board	125,000	Bayhorse Silver Inc. (TSXV: BHS)	

Corporate Cease Trade Orders

The shares of White Gold Corp.. (formerly G4G Resources Ltd.) were halted from trading on the TSX Venture Exchange on May 8, 2013 due to a failure of filing the company's annual audited financial statements and related management's discussion and analysis for the year ended December 31, 2012. The halt was lifted and trading of the shares was reinstated on October 15, 2013. At that time, Mr. Botha was the President and Chief Executive Officer and Mr. Sarjeant was a director.

The shares of the Corporation were halted from trading on the TSX Venture Exchange on January 28, 2019 as the Corporation announced a binding agreement to acquire a mining operation which ticker a qualifying transaction with the TSX Venture Exchange. The shares of the Corporation was lifted and trading of the shares was reinstated on March 3, 2020.

Except as disclosed above, to the knowledge of the Corporation, no proposed director is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

- (a) 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 applicable securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an "**Order**"), which Order was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company.

The foregoing information, not being within the knowledge of the Corporation, has been furnished by the proposed directors.

Bankruptcies, or Penalties or Sanctions

Basil Botha, a director of the Corporation, was subject to an investigation by the British Columbia Securities Commission (the “BCSC”) in connection with whether or not, during the period from January 1, 2006 to February 18, 2008, in relation to his activities with respect to an investment club, including managing online brokerage accounts for some of the members and charging the members on a fee for profit basis, he may have breached section 34 of the *Securities Act* (British Columbia), which provides that a person must not act as an advisor unless the person is registered.

Mr. Botha’s counsel and the BCSC entered into a settlement agreement on June 2, 2010 pursuant to which Mr. Botha reimbursed the fees paid by members of the investment club and paid \$10,000 to the BCSC in respect of settlement of the matter. The settlement agreement provided that Mr. Botha will comply fully with the *Securities Act* (British Columbia), the Securities Rules, BC Reg. 194/97, and any applicable regulations and Mr. Botha was prohibited from becoming or acting as an advisor for a period of three years from the date of the settlement agreement. Under the terms of the settlement agreement, Mr. Botha was not prohibited from acting as a director of a public company.

Except as disclosed herein, to the knowledge of the Corporation, no proposed director:

- (c) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (d) has, within 10 years before the date of this 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 his assets;
- (e) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (f) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

The foregoing information, not being within the knowledge of the Corporation, has been furnished by the proposed directors.

2. Appointment of Auditor

Management proposes to nominate Manning Elliott LLP, Chartered Professional Accountants, to hold office until the next annual meeting of Shareholders.

IT IS INTENDED THAT THE COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF MANNING ELLIOTT LLP, CHARTERED ACCOUNTANTS, AS AUDITOR OF THE CORPORATION AND THE AUTHORIZING OF THE DIRECTORS TO FIX ITS REMUNERATION. AN AFFIRMATIVE VOTE OF A MAJORITY OF THE VOTES CAST BY SHAREHOLDERS AT THE MEETING IS SUFFICIENT FOR THE APPOINTMENT OF THE AUDITOR.

3. Creation of a New Control Person

On February 14, 2020, L&S International Trading Limited (“L&S”), a company controlled by Bo Li, purchased an aggregate of 7,398,575 units (“Units”) of the Corporation at a price of \$0.08 per Unit by way of private placement. Each Unit consisted of one Common Share and one warrant (each, a “Warrant”), with each Warrant being exercisable for a period of two years from the date of issuance at an exercise price of \$0.15 per share, as announced by the Corporation on November 19, 2019.

Pursuant to the policies of the Exchange, any person that holds, or is one of a combination of persons that holds, a sufficient number of any of the securities of an issuer so as to materially affect the control of that issuer, or that holds more than 20% of the outstanding voting shares of an issuer (except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer) is deemed to be a “Control Person” under those policies and any transaction that could result in the creation of a new Control Person requires disinterested shareholder approval.

As of the date of this Circular, L&S owns and controls, directly or indirectly 7,398,575 Common Shares and 3,699,288 Warrants, representing an aggregate of approximately 13.18% of the Common Shares on a non-diluted basis and 18.55% on a partially diluted basis (assuming the exercise of all Warrants held by L&S), based on 56,118,396 Common Shares issued and outstanding as of the date of this Circular.

The Corporation is in the developing stage and in need of additional financing to complete the development. L&S is an experience partner in all aspects of fluorite producing and willing to invest in the Corporation as needed. Additional investment from L&S may make L&S acquire more than 20% of the Common Shares. At the Meeting, Shareholders will be asked to approve a resolution (the “**Control Person Resolution**”) authorizing the board to approve L&S a new Control Person in such circumstance.

The complete text of the resolution which management intends to place before the Meeting for approval, confirmation and adoption, with or without modification, is as follows:

“RESOLVED THAT:

- (a) The Corporation is hereby authorized the board of directors to approve L&S International Trading Limited as a new Control Person (as defined in the policies of the TSX Venture Exchange) on such terms as are more particularly described in the management information circular of the Corporation dated April 24, 2020, be and the same is hereby authorized, approved, ratified and confirmed; and
- (b) any one officer or director of the Corporation be and is hereby authorized for and on behalf of the Corporation to execute and deliver all such instruments and documents

and to perform and do all such acts and things as may be deemed advisable in such individual's discretion for the purpose of giving effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination."

COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF THE CONTROL PERSON RESOLUTION IN THE ABSENCE OF DIRECTION TO THE CONTRARY FROM THE SHAREHOLDER APPOINTING THEM. AN AFFIRMATIVE VOTE OF A MAJORITY OF THE VOTES CAST AT THE MEETING IS SUFFICIENT FOR THE APPROVAL OF THE CONTROL PERSON RESOLUTION

4. Approval of Stock Option Plan

Summary of Stock Option Plan

The policies of the Exchange provide that the Board may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees, management company employees and consultants of the Corporation and its Affiliates, non-transferable options to purchase Common Shares for a period of up to ten years from the date of grant, provided that the number of Common Shares reserved for issuance may not exceed 10% of the total issued and outstanding Common Shares at the date of the grant. A copy of the Stock Option Plan is attached to this Circular as Schedule "C".

The purpose of the Stock Option Plan, pursuant to which the Corporation may grant incentive stock options, is to promote the profitability and growth of the Corporation by facilitating the efforts of the Corporation to obtain and retain key individuals. The Stock Option Plan provides an incentive for and encourages ownership of the Common Shares by its key individuals so that they may increase their stake in the Corporation and benefit from increases in the value of the Common Shares.

Options granted pursuant to the Stock Option Plan may not exceed a term of ten years and are granted at an option price and on other terms which the directors determine is necessary to achieve the goal of the Stock Option Plan and in accordance with regulatory policies. The option price may be at a discount to market price, which discount will not, in any event, exceed that permitted by any stock exchange on which the Corporation's shares are listed for trading.

The number of Common Shares allocated to the Stock Option Plan is determined by the board of directors from time to time. The aggregate number of Common Shares reserved for issuance under the Plan may not exceed 10% of the issued and outstanding Common Shares. Pursuant to the Stock Option Plan, the maximum number of Common Shares reserved for issuance in any 12 month period to any one optionee other than a consultant may not exceed 5% of the issued and outstanding Common Shares at the date of the grant. The maximum number of Common Shares reserved for issuance in any 12 month period to any consultant may not exceed 2% of the issued and outstanding Common Shares at the date of the grant and the maximum number of Common Shares reserved for issuance in any 12 month period to all persons engaged in investor relations activities may not exceed 2% of the issued and outstanding number of Common Shares at the date of the grant.

The Common Shares, when fully paid for by a participant, are not included in the calculation of Common Shares allocated to or within the Stock Option Plan. Should a participant cease to be eligible due to the loss of corporate office (being that of an officer or director) or employment, the option shall cease for varying reasonable periods as determined by the Board at the time of grant. Loss of eligibility for consultants is regulated by contract provisions imposed by the Board when the option is granted to the

appropriate consultant. The Stock Option Plan also provides that estates of deceased participants can exercise their options for a period not exceeding one year following death.

The Board may from time to time make rules, regulations and amendments to the Stock Option Plan. Should any rule, regulation or amendment materially differ from the provisions set out in this Circular, the Corporation shall obtain the necessary regulatory or shareholder approvals.

As at April 24, 2020, a total of 2,960,000 Common Shares were issuable under the Stock Option Plan, representing 5.27% of the issued and outstanding Common Shares.

Approval of the Stock Option Plan

As the Stock Option Plan provides for a rolling maximum number of Common Shares which may be issuable upon the exercise of options granted under the Stock Option Plan, Exchange Policy 4.4 requires that the Stock Option Plan receive shareholder approval each year at the annual shareholders' meeting. Accordingly, Shareholders will be asked to consider and, if thought appropriate, pass a resolution approving the Stock Option Plan.

The Board has unanimously approved the Stock Option Plan and recommends that Shareholders vote FOR the resolution regarding the Stock Option Plan. An affirmative vote of a majority of the votes cast at the Meeting is sufficient to pass the resolution approving the resolution regarding the Stock Option Plan.

The complete text of the resolution which management intends to place before the Meeting for approval, confirmation and adoption, with or without modification, is as follows:

“**WHEREAS** the policies of the TSX Venture Exchange require annual shareholder approval for the continuation of the rolling stock option plan of the Corporation (the “**Plan**”);

RESOLVED THAT:

1. the Plan is hereby authorized and approved; and
2. any one officer and director of the Corporation be and is hereby authorized for and on behalf of the Corporation to execute and deliver all such instruments and documents and to perform and do all such acts and things as may be deemed advisable in such individual's discretion for the purpose of giving effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.”

COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE RESOLUTION TO APPROVE THE PLAN IN THE ABSENCE OF DIRECTION TO THE CONTRARY FROM THE SHAREHOLDER APPOINTING THEM. AN AFFIRMATIVE VOTE OF A MAJORITY OF THE VOTES CAST BY SHAREHOLDERS AT THE MEETING IS SUFFICIENT FOR THE APPROVAL OF THE PLAN.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person or company who is, or at any time during the financial year ended September 30, 2019 was, a director or executive officer of the Corporation, a proposed management nominee for election as a director of the Corporation, or an associate or affiliate of any such director, executive officer or proposed nominee, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of directors.

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's Discussion and Analysis ("MD&A") for the year ended September 30, 2019. In addition, copies of the Corporation's annual financial statements and MD&A and this Circular may be obtained upon request to the Corporation. The Corporation may require the payment of a reasonable charge if the request is made by a person who is not a shareholder of the Corporation.

APPROVAL OF BOARD OF DIRECTORS

The contents of this Circular and the sending of it to each director of the Corporation, to the auditor of the Corporation, to the Shareholders and to the appropriate governmental agencies, have been approved by the directors of the Corporation.

Dated: April 24, 2020.

BY ORDER OF THE BOARD

"James Walker"

James Walker
President & CEO

**SCHEDULE A
STATEMENT OF GOVERNANCE PRACTICES**

Governance Disclosure Requirement Under the Corporate Governance National Instrument 58-101 (“NI 58-101”)	Comments
Board of Directors	
<p>1. Board of Directors—Disclose how the board of directors (the “Board”) of Ares Strategic Mining Inc. (the “Corporation”) facilitates its exercise of independent supervision over management, including</p> <p>(i) the identity of directors that are independent, and</p> <p>(ii) the identity of directors who are not independent, and the basis for that determination.</p>	<p>The Board currently consists of a total of seven directors of which Mr. Sarjeant, Mr. Marek, Mr. Li and Mr. Hepworth are considered “independent”, as such term is defined in NI 58-101.</p> <p>Mr. Botha, Mr . Walker and Mr.Sanabria are not considered independent as they are officer of the Corporation.</p>
<p>2. Directorships—If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.</p>	<p>Please refer to the accompanying management information circular (the “Circular”) under the heading “Particulars of Matters to be Acted Upon - Election of Directors”.</p>
Orientation and Continuing Education	
<p>3. Describe what steps, if any, the Board takes to orient new Board members, and describe any measures the Board takes to provide continuing education for directors.</p>	<p>Each new director brings a different skill set and professional background, and with this information, the Board is able to determine what orientation to the nature and operations of the Corporation's business will be necessary and relevant to each new director. The Corporation provides continuing education to its directors as such need arises and encourages open discussion at all meetings which format encourages learning by the directors.</p>

Governance Disclosure Requirement Under the Corporate Governance National Instrument 58-101 (“NI 58-101”)	Comments
Ethical Business Conduct	
<p>4. Describe what steps, if any, the Board takes to encourage and promote a culture of ethical business conduct.</p>	<p>To ensure that an ethical business culture is maintained and promoted, directors are encouraged to exercise their independent judgment. If a director has a material interest in any transaction or agreement that the Corporation proposes to enter into, such director is expected to disclose such interest to the Board in compliance with the applicable laws, rules and policies which govern conflicts of interest in connection with such transaction or agreement. Further, any director who has a material interest in any proposed transaction or agreement will be excluded from the portion of the Board meeting concerning such matters and will be further precluded from voting on such matters.</p>
Nomination of Directors	
<p>5. Disclose what steps, if any, are taken to identify new candidates for Board nomination, including: (i) who identifies new candidates, and (ii) the process of identifying new candidates.</p>	<p>The Board is responsible for the identification and assessment of potential directors. The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board’s duties effectively and to maintain a diversity of views and experience. While no formal nomination procedures are in place to identify new candidates, the Board does review the experience and performance of nominees for election to the Board. Members of the Board are canvassed with respect to the qualifications of a prospective candidate and each candidate is evaluated with respect to his or her experience and expertise, with particular attention paid to those areas of expertise that could complement and enhance current management. The Board also assesses any potential conflicts, independence or time commitment concerns that the candidate may present.</p>

Governance Disclosure Requirement Under the Corporate Governance National Instrument 58-101 (“NI 58-101”)	Comments
Compensation	
<p>6. Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including: (i) who determines compensation, and (ii) the process of determining compensation.</p>	<p>The process undertaken by the Board in respect of compensation is more fully described in the “Director and Named Executive Officer Compensation” section of the accompanying Circular.</p>
Other Board Committees	
<p>7. If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.</p>	<p>The Corporate Governance and Compensation Committee is the only standing committee of the Board other than the Audit Committee. The primary function of the Corporate Governance and Compensation Committee is to consider the compensation of Named Executive Officers and directors and to make recommendations to the Board with respect to compensation-related matters.</p>
Assessments	
<p>8. Disclose what steps, if any, that the Board takes to satisfy itself that the Board, its committees, and its individual directors are performing effectively.</p>	<p>The Corporation has contemplated a plan for the annual review of the performance of every director and officer, however to date no formal plan or procedure has been adopted.</p> <p>The Board feels its corporate governance practices are appropriate and effective for the Corporation, given its relatively small size and level of activity. The Corporation's corporate governance structure allows for the Corporation to operate efficiently, with simple checks and balances that control and monitor management and corporate functions without undue administrative burden.</p>

SCHEDULE B
CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

The following is the Corporation's "**Audit Committee Charter**":

Purpose

The primary function of the audit committee of the Corporation (the "Committee") is to assist the board of directors (the "Board") of the Corporation in fulfilling its responsibilities by reviewing the financial reports and other financial information provided by the Corporation to any regulatory body or the public, the Corporation's systems of internal controls regarding preparation of those financial statements and related disclosures that management and the Board have established and the Corporation's auditing, accounting and financial reporting processes generally. Consistent with this function, the Committee encourages continuous improvement of, and fosters adherence to, the Corporation's policies, procedures and practices at all levels. The Committee's primary objectives are to:

1. Assist directors in meeting their responsibilities in respect of the preparation and disclosure of the financial statements of the Corporation and related matters;
2. Provide for open communication between directors and external auditors;
3. Enhance the external auditor's independence;
4. Increase the credibility, transparency and objectivity of financial reports; and
5. Strengthen the role of the outside or "independent" directors by facilitating in depth discussions between directors on the Committee, management and external auditors.

Composition

The Committee is comprised of three or more directors as determined by the Board, if at all possible with the majority of whom shall be "independent" (as such term is used in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") unless the Board shall have determined that the exemption contained in section 3.6 of NI 52-110 would be applicable and is to be adopted by the Corporation.

All of the members of the Committee shall be "financially literate" (as defined in NI 52-110) unless the Board shall determine that an exemption under NI 52-110 from such requirement in respect of any particular member would be applicable is to be adopted by the Corporation in accordance with the provisions of NI 52-110.

The members of the Committee shall be elected by the Board at the annual organizational meeting of the Board and remain as members of the Committee until their successors shall be duly elected and qualified.

Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership. The Chair of the Committee shall be an independent director.

Meetings

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. As part of its mandate to foster open communication, the Committee should meet at least annually with management and the external auditors in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately. The Chief Financial Officer (if appointed) is required to be present at the meetings of the Committee and may be excused from all or part of any such meetings by the independent sitting members.

Minutes of all meetings of the Committee shall be taken and the Committee shall report the results of its meetings and reviews undertaken and any associated recommendations or resolutions to the Board. A written resolution signed by all Committee members entitled to vote on that resolution at a meeting of the Committee shall be valid resolution of the Committee.

A quorum for meetings of the Committee shall be majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the committee shall be the same as those governing the Board.

Members of the Committee may participate in a meeting of the Committee by means of telephone or other communication device or facilities that permit all persons participating in any such meeting to hear one another.

Responsibilities and Duties

To fulfil its responsibilities and duties, the Committee shall:

A. Documents/Reports Review

1. Review and update this Charter, as conditions dictate.
2. Review the financial statements, prospectuses, MD&A, annual information forms and all public disclosures containing audited or unaudited financial information (including, without limitation, annual and interim press releases and any other press releases disclosing earnings or financial results) before release and prior to Board approval where required.
3. Review the reports to management prepared by the external auditors and management responses.
4. Establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.
5. Review and approve the Corporation's hiring policies regarding employees and former employees of the present and former external auditors of the issuer.
6. Review of significant auditor findings during the year, including the status of previous audit recommendations.
7. Be satisfied with and periodically assess the adequacy of procedures for the review of corporate disclosure that is derived or extracted from the financial statements.

B. External Auditors

1. Be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.
2. Recommend to the Board the external auditors to be nominated for appointment by the shareholders.
3. Recommend to the Board the terms of engagement of the external auditor, including their compensation and a confirmation that the external auditors shall report directly to the Committee.
4. On an annual basis, review and discuss with the auditors all significant relationships the auditors have with the Corporation to determine the auditors' independence.
5. Review the performance of the external auditors and approve any proposed discharge of the external auditors when circumstances warrant.
6. When there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change.
7. Periodically consult with the external auditors, without the presence of management, about internal controls and the fullness and accuracy of the organization's financial statements.
8. Consider, in consultation with the external auditor, the audit scope and plan of the external auditor.
9. To one or more independent members of the Committee the authority to pre-approve non-audit services, provided that such member(s) reports to the Committee at the next scheduled meeting such pre-approval and the members(s) complies with such other procedures as may be established by the Committee from time to time.

C. Financial Reporting Processes

1. In consultation with the external auditors and management, review the integrity of the organization's financial reporting processes both internal and external. Consider judgments concerning the appropriateness of the Corporation's accounting policies.
2. Consider and approve, if appropriate, major changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors or management.
3. Review risk management policies and procedures of the Corporation (i.e., hedging, litigation and insurance).

D. Process Improvement

1. Review with external auditors their assessment of internal controls, their written reports containing recommendations for improvement, and management's response and follow-up to any identified weaknesses. The Committee shall also review annually with the external auditors their plan for their audit, and upon completion of the audit, their reports upon the financial statements.

E. Ethical and Legal Compliance

1. Ensure that management has the proper review system in place to ensure that the Corporation's financial statements, reports and other financial information disseminated to regulatory organizations and the public satisfy legal requirements.
2. Conduct and authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall be empowered to retain, and to set and pay compensation for any independent counsel and other professionals to assist in the conduct of any investigation, subject to the Board approving any expenditure in excess of \$10,000 in this regard.
3. Perform any other activities consistent with this Charter, the Corporation's by-laws and governing law, as the Committee or the Board deems necessary or appropriate.

**SCHEDULE C
STOCK OPTION PLAN**

AMENDED STOCK OPTION PLAN

(Effective as of May 2, 2011)

1. **PURPOSE**

The purpose of this Stock Option Plan (the “**Plan**”) is to provide an incentive to the directors, officers, consultants, and employees of the Corporation or any of its subsidiaries to achieve the longer term objectives of the Corporation, to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation on an ongoing basis, and to attract to and retain in the employ of the Corporation and its subsidiaries, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

2. **DEFINITIONS**

When used in this Plan, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the respective meanings ascribed to them as follows:

- a) “**Board of Directors**” means the Board of Directors of the Corporation;
- b) “**Common Shares**” means the Common Shares of the Corporation and any share or securities of the Corporation into which such Common Shares are changed, converted, subdivided, consolidated or reclassified;
- c) “**Corporation**” means Lithium Energy Products Inc. and any successor corporation, and any reference herein to action by the Corporation means action by or under the authority of its Board of Directors or a duly empowered committee appointed by the Board of Directors;
- d) “**Discounted Market Price**” means the Market Price less the maximum discounts based on closing price, subject to such minimum exercise price mandated under the policies of the TSX Venture Exchange or other relevant stock exchange or regulatory authority;
- e) “**Insider**” has the meaning set forth in Policy 1.1 of the TSX Venture Exchange, as it has been or may be amended on one or more occasions;
- f) “**Investor Relations Activities**” has the meaning set forth in Policy 1.1 of the TSX Venture Exchange, as it has been or may be amended on one or more occasions;
- g) “**Market Price**” means the per share closing price for the Common Shares on the TSX Venture Exchange, or if not then listed on the TSX Venture Exchange, on the stock exchange on which the greatest volume of Common Shares is traded on the last Trading Day immediately preceding the date of such grant;
- h) “**Option**” means an option granted by the Corporation to an Optionee entitling such Optionee to acquire a designated number of Common Shares from treasury at a price to be determined by the Board of Directors;
- i) “**Option Period**” means such period as may be determined by the Board of Directors during which an Optionee may exercise an Option, commencing on the date such Option is granted to such Optionee and ending no later than the date ten (10) years thereafter;
- j) “**Optionee**” means a person who is a director, officer, consultant, employee or management company employee of the Corporation or its subsidiaries, or a corporation wholly-owned and controlled by such a person, who is granted an Option pursuant to this plan;
- k) “**Plan**” means the Stock Option Plan of the Corporation as created hereby and as amended from time to time and;
- l) “**Trading Day**” means a day on which at least a board lot of Common Share shall have been sold through the facilities of TSX Venture Exchange or other relevant stock exchange.

3. **ADMINISTRATION**

The Plan shall be administered by the Board of Directors. The Board of Directors shall have full and final discretion to interpret the provisions of the Plan and to prescribe, amend, rescind and waive rules and regulations to govern the administration and operation of the Plan, and all decisions and interpretations made by the Board of Directors shall be binding and conclusive upon the Optionees and the Corporation, subject to shareholder approval if required by any relevant stock exchange. Notwithstanding the foregoing or any other provision contained herein, the Board of Directors shall have the right to delegate the administration of the Plan to the President of the Compensation Committee of the Corporation (if created).

4. **ELIGIBILITY**

The Board of Directors may from time to time designate those Optionees who are to be granted an Option pursuant to the Plan and grant an Option to such Optionee. If the Corporation grants stock options to an employee, consultant, management company employee, or to a corporation owned by an employee, consultant, or management company employee then the Corporation must represent that the intended Optionee is a bona fide employee, consultant or management company employee.

The number of authorized but unissued Common Shares that may be subject to Options granted to Optionees under the Plan at any time plus the number of Common Shares that have been issued prior to such time on exercise of Options granted under the Plan, shall not exceed 10% of the issued Common Shares of the Corporation, with no vesting provisions, subject to the following conditions:

- a) No more than five percent (5%) of the issued and outstanding Common Shares of the Corporation may be granted to any one (1) individual in any 12 month period;
- b) No more than two percent (2%) of the issued and outstanding Common Shares of the Corporation may be granted to any one (1) consultant in any 12 month period; and
- c) No more than two percent (2%) of the issued and outstanding Common Shares of the Corporation may be granted to all persons employed primarily to conduct Investor Relations Activities in any 12 month period;
- d) The aggregate number of common shares reserved for issuance to insiders in any 12 month period under this plan shall not exceed 10% of the outstanding common shares at the time of the grant.

provided that appropriate adjustments shall be made as set forth in Section 10 hereof, both in the total number of Common Shares authorized to be issued hereunder and the number of Common Shares covered by individual grants, and to give effect to any relevant changes in the capitalization of the Corporation. Common Shares in respect of which Options are not exercised will be available for subsequent Options.

5. **PARTICIPATION**

- a) Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Optionee's relationship or employment with the Corporation;
- b) Notwithstanding any express or implied term of the Plan to the contrary, the granting of an Option pursuant to the Plan shall in no way be construed as a guarantee of employment by the Corporation to the Optionee; and
- c) No Optionee shall have any rights whatsoever as a shareholder in respect of any of the Common Shares under an Option, including the right to receive dividends or other distributions therefrom or thereon, other than in respect to Common Shares in respect of which the Optionee shall have exercised the Option and which the Optionee shall have actually taken up and paid in full, pursuant to the Plan.

6. **OPTION AGREEMENT**

A written agreement will be entered into between the Corporation and each Optionee to whom an Option is granted hereunder, which agreement will set out the number of Common Shares subject to option, the exercise price and any other terms and conditions approved by the Board of Directors, all in accordance with the provisions of this Plan (herein referred to as the “**Stock Option Agreement**”). The Stock Option Agreement will be in the form of agreement as the Board of Directors may from time to time approve, and may contain such terms as may be considered necessary in order that the Option will comply with any provisions respecting options in the income tax or other laws in force in any country or jurisdiction of which the Optionee may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

7. **EXERCISE OF OPTIONS**

- a) An Optionee shall be entitled to exercise an Option granted to him at any time prior to the expiry of the Option Period;
- b) The exercise price of an Option granted under the Plan shall be as determined by the Board of Directors when such Option is granted subject to any limitations imposed by any relevant stock exchange or regulatory authority, and shall be an amount at least equal to the Discounted Market Price of the Common Shares;
- c) An Option shall not be exercisable for more than 90 days after an Optionee ceases to be a director, officer, consultant, employee or management company employee of the Corporation for any reason other than death; and
- d) An Option shall not be exercisable for more than 30 days after an Optionee ceases to be a person employed primarily to conduct Investor Relations Activities.

8. **HOLD PERIOD**

In addition to any resale restrictions under relevant securities laws, where the exercise price of an Option is based on the Discounted Market Price, all stock options and any listed Common Shares issued on the exercise of the Option must include the following TSX Venture Exchange hold period commencing on the date the Option was granted:

Without prior written approval of the Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident before the date that this the fourth month after the grant of the option.

9. **OPTIONEE'S RIGHT NOT TRANSFERABLE**

- a) No right or interest of any Optionee in or under the Plan is assignable or transferable, in whole or in part, either directly or by operation of law or otherwise in any manner, except by bequeath or the laws of descent and distribution or if so provided in the Stock Option Agreement with the Optionee. Any such right or interest shall be exercisable:
 - (i) during the lifetime of an Optionee only by such Optionee or his legal representatives; or
 - (ii) after the death of an Optionee, only as specified in the Stock Option Agreement with the Optionee, and up to a maximum of one year from the date of the death of the Optionee.
- b) If an Optionee is an Insider of the Corporation at the time of any proposed amendment that would reduce the exercise price of an Option granted to such Optionee, the Corporation must obtain disinterested shareholder approval for such amendment;
- c) Subject to the foregoing, the terms of the Plan shall bind the Corporation and its successors and assigns, and each Optionee and his heirs, executors, administrators and personal representatives.

10. **ANTI-DILUTION; CORPORATE TRANSACTIONS**

In the event of:

- a) any subdivision, redivision or change of the Common Shares at any time during the term of the Option into a greater number of Common Shares, the Corporation shall deliver, at the time of any exercise thereafter of the Option, such additional number of shares as would have resulted from such subdivision, redivision or change if the exercise of the Option has been made prior to the date of such subdivision, redivision or change;
- b) any consolidation or change of the Common Shares at any time during the term of the Option into a lesser number of Common Shares, the number of shares deliverable by the Corporation on any exercise thereafter of the Option shall be reduced to such number of shares as would have resulted from such consolidation or change if the exercise of the Option had been made prior to the date of such consolidation or change; or
- c) any reclassification of the Common Shares at any time outstanding or change of the Common Shares into other shares, or in case of the consolidation, amalgamation or merger of the Corporation with or into any other corporation (other than a consolidation, amalgamation or merger which does not result in a reclassification of the outstanding Common Shares or a change of the Common Shares into other shares), or in case of any transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation, or in case of any change of control of the Corporation, at any time during the term of the outstanding Options, the Board of Directors or the board of directors of any successor corporation or entity may, in its discretion:
 - i. upon written notice to the holders of the outstanding Options, accelerate the exercise date or dates of all outstanding Options;
 - ii. if the outstanding Options have been accelerated pursuant to item (i) above, terminate all outstanding Options prior to consummation of the transaction unless exercised within the period prescribed in the written notice to the holders of such Options;
 - iii. provide for payment of an amount equal to the excess of the Market Price, as determined by the Board of Directors or the board of directors of any successor corporation or entity over the option price of the Common Shares as of the date of the transaction, in exchange for the surrender of the right to exercise the outstanding Options; or
 - iv. provide for the assumption of the outstanding Options, or the substitution therefore of new options, by the successor corporation or entity.

11. **TERMINATION AND ASSIGNMENT**

- a) The Board of Directors may amend or terminate this Plan or any outstanding Option granted hereunder at any time without the approval of the shareholders of the Corporation or any Optionee whose Option is amended or terminated, in order to conform this Plan or such Option, as the case may be, to applicable law or regulation or the requirements of any relevant stock exchange or regulatory authority, whether or not such amendment or termination would affect any accrued rights, subject to the approval of such stock exchange or regulatory authority.
- b) The Board of Directors may amend or terminate this Plan or any outstanding Option granted hereunder for any reason other than the reasons set forth in Section 11 (a) hereof, subject to the approval of the relevant stock exchange or regulatory authority and the approval of the shareholders of the Corporation if required by such authority. No such amendment or termination will, without the consent of an Optionee, alter or impair any rights which have accrued to him prior to the effective date thereof.

12. **APPLICABLE LAW**

This Plan shall be governed by, administered and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

13. **GENDER**

Wherever the singular or masculine or neuter is used in this Plan, the same shall be construed as meaning the plural or feminine or body corporate and vice versa, where the context or the parties so require.

14. **COSTS**

The Corporation shall pay all costs of administering the Plan.

15. **EFFECTIVE DATE**

The Plan shall become effective as and from, and the effective date of the Plan shall be, May 20, 2010, subject to receipt of all necessary Board and regulatory approvals.

APPROVED by the Board of Directors: May 2, 2011.