

MANAGEMENT INFORMATION CIRCULAR

(As at July 5, 2018 except as otherwise indicated)

SOLICITATION OF PROXIES

This management information circular (“Circular”) is provided in connection with the solicitation of proxies by management of Four Nines Gold Inc. (the “Corporation”) for use at an annual general and special meeting (the “Meeting”) of the holders (“Shareholders”) of common shares (“Common Shares”) in the capital of the Corporation. The Meeting will be held on Wednesday August 8, 2018 at 10:00 a.m. (Vancouver time) at Suite 500 - 666 Burrard Street, Vancouver, BC V6C 3P6 or at such other time or place to which the Meeting may be adjourned, for the purposes set forth in the notice of annual general and special meeting accompanying this Circular (the “Notice”).

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other means of electronic communication. In accordance with National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

These securityholder materials are being sent to both registered and non-registered owners of Common Shares. If you are a non-registered owner of Common Shares, and the Corporation or its agent has sent these 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 Common Shares on your behalf.

Accompanying this Circular (and filed with applicable securities regulatory authorities) is a form of proxy for use at the Meeting (a “Proxy”). Each Shareholder who is entitled to attend at meetings of Shareholders is encouraged to participate in the Meeting and all Shareholders are urged to vote on matters to be considered in person or by proxy.

All time references in this Circular are references to Vancouver, British Columbia, Canada time.

APPOINTMENT AND REVOCATION OF PROXIES

Appointment of a Proxy

Those Shareholders who wish to be represented at the Meeting by proxy must complete and deliver a proper Proxy to National Issuer Services Ltd. (the “Transfer Agent”), Proxy Department, Suite 760 – 777 Hornby Street, Vancouver, B.C., V6Z 1S4.

The persons named as proxyholders in the Proxy accompanying this Circular are directors or officers of the Corporation, or persons designated by management of the Corporation, and are representatives of the Corporation’s management for the Meeting. A Shareholder who wishes to appoint some other person (who need not be a Shareholder) to attend and act for him, her or it and on his, her or its behalf at the Meeting other than the management nominee designated in the Proxy may do so by either: (i) crossing out the names of the management nominees AND legibly printing the other person’s name in the blank space provided in the accompanying Proxy; or (ii) completing another valid form of proxy. In either case, the completed form of proxy must be delivered to the Transfer Agent, at the place and within the time specified herein for the deposit of proxies. A Shareholder who appoints a proxy who is someone other than the management representatives named in the Proxy should notify such alternative nominee of the appointment, obtain the nominee’s consent to act as proxy, and provide instructions on how the Common Shares are to be voted. The nominee should bring personal identification to the Meeting. In any case, the Proxy should be dated and executed by the Shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the Proxy).

In order to validly appoint a proxy, Proxies must be received by the Transfer Agent, at Suite 760 – 777 Hornby Street, Vancouver, B.C., V6Z 1S4, at least 48 hours, excluding Saturdays, Sundays and holidays, prior to the Meeting or any adjournment or postponement thereof. After such time, the chairman of the Meeting may accept or reject a Proxy delivered to him in his discretion but is under no obligation to accept or reject any particular late Proxy.

Revoking a Proxy

A Shareholder who has validly given a proxy may revoke it for any matter upon which a vote has not already been cast by the proxyholder appointed therein. In addition to revocation in any other manner permitted by law, a proxy may be revoked with an instrument in writing signed and delivered to either the registered office of the Corporation or the Transfer Agent at Suite 760 – 777 Hornby Street, Vancouver, B.C., V6Z 1S4, at any time up to and including the last business day preceding the date of the Meeting, or any postponement or adjournment thereof at which the proxy is to be used, or deposited with the chairman of such Meeting on the day of the Meeting, or any postponement or adjournment thereof. The document used to revoke a proxy must be in writing and completed and signed by the Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

Also, a Shareholder who has given a proxy may attend the Meeting in person (or where the Shareholder is a corporation, its authorized representative may attend), revoke the proxy (by indicating such intention to the chairman before the proxy is exercised) and vote in person (or withhold from voting).

Signature on Proxies

The Proxy must be executed by the Shareholder or his or her duly appointed attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer whose title must be indicated. A Proxy signed by a person acting as attorney or in some other representative capacity should indicate that person's capacity (following his or her signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with the Corporation).

Voting of Proxies

Each Shareholder may instruct his, her or its proxy how to vote his, her or its Common Shares by completing the blanks on the Proxy.

The Common Shares represented by the enclosed Proxy will be voted or withheld from voting on any motion, by ballot or otherwise, in accordance with any indicated instructions. If a Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. In the absence of such direction, such Common Shares will be voted FOR THE RESOLUTIONS DESCRIBED IN THE PROXY AND BELOW. If any amendment or variation to the matters identified in the Notice is proposed at the Meeting or any adjournment or postponement thereof, or if any other matters properly come before the Meeting or any adjournment or postponement thereof, the accompanying Proxy confers discretionary authority to vote on such amendments or variations or such other matters according to the best judgment of the appointed proxyholder. Unless otherwise stated, the Common Shares represented by a valid Proxy will be voted in favour of the election of nominees set forth in this Circular except where a vacancy among such nominees occurs prior to the Meeting, in which case, such Common Shares may be voted in favour of another nominee in the proxyholder's discretion. As at the date of this Circular, management of the Corporation knows of no such amendments or variations or other matters to come before the Meeting.

Advice to Beneficial Shareholders

The information set forth in this section is of significant importance to a substantial number of the Shareholders who do not hold their Common Shares in their own names. Shareholders who do not hold their Common Shares in their own names (referred to in this Circular as "**Beneficial 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 can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those shares will not be registered in the Shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominees for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. **Without specific instructions, the broker/nominees are prohibited from voting shares for their clients. The Corporation does not know for whose benefit the Common Shares registered in the name of CDS & Co. or other brokers/agents are held.** Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person well in advance of the Meeting.

Non-registered holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Corporation are referred to as “non-objecting beneficial owners (“**NOBOs**”). Those non-registered holders who have objected to their Intermediary disclosing ownership information about themselves to the Corporation are referred to as “objecting beneficial owners” (“**OBOs**”).

The Corporation does not intend to pay for Intermediaries to deliver the Meeting materials and Form 54-101F7 – Request for Voting Instructions Made by Intermediary to OBOs. As a result, OBOs will not receive the Meeting materials unless their Intermediary assumes the costs of delivery.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. Every intermediary/broker 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. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically provides a scannable voting instruction form in lieu of the Instrument of Proxy, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the voting instruction forms to Broadridge. Alternatively, Beneficial Shareholders sometimes are provided with a toll-free telephone number or website information to deliver the Beneficial Shareholder’s voting instructions. 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 voting instruction form cannot use that voting instruction form to vote Common Shares directly at the Meeting as the voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have the Common Shares voted. Accordingly, it is strongly suggested that Beneficial Shareholders return their completed voting instruction form as directed by Broadridge well in advance of the Meeting.**

All references to Shareholders in this Circular, the Instrument of Proxy and the Notice are to Shareholders of record unless specifically stated otherwise. Where documents are stated to be available for review or inspection, such items will be made available upon request to registered Shareholders who produce proof of their identity.

NOTICE-AND-ACCESS

The Corporation is not sending the Meeting materials to Shareholders using “notice-and-access”, as defined under NI 54-101—*Communication with Beneficial Owners of Securities of a Reporting Issuer*.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Shareholders of record as of July 5, 2018 (the “**Record Date**”) are entitled to receive notice and attend and vote at the Meeting, either in person or by proxy. As at the date of this Circular, the Corporation had 12,654,500 Common Shares issued and outstanding. Each Common Share entitles the holder to one vote in respect of any matter that may come before the Meeting. The outstanding Common Shares are listed on the Canadian Securities Exchange under the symbol “FNAU”.

To the knowledge of the board of directors of the Corporation (the “**Board**”) and executive officers of the Corporation, as of the date of this Circular, no person or corporation beneficially owns, directly or indirectly, or exercises control or direction over, Common Shares carrying 10% or more of the voting rights attached to all of the issued and outstanding Common Shares.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Board, the only matters to be brought before the Meeting are set forth in the accompanying Notice. These matters are described in more detail under the headings below.

FINANCIAL STATEMENTS AND AUDITORS’ REPORT

Pursuant to the provisions of the *Business Corporations Act* (British Columbia) and of the Corporation’s Articles, the Corporation will submit to the Shareholders at the Meeting the financial statements of the Corporation for the year ended January 31, 2018 and the auditors’ report thereon, but no vote by the Shareholders with respect thereto is required or proposed to be taken. The Board, upon the recommendation of the Audit Committee of the Corporation, approved the financial statements prior to their disclosure on SEDAR.

APPOINTMENT OF AUDITORS

The persons named in the enclosed instrument of proxy intend to vote for the re-appointment of **Charlton and Company, Chartered Professional Accountants** as the Corporation's auditors until the next annual general meeting of Shareholders at remuneration to be fixed by the Board. **Charlton and Company, Chartered Professional Accountants** have been the Corporation's auditors since incorporation. At the Meeting, the Shareholders will be asked to vote for the re-appointment of **Charlton and Company, Chartered Professional Accountants** as the auditors of the Corporation, to hold office until the next annual general meeting of the Shareholders, or until their successors are duly appointed, and to authorize the Board to fix their remuneration.

ELECTION OF DIRECTORS

Each director elected will hold office until the next annual general meeting of the Corporation or until his successor is duly elected or appointed, unless the office is earlier vacated in accordance with the Articles of the Corporation or the *Business Corporations Act* (British Columbia) or he becomes disqualified to act as a director. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed. Shareholder approval will be sought to fix the number of directors of the Corporation at four (4), subject to such increases as may be permitted by the Corporation's Articles and the *Business Corporations Act* (British Columbia). If before the Meeting any vacancies occur in the slate of nominees listed below, the person named in the Proxy will exercise his or her discretionary authority to vote the shares represented by the Proxy for the election of any other person or persons as directors. Management of the Corporation proposes to nominate each of the following persons for election as a director. Information concerning such persons, as furnished by the individual nominees, is as follows:

Name and Jurisdiction of Residence	Present Position(s) with the Corporation	Present Principal Occupation and Principal Occupation for the Five Preceding Years ⁽³⁾	Director Since	No. of Common Shares Beneficially Owned, Controlled or Directed ⁽¹⁾
Jim Mustard (2) Vancouver British Columbia, Canada	Chief Executive Officer and Director	VP Corporate Finance, PI Financial Corp: Oct/09 – Feb/16 VP Corporate Development and Director, Explorex Resources Inc. (CSE): Oct/16 – Present Director and Chair of the Audit Committee, Kilo Goldmines Ltd. (TSXV): Dec/07 - Present Director, Cipher Resources Inc. (CSE): July.17 - Present	May 30, 2016	1,300,000 (10.3%)
Casey Forward Vancouver, British Columbia, Canada	Chief Financial Officer and Director	CPA/CGA; director and CFO of Canadian International Minerals Inc.; director and CFO of LeenLife Pharma International Inc. Previously CFO of Niocorp Developments Ltd. Past director of several companies listed on the TSX-V	May 6, 2016	500,000 (4.0%)
Ryan Cheung(2) Vancouver, British Columbia, Canada	Director	Ryan Cheung is founder of MCPA Services Inc. Chartered Professional Accountants. In addition to running a public accounting practice, Mr. Cheung has historically served and currently serves as a director and/or officer of various Canadian listed entities specifically in mining and junior exploration.	March 19, 2015	102,000 ⁽⁴⁾ (0.80%)
Christopher Verrico (2) Vancouver, British Columbia, Canada	\ Director	Mining industry professional and Consultant CEO of Aguila American Gold Ltd. from Feb/2011 to Nov/2013.	May 6, 2016	1,600,000 ⁽⁵⁾ (12.63%)

(1) The number of shares held includes shares beneficially owned, directly or indirectly, or over which control or direction is exercised by the proposed nominee.

(2) Member of the Audit Committee.

(3) The information as to principal occupation, business or employment and common shares beneficially owned or controlled is not within the knowledge of management of the Corporation and has been furnished by the respective nominees.

(4) 2,000 of these Common Shares are owned by the spouse of Ryan Cheung, Tanya Cheung

(5) 700,000 of these Common Shares are owned by the spouse of Chris Verrico, Susana Carpena.

Officers and Directors

Jim. Mustard, CEO and a Director. An experienced capital market and mining professional, bringing over 30 years of expertise in business and project development to the Company. Jim was most recently VP of Investment Banking at PI Financial Corp. Prior to that he was the President and a director of Canada Zinc Metals and before that, was the VP and Senior Mining Analyst at Haywood Securities Inc. for 11 years. He has also worked for Barrick Gold, Eldorado Gold, Amax of Canada, Canada Tungsten Mining, the Government of Canada and Cyprus Anvil. Jim is a registered Professional Engineer with the Association of Professional Engineers and Geoscientists of BC.

Casey Forward, CPA, CGA, is CFO and a Director. He is currently a director and CFO of Canadian International Minerals Inc. and is a director and CFO of LeenLife Pharma International Inc. He was previously the CFO of Niocorp Developments Ltd. Over the past 30 years Mr. Forward has served as director of several other public and private companies.

Chris Verrico, Director. Chris has over 30 years of experience within the mining industry and he has been a director of approximately one dozen resource startup companies, most of which proceeded to list on the TSX Venture Exchange. Mr. Verrico was the CEO of Aguila American Gold Ltd. from February, 2011 until November, 2013 and prior to that, he was a director and CEO of Lateegra Gold Corp. Earlier, Mr. Verrico was the CEO and Co-Chairman of West Hawk Development Corp. from January, 2005 to July, 2008.

Ryan Cheung, CPA, CA, Director. Founder of MCPA Services Inc. Chartered Professional Accountants. In addition to running a public accounting practice, Mr. Cheung has historically served and currently serves as a director and/or officer of various Canadian listed entities specifically in mining and junior exploration.

Corporate Cease Trade Orders

Except as described below, to the best of management's knowledge, no proposed director of the Corporation is, or within the ten (10) years before the date of this Circular has been, a director, chief executive officer or chief financial officer of any company that: was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or 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.

Bankruptcies

Except as described below, to the best of management's knowledge, no proposed director of the Corporation has, within 10 years before the date of this Circular, been a director or officer of any company 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.

Penalties and Sanctions

To the best of management's knowledge, no proposed director of the Corporation has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

RATIFICATION AND APPROVAL OF STOCK OPTION PLAN

The Corporation adopted a stock option plan dated January 31, 2018 (the "**Option Plan**") for certain of the Corporation's directors, officers, employees and consultants (collectively, the "**Participants**"), approved by the Board on January 31, 2018. The Option Plan provides that Options may be granted to eligible persons on terms determined within the limitations set out in the Option Plan. The maximum number of common shares to be reserved for issuance at any one time under the Option Plan is 10% of the issued and outstanding common shares of the Corporation. The full form of the Option Plan is set forth at Schedule "B" to this Circular.

Under the terms of the Option Plan, the maximum number of common shares that may be: (i) reserved for issuance to a Participant within any 12 month period shall not exceed 5% of the number of common shares then outstanding unless the

Corporation obtains disinterested Shareholder approval; (ii) issued to a consultant during any 12 month period shall not exceed 2% of the number of common shares then outstanding; and (iii) issued to any employee engaged in investor relations activities within any 12 month period must not exceed 2% of the number of shares outstanding, subject to stock exchange policies. Subject to applicable discount market price rules, if any, of the principal stock exchange which the common shares are then listed (the “**Exchange**”), the exercise price for an option granted under the Option Plan may not be less than the closing price of the common shares on the Exchange on the trading day immediately preceding the date of grant. Options granted may be subject to vesting requirements. Options will be granted for a period which may not exceed ten years from the date of grant but will expire within 60 days of a Participant ceasing to be a director, officer, employee of or consultant to the Corporation in most circumstances. In the case of an employee or consultant engaged by the Corporation primarily for the purpose of providing investor relations services, any Options held by them shall expire on the thirtieth day following the day the employee or consultant ceases to be engaged in such capacity, unless he or she is still engaged as a director or employee of the Corporation in some other capacity. In cases of death, options granted shall be exercisable by the Participant or by the Participant's personal representative within one year of the Participant's death. In certain other cases, including but not limited to, termination for cause of an employee or consultant, or upon receipt of an order from a regulatory authority removing a director, officer, employee or consultant from their position, the options granted to such person expire immediately. No rights under the Option Plan and no option awarded pursuant to the provisions of the Option Plan are assignable or transferable by any Participant. Subject to certain regulatory and Shareholder approvals, the Board may from time to time in its absolute discretion amend, modify and change certain provisions of an option or the Option Plan. The Option Plan is administered by the Board. The Option Plan is subject to the rules and policies of the Exchange. **Unless instructed otherwise, the management designees in the accompanying instrument of proxy intend to vote FOR the resolution to ratify, adopt and approve the Option Plan.**

The purpose of the Option Plan is to allow the Corporation to grant options to directors, officers, employees, and consultants, as additional compensation, and as an opportunity to participate in the success of the Corporation. The granting of such options is intended to align the interests of such persons with that of the Shareholders.

The text of the ordinary resolution regarding this matter is as follows: “BE IT RESOLVED THAT:

1. the 10% rolling stock option plan (the “**Option Plan**”) of the Corporation dated effective January 31, 2018 as described in the management information circular and proxy statement of the Corporation dated July 5, 2018 the full form of which is attached thereto at Schedule “B”, as may be amended by the board of directors as required by applicable securities regulatory authorities or stock exchanges, is hereby ratified, adopted and approved;
2. the form of the Option Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Corporation;
3. the shareholders of the Corporation hereby expressly authorize the board of directors to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and
4. any one director or officer of the Corporation is authorized, on behalf of the Corporation, to execute and deliver all documents and do all things as such person may determine to be necessary or advisable to give effect to this resolution.”

EXECUTIVE COMPENSATION

Under this heading, the Corporation is including the disclosure required by Form 51-102F6 Statement of Executive Compensation.

For the purposes of this section, named executive officers of the Corporation means the following individuals (the “Named Executive Officers”):

- (a) the Company’s Chief Executive Officer or an individual who acted in a similar capacity for any part of the most recently completed financial year (the “CEO”);
- (b) the Company’s Chief Financial Officer or an individual who acted in a similar capacity for any part of the most recently completed financial year (the “CFO”);
- (c) each of the Company’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation (see “Summary of Compensation”) was, individually, more than \$150,000 as determined in accordance with subsection 1.3(6) of Form 51-102F6 – Statement of Executive Compensation for that financial year; and
- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of the most recently completed financial year.

As at January 31, 2018, the end of the most recently completed financial year of the Company, the Corporation had two Named Executive Officers, Jim Mustard, CEO, and Casey Forward, CFO.

Compensation Discussion and Analysis

Remuneration plays an important role in helping the Corporation attract, motivate, reward and retain knowledgeable and skilled individuals to its management team. The Corporation does not have a formal compensation policy and relies solely on the board of directors (the “**Board**”) discussion with respect to compensation of its directors and officers. The main objectives the Corporation hopes to achieve through its compensation are:

- to attract and retain executives critical to the Corporation’s success, who will be key in helping the Corporation achieve its corporate objectives and increase shareholder value;
- to motivate the Corporation’s management team to meet or exceed targets;
- to recognize the contribution of the Corporation’s executive officers and directors to the overall success and strategic growth of the Corporation; and
- to align the interests of management and the Corporation’s shareholders.

The Board has not proceeded to a formal evaluation of the implications of the risks associated with the Corporation’s compensation policies and practices. The Board does not believe that the Corporation’s compensation program results in unnecessary or inappropriate risk taking including risks that are likely to have a material adverse effect on the Corporation. The key elements of the executive compensation program are: (i) fees or salary; and (ii) incentive stock options. The directors are of the view that all elements of the total program should be considered, rather than any single element.

In light of the Corporation’s size and limited elements of executive compensation, the Board does not have a compensation committee and does not deem it necessary to consider at this time the implications of the risks associated with the Corporation’s compensation policies and practices. Also, there are no risks which have been identified in the Corporation’s practices to date which would reasonably be likely to have a material adverse effect on the Corporation.

The Corporation’s Named Executive Officers and directors are not permitted to purchase financial instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officers or directors.

Share-Based and Option-Based Awards

The Board believes that eligible persons working with the Corporation as Named Executive Officers, directors, or consultants should have a stake in the Corporation’s future and that their interests should be aligned with the interests of the shareholders. To this end, the Board determines the overall amount of stock option grants and reviews and recommends to the Corporation the allocation of such grants to directors, officers and consultants, primarily based on whose decisions and actions can have the greatest impact on the Corporation’s performance.

These option-based awards are granted under the Option Plan. The Corporation considers previous grants of stock options when considering new grants. Additional factors necessary to understand the information disclosed above include the terms of the Option Plan, the full form of which is attached to this Circular at Schedule “B”.

The Corporation has not at any time granted any share-based awards nor has it provided any awards pursuant to a non-equity incentive plan.

Summary Compensation Table

The following table is a summary of compensation paid to the Named Executive Officers for the financial year ended January 31, 2018 and 2017:

Name and principal position	Year Ended ⁽¹⁾	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
James Mustard	2018	50,000	N/A	N/A	N/A	N/A	N/A	N/A	\$50,000
CEO	2017	nil	N/A	N/A	N/A	N/A	N/A	N/A	
Casey Forward	2018	13,000	N/A	N/A	N/A	N/A	N/A	N/A	\$13,000
CFO	2017	nil	N/A	N/A	N/A	N/A	N/A	N/A	

Incentive Option-Based Awards for Named Executive Officers

Outstanding Share-Based Awards and Option-Based Awards

There are no outstanding share or option based awards outstanding as at January 31, 2018 nor have any share or option based awards been issued or granted to Named Executive Person since the date of incorporation of the Corporation.

Incentive Plan Awards – Value Vested or Earned During the Year

There are no outstanding share or option based awards outstanding as at January 31, 2018 nor have any share or option based awards been issued or granted to any Named Executive Person since the date of incorporation of the Corporation.

Pension Plan Benefits

The Corporation does not provide a defined benefit plan or a defined contribution plan for any of its executive officers, nor does it have a deferred compensation plan for any of its executive officers.

Termination and Change of Control Benefits

The Corporation has not entered into any plans or arrangements in respect of remuneration received or that may be received by the Named Executive Officers in the Corporation's most recently completed financial year or current financial year in respect of compensating such officers or directors in the event of termination of employment (as a result of resignation, retirement, change of control, etc.) or a change in responsibilities following a change of control.

Other than as disclosed elsewhere in this Circular, no director of the Corporation who is not a Named Executive Officer has received, during the most recently completed financial year, compensation pursuant to:

- (a) any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors except for the granting of stock options; or
- (c) any arrangement for the compensation of directors for services as consultants or experts.

Management Contracts

Management functions of the Corporation are generally performed by directors and executive officers of the Corporation and not, to any substantial degree, by any other person to whom the Corporation has contracted.

Compensation of Directors

Director Compensation Table

The following table (presented in accordance with Form 51-102F6) sets forth all amounts of compensation provided to the non-executive directors, other than NEOs, for the financial year ended January 31, 2018.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total compensation (\$)
Ryan Cheung	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Chris Verrico	21,500	Nil	Nil	Nil	Nil	50,500	Nil

Narrative Discussion

The Corporation currently does not pay directors who are not employees or officers of the Corporation for attending directors' meetings or for serving on committees. The Corporation has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Corporation for their services as directors, for committee participation, or for involvement in special assignments during the most recently completed financial year. None of the Corporation's directors have received any cash compensation for services provided in their capacity as directors during the Corporation's most recently completed financial year. The Corporation has a stock option plan for the granting of incentive stock options to the officers, employees and directors. The purpose of granting such options is to assist the Issuer in compensating, attracting, retaining and motivating the directors of the Corporation and to closely align the personal interests of such persons to that of the shareholders.

Outstanding Share-Based Awards and Option-Based Awards

The following table (presented in accordance with Form 51-102F6) sets forth for each non-executive director all awards outstanding as at the financial year ended January 31, 2018.

Name	Option-Based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Ryan Cheung	Nil	N/A	N/A	Nil	N/A	N/A	N/A
Chris Verrico	Nil	N/A	N/A	Nil	N/A	N/A	N/A

Outstanding Share-Based Awards and Option-Based Awards

There are no outstanding share or option based awards outstanding as at January 31, 2018 nor have any share or option based awards been issued or granted to any director since the date of incorporation of the Corporation.

Incentive Plan Awards – Value Vested or Earned During the Year

There are no outstanding share or option based awards outstanding as at January 31, 2018 nor have any share or option based awards been issued or granted to any director since the date of incorporation of the Corporation.

Securities Authorized for Issuance under Equity Compensation Plans

The following table (presented in accordance with Form 51-102F5) sets forth all compensation plans under which equity securities of the Corporation are authorized for issuance as of the end of the financial year ended January 31, 2018

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Plan Category	N/A	N/A	N/A
Equity compensation plans approved by securityholders – (the Option Plan)	N/A	N/A	
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	N/A	N/A	N/A

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors or officers of the Corporation nor any of their associates or affiliates is now or has been indebted to the Corporation since the commencement of the last completed fiscal year, nor has any indebtedness of any such person been subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No Director or executive officer of the Corporation, nor any proposed nominee for election as a Director of the Corporation, nor any other insider of the Corporation, nor any associate or affiliate of any one of them, has or has had, at any time since the commencement of the Corporation's last financial year, any material interest, direct or indirect, in any transaction or proposed transaction that has materially affected or would materially affect the Corporation.

CORPORATE GOVERNANCE DISCLOSURE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Corporation. The Board is committed to sound corporate governance practices which are both in the interest of its Shareholders and contribute to effective and efficient decision making.

National Policy 58-201 – *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. The Corporation has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Corporation's practices comply with the guidelines; however, the Board considers that some of the guidelines are not suitable for the Corporation at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices, which disclosure is set out below.

Board of Directors

Independence of Members of Board

The Board is currently composed of four Directors. The two independent Directors are Chris Verrico and Ryan Cheung. Jim Mustard is not independent as he is the CEO of the Corporation and Casey Forward is not independent as he is CFO and Corporate Secretary of the Corporation

Management Supervision by Board

The operations of the Corporation do not support a large Board and the Board has determined that the current constitution of the Board is appropriate for the Corporation's current stage of development. Independent supervision of management is accomplished by choosing management that demonstrates a high level of integrity and ability and strong independent Board members.

Participation of Directors in other Reporting Issuer

The following Directors presently hold directorships in other reporting issuers as set out below.

NAME	REPORTING ISSUER
Casey Forward	Leanlife Health Inc.
Jim Mustard	Kilo Goldmines Ltd.; Explorex Resources Inc.; Cipher Resources Inc.
Ryan Cheung	Maxtech Ventures Inc. ;Clean Commodities Corp.; Senator Minerals Inc.;UWO Consulting Ltd. ; Deep-South Resources Inc.; Ashanti Sankofa Inc.; Midasco Capital Corp.
Chris Verrico	Ardonblue Ventures Inc. Brandenburg Energy Corp.

Orientation and Continuing Education

New members of the board of directors receive an orientation package which includes reports on operations and results, and public disclosure filings by the Corporation. Meetings of the board of directors are sometimes held at the Corporation's offices and, from time to time, are combined with presentations by the Corporation's management to give the directors additional insight into the Corporation's business. In addition, management of the Corporation makes itself available for discussion with all members of the board of directors.

Ethical Business Conduct

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

Nomination of Directors

The Board 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 view and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Corporation, this policy will be reviewed.

Compensation

The Board is responsible for determining compensation for the directors of the Corporation to ensure it reflects the responsibilities and risks of being a director of a public company.

Other Board Committees

The Board has no committee other than the Audit Committee.

Assessments

Due to the minimal size of the Corporation's board of directors, no formal policy has been established to monitor the effectiveness of the directors, the Board and its committees.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Audit Committee

National Instrument 52-110—Audit Committees (“NI 52-110”), NI 41-101 and Form 52-110F2 require the Corporation, as a venture issuer, to disclose certain information relating to the Corporation’s audit committee (the “Audit Committee”) and its relationship with the Corporation’s independent auditors.

Audit Committee Charter

The text of the Audit Committee’s charter is attached as Schedule A

The members of the Corporation’s Audit Committee are:

Jim Mustard	Not Independent	Financially literate ⁽²⁾
Ryan Cheung	Independent ⁽¹⁾	Financially literate ⁽²⁾
Chris Verrico	Independent ⁽¹⁾	Financially literate ⁽²⁾

⁽¹⁾ A member of an audit committee is independent if the member has no direct or indirect material relationship with the Corporation, which could, in the view of the Corporation’s board of directors, reasonably interfere with the exercise of a member’s independent judgment.

⁽²⁾ An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

Relevant Education and Experience

Each member of the Corporation’s present Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- 1 an understanding of the accounting principles used by the Corporation to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- 2 the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions;
- 3 experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation’s financial statements or experience actively supervising individuals engaged in such activities; and
- 4 an understanding of internal controls and procedures for financial reporting.

Jim Mustard: Mr. Mustard has over 30 years expertise in the administration, management and financing of venture companies. Mr. Mustard is currently a Director and Chair of the Audit Committee Kilo Goldmines Ltd. (TSXV) and as a past Director (Valley High Ventures) and past President (of Canada Zinc Metals) he has significant audit committee experience and has been involved in a variety of matters requiring financial literacy is familiar applicable to public companies in Canada.

Ryan Cheung: Mr. Cheung is the founder of MCPA Services Inc. Chartered Professional Accountants. In addition to running a public accounting practice, Mr. Cheung historically and currently serves as a director and/or officer of various Canadian listed entities specifically in mining and junior exploration. Mr. Cheung has significant audit committee experience and has been involved in a variety of matters requiring financial literacy

Chris Verrico: Mr. Verrico has over 30 years of experience within the mining industry and he has been a director of approximately one dozen resource startup companies, most of which proceeded to list on the TSX Venture Exchange. Mr. Verrico was the CEO of Aguila American Gold Ltd. until November, 2013 and prior to that, he was a director of Lateegra Gold Corp. until 2011. Mr. Verrico has significant audit committee experience and has been involved in a variety of matters requiring financial literacy.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Corporation's board of directors.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in Section 2.4, 6.1.1(4), (5) and (6) of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of National Instrument 52-110.

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Corporation's board of directors to review the performance of the Corporation's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services bought by the Corporation. The Audit Committee is authorized to approve in writing any non-audit services or additional work which the Chairman of the Audit Committee deems is necessary, and the Chairman will notify the other members of the Audit Committee of such non-audit or additional work and the reasons for such non-audit work for the Committee's consideration, and if thought fit, approval in writing.

External Auditor Service Fees

The fees billed by the Corporation's external auditors during the financial year ended January 31, 2018 and 2017 for audit and non-audit related services provided to the Corporation are as follows:

Years Ended January 31	Audit Fees	Audit Related Fees ⁽¹⁾	Tax Fees ⁽²⁾	All other Fees ⁽³⁾
2017	7,500	-	-	-
2018	10,000	-	-	-

- 1 Fees charged for assurance and related services that are reasonably related to the performance of an audit, and not included under Audit Fees.
- 2 Fees charged for tax compliance, tax advice and tax planning services.
- 3 Fees for services other than disclosed in any other column.

Exemption

The Corporation has relied upon the exemption provided by section 6.1 of NI 52-110, which exempts a venture issuer from the requirement to comply with the restrictions on the composition of its Audit Committee and the disclosure requirements of its Audit Committee in an annual information form as prescribed by NI52-110.

Corporate Governance

General

The Corporation's board of directors believes that good corporate governance improves corporate performance and benefits all shareholders. National Policy 58-201 - Corporate Governance Guidelines provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Corporation. In addition, National Instrument 58-101 - Disclosure of Corporate Governance Practices ("NI 58-101") prescribes certain disclosure by the Corporation of its corporate governance practices. This disclosure is presented below.

Board of Directors

The Corporation's board of directors facilitates its exercise of independent supervision over the Corporation's management through frequent meetings of the board of directors.

The Corporation's board of directors is comprised of four (4) directors, of whom each of Ryan Cheung and Chris Verrico are independent for the purposes of NI 58-101. Jim Mustard and Casey Forward are members of the Corporation's management and are not independent as they serve as Chief Executive Officer and Chief Financial Officer of the Corporation, respectively.

AUDITOR

The current auditor of the Corporation, Charlton and Company, Chartered Professional Accountants at 1735-555 Burrard Street, Vancouver, B.C., V7X 1M9 has been the Corporation's auditor since July 5, 2016.

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

No Director or executive officer of the Corporation, nor any proposed nominee for election as a Director of the Corporation, nor any of the persons who have been Directors or executive officers of the Corporation since the commencement of the Corporation's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting (other than the election of directors).

Other Matters

Management knows of no other matters to come before the Meeting of Shareholders other than referred to in the notice of Meeting. However, if any other matters which are not known to the management of the Corporation shall properly come before the said Meeting, the form of proxy given pursuant to the solicitation by management of the Corporation will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

Additional Information

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Shareholders may contact the Corporation to request copies of the Corporation's financial statements and management's discussion and analysis by sending a written request to Suite 500-666 Burrard Street Vancouver BC V6C3P6 Attention: Chief Financial Officer. Financial information is provided in the Corporation's comparative financial statements and management's discussion and analysis for its fiscal year ended January 31, 2018 which are also available on SEDAR.

Approval of the Directors

The contents of this Circular and the sending thereof to the Shareholders of the Corporation have been approved by the Board.

July 5, 2018

BY ORDER OF THE BOARD OF DIRECTORS

“Jim Mustard”

Jim Mustard

Chief Executive Officer & Director

SCHEDULE "A"

FOUR NINES GOLD INC. (the "Company") AUDIT COMMITTEE CHARTER

1. **Mandate and Purpose of the Committee**

The Audit Committee (the "Committee") of the board of directors (the "Board") of Four Nines Gold Inc. (the "Company") is a standing committee of the Board whose primary function is to assist the Board in fulfilling its oversight responsibilities relating to:

- (a) the integrity of the Company's financial statements;
- (b) the Company's compliance with legal and regulatory requirements, as they relate to the Company's financial statements;
- (c) the qualifications, independence and performance of the Company's auditor;
- (d) internal controls and disclosure controls;
- (e) the performance of the Company's internal audit function;
- (f) consideration and approval of certain related party transactions; and
- (g) performing the additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

2. **Authority**

The Committee has the authority to:

- (i) engage and compensate independent counsel and other advisors as it determines necessary or advisable to carry out its duties; and
- (ii) communicate directly with the Company's auditor.

The Committee has the authority to delegate to individual members or subcommittees of the Committee.

3. **Composition and Expertise**

The Committee shall be composed of a minimum of three members, each of whom is a director of the Company. A majority of the Committee's members must be "independent" and "financially literate" as such terms are defined in applicable securities legislation.

Committee members shall be appointed annually by the Board at the first meeting of the Board following each annual meeting of shareholders. Committee members hold office until the next annual meeting of shareholders or until they are removed by the Board or cease to be directors of the Company.

The Board shall appoint one member of the Committee to act as Chair of the Committee. If the Chair of the Committee is absent from any meeting, the Committee shall select one of the other members of the Committee to preside at that meeting.

4. **Meetings**

Any member of the Committee or the auditor may call a meeting of the Committee. The Committee shall meet at least four times per year and as many additional times as the Committee deems necessary to carry out its duties. The Chair shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and senior management.

Notice of the time and place of every meeting shall be given in writing to each member of the Committee, at least 72 hours (excluding holidays) prior to the time fixed for such meeting. The Company's auditor shall be given notice of every meeting of the Committee and, at the expense of the Company, shall be entitled to attend and be heard thereat. If requested by a member of the Committee, the Company's auditor shall attend every meeting of the Committee held during the term of office of the Company's auditor.

A majority of the Committee shall constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present in person or by means of such telephonic, electronic or other communications facilities as permit all persons participating in the meeting to communicate with

each other simultaneously and instantaneously. Business may also be transacted by the unanimous written consent resolutions of the members of the Committee, which when so approved shall be deemed to be resolutions passed at a duly called and constituted meeting of the Committee.

The Committee may invite such directors, officers and employees of the Company and advisors as it sees fit from time to time to attend meetings of the Committee.

The Committee shall meet without management present whenever the Committee deems it appropriate.

The Committee shall appoint a Secretary who need not be a director or officer of the Company. Minutes of the meetings of the Committee shall be recorded and maintained by the Secretary and shall be subsequently presented to the Committee for review and approval.

5. Committee and Charter Review

The Committee shall conduct an annual review and assessment of its performance, effectiveness and contribution, including a review of its compliance with this Charter. The Committee shall conduct such review and assessment in such manner as it deems appropriate and report the results thereof to the Board.

The Committee shall also review and assess the adequacy of this Charter on an annual basis, taking into account all legislative and regulatory requirements applicable to the Committee, as well as any guidelines recommended by regulators or the Toronto Stock Exchange and shall recommend changes to the Board thereon.

6. Reporting to the Board

The Committee shall report to the Board in a timely manner with respect to each of its meetings held. This report may take the form of circulating copies of the minutes of each meeting held.

7. Duties and Responsibilities

(a) Financial Reporting

The Committee is responsible for reviewing and recommending approval to the Board of the Company's annual and interim financial statements, MD&A and related news releases, before they are released.

The Committee is also responsible for:

- being satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in the preceding paragraph, and for periodically assessing the adequacy of those procedures;
- engaging the Company's auditor to perform a review of the interim financial statements and receiving from the Company's auditor a formal report on the auditor's review of such interim financial statements;
- discussing with management and the Company's auditor the quality of applicable accounting principles and financial reporting standards, not just the acceptability of thereof;
- discussing with management any significant variances between comparative reporting periods; and
- in the course of discussion with management and the Company's auditor, identifying problems or areas of concern and ensuring such matters are satisfactorily resolved.

(b) Auditor

The Committee is responsible for recommending to the Board:

- the auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
- the compensation of the Company's auditor.

The Company's auditor reports directly to the Committee. The Committee is directly responsible for overseeing the work of the Company's auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the Company's auditor regarding financial reporting.

(c) Relationship with the Auditor

The Committee is responsible for reviewing the proposed audit plan and proposed audit fees. The Committee is also responsible for:

- establishing effective communication processes with management and the Company’s auditor so that it can objectively monitor the quality and effectiveness of the auditor’s relationship with management and the Committee;
- receiving and reviewing regular feedback from the auditor on the progress against the approved audit plan, important findings, recommendations for improvements and the auditor’s final report;
- reviewing, at least annually, a report from the auditor on all relationships and engagements for non-audit services that may be reasonably thought to bear on the independence of the auditor; and
- meeting in camera with the auditor whenever the Committee deems it appropriate.

(d) Accounting Policies

The Committee is responsible for:

- reviewing the Company’s accounting policy note to ensure completeness and acceptability with applicable accounting principles and financial reporting standards as part of the approval of the financial statements;
- discussing and reviewing the impact of proposed changes in accounting standards or securities policies or regulations;
- reviewing with management and the auditor any proposed changes in major accounting policies and key estimates and judgments that may be material to financial reporting;
- discussing with management and the auditor the acceptability, degree of aggressiveness/conservatism and quality of underlying accounting policies and key estimates and judgments; and
- discussing with management and the auditor the clarity and completeness of the Company’s financial disclosures.

(e) Risk and Uncertainty

The Committee is responsible for reviewing, as part of its approval of the financial statements:

- uncertainty notes and disclosures; and
- MD&A disclosures.

The Committee, in consultation with management, will identify the principal business risks and decide on the Company’s “appetite” for risk. The Committee is responsible for reviewing related risk management policies and recommending such policies for approval by the Board. The Committee is then responsible for communicating and assigning to the applicable Board committee such policies for implementation and ongoing monitoring.

The Committee is responsible for requesting the auditor’s opinion of management’s assessment of significant risks facing the Company and how effectively they are managed or controlled.

(f) Controls and Control Deviations

The Committee is responsible for reviewing:

- the plan and scope of the annual audit with respect to planned reliance and testing of controls; and
- major points contained in the auditor’s management letter resulting from control evaluation and testing.

The Committee is also responsible for receiving reports from management when significant control deviations occur.

(g) Compliance with Laws and Regulations

The Committee is responsible for reviewing regular reports from management and others (e.g. auditors) concerning the Company’s compliance with financial related laws and regulations, such as:

- tax and financial reporting laws and regulations;
- legal withholdings requirements;
- environmental protection laws; and
- other matters for which directors face liability exposure.

(h) **Related Party Transactions**

All transactions between the Company and a related party (each a “related party transaction”), other than transactions entered into in the ordinary course of business, shall be presented to the Committee for consideration.

The term “related party” includes (i) all directors, officers, employees, consultants and their associates (as that term is defined in the Securities Act (British Columbia)), as well as all entities with common directors, officers, employees and consultants (each “general related parties”), and (ii) all other individuals and entities having beneficial ownership of, or control or direction over, directly or indirectly securities of the Company carrying more than 10% of the voting rights attached to all of the Company’s outstanding voting securities (each “10% shareholders”).

Related party transactions involving general related parties which are not material to the Company require review and approval by the Committee. Related party transactions that are material to the Company or that involve 10% shareholders require approval by the Board, following review thereof by the Committee and the Committee providing its recommendation thereon to the Board.

8. Non-Audit Services

All non-audit services to be provided to the Company or its subsidiary entities by the Company’s auditor must be pre-approved by the Committee.

9. Systems and Treatment of Complaints the Committee is responsible for establishing procedures for:

- (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
- (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

The Committee is responsible for reviewing complaints and concerns that are brought to the attention of the Chair of the Audit Committee and for ensuring that any such complaints and concerns are appropriately addressed. The Committee shall report quarterly to the Board on the status of any complaints or concerns received by the Committee.

10. Procedure For Reporting Of Fraud Or Control Weaknesses

Each employee is expected to report situations in which he or she suspects fraud or is aware of any internal control weaknesses. An employee should treat suspected fraud seriously, and ensure that the situation is brought to the attention of the Committee. In addition, weaknesses in the internal control procedures of the Company that may result in errors or omissions in financial information, or that create a risk of potential fraud or loss of the Company’s assets, should be brought to the attention of both management and the Committee.

To facilitate the reporting of suspected fraud, it is the policy of Company that the employee (the “whistleblower”) has anonymous and direct access to the Chair of the Audit Committee. Should a new Chair be appointed prior to the updating of this document, current Chair will ensure that the whistleblower is able to reach the new Chair in a timely manner. In the event that the Chair of the Audit Committee cannot be reached, the whistleblower should contact the Chair of the Board of Directors. Access to the names and place of employment of the Company’s Directors can be found in the Company’s website.

In addition, it is the policy of the Company that employees concerned about reporting internal control weaknesses directly to management are able to report such weaknesses to the Committee anonymously. In this case, the employee should follow the same procedure detailed above for reporting suspected fraud.

11. Hiring Policies

The Committee is responsible for reviewing and approving the Company’s hiring policies regarding partners, employees and former partners and employees of the present and former auditor of the Company.

SCHEDULE “B”

STOCK OPTION PLAN ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

As used herein, unless anything in the subject matter or context is inconsistent therewith, the following terms shall have the meanings set forth below:

- (a) “**Administrator**” means, initially, the secretary of the Company and thereafter shall mean such director or other senior officer or employee of the Company as may be designated as Administrator by the Board from time to time;
- (b) “**affiliate**” has the meaning ascribed to that term by the Securities Act;
- (c) “**associate**” has the meaning ascribed thereto in the Securities Act;
- (d) “**Award Date**” means the date on which the Board grants a particular Option;
- (e) “**Board**” means the board of directors of the Company;
- (f) “**Change of Control**” means the acquisition by any person or by any person and a joint actor, whether directly or indirectly, of voting securities of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a joint actor, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board;
- (g) “**Company**” means Four Nines Gold inc.;
- (h) “**Consultant**” means an individual or Consultant Company, other than an Employee or a Director, that:
 - (i) is engaged to provide on an ongoing bona fide basis consulting, technical, management or other services to the Company or to an affiliate of the Company, other than services provided in relation to a distribution,
 - (j) provides the services under a written contract between the Company or the affiliate and the individual or a Consultant Company,
 - (k) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an affiliate of the Company, and
 - (l) has a relationship with the Company or an affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company;
- (m) “**Consultant Company**” means, for an individual consultant, a company or partnership of which the individual consultant is an employee or shareholder or partner;
- (n) “**Director**” means a director, officer, Management Company Employee of the Company or an affiliate of the Company to whom Options can be granted in reliance on a prospectus exemption under applicable securities laws;
- (o) “**Disinterested Shareholder Approval**” means approval by a majority of the votes cast by all the Company’s shareholders at a duly constituted shareholders’ meeting, excluding votes attached to shares of the Company beneficially owned by insiders to whom options may be granted under the Plan and their associates and affiliates;
 - “**Employee**” means:
 - an individual who is considered an employee of the Company or its subsidiary under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source),
 - an individual who works full-time for the Company or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work, as an employee of the Company, but for whom income tax deductions are not made at source, or
 - an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source;
- (p) “**Exchange**” means the principal stock exchange or quotation system on which the Shares are listed or quoted for trading;
- (q) “**Exercise Notice**” means the notice respecting the exercise of an Option in the form set out as Schedule “B” hereto, duly executed by the Option Holder;
- (r) “**Exercise Period**” means the period during which a particular Option may be exercised and is the period from and including the Award Date through to and including the Expiry Date, subject to the provisions of the Plan relating to the vesting of Options;
- (s) “**Exercise Price**” means the price at which an Option may be exercised as determined in accordance with paragraph 3.3;
- (t) “**Expiry Date**” means the date determined in accordance with paragraphs 3.4 and 3.8 and after which a particular Option cannot be exercised;
- (u) “**insider**” has the meaning ascribed thereto in the Securities Act;

- (v) “**Investor Relations Activities**” has the meaning ascribed thereto in the Securities Act;
- (w) “**Management Company Employee**” means an individual employed by a person providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a person involved in Investor Relations Activities;
- (x) “**Market Price**” means the market value of the Shares for a particular Award Date determined as follows:
 - for each organized trading facility on which the Shares are listed, Market Price will be the closing trading price of the Shares on the last trading day immediately preceding the Award Date;
 - if the Shares are listed on more than one organized trading facility, then Market Price will be the greatest of the Market Prices determined for each organized trading facility on which those Shares are listed as determined for each organized trading facility in accordance with subparagraph (a) above;
 - if the Shares are listed on one or more organized trading facility but have not traded during the ten trading day period immediately preceding the Award Date, then the Market Price will be, subject to the necessary approvals of the applicable regulatory bodies having authority over the Company, such value as is determined by resolution of the Board;
- (y) “**Option**” means an option to acquire Shares, awarded to a Director, Employee or Consultant pursuant to the Plan;
- (z) “**Option Certificate**” means the certificate, substantially in the form set out as Schedule “A” hereto, evidencing an Option;
- (aa) “**Option Holder**” means a Director, Employee or Consultant, or a former Director, Employee or Consultant, who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person;
- (bb) “**Plan**” means this stock option plan;
- (cc) “**Personal Representative**” means:
 - in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so, and
 - in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder;
- (aa) “**Securities Act**” means the *Securities Act*, R.S.B.C. 1996, c.418, as amended, as at the date hereof; and
- (bb) “**Share**” or “**Shares**” means, as the case may be, one or more common shares without par value in the capital of the Company.

1.2 Choice of Law

The Plan is established under and the provisions of the Plan are to be interpreted and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

1.3 Headings

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

ARTICLE 2 PURPOSE AND PARTICIPATION

2.1 Purpose

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Directors, Employees and Consultants, to reward such of those Directors, Employees and Consultants as may be awarded Options under the Plan by the Board from time to time for their contributions toward the long term goals of the Company and to enable and encourage such Directors, Employees and Consultants to acquire Shares as long term investments.

2.2 Participation

The Board shall, from time to time, in its sole discretion determine those Directors, Employees and Consultants, if any, to whom Options are to be awarded. If the Board elects to award an Option to a Director, the Board shall, in its sole discretion but subject to paragraph 3.2, determine the number of Shares to be acquired on the exercise of such Option. A Director of the Company to whom an Option may be granted shall not participate in the decision of the Board to grant such Option. If the Board elects to award an Option to an Employee or Consultant, the number of Shares to be acquired on the exercise of such Option shall be determined by the Board in its sole discretion, and in so doing the Board may take into account the following criteria:

- a. the remuneration paid to the Employee or Consultant as at the Award Date in relation to the total remuneration payable by the Company to all of its Employees and Consultants as at the Award Date;
- b. the length of time that the Employee or Consultant has been employed or engaged by the Company;
- c. the quality of work performed by the Employee or Consultant; and
- d. any other factors which it may deem proper and relevant.

b)

2.3 Notification of Award

Following the approval by the Board of the awarding of an Option, the Administrator shall notify the Option Holder in writing of the award and shall enclose with such notice the Option Certificate representing the Option so awarded.

2.4 Copy of Plan

Each Option Holder, concurrently with the notice of the award of the Option, shall be provided with a copy of the Plan, unless a copy has been previously provided to the Option Holder. A copy of any amendment to the Plan shall be promptly provided by the Administrator to each Option Holder.

2.5 Limitation

The Plan does not give any Option Holder that is a Director the right to serve or continue to serve as a Director of the Company nor does it give any Option Holder that is an Employee or Consultant the right to be or to continue to be employed or engaged by the Company. Participation in the Plan by an Option Holder is voluntary.

ARTICLE 3

TERMS AND CONDITIONS OF OPTIONS

4.1 Board to Allot Shares

The Shares to be issued to Option Holders upon the exercise of Options shall be allotted and authorized for issuance by the Board prior to the exercise thereof.

4.2 Number of Shares

The maximum number of Shares issuable under the Plan, together with the number of Shares issuable under outstanding options granted otherwise than under the Plan, shall not exceed 10% of the Shares outstanding from time to time. Additionally, subject to applicable Exchange rules and policies, the Company shall not grant Options:

- a) to any one person in any 12 month period which could, when exercised, result in the issuance of Shares exceeding five percent (5%) of the issued and outstanding Shares of the Company unless the Company has obtained the requisite Disinterested Shareholder Approval to the grant; or
- b) to any one Consultant in any 12 month period which could, when exercised, result in the issuance of Shares exceeding 2% of the issued and outstanding Shares of the Company; or
- c) in any 12 month period, to persons employed or engaged by the Company to perform Investor Relations Activities which could, when exercised, result in the issuance of Shares exceeding, in aggregate, 2% of the issued and outstanding Shares of the Company.

If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of which Option expired or terminated shall again be available for the purposes of the Plan.

4.3 Exercise Price

The Exercise Price shall be that price per share, as determined by the Board in its sole discretion as of the Award Date, at which an Option Holder may purchase a Share upon the exercise of an Option, and shall not be less than the Market Price, unless otherwise permitted by the Exchange, if applicable, or such other price as may be required by the Exchange and/or applicable laws. Any reduction in the exercise price of an Option held by an Option Holder who is an insider of the Company at the time of the proposed reduction will require Disinterested Shareholder Approval.

4.4 Term of Option

Subject to paragraph 3.5, the Expiry Date of an Option shall be the date so fixed by the Board at the time the particular Option is awarded, provided that such date shall not be later than the tenth anniversary of the Award Date of the Option.

4.5 Termination of Option

An Option Holder may, subject to any vesting provisions applicable to Options hereunder, exercise an Option in whole or in part at any time or from time to time during the Exercise Period provided that, with respect to the exercise of part of an Option, the Board may at any time and from time to time fix a minimum or maximum number of Shares in respect of which an Option Holder may exercise part of any Option held by such Option Holder. Any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of 5:00 p.m. local time in Vancouver, British Columbia, on the Expiry Date. The Expiry Date of an Option shall be the earlier of the date so fixed by the Board at the time the Option is awarded and the date established, if applicable, in sub-paragraphs (a) to (c) below (the "Early Termination Date"):

(a) **Death**

In the event that the Option Holder should die while he or she is still a Director (if he or she holds his or her Option as Director) or Employee or Consultant (if he or she holds his or her Option as Employee or Consultant), the Early Termination Date shall be twelve (12) months from the date of death of the Option Holder; or

(b) **Ceasing to Hold Office**

In the event that the Option Holder holds his or her Option as Director of the Company and such Option Holder ceases to be a Director of the Company other than by reason of death, the Early Termination Date of the Option shall be the 60th day following the date the Option Holder ceases to be a Director of the Company unless the Option Holder ceases to be a Director of the Company but continues to be engaged by the Company as an Employee or a Consultant, in which case the Expiry Date shall remain unchanged, or unless the Option Holder ceases to be a Director of the Company as a result of:

- (i) ceasing to meet the qualifications set forth in the *Business Corporations Act* (British Columbia), or
- (ii) a resolution having been passed by the shareholders of the Company pursuant to the *Business Corporations Act* (British Columbia) removing the Director as such, or
- (iii) by order of Industry Canada, the British Columbia Securities Commission, the Exchange or any other regulatory body having jurisdiction to so order, in which case the Early Termination Date shall be the date the Option Holder ceases to be a Director of the Company.

(c) **Ceasing to be an Employee or a Consultant**

In the event that the Option Holder holds his or her Option as an Employee or Consultant of the Company and such Option Holder ceases to be an Employee or Consultant of the Company other than by reason of death, the Early Termination Date of the Option shall be the 60th day following the date the Option Holder ceases to be an Employee or Consultant of the Company unless the Option Holder ceases to be an Employee or Consultant of the Company as a result of:

- (i) termination for cause or, in the case of a Consultant, breach of contract, or
- (ii) by order of Industry Canada, the British Columbia Securities Commission, the Exchange or any other regulatory body having jurisdiction to so order, in which case the Early Termination Date shall be the date the Option Holder ceases to be an Employee or Consultant of the Company.

Notwithstanding the foregoing, the Early Termination Date for Options granted to any Option Holder engaged primarily to provide Investor Relations Activities shall be the 30th day following the date that the Option Holder ceases to be employed in such capacity, unless the Option Holder continues to be engaged by the Company as an Employee or Director, in which case the Early Termination Date shall be determined as set forth above.

4.6 Hold Period and Vesting Requirements

Shares issued upon exercise of an Option may be subject to a hold period and/or may bear a legend in accordance with applicable securities laws and/or Exchange requirements.

All Options granted pursuant to the Plan will be subject to such vesting requirements as may be prescribed by the Exchange, if applicable, or as may be imposed by the Board.

The Option Certificate representing any such Option will disclose any vesting conditions.

4.7 Effect of a Take-Over Bid

If a *bona fide* offer (an “Offer”) for Shares is made to an Option Holder or to shareholders of the Company generally or to a class of shareholders which includes the Option Holder, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of the Securities Act, the Company shall, immediately upon receipt of notice of the Offer, notify each Option Holder of the full particulars of the Offer, whereupon all Shares subject to Options will become vested and the Options may be exercised in whole or in part by each Option Holder so as to permit each Option Holder to tender the Shares received upon exercise of his Options, pursuant to the Offer. However, if:

- (a) the Offer is not completed within the time specified therein; or
- (b) all of the Shares acquired by the Option Holder on the exercise of his Option and tendered pursuant to the Offer are not taken up or paid for by the offeror in respect thereof;

then the Shares received upon the exercise of such Options, or in the case of clause (b) above, the Shares that are not taken up and paid for, may be returned by each Option Holder to the Company and reinstated as authorized but unissued Shares and with respect to such returned Shares, the Options shall be reinstated as if they had not been exercised and the terms upon which such Shares were to become vested pursuant to paragraph 3.6 shall be reinstated. If any Shares are returned to Company under this paragraph 3.7, the Company shall immediately refund the exercise price to the Option Holder for such Shares.

4.8 Acceleration of Expiry Date

If at any time when an Option granted under the Plan remains unexercised an Offer is made by an offeror, the Board may, upon notifying each Option Holder of full particulars of the Offer, declare vested all Shares issuable upon the exercise of Options granted under the Plan, and, notwithstanding paragraphs 3.4 and 3.5, declare that the Expiry Date for the exercise of all unexercised Options granted under the Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer.

4.9 Effect of Reorganization, Amalgamation or Merger

If the Company is reorganized, amalgamated or merges with or into another Company, at the discretion of the Board, any Shares receivable on the exercise of an Option shall be converted into the securities, property or cash which the Option Holder would have received upon such reorganization, amalgamation or merger if the Option Holder had exercised his Option immediately prior to the record date applicable to such reorganization, amalgamation or merger, and the exercise price shall be adjusted appropriately by the Board and such adjustment shall be binding for all purposes of the Plan.

4.10 Effect of Change of Control

If a Change of Control occurs, all Shares subject to each outstanding Option will become vested, subject to any required approval of the Exchange, whereupon all Options may be exercised in whole or in part by the Option Holder.

4.11 Assignment of Options

Options may not be assigned or transferred, provided however that the Personal Representative of an Option Holder may, to the extent permitted by paragraph 4.1, exercise the Option within the Exercise Period.

4.12 Adjustments

If, prior to the complete exercise of any Option, the Shares are consolidated, subdivided, converted, exchanged or reclassified or in any way substituted for (collectively the “Event”) other shares of the Company, an Option, to the extent that it has not been exercised, shall be adjusted by the Board in accordance with such Event in the manner the Board deems appropriate. No fractional Shares shall be issued upon the exercise of any Option and accordingly, if as a result of the Event, an Option Holder would become entitled to a fractional Share, such Option Holder shall have the right to purchase only the next lowest whole number of Shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded. Additionally, no lots of Shares in an amount less than 500 Shares shall be issued upon the exercise of the Option unless such amount of Shares represents the balance left to be exercised under the Option.

4.13 Exclusion From Severance Allowance, Retirement Allowance or Termination Settlement

If an Option Holder retires, resigns or is terminated from employment or engagement with the Company or any subsidiary of the Company, the loss or limitation, if any, pursuant to the Option Certificate with respect to the right to purchase Shares which were not vested at the time or which, if vested, were cancelled, shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Option Holder.

ARTICLE 4 EXERCISE OF OPTION

3.1 Exercise of Option

An Option may be exercised only by the Option Holder or the Personal Representative of any Option Holder. An Option Holder or the Personal Representative of any Option Holder may exercise an Option in whole or in part at any time or from time to time during the Exercise Period up to 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date by delivering to the Administrator an Exercise Notice, the applicable Option Certificate, accompanied by cash payment, certified cheque or bank draft payable to the Company in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Option.

3.2 Issue of Share Certificates

As soon as practicable following the receipt of the Exercise Notice, the Administrator shall cause to be delivered to the Option Holder a certificate for the Shares purchased pursuant to the exercise of the Option. If the number of Shares purchased is less than the number of Shares subject to the Option Certificate surrendered, the Administrator shall forward a new Option Certificate to the Option Holder concurrently with delivery of the aforesaid share certificate for the balance of Shares available under the Option.

3.3 Condition of Issue

The issue of Shares by the Company pursuant to the exercise of an Option is subject to this Plan and compliance with the laws, rules and regulations of all regulatory bodies applicable to the issuance and distribution of such Shares and to the listing requirements of the Exchange or any stock exchange on which the Shares may be listed. The Option Holder agrees to comply with all such laws, rules and regulations and agrees to furnish to the Company any information, report and/or undertakings required to comply with and to fully cooperate with the Company in complying with such laws, rules and regulations.

The Company or any subsidiary of the Company may take such steps as are considered necessary or appropriate for the withholding and/or remittance of any taxes which the Company or any subsidiary of the Company is required by any law or regulation of any governmental authority whatsoever to withhold and/or remit in connection with any Option or Option exercise including, without limiting the generality of the foregoing, the withholding and/or remitting of all or any portion of the payment or the withholding of the issue of Shares to be issued upon the exercise of any Option until such time as the Option Holder has paid the Company or any subsidiary of the Company (in addition to the exercise price payable for the exercise of Options) the amount which the Company or subsidiary of the Company reasonably determines is required to be withheld and/or remitted with respect to such taxes.

ARTICLE 5 ADMINISTRATION

5.1 Administration

The Plan shall be administered by the Administrator on the instructions of the Board. The Board may make, amend and repeal at any time and from time to time such regulations not inconsistent with the Plan as it may deem necessary or advisable for the proper administration and operation of the Plan and such regulations shall form part of the Plan. The Board may delegate to the Administrator or any Director or Employee of the Company such administrative duties and powers as it may see fit.

5. Interpretation

The interpretation by the Board of any of the provisions of the Plan and any determination by it pursuant thereto shall be final and conclusive and shall not be subject to any dispute by any Option Holder. No member of the Board or any person acting pursuant to authority delegated by it hereunder shall be liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Board and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

ARTICLE 6 AMENDMENT AND TERMINATION

6.1 Prospective Amendment

Subject to applicable regulatory and, if required by any relevant law, rule or regulation applicable to the Plan, to shareholder approval, the Board may from time to time amend the Plan and the terms and conditions of any Option thereafter to be granted and, without limiting the generality of the foregoing, may make such amendment for the purpose of meeting any changes in any relevant law, rule or regulation applicable to the Plan, any Option or the Shares or for any other purpose which may be permitted by all relevant laws, rules and regulations, provided always that any such amendment shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to such amendment. Notwithstanding the foregoing, the Board may, subject to the requirements of the Exchange, amend the terms upon which each Option shall become vested with respect to Shares without further approval of the Exchange, other regulatory bodies having authority over the Company, the Plan or the shareholders.

6.2 Retrospective Amendment

Subject to applicable regulatory and, if required by any relevant law, rule or regulation applicable to the Plan, to shareholder approval, the Board may from time to time retrospectively amend the Plan and, with the consent of the affected Option Holders, retrospectively amend the terms and conditions of any Options which have been previously granted.

6.3 Termination

The Board may terminate the Plan at any time provided that such termination shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to the date of such termination. Notwithstanding the termination of the Plan, the Company, Options awarded under the Plan, Option Holders and Shares issuable under Options awarded under the Plan shall continue to be governed by the provisions of the Plan.

6.4 Agreement

The Company and every person to whom an Option is awarded hereunder shall be bound by and subject to the terms and conditions of the Plan.

6.5 No Shareholder Rights

An Option Holder shall not have any rights as a shareholder of the Company with respect to any of the Shares covered by an Option until the Option Holder exercises such Option in accordance with the terms of the Plan and the issuance of the Shares by the Company.

6.6 Record Keeping

The Company shall maintain a register in which shall be recorded the name and address of each Option Holder, the number of Options granted to an Option Holder, the details thereof and the number of Options outstanding.

6.7 No Representation or Warranty

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

6.8 Option Holder Status

For stock options granted to Employees, Consultants or Management Company Employees, the Company represents that each such Option Holder will be a bona fide Employee, Consultant or Management Company Employee, as the case may be.

ARTICLE 7 APPROVALS REQUIRED FOR PLAN

2. Approvals Required for Plan

The Plan has been adopted by the Board and is subject to the approval of the Exchange, if applicable, and, if so approved, subject to the discretion of the Board, the Plan shall become effective upon such approvals being obtained. The Company will obtain disinterested shareholder approval of Options if the Plan, together with all of the Company's previously established and outstanding stock option plans or grants, could result at any time in the grant to insiders, within a 12 month period, of a number of Options exceeding 10% of the issued shares of the Company.

3. Substantive Amendments to Plan

Any substantive amendments to the Plan shall be subject to the Company first obtaining the approvals of:

- (a) the shareholders or disinterested shareholders, as the case may be, of the Company at a general meeting where required by the rules and policies of the Exchange; and
- (b) the Exchange.