

LIDA RESOURCES INC.
#2 – 14th Street West, North Vancouver
British Columbia V7M 1P9
Tel: 604-724-9515

MANAGEMENT PROXY CIRCULAR

as at December 16, 2020
(except as otherwise indicated)

This Management Information Circular (the “Circular”) is furnished in connection with the solicitation of proxies by the management of Lida Resources Inc. (the “Corporation”) for use at the annual and special meeting (the “Meeting”) of its shareholders to be held on February 8, 2021 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.

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

CAUTIONARY NOTE CONCERNING COVID-19 OUTBREAK

At the date of publication of this Circular it is the intention of the Corporation to hold the Meeting at the location stated above in the Notice of Meeting. We are continuously monitoring development of current coronavirus (COVID-19) outbreak (“COVID-19”). In light of the rapidly evolving public health guidelines related to COVID-19, we ask shareholders to consider voting their shares by proxy and not attend the Meeting in person. Those shareholders who do wish to attend the Meeting in person, should carefully consider and follow the instructions of the federal Public Health Agency of Canada available at: <https://www.canada.ca/en/public-health/services/diseases/coronavirus-disease-covid-19.html>. We ask that shareholders also review and follow the instructions of any regional health authorities of the Province of British Columbia, including the Vancouver Coastal Health Authority, the Fraser Health Authority and any other health authority holding jurisdiction over the areas you must travel through to attend the Meeting. Please do not attend the Meeting in person if you are experiencing any cold or flu-like symptoms, or if you or someone with whom you have been in close contact has travelled to/from outside of Canada within the 14 days immediately prior to the Meeting. All shareholders are strongly encouraged to vote by submitting their completed form of proxy (or voting instruction form) prior to the Meeting by one of the means described on pages 4 to 5 of this Circular.

The Corporation reserves the right to take any additional pre-cautionary measures deemed to be appropriate, necessary or advisable in relation to the Meeting in response to further developments in the COVID-19 outbreak, including: (i) holding the Meeting virtually or by providing a webcast of the Meeting; (ii) hosting the Meeting solely by means of remote communication; (iii) changing the Meeting date and/or changing the means of holding the Meeting; (iv) denying access to persons who refuse to wear a mask or exhibit cold or flu-like symptoms, or who have, or have been in close contact with someone who has, travelled to/from outside of Canada within the 14 days immediately prior to the Meeting; and (v) such other measures as may be recommended by public health authorities in connection with gatherings of persons such as the Meeting. Should any such changes to the Meeting format occur, the Corporation will announce any and all of these changes by way of news release, which will be filed under the Corporation’s profile on SEDAR as well as on the Corporation’s website at www.lidaresources.com. We strongly recommend you check the Corporation’s website prior to the Meeting for the most current information. In the event of any changes to the Meeting format due to the COVID-19 outbreak, the Corporation will **not** prepare or mail amended Meeting proxy materials.

GENERAL PROXY INFORMATION

Solicitation of Proxies

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

Appointment of Proxyholders

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

Voting by Proxyholder

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

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

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

Registered Shareholders

Registered shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered shareholders may choose one of the following options to submit their proxy:

- (a) complete, date and sign the Proxy and return it to the Corporation’s transfer agent, Olympia Trust Company (“**Olympia**”), by email at proxy@olympiatruster.com by fax at (403) 668-8307, or by mail to Olympia Trust Company, PO Box 128, STN M, Calgary, AB T2P 2H6 Attn: Proxy Department;
- (b) use the internet through the website of the Corporation’s transfer agent at <https://css.olympiatruster.com/pxlogin> registered shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder’s account number and the control number.

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

Beneficial Shareholders

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

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder’s name on the records of the Corporation. Such Common Shares will more likely be registered under the names of the shareholder’s intermediary. In the United States, the vast majority of

such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

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

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

These shareholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the proxy provided to registered shareholders by the Corporation. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in the United States and in Canada. Broadridge mails a VIF in lieu of a proxy provided by the Corporation. The VIF will name the same persons as the Corporation’s Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Corporation), other than any of the persons designated in the VIF, to represent your Common Shares at the Meeting and that person may be you. To exercise this right, you should insert the name of the desired representative (which may be yourself) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge’s 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 and the appointment of any shareholder’s representative. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted at the Meeting or to have an alternate representative duly appointed to attend the Meeting and to vote your Common Shares at the Meeting.**

Notice to Shareholders in the United States

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

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

Revocation of Proxies

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

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder’s authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and

by delivering the proxy bearing a later date to Olympia or to the Corporation at #2 – 14th Street West, North Vancouver, British Columbia V7M 1P9, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or

- (b) personally attending the Meeting and voting the registered shareholder's Common Shares.

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

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

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

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the "**Board**") of the Corporation has fixed December 16, 2020 as the record date (the "**Record Date**") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Corporation is a CBCA corporation and its Common Shares are listed for trading on the Canadian Securities Exchange (the "**CSE**") under stock symbol "LIDA". The Corporation is also listed on the OTC Pink under stock symbol "LDDAF".

The authorized share capital of the Corporation consists of an unlimited number of Common Shares without par value, an unlimited number of non-voting shares ("**Non-Voting Shares**"), an unlimited number first preferred shares ("**First Preferred Shares**") without nominal or par value, and an unlimited number of second preferred shares ("**Second Preferred Shares**") without nominal or par value.

As of December 16, 2020, there were 54,783,096 Common Shares issued and outstanding, each carrying the right to one vote. In addition, as of December 16, 2020, there were Nil Non-Voting Shares, First Preferred Shares or Second Preferred Shares. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

To the knowledge of the directors and executive officers of the Corporation, only the following person beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Corporation as at December 16, 2020:

Shareholder Name⁽¹⁾	Number of Common Shares Held^(*)	Percentage of Issued Common Shares
Leonard De Melt	9,900,667	18%

Note:

(1) The above information has been furnished by the Corporation.

Corporate Actions from August 31, 2020 year end to the date of this Circular

- On October 29, 2020, Erick Underwood resigned as a Director of the Issuer.

FINANCIAL STATEMENTS

The Corporation's consolidated audited financial statements for the fiscal years ended August 31, 2020 and August 31, 2019, the report of the auditor thereon and the related management's discussion and analysis were filed under the Corporation's SEDAR profile and can be located on the Corporation's SEDAR corporate website at www.sedar.com. The Corporation's consolidated audited financial statements for the fiscal year ended August 31, 2020 and August 31, 2019, the report of the

auditor thereon, and the related management’s discussion and analysis are being mailed to the shareholders with this Circular, and will be tabled at the Meeting.

ELECTION OF DIRECTORS

At the Meeting, shareholders of the Corporation will be asked to fix the number of directors of the Corporation at four.

Management does not contemplate that any of these nominees will be unable to serve as a director, but, if that should occur for any reason prior to the Meeting, the persons designated in the enclosed form of proxy reserve the right to vote for other nominees in their discretion. Each director elected will hold office until the next annual meeting of the Corporation or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the existing articles and the general by-laws (the “**By-Laws**”) of the Corporation (collectively, the “**Existing Articles**”) or the provisions of the CBCA or, in the event the Continuance (defined herein) is approved at the Meeting and subsequently completed, the provisions of the *Business Corporations Act* (British Columbia) (“**BCBCA**”). Refer to heading below “**Particulars of Matters to be Acted Upon – Continuance under Business Corporations Act (British Columbia)/Adoption New Articles**”.

The term of office of each of the Corporation’s four current directors will end at the conclusion of the Meeting. Unless the director’s office is earlier vacated in accordance with the provisions of the CBCA, each director elected will hold office until the conclusion of the next annual meeting of the Corporation, or if no director is then elected, until a successor is elected.

The following sets out the names of management’s four nominees for election as directors, all major offices and positions with the Corporation and any of its significant affiliates each now holds, each nominee’s principal occupation, business or employment for the last five years, the period of time during which each has been a director of the Corporation and the number of Common Shares of the Corporation beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at December 16, 2020. No directors own any securities of the Corporation that are convertible into Common Shares.

Name of Nominee; Current Position with the Corporation and Province or State and Country of Residence	Occupation, Business or Employment	Period as a Director of the Corporation	Common Shares Beneficially Owned or Controlled ⁽¹⁾
Geoffrey Balderson Chief Financial Officer and Director British Columbia Canada	Mr. Balderson is the Chief Financial Officer of the Corporation. Mr. Balderson is also the President of Harmony Corporate Services Ltd., a position he has held since February 2015. Prior thereto, Mr. Balderson was the President of Flow Capital Corp. from June 2009 to August 2019.	Director since March 13, 2020	Nil
Leonard De Melt President, Chief Executive Officer of the Corporation and Director British Columbia Canada	President and Chief Executive Officer of the Corporation. Prior thereto, Mr. De Melt was involved with numerous junior international mining startups following his time as the Chairman of the board of directors of Norsemont Mining Inc. from 2003 to 2006.	Director since September 8, 2017	9,900,667

Name of Nominee; Current Position with the Corporation and Province or State and Country of Residence	Occupation, Business or Employment	Period as a Director of the Corporation	Common Shares Beneficially Owned or Controlled ⁽¹⁾
Patrick C. T. Morris Director British Columbia Canada	Mr. Morris is currently the President of Enermetal Ventures Inc., a position he has held since August 2008. Prior thereto, Mr. Morris was the Chief Executive Officer and a director of Primary Energy Metals Inc. from February 2017 to June 2019 and Victory Mountain Ventures Ltd. from February 2014 to November 2015. Mr. Morris is also currently a director of Rewardstream Solutions Inc. Core One Labs Inc., Hollister Biosciences Inc. and Eat Beyond Global Holdings Inc.	Director since March 13, 2020	Nil
Anthony Zelen Nominee British Columbia Canada	Founder and President of Zelen Consulting Inc. since 1997	Nominee	Nil

Notes:

- (1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Corporation and has been furnished by the respective nominees. Unless otherwise indicated, each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years.
- (2) Member of Audit Committee.

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

Director Biographies

Geoffrey Balderson, Mr. Balderson is the President of Harmony Corporate Services Ltd., a company that provides corporate, secretarial, bookkeeping, accounting and filing services to public companies or companies that are working on going public. In addition, Mr. Balderson has been an officer and director of several TSX Venture Exchange listed companies over the past 12 years. Prior to that he was an investment advisor at Union Securities and Georgia Pacific Securities Corp. Mr. Balderson holds a Sales and Marketing Diploma from the Sauder School of Business at the University of British Columbia. Mr. Balderson completed the Canadian Securities Course in 2000 and the Professional Financial Planners Course in 2003 both through the Canadian Securities Institute.

Leonard (Len) De Melt, Mr. De Melt is an engineering graduate of the Haileybury School of Mines and also holds a Bachelor of Arts degree in business and economics. He has held management positions with 12 mining companies internationally. Mr. De Melt has nearly 30 years of project management and mine development experience to the Corporation.

Patrick Morris, Mr. Morris is an entrepreneur and capital markets executive with over 15 years of experience. In addition, Mr. Morris co-created and co-produced Canada's first nationally syndicated radio show about growth stock opportunities, which was broadcast on 14 of the top-rated news talk stations across Canada. Prior to entering capital markets, Mr. Morris had five years of experience in wine and spirits importing, sales, and portfolio management.

Anthony Zelen, Mr. Zelen has over 21 years of experience in finance, investor relations, and corporate development. He is the founder of and serves as the President of Zelen Consulting Inc. a wholly-owned private company involved in investor relations, public relations and strategic marketing for the technology, cannabis, pharmaceutical, mining and oil and gas industries. Mr. Zelen has served as officer and director of at least 12 publically listed companies over the last 21 years. His

business activities within the venture capital arena enabled him to establish a network of accredited investors, angel investors and investment banking contacts throughout North America, Western Europe and Asia.

Corporate Cease Trade Orders

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

- (a) subject to a cease trade or similar order or an order that denied the relevant company access to any exemptions under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively, an “**Order**”) while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer of the relevant company; or
- (b) subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer of the relevant company and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of the relevant company.

From November 2, 2015 to December 16, 2015 and November 3, 2016 to December 5, 2016, the Ontario Securities Commission issued a management cease trade order for Argentum Silver Corp. (“**Argentum**”), due to Argentum’s inability to file the necessary continuous disclosure in the prescribed period. At the time the order was issued, Mr. Geoffrey Balderson was the President and Chief Executive Officer of Argentum.

Bankruptcy and Insolvency

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

- is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

On May 15, 2015, Mr. Patrick Morris, a director of the Corporation, filed a consumer proposal under the *Bankruptcy and Insolvency Act*. The consumer proposal was accepted by Mr. Morris’ creditors. On March 13, 2019, Mr. Morris’ consumer proposal was fully performed, and Mr. Morris provided a certificate of full performance of the proposal.

Penalties and Sanctions

To the knowledge of the Corporation, no proposed director of the Corporation has been subject to:

- any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

Proxies received in favour of management will be voted IN FAVOUR of the election of the four nominees whose names are set forth above, unless the shareholder has specified in the Proxy that his, her or its Common Shares are to be withheld or voted against such resolution.

THE BOARD RECOMMENDS THAT THE NUMBER OF DIRECTORS BE FIXED AT FOUR AND EACH SHAREHOLDER VOTE IN FAVOUR OF THE ABOVE FOUR NOMINEES AS DIRECTORS.

APPOINTMENT OF AUDITOR

Smythe LLP, Chartered Professional Accountants of 1700 – 475 Howe Street, Vancouver, BC V6C 2B3 will be nominated at the Meeting for re-appointment as auditor of the Corporation at a remuneration to be fixed by the directors.

Proxies received in favour of management will be voted IN FAVOUR of the appointment of Smythe LLP as the auditor of the Corporation, unless the shareholder has specified in the Proxy that his, her or its Common Shares are to be withheld or voted against such resolution.

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE IN FAVOUR OF THE APPOINTMENT OF SMYTHE LLP AS THE CORPORATION'S AUDITORS.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

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

The Audit Committee's Charter

The Corporation's Audit Committee Charter is attached as Schedule A to this Circular.

Composition of the Audit Committee

The members of the Corporation's Audit Committee are currently comprised of Patrick Morris (Chair), and Geoffrey Balderson. Patrick Morris is an independent member of the Audit Committee. Geoffrey Balderson is a non-independent member of the Audit Committee as he is the Chief Financial Officer of the Corporation. Each of these members of the Audit Committee are considered to be “financially literate”, as that term is defined in NI 52-110. Subsequent to the Meeting, the composition of the Audit Committee will be re-evaluated by the Board to ensure that a majority of the audit committee will be independent.

Relevant Education and Experience

Please refer to *Director Biographies* above.

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

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

Audit Committee Oversight

Since the commencement of the Corporation's most recently completed financial years ended August 31, 2020 and August 31, 2019, the Audit Committee has not made recommendations to the Board to nominate or compensate an external auditor that has not been adopted by the Board.

Reliance on Certain Exemptions

Since the commencement of the Corporation's most recently completed financial years ended August 31, 2020 and August 31, 2019, the Corporation's auditors, Smythe LLP, Chartered Professional Accountants, have not provided any material non-audit services. Therefore, the Corporation has not relied on any exemption under section 2.4 of NI 52-110.

Pre-Approval Policies and Procedures

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board, and where applicable by the Audit Committee, on a case-by-case basis.

External Auditor Service Fees (By Category)

The Audit Committee has reviewed the nature and amount of the non-audited services provided to the Corporation to ensure auditor independence. Fees incurred with Smythe LLP, Chartered Professional Accountants for audit and non-audit services in the financial years ended August 31, 2020 and August 31, 2019 are outlined in the following table.

Nature of Services	Fees Paid in Year Ended August 31, 2020	Fees Paid in Year Ended August 31, 2019
Audit Fees ⁽¹⁾	\$22,500	\$72,450
Audit-Related Fees ⁽²⁾	\$ -	\$ -
Tax Fees ⁽³⁾	\$ -	\$ -
All Other Fees ⁽⁴⁾	\$ 12,300	\$ -
	\$34,800	\$72,450

Notes:

- (1) “**Audit Fees**” include fees necessary to perform the annual audit and quarterly reviews of the Corporation’s consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) “**Audit-Related Fees**” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “**Tax Fees**” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “**All Other Fees**” include all other non-audit services.

Exemption

The Corporation is a “venture issuer” as defined in NI 52-110 and is relying upon the exemption under s. 6.1 of NI 51-110 concerning Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

CORPORATE GOVERNANCE

General

The Corporation is committed to ensuring that the Corporation has an effective corporate governance system. The Corporation’s current governance practices pursuant to National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) are specifically set out in Schedule B to this Circular in the form required by Form 58-101F2 *Corporate Governance Disclosure (Venture Issuers)*.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A “material relationship” is a relationship which could, in the view of the Corporation’s Board, be reasonably expected to interfere with the exercise of a director’s independent judgment or which is deemed to be a material relationship under NI 52-110.

The Board facilitates its independent supervision over management by reviewing and approving long-term strategic, business and capital plans, material contracts and business transactions, and all debt and equity financing transactions. Through its

Audit Committee, the Board examines the effectiveness of the Corporation's internal control processes and management information systems. The Board also retains independent consultants where it deems necessary.

The Corporation's current Board consists of four directors. Of the current directors, Leonard De Melt is a non-independent director of the Corporation (President and Corporate Secretary) and Geoffrey Balderson is a non-independent director of the Corporation (Chief Financial Officer). Patrick Morris and Andrew von Kursell are independent directors of the Corporation.

Directorships

The following directors are currently serving on boards of the following other reporting companies (or equivalent) as set out below:

Name of Director	Name of Reporting Issuer	Listed Exchange
Patrick Morris	Core One Labs Inc. Binovi Technologies Corp Rewardstream Solutions Inc. Hollister Biosciences Inc. Eat Beyond Global Holdings Inc. Balsam Technologies Corp.	CSE TSX-V CSE CSE CSE NEX
Geoffrey Balderson	Gambier Gold Corp. Tracker Ventures Corp. Thoughtful Brands Inc. Balsam Technologies Inc. Schwabo Capital Corp. Dynamo Capital Corp. Four Nines Gold Inc. Shooting Star Acquisition Corp. Spectre Capital Corp. Hollister Biosciences Inc. Makara Mining Corp. Vinergy Cannabis Capital Inc. New Wave Holdings Corp. Nexco Resources Inc. Core One Labs Inc. Eat Beyond Global Holdings Inc. Hawkmoon Resources Corp. Soldera Mining Corp. Falcon Gold Corp. HeyBryan Media Inc.	TSX-V CSE CSE NEX NEX TSX-V CSE TSX-V TSX-V CSE CSE CSE CSE CSE CSE CSE CSE CSE CSE CSE CSE Reporting Issuer CSE TSX-V CSE

Andrew von Kursell	Mineral Hill Industries Ltd. The Eelleet Network Corp.	TSX-V, OTC, Frankfurt N/A
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SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

The following table sets out equity compensation plan information as at the August 31, 2020 financial year-end:

	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders - Stock Option Plan	Nil	N/A	Nil
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	Nil	N/A	Nil

At August 31, 2020, there were 54,783,096 Common Shares issued and outstanding.

The following table sets out equity compensation plan information as at the August 31, 2019 financial year-end:

	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders - Stock Option Plan	Nil	N/A	Nil
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	Nil	N/A	Nil

At August 31, 2019, there were 34,877,596 Common Shares issued and outstanding.

STATEMENT OF EXECUTIVE COMPENSATION

For the purposes of this Circular:

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

“**NEO**” or “**named executive officer**” means each of the following individuals:

- (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer (“**CEO**”), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief financial officer (“**CFO**”), including an individual performing functions similar to a CFO;
- (c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year.

Director and Named Executive Officer Compensation

Director and NEO Compensation Excluding Options and Compensation Securities

During the financial year ended August 31, 2020, based on the definition above, Leonard De Melt, President, Corporate Secretary and a director, Geoffrey Balderson, CFO and a director, and Xavier Wenzel, former CFO, were named executive officers (“**NEOs**”) of the Corporation for the purposes of the following disclosure. The directors and former directors of the Corporation who were not NEOs during the financial year ended August 31, 2020 were Patrick Morris, Andrew von Kursell, Erick Underwood, Robert Bryce, James Clucas, and Hugh Maddin.

During the financial year ended August 31, 2019, based on the definition above, Leonard De Melt, President, Corporate Secretary and a director, and Xavier Wenzel, former CFO, were NEOs of the Corporation for the purposes of the following disclosure. The directors and former directors of the Corporation who were not NEOs during the financial year ended August 31, 2019 were Andrew von Kursell, Robert Bryce, James Clucas, and Hugh Maddin.

Table of Compensation, Excluding Compensation Securities in Financial Years ended August 31, 2020 and August 31, 2019

The following compensation table, excluding compensation securities, provides a summary of the compensation paid by the Corporation to NEOs of the Corporation and directors who were not NEOs of the Corporation for the two completed financial years ended August 31, 2020 and August 31, 2019 and the below is expressed in Canadian dollars unless otherwise noted. Compensation securities are disclosed under the heading “**Stock Options and Other Compensation Securities**”.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Leonard De Melt ⁽¹⁾ President, Corporate Secretary and Director	2020	27,200	Nil	Nil	Nil	Nil	27,200
	2019	27,000	Nil	Nil	Nil	Nil	27,000
Geoffrey Balderson ⁽²⁾ CFO and Director	2020	7,500	Nil	Nil	Nil	Nil	7500
	2019	Nil	Nil	Nil	Nil	Nil	Nil

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Patrick Morris ⁽³⁾ Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Andrew von Kursell ⁽⁴⁾ Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Erick Underwood ⁽⁵⁾ Former Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Robert Bryce ⁽⁶⁾ Former Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
James Clucas ⁽⁷⁾ Former Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Hugh Maddin ⁽⁸⁾ Former Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Xavier Wenzel ⁽⁹⁾ Former Chief Financial Officer	2020	46,551	Nil	Nil	Nil	Nil	46,551
	2019	24,000	Nil	Nil	Nil	Nil	24,000

Notes:

- (1) Leonard De Melt was appointed a Director and President and Corporate Secretary of the Corporation on September 8, 2017.
- (2) Geoffrey Balderson was appointed a Director of the Corporation on September 8, 2017 and Chief Financial Officer on April 28, 2020.
- (3) Patrick Morris was appointed a Director of the Corporation on March 13, 2020.
- (4) Andrew von Kursell was appointed a Director of the Corporation on September 8, 2017.
- (5) Robert Bryce was appointed a Director of the Corporation on February 8, 2019 and resigned on March 13, 2020.
- (6) Erick Underwood was appointed a Director of the Corporation on March 13, 2020 and resigned on October 29, 2020.
- (7) James Clucas was appointed a Director of the Corporation on February 8, 2019 and resigned on March 13, 2020.
- (8) Hugh Maddin was appointed a Director of the Corporation on February 8, 2019 and resigned on March 13, 2020.
- (9) Xavier Wenzel was appointed Chief Financial Officer of the Corporation on August 27, 2018 and resigned on April 28, 2020.

Related Party Transactions

During the years ended August 31, 2020 and 2019:

- During the year ended August 31, 2020, the Corporation incurred \$27,200 (2019 - \$27,000) of consulting fees to the CEO. As at August 31, 2020, the Corporation had a due to payable to the CEO for \$Nil (2019 - \$11,400).
- During the year ended August 31, 2020, the Corporation incurred \$7,500 (2019 - \$Nil) of consulting fees, defined as Office and Administration in the Income Statement, to a company controlled by the CFO.
- During the year ended August 31, 2020, the Corporation incurred \$46,551 (2019 - \$24,000) of consulting fees, defined as Professional Fees in the Income Statement, to the former CFO. As of August 31, 2020, the Corporation had amounts due to the former CFO for \$54,251 (August 31, 2019 - \$nil).

Stock Options and Other Compensation Securities

Stock Option Plan (Option-Based Awards)

The Corporation has a 10% “rolling” stock option plan effective February 1, 2019 (“**Stock Option Plan**”), which provides that the number of Common Shares issuable under the Stock Option Plan may not exceed 10% of the total number of issued and outstanding Common Shares. The Stock Option Plan provides the Corporation with the advantages of the incentive

inherent in share ownership on the part of those persons responsible for the success of the Corporation; to create in those persons a proprietary interest in, and a greater concern for, the welfare and success of the Corporation; to encourage such persons to remain with the Corporation, to attract new talent to the Corporation and to reduce the cash compensation the Corporation would otherwise have to pay. The Stock Option Plan allows for the issuance of up to 10% of the number of issued and outstanding Common Shares of the Corporation at any time on a non-diluted basis.

The Stock Option Plan is administered by the Board or, if determined by the Board, by a committee of the Board. In determining the number of incentive stock options (“**Options**”) to be granted, the Board takes into account the number of Options, if any, previously granted, and the exercise price of any outstanding Options to ensure that such grants are in accordance with the policies of the CSE, and closely align the interests of executive officers with the interests of the Corporation’s shareholders. Pursuant to the Stock Option Plan, the Board may grant Options to acquire Common Shares of the Corporation to qualified directors, officers, employees and other service providers. The Options vest according to the provisions of the individual option agreements approved by the directors’ resolutions and have a maximum life of ten years.

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

1. The maximum number of Common Shares that may be reserved for issuance of Options granted under the Stock Option Plan will not exceed 10% of the issued Common Shares as at the date of the grant of any Option.
2. The exercise price of the Options, as determined by the Board or the Committee, will not be less than the closing price of the Common Shares on the Exchange on the trading day prior to the date of grant of Options.
3. Options under the Stock Option Plan may be granted by the Board or a committee of the Board to:
 - (a) senior officers, directors or employees of the Corporation or an affiliate of the Corporation;
 - (b) consultants (other than an employee or director of the Corporation) providing consulting,
 - (c) technical, management or other services to the Corporation, or a consultant company excluding (unless an exemption from prospectus requirements is available under applicable securities laws) a consultant providing investor relations services; and
 - (d) an employee of a company providing management services to the Corporation, which management services are required for the ongoing successful operation of the business enterprise of the Corporation but excluding a person engaged in investor relations activities.
4. The expiry date of an Option shall be the earlier of the date fixed by the Board of Directors on the date of grant of such Option, and:
 - in the event of the death of the Option holder, within 1 year from the date of death of the Option holder;
 - in the event that the Option holder holds his or her Option as a director, employee, consultant or service provider of the Corporation (other than where the Option holder is engaged in investor relations activities) and such Option holder ceases to be a director, employee, consultant or service provider of the Corporation, other than by reason of death, within 90 days following the date the Option holder ceases to be a director, employee, consultant or service provider, or while the Option holder is engaged in investor relations activities, within 30 days following the date the Option holder ceases to be engaged in investor relations activities;
 - in the event that the Option holder is permitted to exercise an Option in exchange for the issuance of Common Shares, on the date the Option holder provides the Corporation with written notice that the Option holder has elected to a cashless exercise of such Option.
5. The Option Plan or any outstanding Options granted thereunder may be terminated:
 - without the approval of the shareholders of the Corporation or any Option holder whose Option is terminated, but subject to the approval of the CSE, in order to conform the Option Plan or such Option, as the case may be, to the requirements of the CSE, whether or not such termination would affect any accrued rights under the Option Plan; or

- subject to the approval by the CSE, and if required by the CSE, the approval of the shareholders of the Corporation for any other reason.

Refer to “**Particulars of Matters to be Acted Upon – Ratification of Option Plan**” Below.

Restricted Share Unit (RSU) Plan (RSU-Based Awards)

The Corporation proposes to adopt a “rolling” restricted share unit (“RSU”) plan (the “RSU Plan”). At the Meeting the shareholders will be asked to consider and, if appropriate, pass an ordinary resolution to authorize, confirm and approve the adoption of the RSU Plan. Please see “Particulars of Matters to be Acted upon - Approval of New Stock Option Plan” for the material terms of the RSU Plan.

Refer to “**Particulars Of Matters To Be Acted Upon – Approval And Adoption Of RSU Plan**” below.

Outstanding Compensation Securities

No compensation securities (option-based) were granted to an NEO of the Corporation or a director who was not an NEO of the Corporation during financial years ended August 31, 2020 and August 31, 2019.

Exercise of Compensation Securities by NEOs and Directors

Financial Year Ended August 31, 2020

No incentive stock options (option-based awards) were exercised by NEOs of the Corporation and directors who were not NEOs of the Corporation who were not NEOs during the years ended August 31, 2020 and August 31, 2019.

Employment, Consulting and Management Agreements

The Corporation did not have any employment, consulting or management agreements or arrangements with any of the Corporation’s current NEOs of the Corporation or directors who were not NEOs of the Corporation during the two most recently completed financial years ended August 31, 2020 and August 31, 2019.

Director Compensation

There are no arrangements under which directors were compensated by the Corporation during the two most recently completed financial years ended August 31, 2020 and August 31, 2019 for their services in their capacity as directors.

Oversight and Description of Director and Named Executive Officer Compensation

The Board’s compensation philosophy is aimed at attracting and retaining quality and experienced people with established records in managing and maintaining public companies which is critical to the success of the Corporation. These key persons create the framework for future success and later will share in any success of the Corporation. Such a reward system supports the Corporation’s commitment to delivering strong performance for the shareholders.

At the present time, the Corporation does not have a compensation program in place for its NEOs or directors, as is evidenced by the Summary Compensation Table, and the Corporation does not have any arrangement with its directors for payment of compensation either pursuant to a contract or on a fee for service basis.

The Corporation has a formalized Stock Option Plan and wishes to adopt a formalized RSU plan for the granting of incentive stock options and RSUs, respectively, to the officers, employees, consultants and Directors. Directors are, and will be, entitled to participate in the Stock Option Plan and RSU Plan, as applicable, which is designed to give each holder thereof an interest in preserving and maximizing shareholder value in the longer term. Individual grants are determined by an assessment of each eligible person’s (individually) current and expected future performance, level of responsibilities and the importance of his/her position and contribution to the Corporation. See above “*Stock Options and Other Compensation Securities*”.

The directors are entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors. They may receive cash bonuses from time to time which the Corporation awards to directors for serving in their capacity as a member of the board. Executive officers who also act as directors of the Corporation do not receive any additional compensation for services rendered in their capacity as directors.

Compensation Review Process

The Corporation does not have a Compensation Committee.

The Board is responsible for the compensation policies and guidelines for the Corporation and for implementing and overseeing compensation policies.

The Board reviews on an annual basis the cash compensation, performance and overall compensation package of each executive officer, including the NEOs. The Board makes decisions with respect to basic salary and participation in share compensation arrangements for each executive officer. In considering executive officers other than the CEO, the Board takes into account the recommendation of the CEO.

The Corporation does not have a formal compensation program with set benchmarks. Individual performance in connection with the achievement of corporate milestones and objectives are reviewed for all executive officers.

Executive compensation is comprised of short-term compensation in the form of a base salary and long-term ownership through the Corporation's Stock Option Plan (and, upon approval, RSU Plan). This structure ensures that a significant portion of executive compensation (Options or RSUs, as applicable) is both long-term and "at risk" and, accordingly, is directly linked to the achievement of business results and the creation of long-term shareholder value. As the benefits of such compensation, if any, are not realized by officers until a significant period of time has passed, the ability of officers to take inappropriate or excessive risks that are beneficial to their compensation at the expense of the Corporation and the shareholders is extremely limited. Furthermore, the short-term component of the executive compensation (base salary) represents a relatively small part of the total compensation. As a result, it is unlikely that an officer would take inappropriate or excessive risks at the expense of the Corporation or the shareholders that would be beneficial to their short-term compensation when their long-term compensation might be put at risk from their actions.

Due to the small size of the Corporation and the current level of the Corporation's activity, the Board is able to closely monitor and consider any risks, which may be associated with the Corporation's compensation policies and practices. Risks, if any, may be identified and mitigated through meetings of the Board during which financial and other information of the Corporation are reviewed. No risks have been identified arising from the Corporation's compensation policies and practices that are reasonably likely to have a material adverse effect on the Corporation.

Executive compensation is based upon the need to provide a compensation package that will allow the Corporation to attract and retain qualified and experienced executives, balanced with a pay-for-performance philosophy. Executive compensation is designed to reward activities and achievements that are aligned with the long-term interests of the Corporation's shareholders.

The Board also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the Corporation's senior management. The Board reviews the compensation of senior management on an annual basis taking into account compensation paid by other issuers of similar size and activity.

Elements of Executive Compensation Program

The Corporation's compensation program consists of the following elements:

- (a) Base salary or consulting fees;
- (b) Bonus payments; and
- (c) Equity participation through the Corporation's Stock Option Plan (and, upon approval, the RSU Plan).

Base Salary or Consulting Fees

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

Base salary ranges for executive officers were initially determined upon a review of companies, which were of the same size as the Corporation, at the same stage of development as the Corporation and considered comparable to the Corporation.

In determining the base salary of an executive officer, the Board considers the following factors:

- (a) the particular responsibilities related to the position;
- (b) salaries paid by other companies in the mining industry which were similar in size as the Corporation;
- (c) the experience level of the executive officer;
- (d) the amount of time and commitment which the executive officer devotes to the Corporation; and
- (e) the executive officer's overall performance and performance in relation to the achievement of corporate milestones and objectives.

Bonus Payments

Each of the executive officers, as well as all employees, is eligible for an annual bonus, payable in cash or through stock-based compensation. The amount paid is based on the Board's assessment of the Corporation's performance for the year. Factors considered in determining bonus amounts include individual performance, financial criteria (such as cash flow and share price performance) and operational criteria (such as significant mineral property acquisitions, resource growth and the attainment of corporate milestones).

The Corporation did not award any bonuses during financial years ending August 31, 2020 and August 31, 2019.

Director Compensation

Other than incentive stock options (and, upon approval, RSUs), directors of the Corporation do not receive any compensation for attending meetings of the Board or any committee of the Board (which is currently the Corporation's Audit Committee).

Equity Participation

Equity participation is accomplished through the Corporation's Stock Option Plan (and, upon approval, the RSU Plan). The Corporation believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Options (and, upon approval of the RSU Plan, RSUs) are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. The amounts and terms of Options or RSUs, as applicable, granted are determined by the Board based on recommendations put forward by the CEO. Due to the Corporation's limited financial resources, the Corporation emphasizes the provisions of Option grants to maintain executive motivation.

Equity-based Awards

The Board is responsible for administering compensation policies related to the Corporation's executive management, including with respect to option-based awards.

Under the Stock Option Plan and the RSU Plan (subject to approval of the shareholders), the Board can grant Options and RSUs, as applicable, to directors, officers, employees, management and others who provide services to the Corporation. The Stock Option Plan and, upon approval, the RSU Plan provide compensation to participants and an additional incentive to work toward long-term Corporation performance.

The Corporation has not established a policy on whether or not an NEO or director is 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 NEO or director. During the financial years ended August 31, 2020 and August 31, 2019, the Corporation did not use any financial hedges.

Risks Associated with the Corporation's Compensation Practices

The Board has concluded that the Corporation's compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Corporation. The Board considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

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

Benefits and Perquisites

The Corporation does not, as of the date of this Circular, offer any benefits or perquisites to its NEOs, other than potential grants of incentive stock options (and, upon approval of the RSU Plan, potential grants of RSUs) as otherwise disclosed and discussed herein.

Pension Disclosure

The Corporation does not have a pension plan that provides for payments or benefits to the NEOs, executive officers and directors or employees, at, following, or in connection with retirement.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than as set out in this Circular, no directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Corporation were indebted to the Corporation during financial years ending August 31, 2020 and August 31, 2019 or as at the date hereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than set out in this Circular, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Corporation or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries during financial years ended August 31, 2020 and August 31, 2019, or has an interest in any material transaction during the Corporation's financial years ended August 31, 2020 and August 31, 2019.

MANAGEMENT CONTRACTS

Other than as set out in this Circular, there are no management functions of the Corporation, which are to any substantial degree performed by a person or company other than the directors or NEOs of the Corporation.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Corporation does not provide insurance for the benefit of the directors and officers of the Corporation.

INDEMNIFICATION

No indemnification under section 124 of the CBCA has been paid or is to be paid for the last completed financial year ending August 31, 2020.

FINANCIAL ASSISTANCE

In the fiscal years ending August 31, 2020 and August 31, 2019, no financial assistance was paid to:

- (a) a shareholder of the Corporation or any of its affiliates who is not a director, officer or employee thereof, or to an associate of any such shareholder,
- (b) any person, in connection with a purchase of Common Shares issued or to be issued by the Corporation.

PARTICULARS OF MATTERS TO BE ACTED UPON

A. RATIFICATION OF STOCK OPTION PLAN

Under the Stock Option Plan, an aggregate of 10% of the issued and outstanding Common Shares at the time an Option is granted, less any outstanding options, are available for issuance to eligible optionees.

Material Terms of the Plan

As the Corporation is listed on the CSE, pursuant to CSE policies covering option grants, namely CSE Policy 6, the Corporation must:

- (a) not grant Options with an exercise price lower than the greater of the closing market prices of the underlying securities on: (a) the trading day prior to the date of grant of the Options; and (b) the date of grant of the Options;
- (b) comply with the provisions of National Instrument 45-106 – *Prospectus Exemptions* (“**NI 45-106**”), under which the Corporation is deemed to be an “unlisted issuer” for the purposes of Division 4 of NI 45-106;
- (c) post notice of Option grants or amendments in CSE Form 11 immediately following each grant of Options by the Corporation;
- (d) upon first grant of Options under the Stock Option Plan, provide the CSE with an opinion of counsel that all the securities issuable under the Plan will be duly issued and be outstanding as fully paid and non-assessable shares;
- (e) abide by the requirement that terms of an Option granted under the Stock Option Plan may not be amended once issued. If an Option is cancelled prior to its expiry date, the Corporation must post notice of the cancellation and shall not grant new Options to the same person until 30 days have elapsed from cancellation of the previous Options.

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

Eligible Optionees

To be eligible to receive a grant of Options under the Stock Option Plan an optionee must be an executive, or an employee, or a consultant of the Corporation providing services to the Corporation or a subsidiary at the time the Option is granted.

Restrictions

- (a) The maximum number of Options granted to any one Option holder within any 12-month period shall be 5% of the outstanding Common Shares issued, unless the Corporation has obtained disinterested shareholder approval if required under regulations, to do so;
- (b) The maximum number of Options granted to Insiders within any 12-month period shall be 10% of the outstanding Common Shares issued.

Administration and Terms of the Stock Option Plan

- (a) The Stock Option Plan is administered by the Board or its appointed committee.
- (b) The expiry date of an Option shall be no later than the tenth anniversary of the date of grant of the Option.
- (c) Grant and expiry dates, the exercise price, the vesting schedule and the number of Common Shares which may be purchased pursuant to an Option shall be fixed by the Board or its committee appointed to grant Options.
- (d) The Corporation may implement such procedures and conditions as the Board or its committee deems appropriate with respect to withholding and remitting taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law.
- (e) All Options granted under the Stock Option Plan expire on a date not later than 10 years after the issuance of such options.
- (f) If an optionee ceases to be a director, officer, employee, consultant or service provider of the Corporation or its subsidiaries for any reason other than death, the optionee may, ninety (90) days after the optionee’s ceasing to be a director, officer, employee, consultant or service provider (or 30 days in the case of an optionee engaged in investor relations activities) or prior to the expiry of the Option Period, whichever is

earlier, exercise any Option held by the optionee, but only to the extent that the optionee was entitled to exercise the Option at the date of such cessation. For greater certainty, any optionee who is deemed to be an employee of the Corporation pursuant to any medical or disability plan of the Corporation shall be deemed to be an employee for the purposes of this Plan.

A copy of the Stock Option Plan is available under the Corporation's SEDAR profile at www.sedar.com.

Shareholder Approval

At the Meeting, shareholders will be asked to consider and vote on an ordinary resolution to ratify, confirm and approve the Stock Option Plan, with or without variation, as follows:

“**RESOLVED** as an ordinary resolution, that:

- (a) the Stock Option Plan dated for reference February 1, 2019 be ratified, confirmed and approved;
- (b) the number of Common Shares reserved for issuance under the Stock Option Plan shall not exceed 20% of the Corporation's issued and outstanding share capital at the time any stock option is granted; and
- (c) any one or more of the directors or officers of the Corporation be authorized to perform all such acts, deeds and things and execute all such documents and make all such filings with the CSE that may be required to give effect to this resolution.”

Proxies received in favour of management will be voted IN FAVOUR of ratifying the Stock Option Plan, unless the shareholder has specified in the Proxy that his, her or its Common Shares are to be withheld or voted against such resolution.

THE BOARD AND MANAGEMENT RECOMMENDS SHAREHOLDERS VOTE IN FAVOUR OF RATIFYING THE STOCK OPTION PLAN.

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the ratification of the Stock Option Plan.

B. ADOPTION OF RSU PLAN

The Corporation wishes to adopt the RSU Plan, a copy of which is attached to this Circular as Schedule C. The purpose of the RSU Plan is to promote and advance the interests of the Corporation by providing directors, officers, employees and consultants of the Corporation with an additional incentive through the opportunity to receive bonuses in the form of Common Shares. The potential of receiving Common Shares also increases the Corporation's ability to attract, retain and motivate directors, officers, employees and consultants.

Material Terms of the Plan

The following is a summary of the material terms of the RSU Plan.

CSE Policy Requirements

CSE policy does not reference RSUs, however, the CSE regulates grants of RSUs similarly to grants of options. As the Corporation is listed on the CSE, pursuant to CSE policies covering option grants, namely CSE Policy 6, the Corporation must:

- (a) not grant RSUs with an exercise price lower than the greater of the closing market prices of the underlying securities on (a) the trading day prior to the date of grant of the RSUs; and (b) the date of grant of the RSUs;
- (b) comply with the provisions of NI 45-106, under which the Corporation is deemed to be an “unlisted issuer” for the purposes of Division 4 of NI 45-106;
- (c) post notice of RSU grants or amendments in CSE Form 11 immediately following each grant of RSUs by the Corporation;

- (d) upon first grant of RSUs under the RSU Plan, provide the CSE with an opinion of counsel that all the securities issuable under the RSU Plan will be duly issued and be outstanding as fully paid and non-assessable shares;
- (e) abide by the requirement that terms of an RSU granted under the RSU Plan may not be amended once issued. If an RSU is cancelled prior to its expiry date, the Corporation must post notice of the cancellation and shall not grant new RSUs to the same person until 30 days have elapsed from cancellation of the previous RSUs.

Administration and Eligibility under the RSU Plan

The Plan is administered by the Board or its appointed committee. To be eligible to receive a grant of RSUs under the RSU Plan an RSU holder must be an executive (director or officer), or an employee, or a consultant of the Corporation providing services to the Corporation or a subsidiary at the time the RSU is granted.

Number of Common Shares Reserved

Subject to adjustment as provided for in the RSU Plan, the aggregate number of Common Shares which will be available for issuance under the RSU Plan will not, when combined with Common Shares reserved for issuance pursuant to other share compensation arrangements (including the Stock Option Plan) exceed 20% of the number of Common Shares which are issued and outstanding on the particular date of grant. If any RSU expires or otherwise terminates for any reason without having been exercised in full, the number of Common Shares in respect of such expired or terminated RSU shall again be available for the purposes of granting RSUs pursuant to the RSU Plan.

Restrictions

- (a) The Corporation shall only grant RSUs under the RSU Plan in compliance with section 2.24 of NI 45-106.
- (b) The maximum number of Common Shares (either issued directly or issuable on settlement of any RSUs or other convertible securities) which may be granted within any 12-month period to persons engaged in investor relations activities for the Corporation must not exceed 1% of the Corporation's issued and outstanding Common Shares.

Granting, Settlement and Expiry of RSUs

Under the RSU Plan, eligible persons may (at the discretion of the Board) be allocated a number of RSUs as the Board deems appropriate, with vesting provisions also to be determined by the Board. Upon vesting, subject to the provisions of the RSU Plan, the RSU holder may settle its RSUs during the settlement period applicable to such RSUs, provided that no expiry date or any vesting date is a date that is later than December 1st (or December 31st, subject to certain extension provisions of the RSU Plan) of the third year following the end of the year in which the relevant services were rendered that gave rise to the RSU grant. Where, prior to the expiry date, an RSU holder fails to elect to settle an RSU, the holder shall be deemed to have elected to settle such RSUs on the day immediately preceding the expiry date. An RSU holder shall be entitled to receive one Common Share for each vested RSU or, at the sole option of the Corporation, a cash payment equal to the number of RSUs vested, multiplied by the market price of Common Shares on the redemption date.

Termination

Except as otherwise determined by the Board

- (a) all RSUs held by the RSU holder (whether vested or unvested) shall terminate automatically on the date which the RSU holder ceases to be eligible to participate in the RSU Plan or otherwise on such date on which the Corporation terminates its engagement of the RSU holder (the “**RSU Holder Termination Date**”) for any reason other than as set forth in paragraph (b) and (c) below;
- (b) in the case of a termination of the RSU holder's service by reason of (A) termination by the Corporation or any subsidiary of the Corporation other than for cause, or (B) the RSU holder's death or disability, the RSU holder's unvested RSUs shall vest automatically as of such date, and on the earlier of the original expiry date and any time during the ninety (90) day period commencing on the date of such termination of service (or, if earlier, the RSU Holder Termination Date), the RSU holder (or their executor or administrator, or the person or persons to whom the RSUs are transferred by will or the applicable laws of descent and

distribution) will be eligible to request that the Corporation settle their vested RSUs. Where, prior to the 90th day following such termination of service (or, if earlier, the RSU Holder Termination Date) the RSU holder fails to elect to settle a vested RSU, the RSU holder shall be deemed to have elected to settle such RSU on such 90th day (or, if earlier, the RSU Holder Termination Date) and to receive Common Shares in respect thereof;

- (c) in the case of a termination of the RSU holder's services by reason of (A) voluntary resignation, or (B) death or disability, only the RSU holder's unvested RSUs shall terminate automatically as of such date, and any time during the ninety (90) day period commencing on the date of such termination of service (or, if earlier, the RSU Holder Termination Date), the RSU holder will be eligible to request that the Corporation settle their vested RSUs. Where, prior to the 90th day following such termination of service (or, if earlier, the RSU Holder Termination Date) the RSU holder fails to elect to settle a vested RSU, the RSU holder shall be deemed to have elected to settle such RSU on such 90th day (or, if earlier, the RSU Holder Termination Date) and to receive Common Shares in respect thereof;
- (d) for greater certainty, where a RSU holder's employment, term of office or other engagement with the Corporation terminates by reason of termination by the Corporation or any subsidiary of the Corporation for cause then any RSUs held by the RSU holder (whether unvested or vested) at the RSU Holder Termination Date, immediately terminate and are cancelled on the RSU Holder Termination Date or at a time as may be determined by the Board, in its discretion;
- (e) a RSU holder's eligibility to receive further grants of RSUs under the RSU Plan ceases as of the earliest of the date the RSU holder resigns from or terminates its engagement with the Corporation or any subsidiary of the Corporation and the date that the Corporation or any subsidiary of the Corporation provides the RSU holder with written notification that the RSU holder's employment, term of office or engagement, as the case may be, is terminated, notwithstanding that such date may be prior to the RSU Holder Termination Date; and
- (f) for the purposes of the RSU Plan, a RSU holder shall not be deemed to have terminated service or engagement where the RSU holder: (i) remains in employment or office within or among the Corporation or any subsidiary of the Corporation, or (ii) is on a leave of absence approved by the Board.

Shareholder Approval

At the Meeting, shareholders will be asked to consider and vote on an ordinary resolution to approve the RSU Plan, with or without variation, as follows:

“RESOLVED as an ordinary resolution, that:

- (a) the RSU Plan, including the form of RSU agreement certificate (the **“RSU Agreement Certificate”**) providing for the grant of RSUs to RSU Eligible Persons (defined under the RSU Plan), attached to this Circular as Schedule C be approved, and that the RSU Plan be forthwith adopted and implemented by the Corporation, with such further deletions, additions and other amendments as are required based on the advice of legal or tax counsel or which are not material in nature and the CEO or CFO of the Corporation deems necessary;
- (b) the effective date of the RSU Plan shall be February 8, 2021;
- (c) the aggregate number of Common Shares reserved for issuance under the RSU Plan, when combined with Common Shares reserved for issuance pursuant to other share compensation arrangements (including the Stock Option Plan), shall not exceed 20% of the Corporation's issued and outstanding share capital on the particular date of grant; and
- (d) any one or more of the directors or officers of the Corporation be authorized to perform all such acts, deeds and things and execute all such documents and make all such filings with the CSE that may be required to give effect to this resolution.”

Proxies received in favour of management will be voted IN FAVOUR of the RSU Plan resolution, unless the shareholder has specified in the Proxy that his, her or its Common Shares are to be withheld or voted against such resolution.

THE BOARD AND MANAGEMENT RECOMMENDS SHAREHOLDERS VOTE IN FAVOUR OF THE RSU PLAN.

C. CONTINUANCE UNDER *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)/ADOPTION NEW ARTICLES

Management of the Corporation believes it to be in the best interests of the Corporation to apply for the discontinuance of the Corporation from the federal jurisdiction of Canada under the CBCA and to continue the Corporation into the governing jurisdiction of the Province of British Columbia (the “**Continuance**”) and to adopt new articles in accordance with the BCBCA (the “**New Articles**”).

The Corporation is currently a corporation incorporated under the federal laws of Canada and is subject to the provisions of the CBCA. At the Meeting, shareholders will be asked to consider and, if thought appropriate, to pass a special resolution authorizing the Continuance and the adoption of the New Articles (the “**Continuance Resolution**”).

The Continuance will affect certain rights of shareholders as they currently exist under the CBCA. Shareholders should consult their legal advisors regarding implications of the Continuance, which may be of particular importance to them.

The BCBCA permits companies incorporated outside of British Columbia to be continued into British Columbia. On Continuance, the CBCA will cease to apply to the Corporation and the Corporation will thereupon become subject to the BCBCA, as if it had been originally incorporated under the BCBCA. The Continuance will not create a new legal entity, affect the continuity of the Corporation, result in a change to its business or affect its assets, liabilities, net worth, management or share capital. The persons elected as directors by the shareholders at the Meeting will continue to constitute the Board upon the Continuance becoming effective.

The BCBCA provides that when a foreign corporation continues under the BCBCA:

- (a) the property, rights and interests of the foreign corporation continue to be the property, rights and interests of the company;
- (b) the company continues to be liable for the obligations of the foreign corporation;
- (c) an existing cause of action, claim or liability to prosecution is unaffected;
- (d) a legal proceeding being prosecuted or pending by or against the foreign corporation may be prosecuted or its prosecution may be continued, as the case may be, by or against the company; and
- (e) a conviction against, or a ruling, order or judgement in favour of or against the foreign corporation may be enforced by or against the company.

Reason for Continuance

Management has determined that the Continuance is in the best interest of the Corporation because there is greater flexibility in provisions of the BCBCA that they believe would benefit the Corporation, including in respect of residency requirements for the directors of a company existing under the BCBCA. Management is of the view that the BCBCA offers more flexibility than other Canadian jurisdictions and will provide shareholders with substantially the same rights as those that are available to shareholders under the CBCA.

Continuance Process

In order to effect the Continuance:

- (a) the Continuance Resolution must be approved by special resolution of at least two-thirds of the votes cast at the Meeting in person or by proxy in favour of the Continuance;
- (b) the Corporation must make an application to the Director under the CBCA for consent to continue (the “**Letter of Satisfaction**”) under the BCBCA, which must establish to the Director’s satisfaction that the proposed Continuance will not adversely affect the Corporation’s creditors or shareholders;

- (c) once the Continuance Resolution is passed and the Corporation has obtained the Letter of Satisfaction, the Corporation must file a continuation application and the Letter of Satisfaction, along with prescribed documents under the BCBCA, with the British Columbia Registrar of Companies to obtain a Certificate of Continuation;
- (d) on the date shown on the Certificate of Continuation issued by the British Columbia Registrar of Companies, the Corporation will become a company registered under the laws of the Province of British Columbia as if it had been incorporated under the laws of the Province of British Columbia; and
- (e) the Corporation must then file a copy of the Certificate of Continuation with the Director under the CBCA and receive a Certificate of Discontinuance under the CBCA.

Effect of Continuance

Upon completion of the Continuance, the CBCA will cease to apply to the Corporation and the Corporation will thereupon become subject to the BCBCA, as if it had been originally incorporated as a British Columbia company.

The Continuance will not create a new legal entity, affect the continuity of the Corporation or result in a change in its business. The persons elected as directors by the shareholders at the Meeting will continue to constitute the Board upon completion of the Continuance. Each previously outstanding Common Share will continue to be a common share of the Corporation as a company governed by the BCBCA. The Continuance will not affect the Corporation's status as a listed company on CSE or as a reporting issuer under applicable securities laws of any jurisdiction of Canada. The Corporation will remain subject to the requirements of all applicable securities legislation.

As of the effective date of the Continuance, the Corporation's current constating documents (i.e. its Existing Articles and the By-Laws under the CBCA) will be replaced with a notice of articles and New Articles under the BCBCA that are proposed to be adopted in connection with the Continuance.

The legal domicile of the Corporation will be the Province of British Columbia and the Corporation will no longer be subject to the provisions of the CBCA.

Corporate Governance Differences

In general terms, the BCBCA provides to the shareholders substantively the same rights as are available to the shareholders under the CBCA, including rights of dissent and appraisal and rights to bring derivative actions and oppression actions, and is consistent with corporate legislation in most other Canadian jurisdictions. There are, however, important differences. The following is a summary comparison of certain provisions of the BCBCA and the CBCA, which pertain to rights of the shareholders. **This summary is not intended to be exhaustive and the shareholders should consult their legal advisers regarding all of the implications of the Continuance.**

Charter Documents

Under the BCBCA, the charter documents will consist of a notice of articles, which sets forth, among other things, the name of the corporation and the amount and type of authorized capital, and indicates if there are any rights and restrictions attached to the issued shares, and New Articles, which govern the management of the Corporation's conduct following the Continuance. The continuation application (with a form of the notice of articles) is filed with the British Columbia Registrar of Companies, and the New Articles will be filed only with the Corporation's registered and records office.

Similarly, under the CBCA, the Corporation's charter documents consist of the Existing Articles, which set forth, among other things, the name of the Corporation and the amount and type of authorized capital, and the By-laws, which governs the management of the Corporation's conduct. The Existing Articles are filed with Corporations Directorate and Industry Canada, and the By-Laws are filed only with the Corporation's registered and records office.

In connection with the Continuance, it is necessary that the Corporation adopt a new notice of articles and New Articles under the BCBCA. Accordingly, as part of the Continuance Resolution, shareholders will also be asked to approve the adoption by the Corporation of the notice of articles and New Articles, which comply with the requirements of the BCBCA, in substitution for the Existing Articles and the By-Laws of the Corporation and any amendments thereto to date. The Continuance to British Columbia and the adoption of the notice of articles and New Articles will not result in any material changes to the constitution, powers or management of the Corporation, except as otherwise described herein.

The New Articles will be available for review at the Meeting. If the Continuance is approved at the Meeting and subsequently completed, a copy of the New Articles will be available on SEDAR at <http://www.sedar.com/> and the notice of articles will be available from the British Columbia Registrar of Companies.

Requirements for Special Resolutions

The CBCA requires that certain matters be approved by a special resolution of at least two-thirds of the shareholders. Under the BCBCA, the articles of the Corporation may provide for a different level of approval for some matters. The BCBCA permits the articles to alter the majority requirement for a special resolution, such that it can be anything between two-thirds and three-quarters majority, and the articles may state certain levels of majorities that are required for different actions, offering more flexibility. The Corporation proposes to adopt the more flexible approach under the BCBCA in order to be able to react and adapt to changing business conditions. As a result, subject to the BCBCA, the proposed New Articles will provide that the Corporation may:

- (1) by directors' resolution or by ordinary resolution of shareholders, in each case as determined by the directors:
 - create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
 - increase, reduce or eliminate the maximum number of shares that the Corporation is authorized to issue of any class or series of shares or establish a maximum number of shares that the Corporation is authorized to issue out of any class or series of shares for which no maximum is established;
 - subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
 - if the Corporation is authorized to issue shares of a class of shares with par value:
 - decrease the par value of those shares; or
 - if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
 - change all or any of its unissued shares with par value into shares without par value or any of its unissued shares without par value into shares with par value or change all or any of its fully paid issued shares with par value into shares without par value; or
 - alter the identifying name of any of its shares;
 - create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares if none of those shares have been issued; or vary or delete any special rights or restrictions attached to the shares of any class or series of shares if none of those shares have been issued;
 - authorize an alteration of its notice of articles in order to change its name and may, by directors' resolution or ordinary resolution of shareholders, in each case as determined by the directors, adopt or change any translation of that name; and
 - if the BCBCA does not specify the type of resolution and the Corporation's New Articles do not specify another type of resolution, alter the Corporation's articles;
- (2) by ordinary resolution of shareholders otherwise alter its shares or authorized share structure; and
- (3) by special resolution of the shareholders of the class or series affected, create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares if shares of the class or series of shares have been issued; or vary or delete any special rights or restrictions attached to the shares of any class or series of shares if shares of the class or series of shares have been issued;

and, if applicable, alter its notice of articles and, if applicable, alter its New Articles accordingly.

Amendments to Charter Documents

Under the BCBCA and the New Articles, the Corporation may amend its New Articles or notice of articles, or undertake other fundamental changes, such as a proposed amalgamation or continuation of the Corporation out of the jurisdiction, by a special resolution passed by two-thirds of the votes cast on the resolution by holders of shares of each class entitled to vote at a general meeting of the Corporation. In addition, a right or special right attached to issued shares must not be prejudiced or interfered with under the BCBCA or the Corporation's notice of articles or New Articles unless the shareholders holding shares of the class or series of shares to which the right or special right is attached consent by a special separate resolution of those shareholders.

Under the CBCA such changes require a special resolution passed by not less than two-thirds of the votes cast by the shareholders voting on the resolution authorizing the alteration and, where certain specified rights of the holders of a class or series of shares are affected differently by the alteration than the rights of the holders of other classes of shares, or in the case of holders of a series of shares, in a manner different from other shares of the same class, a special resolution passed by not less than two-thirds of the votes cast by the holders of shares of each class, or series, as the case may be, whether or not they are otherwise entitled to vote.

Sale of Undertaking

Under the BCBCA, a company may sell, lease or otherwise dispose of all or substantially all of the undertaking of the corporation if it does so in the ordinary course of its business or if it has been authorized to do so by a special resolution passed by the majority of votes that the articles of the company specify is required (being at least two-thirds and not more than three-quarters of the votes cast on the resolution) or, if the articles of the corporation do not contain such a provision, a special resolution passed by at least two-thirds of the votes cast on the resolution. Under the New Articles proposed to be adopted by the Corporation, the special resolution will need to be passed by at least two-thirds of the votes cast on the resolution.

The CBCA requires approval of the holders the shares of a corporation represented at a duly called meeting by not less than two-thirds of the votes cast upon a special resolution for a sale, lease or exchange of all or substantially all of the property (as opposed to the "undertaking") of the corporation, other than in the ordinary course of business of the corporation. Each share of the corporation carries the right to vote in respect of a sale, lease or exchange of all or substantially all of the property of the corporation whether or not it otherwise carries the right to vote. Holders of shares of a class or series can vote separately only if that class or series is affected by the sale, lease or exchange in a manner different from the shares of another class or series. While the shareholder approval thresholds will be the same under the BCBCA and the CBCA, there are differences in the nature of the sale, which requires such approval, i.e., a sale of all or substantially all of the "undertaking" under the BCBCA and of all or substantially all of the "property" under the CBCA.

Rights of Dissent and Appraisal

The BCBCA provides that shareholders who dissent to certain actions being taken by a company may exercise a right of dissent and require the company to purchase the shares held by such shareholder at the fair value of such shares. The dissent right is applicable in respect of:

- (a) a resolution to alter the articles to add, change or remove any provision restricting or constraining the powers of the company or on the business the company is permitted to carry on;
- (b) a resolution to adopt an amalgamation agreement;
- (c) a resolution to approve an amalgamation into a foreign jurisdiction;
- (d) a resolution to approve an arrangement, the terms of which arrangement permit dissent;
- (e) a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the corporation's undertaking;
- (f) a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;
- (g) any other resolution, if dissent is authorized by the resolution; or
- (h) any court order that permits dissent.

The CBCA contains a similar dissent remedy, subject to certain qualifications. Regarding (b) and (c) above, under the CBCA, there is no right of dissent in respect of an amalgamation between a corporation and its wholly-owned subsidiary, or between wholly-owned subsidiaries of the same corporation. The CBCA also contains a dissent remedy where a corporation resolves to amend its articles to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of a class.

Oppression Remedies

Under the BCBCA, a shareholder of a company (including a beneficial shareholder and any other person a court considers appropriate) has the right to apply to the court on the grounds that: (i) the affairs of the company are being or have been conducted, or that the powers of the directors are being or have been exercised, in a manner oppressive to one or more of the shareholders, including the applicant; or (ii) some act of the company has been done or is threatened, or that some resolution of the shareholders or of the shareholders holding shares of a class or series of shares has been passed or is proposed, that is unfairly prejudicial to one or more of the shareholders, including the applicant.

On such an application, the court may make any interim or final order that it considers appropriate to remedy or bring an end to the matters complained of, including, among other things, an order to prohibit any act proposed by the corporation.

The CBCA contains rights that are substantially broader in that they are available to a larger class of complainants, without the need to seek leave from a court. Under the CBCA a shareholder, former shareholder, director, former director, officer, or former officer of a corporation or any of its affiliates, or any other person who, in the discretion of the court, is a proper person to seek an oppression remedy, may apply to the court for an order to rectify the matters complained of where in respect of a corporation or any of its affiliates: (i) any act or omission of the corporation or its affiliates effects a result; (ii) the business or affairs of the corporation or any of its affiliates are or have been carried on or conducted in a manner; or (iii) the powers of the directors of the corporation or its affiliates are or have been exercised in a manner, that is oppressive or unfairly prejudicial to, or that unfairly disregards the interests of, any security holder, creditor, director, or officer.

Shareholder Derivative Actions

Under the BCBCA, a complainant (a shareholder or director of a company) may, with leave of the court, prosecute or defend a legal proceeding in the name and on behalf of a company to enforce a right, duty or obligation owed to the company that could be enforced by the company itself or to obtain damages for any breach of such a right, duty or obligation. Similarly, a complainant may, with leave of the court and in the name and on behalf of the corporation, defend an action against a company.

A broader right to bring a derivative action is contained in the CBCA, and this right also extends to officers, former shareholders, former directors and former officers of a corporation or its affiliates, and any person, who, in the discretion of the court, is a proper person to make an application to the court to bring a derivative action. In addition, the CBCA permits derivative actions to be commenced, with leave of the court, in the name and on behalf of a corporation or any of its subsidiaries.

Requisition of Meetings

The BCBCA provides that shareholders who, at the date on which the requisition is received by the company, hold in the aggregate not less than 5% of the issued shares of the company that carry the right to vote at general meetings may give notice to the directors requiring them to call and hold a general meeting within four months of the requisition, subject to certain exceptions. The New Articles provide that, subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, one or more shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting. No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum does not need to be present throughout the meeting.

The CBCA permits the holders of not less than 5% of the issued shares that carry the right to vote at a meeting sought to be held to require the directors to call and hold a meeting of shareholders of a corporation for the purposes stated in the requisition. If the directors do not call a meeting within 21 days of receiving the requisition, any shareholder who signed the requisition may call the meeting.

Place of Meetings

Under the BCBCA and the New Articles, meetings of shareholders are to be held in the Province of British Columbia, or at a location outside of British Columbia if that location is: (i) approved by resolution of the directors, or (ii) in writing by the British Columbia Registrar of Companies before the meeting is held.

The CBCA provides that meetings of shareholders may be held at a place outside of Canada if the location is specified in the articles, or if all the shareholders entitled to vote at the meeting agree that the meeting is to be held at that place.

Directors

Under the New Articles, at every annual general meeting and in every unanimous resolution, the shareholders entitled to vote must elect, or in the unanimous resolution, appoint, a board of directors consisting of at least three directors. Each director's term of office expires immediately before the election or appointment of directors at the next annual general meeting or when he or she ceases to hold office under the BCBCA.

The Corporation may remove any director before the expiration of his or her term of office by special resolution and may elect by ordinary resolution of shareholders a director to fill the resulting vacancy. Between annual general meetings or unanimous resolutions, the directors of the Corporation may appoint one or more additional directors provided that the number of additional directors appointed does not at any time exceed: (i) one-third of the number of directors named in the notice of articles (the "**First Directors**"), if at the time of appointments, one or more of the First Directors have not yet completed their first term in office; or (ii) in any other case, one-third of the number of current directors who were elected or appointed as directors other than by the Board. Any director appointed by the Board ceases to hold office immediately before the next election or appointment of directors at an annual general meeting, but is eligible for re-election or re-appointment.

Both the BCBCA and CBCA provide that a public corporation must have a minimum of three directors. While the BCBCA does not have any Canadian or provincial residency requirements for directors, the CBCA requires that at least 25% of directors of a corporation must be resident Canadians.

Capital Structure

Currently, the Corporation's authorized capital consists of an unlimited number of Common Shares. If the Corporation's shareholders approve the Continuance, the Corporation will continue to have authorized capital of an unlimited number of Common Shares.

As a CBCA corporation, the Corporation's charter documents consist of the Existing Articles and the By-Laws and any amendments thereto to date. On completion of the Continuance, the Corporation will cease to be governed by the CBCA and will thereafter be deemed to have been formed under the BCBCA. There are some differences in shareholder rights under the BCBCA and CBCA and under the charter documents proposed to be adopted by the Corporation upon the Continuance.

Advance Notice Provision

If the Continuance is approved at the Meeting and subsequently completed, the Corporation intends to import an Advance Notice Provision into its New Articles, pursuant to which, any additional director nomination for an annual meeting of shareholders must be received by the CFO of the Corporation in proper written form at the principal office of the Corporation, (i) in the case of an annual meeting of shareholders, not less than thirty (30) days nor more than sixty-five (65) days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than fifty (50) days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the nominating shareholder may be given not later than the close of business on the tenth (10th) day following the Notice Date; and (ii) in the case of a special meeting of the shareholders (which is not also an annual meeting), not later than the close of business on the fifteenth day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

The full text of the Advance Notice Provision is set out in Schedule D to this Information Circular.

The Use of Uncertificated Securities

As a result of the proclamation of the Securities Transfer Act ("**STA**"), the STA permits the use of electronic record-keeping and uncertificated securities. The Corporation's New Articles contain provisions to ensure that confirmation is sent to each holder of an uncertificated share by written notice to the shareholder pursuant to the current provisions of the BCBCA. The

New Articles modernize the Corporation's corporate charter to more readily permit the use of uncertificated shares and electronic trading and to ensure that the Corporation's corporate charter facilitates the use of uncertificated shares and electronic record keeping systems currently in use worldwide.

Continuance Resolution

Management of the Corporation believes that it would be in the best interest of the Corporation to continue the Corporation into the provincial jurisdiction of British Columbia under the BCBCA. If the Continuance is approved by the shareholders of the Corporation, then the Corporation intends to file with the British Columbia Registrar of Companies under the BCBCA a Continuation Application pursuant to section 302 of the BCBCA.

The Continuance must be approved by special resolution in order to become effective. To pass, a special resolution requires a majority of not less than two-thirds of the votes cast by the shareholders present at the Meeting in person or by proxy.

Even if the Continuance is approved, the Board retains the power to revoke it at all times without any further approval by shareholders. The Board will only exercise such power in the event that it is, in its opinion, in the best interest of the Corporation. For example, if a significant number of shareholders dissent in respect of the Continuance, the Board may determine not to proceed with the Continuance.

Shareholders will be asked at the Meeting to consider and, if thought fit, approve the below resolution transferring the Corporation's jurisdiction of incorporation from the federal jurisdiction to British Columbia and to the adoption of the notice of articles and New Articles under the BCBCA by passing the Continuance Resolution, such resolution to be substantially in the form set forth below:

BE IT RESOLVED, as a special resolution, that:

- (a) the Continuance of the Corporation into British Columbia, be and the same is hereby authorized and approved subject to the right of the directors to abandon the application without further approval of the shareholders;
- (b) the Corporation apply to the Director under the *CBCA* (the "CBCA") for a Letter of Satisfaction pursuant to section 188(1) of the *CBCA*;
- (c) the Corporation apply to the Registrar of Companies to continue as a British Columbia company pursuant to section 302 of the *Business Corporations Act* (British Columbia) under the name Lida Resources Inc.;
- (d) the Corporation deliver a copy of the Certificate of Continuation to the Director and request that the Director issue a Certificate of Discontinuance under section 188(7) of the *CBCA*;
- (e) subject to such Continuance and the issue of a Certificate of Discontinuance from the *CBCA*, the Corporation adopt the Continuation application and a form of articles in compliance with the *Business Corporations Act* (British Columbia) in substitution for the articles and By-Laws of the Corporation;
- (f) a Continuance application pursuant to section 302 of the *Business Corporations Act* (British Columbia), and the notice of articles as tabled at the Meeting, with such non-material amendments as the directors may approve, be filed with the Registrar of Companies for British Columbia;
- (g) the new form of articles be adopted as tabled at the Corporation's February 8, 2021 Annual and Special Meeting, with such non-material amendments as the directors may approve, and that such new form of Articles not take effect until the Continuance application and notice of articles are filed with the Registrar of Companies for British Columbia;
- (h) McMillan LLP be appointed as the Corporation's agent to electronically file the Continuation application with the Registrar of Companies, and to apply to the Director for a Letter of Satisfaction and a Certificate of Discontinuance;
- (i) any one director or officer of the Corporation be and is hereby authorized and instructed to take all such acts and proceedings and to execute and deliver all such applications, authorizations, certificates, documents and instruments, as in their opinion may be reasonably necessary or desirable for the implementation of this resolution; and

- (j) notwithstanding that the foregoing resolutions have been duly passed by the shareholders of the Corporation, the directors of the Corporation are hereby authorized and empowered, without further approval or authorization of the shareholders of the Corporation, to revoke any or all of these resolutions at any time prior to their being acted upon.

The Continuance and the notice of articles shall take effect immediately on the date and time the notice of Continuation application and notice of articles are filed with the British Columbia Registrar of Companies. The New Articles shall have effect immediately upon completion of the Continuance.

A copy of the New Articles is available for viewing up to the date of the Meeting at the Corporation's registered office at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia, Canada V6N 4E7 and will be made available at the Meeting.

Upon the applicable British Columbia Registrar of Companies filings, the Corporation's New Articles will be posted on SEDAR on the Corporation's SEDAR website at www.sedar.com.

Notwithstanding the approval of the Continuance by the shareholders, the directors may abandon the Continuance without further approval from the shareholders. If the Continuance is abandoned, the Corporation's jurisdiction of incorporation will remain under the CBCA and the Continuance will not be completed.

Unless a shareholder directs that his, her or its Shares be voted against the Continuance Resolution, the management designees named in the enclosed form of proxy intend to vote such proxies IN FAVOUR of such special resolution approving the Continuance Resolution.

Rights of Dissent in Respect of the Continuance

The following description of rights of registered shareholders to dissent is not a comprehensive statement of the procedures to be followed by a dissenting shareholder who seeks payment of the fair value of its Common Shares and is qualified in its entirety by the reference to the full text of section 190 of the CBCA which is attached to this Circular as Schedule E. A dissenting shareholder who intends to exercise the right of dissent should carefully consider and comply with the provisions of section 190 of the CBCA and should seek independent legal advice. Failure to comply strictly with the provisions of the CBCA and to adhere to the procedures established therein may result in the loss of all rights thereunder.

Record shareholders who wish to dissent should take note that strict compliance with the dissent procedures is required.

Pursuant to section 190 of the CBCA, a record shareholder is entitled, in addition to any other right that the shareholder may have, to dissent and to be paid by the Corporation the fair value of the shares in respect of which that shareholder dissents. "Fair value" is determined as of the close of business on the last business day before the day on which the Continuance is adopted. A shareholder may dissent only with respect to all of the shareholder's Common Shares or shares held by the shareholder on behalf of any one non-record holder. Further, a shareholder may only dissent in respect of shares registered in the dissenting shareholder's name. Persons who are non-record shareholders who wish to dissent with respect to their Common Shares should be aware that only record shareholders are entitled to dissent with respect to them. A record shareholder such as an intermediary who holds Common Shares as nominee for non-record shareholders, must exercise the right of dissent on behalf of non-record shareholders with respect to the Common Shares held for such non-record shareholders. In such case, the Notice of Objection should set forth the number of Common Shares it covers.

The delivery of a Notice of Objection does not deprive a record shareholder of its right to vote at the Meeting, however, a vote in favour of the Continuance will result in a loss of its rights under section 190 of the CBCA. A vote against the Continuance, whether in person or by proxy, does not constitute a Notice of Objection, but a shareholder need not vote its Common Shares against the Continuance in order to object. Similarly, the revocation of a proxy conferring authority on the proxy holder to vote in favour of the Continuance does not constitute a Notice of Objection in respect of the Continuance, but any such proxy granted by a shareholder who intends to dissent should be validly revoked in order to prevent the proxy holder from voting such Common Shares in favour of the Continuance.

To exercise the right of dissent, a shareholder must provide notice of this dissent to the Corporation by delivering a written objection to the continuance resolution (i) to the Corporation's Chief Executive Officer at #2 – 14th Street West, North Vancouver, British Columbia V7M 1P9 or at the Corporation's registered office at Suite 1500, 1055 West

Georgia Street, Vancouver, British Columbia, Canada V6E 4N9 on or before the date of the Meeting; or (ii) at the Meeting, to the chairman of the Meeting.

A dissenting shareholder may only claim with respect to all of the shares of a class held by him or on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

If the dissenting shareholder and the Corporation are unable to agree on the fair value of the shares, either party may apply to the applicable court to fix the fair value. The complete text of section 190 of the CBCA is attached to this Circular as Schedule E.

If the Continuance is approved at the Meeting or at an adjournment or postponement thereof, the Corporation is required to deliver to each shareholder who has filed a Notice of Objection and has not voted for the Continuance or not withdrawn that shareholder's Notice of Objection (each, a "**Dissenting Shareholder**"), within 10 days after the approval of the Continuance, a notice stating that the Continuance has been adopted (the "**Notice of Resolution**"). A Dissenting Shareholder then has 20 days after receipt of the Notice of Resolution or, if the Dissenting Shareholder does not receive a Notice of Resolution, within 20 days after learning that the Continuance has been adopted, to send to the Corporation a written notice (a "**Demand for Payment**") containing the Dissenting Shareholder's name and address, the number of Common Shares in respect of which it dissents and a demand for payment of the fair value of such Common Shares. A Dissenting Shareholder must within 30 days after sending the Demand for Payment, send the certificates representing the Common Shares in respect of which it is dissenting to the Corporation or its transfer agent, Olympia. The Corporation or Olympia must endorse the certificates with a notice that the holder is a Dissenting Shareholder under section 190 of the CBCA and forthwith return the certificates to the Dissenting Shareholder. A Dissenting Shareholder who does not send the certificates within the 30 day period has no right to make a claim under section 190 of the CBCA.

Dissenting Shareholder ceases to have any rights as a holder of Common Shares, other than the right to be paid their fair value, unless: (i) the Demand for Payment is withdrawn before the Corporation makes an Offer to Pay (as defined below); (ii) the Corporation fails to make a timely Offer to Pay to the Dissenting Shareholder and the Dissenting Shareholder withdraws the Demand for Payment; or (iii) the Continuance is not proceeded with. Not later than seven days after the later of the date shown on the Certificate of Continuation is issued by the British Columbia Registrar of Companies and the day the Corporation receives the Demand for Payment, the Corporation must send a written offer to pay ("**Offer to Pay**") in the amount considered by the Board to be the fair value of the Common Shares in respect of which the Dissenting Shareholder has dissented. The Offer to Pay must be accompanied by a statement showing how the fair value was determined. Every Offer to Pay made to Dissenting Shareholders must be on the same terms, and lapses if not accepted within 30 days after being made.

If the Offer to Pay is accepted, payment must be made within 10 days of acceptance.

If the Corporation does not make an Offer to Pay or if a Dissenting Shareholder fails to accept an Offer to Pay, the Corporation may, within 50 days after the date shown on the Certificate of Continuation is issued by the British Columbia Registrar of Companies or within such further period as a court of competent jurisdiction may allow, apply to the court to fix a fair value for the securities of any Dissenting Shareholder. If the Corporation fails to so apply to the court, a Dissenting Shareholder may do so for the same purpose within a further period of 20 days or such other period as the court may allow. A Dissenting Shareholder is not required to give security for costs in any application to the court. Applications referred to in this paragraph may be made to a court of competent jurisdiction in the place where the Corporation has its registered office or in the province where the Dissenting Shareholder resides if the Corporation carries on business in that province.

If the Corporation makes an application to the court, it must give notice of the date, place and consequences of the application and of the Dissenting Shareholder's right to appear and be heard to each Dissenting Shareholder who has sent the Corporation a Demand for Payment and has not accepted an Offer to Pay. All Dissenting Shareholders whose shares have not been purchased by the Corporation must be made parties to the application and are bound by the decision of the court. The court is authorized to determine whether any other person is a Dissenting Shareholder who should be joined as a party to such application.

The court must fix a fair value for the shares of all Dissenting Shareholders and may in its discretion allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder from the effective date of the Continuance until the date of payment of the amount so fixed. The final order of the court in the proceedings commenced by an application by the Corporation or a Dissenting Shareholder must be rendered against the Corporation and in favour of each Dissenting Shareholder.

The above is only a summary of the dissenting shareholder provisions of the CBCA. A shareholder of the Corporation wishing to exercise a right to dissent should seek independent legal advice. Failure to comply strictly with the provisions of the statute may prejudice the right of dissent.

Director Discretion

The Board of the Corporation reserve the right not to proceed with the transactions contemplated by the Continuance Resolution. Shareholders should be aware that the Board of the Corporation will not proceed with the Continuance if they receive a material number of dissent notices. This is due to the Corporation's limited amount of available capital. In such a case, Dissenting Shareholders will not be bought out as the Corporation will be abandoning the Continuance.

ADDITIONAL INFORMATION

Additional information relating to the Corporation can be found in the Corporation's audited consolidated financial statements for fiscal years ended August 31, 2020 and August 31, 2019, the report of the auditor and the related management's discussion and analysis thereon, may be obtained from SEDAR at www.sedar.com and upon request from the Corporation at #2 – 14th Street West, North Vancouver, British Columbia V7M 1P9. Copies of documents will be provided free of charge to security holders of the Corporation. The Corporation may require the payment of a reasonable charge from any person or company who is not a security holder of the Corporation, who requests a copy of any such document.

OTHER MATTERS

Management of the Corporation is not aware of any other matter to come before the Meeting other than as set forth in the notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

DIRECTORS' APPROVAL

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

DATED at Vancouver, British Columbia, January 6, 2021.

BY ORDER OF THE BOARD

Leonard De Melt

Leonard De Melt
Chief Executive Officer

SCHEDULE A

This is Schedule A to the Management Proxy Circular of
LIDA RESOURCES INC.

CHARTER OF THE AUDIT COMMITTEE

PURPOSE AND PRIMARY RESPONSIBILITY

1. This charter sets out the Audit Committee's purpose, composition, member qualification, member appointment and removal, responsibilities, operations, manner of reporting to the Board of Directors (the "**Board**") of LIDA Resources Inc., (the "**Company**"), annual evaluation and compliance with this charter.
2. The primary responsibility of the Audit Committee is that of oversight of the financial reporting process on behalf of the Board. This includes oversight responsibility for financial reporting and continuous disclosure, oversight of external audit activities, oversight of financial risk and financial management control, and oversight responsibility for compliance with tax and securities laws and regulations as well as whistle blowing procedures. The Audit Committee is also responsible for the other matters as set out in this charter and/or such other matters as may be directed by the Board from time to time. The Audit Committee should exercise continuous oversight of developments in these areas.

MEMBERSHIP

3. At least a majority of the Audit Committee must be comprised of independent directors of the Company as defined in sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"), provided that should the Company become listed on a more senior exchange, each member of the Audit Committee will also satisfy the independence requirements of such exchange.
4. The Audit Committee will consist of at least two members, all of whom shall be financially literate, provided that an Audit Committee member who is not financially literate may be appointed to the Audit Committee if such member becomes financially literate within a reasonable period of time following his or her appointment. Upon graduating to a more senior stock exchange, if required under the rules or policies of such exchange, the Audit Committee will consist of at least three members, all of whom shall meet the experience and financial literacy requirements of such exchange and of NI 52-110.
5. The members of the Audit Committee will be appointed annually (and from time to time thereafter to fill vacancies on the Audit Committee) by the Board. An Audit Committee member may be removed or replaced at any time at the discretion of the Board and will cease to be a member of the Audit Committee on ceasing to be an independent director.
6. The Chair of the Audit Committee will be appointed by the Board.

AUTHORITY

7. In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:
 - (i) engage, set and pay the compensation for independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities, and any such consultants or professional advisors so retained by the Audit Committee will report directly to the Audit Committee;
 - (ii) communicate directly with management and any internal auditor, and with the external auditor without management involvement; and
 - (iii) incur ordinary administrative expenses that are necessary or appropriate in carrying out its duties, which expenses will be paid for by the Company.

8. The duties and responsibilities of the Audit Committee include:

- (i) recommending to the Board the external auditor to be nominated by the Board;
- (ii) recommending to the Board the compensation of the external auditor to be paid by the Company in connection with (i) preparing and issuing the audit report on the Company's financial statements, and (ii) performing other audit, review or attestation services;
- (iii) reviewing the external auditor's annual audit plan, fee schedule and any related services proposals (including meeting with the external auditor to discuss any deviations from or changes to the original audit plan, as well as to ensure that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditor or the reporting of their findings to the Audit Committee);
- (iv) overseeing the work of the external auditor;
- (v) ensuring that the external auditor is independent by receiving a report annually from the external auditors with respect to their independence, such report to include disclosure of all engagements (and fees related thereto) for non-audit services provided to the Company;
- (vi) ensuring that the external auditor is in good standing with the Canadian Public Accountability Board by receiving, at least annually, a report by the external auditor on the audit firm's internal quality control processes and procedures, such report to include any material issues raised by the most recent internal quality control review, or peer review, of the firm, or any governmental or professional authorities of the firm within the preceding five years, and any steps taken to deal with such issues;
- (vii) ensuring that the external auditor meets the rotation requirements for partners and staff assigned to the Company's annual audit by receiving a report annually from the external auditors setting out the status of each professional with respect to the appropriate regulatory rotation requirements and plans to transition new partners and staff onto the audit engagement as various audit team members' rotation periods expire;
- (viii) reviewing and discussing with management and the external auditor the annual audited and quarterly unaudited financial statements and related Management Discussion and Analysis ("MD&A"), including the appropriateness of the Company's accounting policies, disclosures (including material transactions with related parties), reserves, key estimates and judgements (including changes or variations thereto) and obtaining reasonable assurance that the financial statements are presented fairly in accordance with IFRS and the MD&A is in compliance with appropriate regulatory requirements;
- (ix) reviewing and discussing with management and the external auditor major issues regarding accounting principles and financial statement presentation including any significant changes in the selection or application of accounting principles to be observed in the preparation of the financial statements of the Company and its subsidiaries;
- (x) reviewing and discussing with management and the external auditor the external auditor's written communications to the Audit Committee in accordance with generally accepted auditing standards and other applicable regulatory requirements arising from the annual audit and quarterly review engagements;
- (xi) reviewing and discussing with management and the external auditor all earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies prior to such information being disclosed;
- (xii) reviewing the external auditor's report to the shareholders on the Company's annual financial statements;
- (xiii) reporting on and recommending to the Board the approval of the annual financial statements and the external auditor's report on those financial statements, the quarterly unaudited financial statements,

and the related MD&A and press releases for such financial statements, prior to the dissemination of these documents to shareholders, regulators, analysts and the public;

- (xiv) satisfying itself on a regular basis through reports from management and related reports, if any, from the external auditors, that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements that such information is fairly presented;
- (xv) overseeing the adequacy of the Company's system of internal accounting controls and obtaining from management and the external auditor summaries and recommendations for improvement of such internal controls and processes, together with reviewing management's remediation of identified weaknesses;
- (xvi) reviewing with management and the external auditors the integrity of disclosure controls and internal controls over financial reporting;
- (xvii) reviewing and monitoring the processes in place to identify and manage the principal risks that could impact the financial reporting of the Company and assessing, as part of its internal controls responsibility, the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board;
- (xviii) satisfying itself that management has developed and implemented a system to ensure that the Company meets its continuous disclosure obligations through the receipt of regular reports from management and the Company's legal advisors on the functioning of the disclosure compliance system, (including
- (xix) any significant instances of non-compliance with such system) in order to satisfy itself that such system may be reasonably relied upon;
- (xx) resolving disputes between management and the external auditor regarding financial reporting;
- (xxi) establishing procedures for:
 1. the receipt, retention and treatment of complaints received by the Company from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practises relating thereto; and
 2. the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- (xxii) reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;
- (xxiii) pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor;
- (xxiv) overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities;
- (xxv) establishing procedures for:
 1. reviewing the adequacy of the Company's insurance coverage, including the Directors' and Officers' insurance coverage;
 2. reviewing activities, organizational structure, and qualifications of the Chief Financial Officer ("CFO") and the staff in the financial reporting area and ensuring that matters related to succession planning within the Company are raised for consideration at the Board;

3. obtaining reasonable assurance as to the integrity of the Chief Executive Officer (“CEO”) and other senior management and that the CEO and other senior management strive to create a culture of integrity throughout the Company;
4. reviewing fraud prevention policies and programs, and monitoring their implementation;
5. reviewing regular reports from management and others (e.g., external auditors, legal counsel) with respect to the Company’s compliance with laws and regulations having a material impact on the financial statements including:
 - (I) Tax and financial reporting laws and regulations;
 - (II) Legal withholding requirements;
 - (III) Environmental protection laws and regulations; and
 - (IV) Other laws and regulations which expose directors to liability.
9. A regular part of Audit Committee meetings involves the appropriate orientation of new members as well as the continuous education of all members. Items to be discussed include specific business issues as well as new accounting and securities legislation that may impact the organization. The Chair of the Audit Committee will regularly canvass the Audit Committee members for continuous education needs and in conjunction with the Board education program, arrange for such education to be provided to the Audit Committee on a timely basis.
10. On an annual basis the Audit Committee shall review and assess the adequacy of this charter taking into account all applicable legislative and regulatory requirements as well as any best practice guidelines recommended by regulators or stock exchanges with whom the Company has a reporting relationship and, if appropriate, recommend changes to the Audit Committee charter to the Board for its approval.

MEETINGS

11. The quorum for a meeting of the Audit Committee is a majority of the members of the Audit Committee.
12. The Chair of the Audit Committee shall be responsible for leadership of the Audit Committee, including scheduling and presiding over meetings, preparing agendas, overseeing the preparation of briefing documents to circulate during the meetings as well as pre-meeting materials, and making regular reports to the Board. The Chair of the Audit Committee will also maintain regular liaison with the CEO, CFO, and the lead external audit partner.
13. The Audit Committee will meet in camera separately with each of the CEO and the CFO of the Company at least annually to review the financial affairs of the Company.
14. The Audit Committee will meet with the external auditor of the Company in camera at least once each year, at such time(s) as it deems appropriate, to review the external auditor’s examination and report.
15. The external auditor must be given reasonable notice of, and has the right to appear before and to be heard at, each meeting of the Audit Committee.
16. Each of the Chair of the Audit Committee, members of the Audit Committee, Chair of the Board, external auditor, CEO, CFO or secretary shall be entitled to request that the Chair of the Audit Committee call a meeting which shall be held within 48 hours of receipt of such request to consider any matter that such individual believes should be brought to the attention of the Board or the shareholders.

REPORTS

17. The Audit Committee will report, at least annually, to the Board regarding the Audit Committee’s examinations and recommendations.
18. The Audit Committee will report its activities to the Board to be incorporated as a part of the minutes of the Board meeting at which those activities are reported.

MINUTES

19. The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

ANNUAL PERFORMANCE AND EVALUATION

20. The Board will conduct an annual performance evaluation of the Audit Committee, taking into account the Charter, to determine the effectiveness of the Committee.

SCHEDULE B
Disclosure of Corporate Governance Practices

This is Schedule B to Management Proxy Circular of
LIDA RESOURCES INC.

The Corporation is committed to maintaining high standards of corporate governance.

The following disclosure has been approved by the Board. The information contained herein is current as of December 16, 2020, unless otherwise stated. The following is a report includes the requirements of Form 58-101F2 Corporate Governance Disclosure – Venture Issuers (“**NI 58-101**”), in addition to certain additional disclosure of the Corporation.

NI 58-101	The Corporation’s Practices
1. Board of Directors	
(a) Disclose the identity of directors who are independent.	The Board is comprised of four persons. The independent directors are Patrick Morris and Andrew von Kursell.
(b) Disclose the identity of directors who are not independent, and describe the basis for that determination.	The directors who are not independent are: Leonard De Melt (President and Corporate Secretary) and Geoffrey Balderson (Chief Financial Officer)
(c) Disclose whether or not a majority of directors are independent. Describe what the board of directors (the board) does to facilitate its exercise of independent judgment in carrying out its responsibilities.	<p>During fiscal year ending August 31, 2020, of the directors of the Corporation, three (3) were independent directors.</p> <p>The current Board consists of four directors, two of which are independent directors.</p> <p>Directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A “material relationship” is a relationship which could, in the view of the Corporation’s Board, be reasonably expected to interfere with the exercise of a director’s independent judgment or which is deemed to be a material relationship under NI 52-110.</p> <p>The Board facilitates its independent supervision over management by reviewing and approving long-term strategic, business and capital plans, material contracts and business transactions, and all debt and equity financing transactions. Through its Audit Committee, the Board examines the effectiveness of the Corporation’s internal control processes and management information systems. The Board also retains independent consultants where it deems necessary.</p> <p>The Board has found that the fiduciary duties placed on individual directors by the Corporation’s governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate and securities legislation on the 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 and its shareholders.</p>

NI 58-101	The Corporation's Practices
(d) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.	During fiscal year ending August 31, 2020, the independent directors communicated with each other on an informal basis at which members of management were not in attendance.
(e) Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.	N/A. Refer to item (c) above.
(f) Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.	During fiscal year ending August 31, 2020, the Corporation held nil board meetings.
2. Directorships	
(a) If a director is presently a director of any other issuer that is a reporting issuer (or equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	Refer to subheading "Directorships" under heading "Corporate Governance" in this Management Proxy Circular.
3. Board Mandate	
(a) Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.	The mandate of the Board is to manage or supervise the management of the business and affairs of the Corporation and to act with a view to the best interests of the Corporation. In doing so, the Board oversees the management of the Corporation's affairs directly and through its committees which is currently the Corporation's Audit Committee. In fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Corporation's overall business strategies; reviewing major strategic initiatives to ensure that the Corporation's proposed actions accord with shareholder objectives; reviewing succession planning; assessing management's performance; reviewing and approving the reports and other disclosure issued to shareholders; ensuring the effective operation of the Board; and safeguarding shareholders' equity interests through the optimum utilization of the Corporation's capital resources.

NI 58-101	The Corporation's Practices
	<p>The Board also takes responsibility for identifying the principal risks of the Corporation's business and for ensuring these risks are effectively monitored and mitigated to the extent reasonably practicable. At this stage of the Corporation's development, the Board does not believe it is necessary to adopt a written mandate, as sufficient guidance is found in the applicable corporate and securities legislation and regulatory policies.</p> <p>In keeping with its overall responsibility for the stewardship of the Corporation, the Board is also responsible for the integrity of the Corporation's internal control and management information systems and for the Corporation's policies respecting corporate disclosure and communications.</p> <p>The Board delegates to management, through the Chief Executive Officer, responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Corporation's business in the ordinary course, managing the Corporation's cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans and annual operating plans.</p>
4. Position Descriptions	
<p>(a) Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.</p>	<p>The Board has not developed a written position description for the chair of its Audit Committee.</p> <p>Given the relative small nature of the Corporation's operations, the Board facilitates its exercise of supervision over the Corporation's Audit Committee through frequent meetings of the Board.</p>
<p>(b) Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.</p>	<p>The Board has not developed a written position for the office of Chief Executive Officer.</p>
5. Orientation and Continuing Education	
<p>(a) Briefly describe what measures the board takes to orient new directors regarding</p> <ul style="list-style-type: none"> (i) the role of the board, its committees and its directors, (ii) the nature and operation of the issuer's business. 	<p>Management ensures that a new appointee to the Board receives the appropriate written materials to fully apprise them of the duties and responsibilities of a director pursuant to applicable law and policy. Each new director brings a different skill set and professional background, and with this information, the Board is able to determine what orientation to the nature and operations of the Corporation's business will be necessary and relevant to each new director.</p>

NI 58-101	The Corporation's Practices
(b) Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.	Senior management makes regular presentations to the Board on the main areas of the Corporation's business. From time to time, the Board reviews changes, both proposed and implemented, in corporate governance requirements. The Audit Committee is constantly updated on changes in accounting rules and their application to the Corporation.
6. Ethical Business Conduct	
(a) Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code:	The Board has not adopted a written code of business conduct and ethics policy for its employees, officers and directors. The Board expects management to operate the business of the Corporation in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Corporation's business plan and to meet performance goals and objectives.
(i) disclose how a person or company may obtain a copy of the code;	N/A
(ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and	The Corporation monitors compliance issues, by requiring all officers, directors and employees who become aware of any existing or potential violation, to report all complaints and allegations to the CEO for investigation.
(iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.	N/A
(b) Describe any steps the board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.	In accordance with applicable law, when a conflict of interest arises, a director is required to disclose his interest and abstain from voting on the matter.
(c) Describe any steps the board takes to encourage and promote a culture of ethical business conduct.	The Corporation regards maintaining a culture of ethical business conduct as critically important. The Corporation adheres to a high standard of integrity, honesty, and fairness in their dealings.
7. Nomination of Directors	
(a) Describe the process by which the board identifies new candidates for board nomination.	Given the Corporation's current stage of development and size of the Board, the Board is presently of the view that it functions effectively as a committee of the whole with respect to the nomination of directors. The entire Board assesses potential nominees and takes responsibility for selecting new directors. Generally, any nominees are expected to be the

NI 58-101	The Corporation's Practices
	result of recruitment efforts by the Board, including both formal and informal discussions among Board members and the President and Chief Executive Officer of the Corporation.
(b) Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.	N/A. Refer to item (a) above.
(c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.	N/A. Refer to item (a) above.
8. Compensation	
(a) Describe the process by which the board determines the compensation for the issuer's directors and officers.	The Corporation does not have a Compensation Committee. Compensation matters for the Corporation's directors and officers are dealt with by the full Board. The Board meets to discuss and determine director and management compensation without reference to formal objectives, criteria or analysis.
(b) Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.	Refer to item (a) above.
(c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.	Refer to item (a) above.
9. Other Board Committees	
(a) If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.	The Corporation has no other committees other than its Audit Committee. As the Corporation grows, and its operations and management structure become more complex, the Board will likely find it appropriate to constitute additional standing committees, such as a Corporate Governance Committee, a Compensation Committee and a Nominating Committee, and to ensure that such committees are governed by written charters and are composed of at least a majority of independent directors.
10. Assessments	
(a) Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly	The Board annually reviews its own performance and effectiveness. Neither the Corporation nor the Board has determined formal means or methods to regularly assess the

NI 58-101	The Corporation's Practices
<p>conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.</p>	<p>Board, its committees or the individual directors with respect to their effectiveness and contributions. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of an individual director are informally monitored by the other Board members, having in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.</p> <p>The Board is of the view that the Corporation's corporate governance practices are appropriate and effective for the Corporation, given its relatively small size and limited operations. The Corporation's method of corporate governance allows for the Corporation to operate efficiently, with simple checks and balances that control and monitor management and corporate functions without excessive administrative burden.</p>
11. Director Term Limits and Other Mechanisms of Board Renewal	
<p>(a) Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.</p>	<p>The Board has not adopted term limits for directors on the Board. Director renewal and replacement is managed in a manner to ensure that the Board can function effectively, while enabling new directors to gain a full understanding of the Corporation's business.</p>
12. Policies Regarding the Representation of Women on the Board	
<p>(a) Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so.</p> <p>(b) If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy:</p> <ul style="list-style-type: none"> (i) a short summary of its objectives and key provisions, (ii) the measures taken to ensure that the policy has been effectively implemented, (iii) annual and cumulative progress by the issuer in achieving the objectives of the policy, and (iv) whether and, if so, how the board or its nominating committee measures the effectiveness of the policy. 	<p>The Corporation has not adopted a written policy specifically relating to the identification and nomination of women directors nor does the Board consider the level of representation of women on the Board when nominating candidates for election to the Board. The Board believes that a diverse and inclusive environment that values diversity of thought, background, skills and experience will best ensure that Board members provide the necessary range of perspectives, experience and expertise required for effective governance of the Corporation. The Board recognizes that gender diversity is an aspect of board diversity and acknowledges the important role that women with appropriate and relevant skills and experience play in contributing to diversity of perspective and effectiveness in the boardroom. The Board has not yet set specific gender representation targets for directors or achieving other diversity-related targets and instead considers the following factors;</p> <ul style="list-style-type: none"> (a) experience as a director of a public company; (b) financial acumen and literacy; (c) knowledge of internal controls and management information systems; (d) operations experience including, legal, compensation and human capital;

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	(e) and land/sales/purchase/development/marketing and customer satisfaction experience.
13. Consideration of the Representation of Women in the Director Identification and Selection Process	
<p>Disclose whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. If the issuer does not consider the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board, disclose the issuer's reasons for not doing so.</p>	<p>The Board evaluates potential nominees to the Board by reviewing the qualifications of the nominee, irrespective of gender, and determines their appropriateness by taking into consideration the then current Board composition and the anticipated skills required to round out the capabilities of the Board.</p> <p>However, the Corporation values diversity, including, without limitation, diversity of experience, perspective, education, race, gender and national origin as part of its overall business strategy.</p>
14. Consideration Given to the Representation of Women in Executive Officer Appointments	
<p>Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer's reasons for not doing so.</p>	<p>In nominating candidates to positions as members of the executive management team, the Corporation does not take into account the representation of women in the executive management team. The Corporation's objective is to identify the person who best possesses the skills required for each senior management position, regardless of gender. However, the Corporation values diversity, including, without limitation, diversity of experience, perspective, education, race, gender and national origin as part of its overall business strategy.</p>
15. Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions	
<p>(a) For purposes of this item, a "target" means a number or percentage, or a range of numbers or percentages, adopted by the issuer of women on the issuer's board or in executive officer positions of the issuer by a specific date.</p> <p>(b) Disclose whether the issuer has adopted a target regarding women on the issuer's board. If the issuer has not adopted a target, disclose why it has not done so.</p> <p>(c) Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.</p> <p>(d) If the issuer has adopted a target referred to in either (b) or (c), disclose: (i) the target, and (ii) the annual and cumulative progress of the issuer in achieving the target.</p>	<p>N/A.</p> <p>The Corporation has not adopted a target regarding women on its Board and in its executive management. The Corporation considers candidates based on their qualifications, personal qualities, business background and experience, and does not feel that targets necessarily result in the identification or selection of the best candidates.</p> <p>Refer to item 14(b) above.</p> <p>N/A.</p>

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16. Number of Women on the Board and in Executive Officer Positions	
<p>(a) Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women.</p> <p>(b) Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.</p>	<p>No woman currently serves on the Corporation's Board.</p> <p>As of the date of this Management Proxy Circular, no women held any executive officer positions within the Corporation.</p>

SCHEDULE C

This is Schedule C to the Management Proxy Circular of
LIDA RESOURCES INC.

RESTRICTED SHARE UNIT PLAN

ARTICLE 1 PURPOSE AND INTERPRETATION

Section 1.1 Purpose

The purpose of the Plan is to promote and advance the interests of the Company by (i) providing Eligible Persons with additional incentive through an opportunity to receive bonuses in the form of Common Shares of the Company, (ii) encouraging stock ownership by such Eligible Persons, (iii) increasing the proprietary interest of Eligible Persons in the success of the Company, and (iv) increasing the ability to attract, retain and motivate Eligible Persons.

Section 1.2 Definitions

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

- (a) “**Account**” means a notional account maintained for each Participant on the books of the Company which will be credited with Restricted Share Units and Dividend RSUs, in accordance with the terms of the Plan;
- (b) “**Affiliate**” means any person that controls or is controlled by the Company or that is controlled by the same person that controls the Company;
- (c) “**Affiliated Company**” means a company that is a subsidiary of another company or if two or more companies are subsidiaries of the same company or two or more companies are controlled by the same person or company;
- (d) “**Associate**” has the meaning ascribed to that term in Section 2.22 of NI 45-106;
- (e) “**Applicable Law**” mean any applicable law, including without limitation: (i) the BCBCA; (ii) Applicable Securities Laws; (iii) the ITA; (iv) any other applicable corporate, securities, tax or other laws, statutes, rules, requirements or regulations, whether federal, provincial, state, local or foreign; and (v) Stock Exchange Policy;
- (f) “**Applicable Securities Law**” means the BCSA and the equivalent thereof in each province and territory of Canada in which the Company is a “reporting issuer” or the equivalent thereof, together with the regulations, rules and blanket orders of the securities commission or similar regulatory authority in each of such jurisdictions.
- (g) “**BCBCA**” means the *Business Corporations Act* (British Columbia), together with the regulations thereto, as may be amended from time to time. Any reference to any section of the BCBCA shall also be a reference to any successor provision promulgated thereunder.
- (h) “**BCSA**” means the *Securities Act* (British Columbia), together with the regulations thereto, as may be amended from time to time. Any reference to any section of the BCSA shall also be a reference to any successor provision promulgated thereunder.
- (i) “**Black-Out Period**” means a period when the Participant is prohibited from trading in the Company’s securities, including the Common Shares, pursuant to Applicable Securities Laws or the policies of the Company;
- (j) “**Board**” means the board of directors of the Company or such delegate as set out in Section 3.1(1);

- (k) **“Business Day”** means any day other than a Saturday, Sunday or a statutory or civic holiday in the City of Vancouver, British Columbia, on which the Stock Exchange is open for trading;
- (l) **“Cause”** means:
 - (i) if the Participant has a written agreement with the Company or a subsidiary of the Company in which cause is defined, “cause” as defined therein; or
 - (ii) if the Participant has no written agreement with the Company or a subsidiary of the Company in which cause is defined,
 - (A) in the case of employee, director or officer Participants: (I) the inability of the Participant to perform their duties due to a legal impediment such as an injunction, restraining order or other type of judicial judgment, decree or order entered against the Participant; (II) the failure of the Participant to follow the Company’s reasonable instructions with respect to the performance of their duties; (III) any material breach by the Participant of their obligations under any code of ethics, any other code of business conduct or any lawful policies or procedures of the Company; (IV) excessive absenteeism, flagrant neglect of duties, serious misconduct, or conviction of crime or fraud; and (V) any other act or omission of the Participant which would in law permit an employer to, without notice or payment in lieu of notice, terminate the employment of an employee;
 - (B) in the case of Consultant Participants, for any reason, upon one (1) week’s notice, provided there is no conflict with Applicable Law;
- (m) **“Certificate”** has the meaning given to that term in Section 3.1(3);
- (n) **“Change of Control Event”** means:
 - (i) the acquisition of a sufficient number of voting securities in the capital of the Company so that the acquiror, together with Persons or Entities acting jointly or in concert with the acquiror, becomes entitled, directly or indirectly, to exercise more than 50% of the voting rights attaching to the outstanding voting securities in the capital of the Company (provided that, prior to the acquisition, the acquiror was not entitled to exercise more than 50% of the voting rights attaching to the outstanding voting securities in the capital of the Company);
 - (ii) the completion of a consolidation, merger, arrangement or amalgamation of the Company with or into any other entity whereby the voting securityholders of the Company immediately prior to the consolidation, merger, arrangement or amalgamation receive less than 50% of the voting rights attaching to the outstanding voting securities of the consolidated, merged, arranged or amalgamated entity;
 - (iii) the complete liquidation or dissolution of the Company or the completion of a sale, lease, exchange or other transfer (in one transaction or a series of transactions) whereby all or substantially all of the Company’s undertakings and assets become the property of any other entity and the voting securityholders of the Company immediately prior to the sale hold less than 50% of the voting rights attaching to the outstanding voting securities of that other entity immediately following that sale; or
 - (iv) an occurrence when a majority of the directors elected at any annual or extraordinary general meeting of shareholders of the Company are not individuals nominated by the Company’s then-incumbent Board.
- (o) **“Common Shares”** means the common shares in the share capital of the Company;
- (p) **“Company”** means Lida Resources Inc., a company incorporated under the laws of British Columbia;

- (q) “**Consultant**” has the meaning ascribed to that term in Section 2.22 of NI 45-106;
- (r) “**control**” has the meaning ascribed to that term in Section 1.4 of NI 45-106;
- (s) “**Controlled Company**” means a company controlled by another person or company or by two or more companies;
- (t) “**Disability**” means a medically determinable physical or mental impairment expected to result in death or to last for a continuous period of not less than 12 months, and which causes an individual to be unable to engage in any substantial gainful activity, or any other condition of impairment that the Board, acting reasonably, determines constitutes a disability.
- (u) “**Dividend RSUs**” means a bookkeeping entry credited to a Participant’s Account equivalent in value to the dividend, if any, paid on a Common Share in accordance with Section 4.2 of the Plan;
- (v) “**Eligible Person**” means:
 - (i) any director, officer, or employee of the Company or any Affiliate;
 - (ii) subject to confirmation of the receipt of independent tax advice having been obtained by the recipient Consultant, any Consultant of the Company or any Affiliate; and
 - (iii) subject to confirmation of the receipt of independent tax advice having been obtained by the recipient Personal Holding Company, any Personal Holding Company of any of the persons listed in Section 1.2(v)(i) above;

who is designated by the Board as eligible to participate in the Plan;

- (w) “**Expiry Date**” means the expiry date set out by the Board on the date of approval of a grant and as described in the applicable Certificate (which for greater certainty may vary between RSUs granted from time to time), following which an RSU is expired and is thereafter incapable of settlement, and is of no value whatsoever, provided however that any RSU shall be deemed to have expired no later than December 1st of the third year after the Service Year, unless extended in accordance with Section 4.3(4)(a) of the Plan;
- (x) “**Grant Date**” means any date determined from time to time by the Board as a date on which a grant of RSUs will be made to one or more Eligible Persons under this Plan;
- (y) “**ITA**” means the *Income Tax Act* (Canada) and any regulations thereunder, each as amended from time to time. Any reference to any section of the ITA shall also be a reference to any successor provision and any regulation promulgated thereunder.
- (z) “**Investor Relations Activities**” means any activities, by or on behalf of the Company or Shareholder, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:
 - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Company
 - (A) to promote the sale of products or services of the Company, or
 - (B) to raise public awareness of the Company,
 - (C) that cannot reasonably be considered to promote the purchase or sale of securities of the Company;
 - (ii) activities or communications necessary to comply with the requirements of:
 - (A) Applicable Securities Laws;

- (B) Stock Exchange requirements, including Stock Exchange Policy, or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Company;
 - (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
 - (A) the communication is only through the newspaper, magazine or publication, and
 - (B) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
 - (iv) activities or communications that may be otherwise specified by the Stock Exchange.
- (aa) **“Market Price”** means, unless otherwise required by Applicable Law or by any applicable accounting standard for the Company’s desired accounting for RSU Awards, with respect to any particular date, the last available closing market price of the Common Shares on the Stock Exchange. In the event that the Common Shares are not listed and posted for trading on any Stock Exchange, the Market Price shall be the fair market value of such Common Shares as determined by the Board in its discretion;
 - (bb) **“NI 45-106”** means National Instrument 45-106 - *Prospectus Exemptions*, as may be amended from time to time. Any reference to any section of the NI 45-106 shall also be a reference to any successor provision promulgated thereunder.
 - (cc) **“Outstanding Issue”** means the number of Common Shares that are outstanding (on a non-diluted basis) immediately prior to the Common Share issuance or grant of RSUs in question, as applicable.
 - (dd) **“Participant”** means an Eligible Person to whom RSUs have been granted and are outstanding;
 - (ee) **“Performance Criteria”** means such corporate and/or personal performance criteria as may be determined by the Board in respect of the grant and/or vesting of Restricted Share Units to any Participant, which criteria may be applied to either the Company and its Related Entities as a whole or a Related Entity individually or in any combination, and measured either in total, incrementally or cumulatively over a calendar year or such other performance period as may be specified by the Board in its sole discretion, on an absolute basis or relative to a pre-established target, to previous years’ results or to a designated comparison group;
 - (ff) **“Personal Holding Company”** means a personal holding company that is either wholly owned, or controlled by, any director, executive officer or employee of the Company or an Affiliated Entity, and the shares of which are held directly or indirectly by any such person or the person’s spouse, minor children and/or minor grandchildren;
 - (gg) **“Person”** or **“Entity”** means an individual, natural person, company, government or political subdivision or agency of a government, and where two or more persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such partnership, limited partnership, syndicate or group shall be deemed to be a Person or Entity;
 - (hh) **“Plan”** means this Restricted Share Unit plan of the Company, as amended from time to time;
 - (ii) **“Related Entity”** means a Person that is controlled by the Company. For the purposes of this Plan, a Person (first person) is considered to control another Person (second person) if the first Person, directly or indirectly, has the power to direct the management and policies of the second person by virtue of
 - (i) ownership of or direction over voting securities in the second Person,

- (ii) a written agreement or indenture,
 - (iii) being the general partner or controlling the general partner of the second Person, or
 - (iv) being a trustee of the second Person;
- (jj) “Related Person” means:
- (i) a Related Entity of the Company;
 - (ii) a partner, director or officer of the Company or Related Entity;
 - (iii) a promoter of or Person who performs Investor Relations Activities for the Company or Related Entity; and
 - (iv) any Person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the total voting rights attached to all voting securities of the Company or Related Entity.
- (kk) “**Reporting Insider**” means a reporting insider as defined under National Instrument 55-104 – *Insider Reporting Requirements*, as may be amended from time to time;
- (ll) “**Restricted Share Unit**” or “**RSU**” means a bookkeeping entry equivalent in value to a Common Share credited to a Participant’s Account and representing the right of a Participant to whom a grant of such restricted share units is made to receive one Common Share (or, pursuant to Section 4.3, an amount of cash equal to the Market Value thereof), pursuant and subject to the terms and conditions set forth in this Plan and in the applicable Certificate;
- (mm) “**RSU Award**” means the number of RSUs determined by the Board to be awarded to the Participant and credited to a Participant’s Account, as evidenced by a Certificate;
- (nn) “**Service Year**” means the year in which an Eligible Person’s services were or are rendered that give rise to the grant of an RSU Award;
- (oo) “**Settlement Date**” means the Business Day during the Settlement Period on which a Participant elects to settle an RSU in accordance with Section 4.3;
- (pp) “**Settlement Notice**” has the meaning set out in Section 4.3;
- (qq) “**Settlement Period**” means the period starting on the Vesting Date and ending on the Expiry Date;
- (rr) “**Shareholder**” means a holder of a Common Share in the capital of the Company;
- (ss) “**Share Compensation Arrangement**” means any stock option, stock option plan, employee stock purchase plan, restricted share unit, or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares, including a share purchase from treasury which is financially assisted by the Company by way of a loan, guarantee or otherwise including, without limitation, this Plan;
- (tt) “**Stock Exchange**” means the Canadian Securities Exchange or if the Common Shares are not listed on the Canadian Securities Exchange, any stock exchange on which the Common Shares are listed or traded, as determined by the Board;
- (uu) “**Stock Exchange Policy**” means the rules and policies of the Stock exchange, as may be amended from time to time;
- (vv) “**subsidiary**” means a person or company that is:
- (i) controlled directly or indirectly by:

- (A) that other, or
- (B) that other and one or more persons or companies each of which is controlled by that other, or
- (C) two or more persons or companies, each of which is controlled by that other; or
- (ii) a subsidiary of a person or company that is the other's subsidiary;
 - (ww) **“Termination Date”** means the date on which a Participant ceases to be an Eligible Person or otherwise on such date on which the Company terminates its engagement of the Participant. For greater certainty, in the case of a Participant whose employment or term of office with the Corporation or any Subsidiary Company terminates in the circumstances set out in Section 4.4(1)(a), Section 4.4(1)(b) or Section 4.4(1)(c), the date that is designated by the Corporation or any Subsidiary Company, as the last day of the Participant's employment or term of office with the Corporation or such Subsidiary Company, provided that in the case of termination of employment or term of office by voluntary resignation by the Participant, such date shall not be earlier than the date notice of resignation was given, and **“Termination Date”** specifically does not include any period of reasonable notice that the Corporation or any Subsidiary Company may be required at law to provide to the Participant; and
 - (xx) **“Vesting Date”** or **“Vesting Dates”** means the date or dates (as applicable) on which an RSU is vested and/or the satisfaction of the Performance Criteria for the purposes of the Plan.

Section 1.3 Interpretation

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

Section 1.4 Headings

The headings of all Articles, Sections, and paragraphs in the Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of the Plan.

Section 1.5 References to this RSU Plan

The words “herein”, “hereby”, “hereunder”, “hereof” and similar expressions mean or refer to the Plan as a whole and not to any particular article, Section, paragraph or other part hereof.

Section 1.6 Canadian Funds

Unless otherwise specifically provided, all references to dollar amounts in the Plan are references to lawful money of Canada.

ARTICLE 2 SHARE CAPITAL

Section 2.1 Shares Reserved

- (1) Subject to adjustment under Section 5.3(1), the securities that may be acquired by Participants pursuant to RSUs granted under this Plan shall consist of authorized but unissued Common Shares.
- (2) The Company shall at all times during the term of this Plan ensure that the number of Common Shares it is authorized to issue shall be sufficient to satisfy the requirements of RSUs granted under this Plan.
- (3) The aggregate maximum number of Common Shares made available for issuance under the Plan, including any other Share Compensation Arrangements, subject to adjustment under Section 5.3(1), shall be determined from time to time by the Board, but in any case, shall not exceed 20% of the Outstanding Issue from time to time, subject to adjustments as provided in the Plan.

(4) The Plan shall be a “rolling plan” and therefore when RSUs are cancelled (whether or not upon payment with respect to vested RSUs) or terminated, Common Shares shall automatically be available for issuance pursuant to RSUs granted under the Plan.

Section 2.2 Limits on RSU Grants

(1) The Company shall only grant RSU Awards under this Plan in accordance with Section 3.2 hereof. For greater certainty, all RSU Awards granted under the Plan which may be denominated or settled in Common Shares, and all such Common Shares issued under the Plan, will be issued pursuant to the prospectus and registration requirements of Applicable Securities Laws or an exemption from such prospectus and registration requirements.

(2) The Company shall only grant RSU Awards under this Plan in compliance with Section 2.24 of NI 45-106. Until such time as the Corporation obtains shareholder approval of this RSU Plan and other Share Compensation Arrangements in accordance with section 2.24 of NI 45-106, such compliance shall be evidenced by a Compliance Certificate executed by the Company, in substantially the form attached hereto as Schedule “B”, as may be amended by the Board from time to time.

(3) The maximum number of listed securities of the Company (either issued directly or issuable on settlement of any RSUs or other convertible securities) which may be granted within any 12 month period to Persons engaged in Investor Relations Activities for the Company must not exceed 1% of the Outstanding Issue.

ARTICLE 3 ADMINISTRATION

Section 3.1 General

(1) This Plan shall be administered by the Board, in its discretion. Notwithstanding the foregoing or any other provision contained herein, the Board shall have the right to delegate (to the extent permitted by Applicable Law) the administration and operation of this Plan, in whole or in part, to a committee of the Board and/or to any member of the Board. Any delegation pursuant to this Section 3.1 shall be documented in a resolution of the Board.

(2) Subject to the terms and conditions set forth herein and Applicable Law, the Board is authorized to provide for the granting, vesting, settlement and method of settlement of RSUs, all on such terms (which may vary between RSUs granted from time to time) as it shall determine. In addition, the Board shall have the authority to:

- (a) select any directors, officers, employees or Consultants of the Company or subsidiary of the Company to participate in this Plan; provided that RSUs granted to any Participant shall be approved by the Shareholders if the rules of the Stock Exchange require such approval;
- (b) construe and interpret this Plan and all agreements entered into hereunder;
- (c) prescribe, amend and rescind rules and regulations relating to this Plan; and
- (d) make all other determinations necessary or advisable for the administration of this Plan. All determinations and interpretations made by the Board shall be binding on all Participants and on their legal, personal representatives and beneficiaries.

(3) An RSU Award shall be evidenced by an Restricted Share Unit Grant Agreement Certificate (“**Certificate**”), in substantially the form attached hereto as Schedule “A”, as may be amended by the Board from time to time. Each such Certificate shall include the following terms and conditions and such additional terms and conditions (in either case not inconsistent with the provisions of the Plan and such provisions of the Plan shall prevail in the event of a conflict between the Plan and a Certificate or any other communications) as the Board shall determine, in its discretion:

- (a) the number of RSUs subject to the RSU Award to be credited to the Participant’s Account;
- (b) the Grant Date;
- (c) the Vesting Date, Vesting Dates applicable to the RSUs subject to the RSU Award;

- (d) Performance Criteria (if any);
- (e) the Settlement Period and Expiry Date applicable to an RSU subject to the RSU Award;
- (f) the nature and duration of the restrictions, if any, to be imposed upon the sale or other disposition of Common Shares acquired upon settlement of the RSU; and
- (g) such other terms, conditions and limitations permitted by and not inconsistent with this Plan as the Board may determine.

(4) No member of the Board (or person acting under delegated authority) nor the Company, will be liable for any action or determination taken or made in the administration, interpretation, construction or application of this Plan, any Certificate or any RSU issued pursuant to this Plan, or otherwise in any way in respect of any Participant's participation in this Plan or the holding or settlement of RSUs. To the fullest extent permitted by Applicable Law, the Company shall indemnify and save harmless, and shall advance and reimburse the expenses of, each Person made, or threatened to be made, a party to any action or proceeding in respect of the Plan by reason of the fact that such Person is or was a member of the Board or is or was a member of the committee responsible for administering and operating the Plan in respect of any claim, loss, damage or expense (including legal fees) arising therefrom.

Section 3.2 Compliance with Legislation

(1) The Plan, the terms of the issue or grant and the settlement of RSUs hereunder and the Company's obligation to sell and deliver Common Shares upon settlement of RSUs shall be subject to all Applicable Law and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Company, be required. The Company shall not be obliged by any provision of the Plan or the grant of any RSU hereunder to issue or sell Common Shares in violation of such laws, rules and regulations or any condition of such approvals.

(2) No RSU shall be granted and no Common Shares issued or sold thereunder where such grant, issue or sale would require registration of the Plan or of Common Shares under the securities laws of any foreign jurisdiction and any purported grant of any RSU or issue or sale of Common Shares hereunder in violation of this provision shall be void.

(3) The Company shall have no obligation to issue any Common Shares pursuant to the Plan unless such Common Shares shall have been duly listed, upon official notice of issuance, with the Stock Exchange. Common Shares issued to Participants pursuant to the settlement of RSUs may be subject to restrictions or limitations on sale or resale under Applicable Securities Laws.

(4) If Common Shares cannot be issued to a Participant upon the settlement of an RSU due to legal or regulatory restrictions, the obligation of the Company to issue such Common Shares under the Plan shall terminate, at no cost to the Company nor obligation to otherwise compensate a Participant in any way.

Section 3.3 Miscellaneous

(1) Nothing contained herein shall prevent the Board from adopting other or additional compensation arrangements, subject to any required Shareholder or Stock Exchange approval.

(2) Nothing contained in the Plan nor in any RSU granted hereunder shall be deemed to give any Participant any interest or title in or to any Common Shares of the Company or any rights as a Shareholder or any other legal or equitable right against the Company whatsoever other than as set forth in the Plan and pursuant to the settlement of any RSU.

(3) The Plan does not give any Participant or any employee of the Company or any of its Affiliated Companies or Controlled Companies or subsidiaries the right or obligation to continue to serve as a Consultant, director, officer or employee of, or be engaged by, as the case may be, the Company or any of its Affiliated Companies or Controlled Companies or subsidiaries. The awarding of RSUs to any Eligible Person is a matter to be determined solely in the discretion of the Board. The Plan shall not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issue of any Common Shares or any other securities in the capital of the Company or any of its subsidiaries other than as specifically provided for in the Plan.

(4) The existence of any RSUs shall not affect in any way the right or power of the Company or its Shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Company or to create or issue any bonds, debentures, shares or other securities of the Company or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Company or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

(5) No fractional Common Shares shall be issued upon the settlement of RSUs granted under the Plan and, accordingly, if a Participant would become entitled to a fractional Common Share upon the settlement of an RSU, or from an adjustment pursuant to Section 5.3(1) such Participant shall only have the right to receive the next lowest whole number of Common Shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

ARTICLE 4 RESTRICTED SHARE UNITS

Section 4.1 Granting of RSUs

(1) Where the Board determines to grant an RSU Award to an Eligible Person under the terms and conditions applicable to such RSU Award, the Company shall deliver to the Eligible Person a Certificate, containing the terms and condition applicable to such RSU Award.

(2) On the grant of an RSU Award, the Company will credit the Participant's Account with the number of RSUs granted to such Participant under the terms of the RSU Award.

(3) The grant of an RSU Award shall entitle the Participant to the conditional right to receive for each RSU credited to the Participant's Account, at the election of the Company, either one Common Share or an amount in cash, in each case net of applicable taxes and contributions to government sponsored plans, as determined by the Board, equal to the Market Price of one Common Share on the Settlement Date for each RSU credited to the Participant's Account, subject to the conditions set out in the Certificate and in the Plan, and subject to all other terms of this Plan.

(4) An Eligible Person may receive an RSU Award on more than one occasion under the Plan and may receive separate RSU Awards on any one occasion.

(5) RSUs granted under this Plan to an Eligible Person in a calendar year will (subject to any applicable terms and conditions, and subject to any determination made by the Board, including as may be reflected in the Certificate) represent a right to a bonus or similar award to be received for services rendered by such Eligible Person to the Company or an Affiliate, as the case may be, in the fiscal year ending in or coincident with (or, where determined by the Board, before) such calendar year.

Section 4.2 Dividends

(1) Unless the Board determines otherwise, additional RSUs ("**Dividend RSUs**") will be credited to a Participant's Account where the Company declares and pays a dividend on Common Shares. The number of Dividend RSUs credited to a Participant's Account in connection with the payment of dividends on Common Shares will be based on the actual amount of cash dividends that would have been paid to such Participant had they been holding such number of Shares equal to the number of RSUs credited to the Participant's Account on the date on which cash dividends are paid on the Common Shares and the Market Price of the Common Shares on the payment date.

(2) Dividend RSUs credited to a Participant's Account shall vest and be settled in the same manner and on the same date as the RSUs to which they relate.

Section 4.3 Settlement of Restricted Share Units

(1) Subject to the provisions of the Plan and in particular Section 4.4 and Section 5.2 and any vesting limitations, including any Performance Criteria, imposed by the Board in its sole unfettered discretion at the time of grant, RSUs subject to an RSU Award may be settled by a Participant during the Settlement Period applicable to the RSU by delivery to the Company of a notice (the "**Settlement Notice**") in a form attached to the Certificate. As soon as

practicable following the receipt of the Settlement Notice, RSUs will be settled by the Company through the delivery by the Company of such number of Common Shares equal to the number of RSUs then being settled or, at the Company's election, an amount in cash, in each case net of applicable taxes and contributions to government sponsored plans, equal to the Market Price at the Settlement Date of one Common Share for each RSU then being settled. Where, prior to the Expiry Date, a Participant fails to elect to settle an RSU, the Participant shall be deemed to have elected to settle such RSUs on the day immediately preceding the Expiry Date.

- (2) Notwithstanding the foregoing, if the Company elects to issue Common Shares in settlement of RSUs:
 - (a) the Company may arrange for such number of the Common Shares to be sold as it deems necessary or advisable to raise an amount at least equal to its determination of such applicable taxes, with such amount being withheld by the Company; or
 - (b) the Company may elect to settle for cash such number of RSUs as it deems necessary or advisable to raise funds sufficient to cover such withholding taxes with such amount being withheld by the Company; or
 - (c) the Company may, as a condition of settlement in the form of Common Shares, require the Participant to pay the applicable taxes as determined by the Company or make such other arrangement acceptable to the Company in its discretion (if at all) as it deems necessary or advisable.
- (3) Subject to the terms of the Plan, as soon as practicable after receipt of any of the amount, undertaking or election listed in Section 4.3(2), the Company will forthwith cause the transfer agent and registrar of the Common Shares to deliver to the Participant a certificate or certificates in the name of the Participant or a statement of account, at the discretion of the Company, representing in the aggregate Common Shares issued to the Participant.
- (4) Notwithstanding any other provision of the Plan:
 - (a) no RSU shall be capable of settlement after the Expiry Date, provided, however, that if the Expiry Date in respect of an RSU falls on a date upon which such Participant is prohibited from exercising such RSU due to a Black-Out Period or other trading restriction imposed by the Company or under Applicable Securities Law, then the Expiry Date of such RSU shall be automatically extended to the fifth (5th) Business Day following the date the relevant Black-Out Period or other trading restriction imposed by the Company or Applicable Securities Law is lifted, terminated or removed but in no event shall the Expiry Date be extended beyond December 31st of the third year after the Service Year. The foregoing extension applies to all RSUs regardless of the Grant Date and shall not be considered an extension of the term thereof as otherwise referred to in the Plan. In addition, the Participant acknowledges that such an extension may result in less favourable tax consequences to the Participant than if the RSUs had been settled on the original Expiry Date;
 - (b) the Settlement Period shall be automatically reduced in accordance with Section 4.4 upon the occurrence of any of the events referred to therein; and
 - (c) no RSU in respect of which Shareholder approval is required under the rules of the Stock Exchange shall be settled until such time as such RSU has been so approved.

Section 4.4 Termination of Service

- (1) Except as otherwise determined by the Board:
 - (a) all RSUs held by the Participant (whether vested or unvested) shall terminate automatically on the Termination Date for any reason other than as set forth in paragraph (b) and (c) below;
 - (b) in the case of a termination of the Participant's service by reason of (A) termination by the Company or any subsidiary of the Company other than for Cause, or (B) the Participant's death or Disability, the Participant's unvested RSUs shall vest automatically as of such date, and on the earlier of the original Expiry Date and any time during the ninety (90) day period commencing on the date of such termination of service (or, if earlier, the Termination Date), the Participant (or their executor

or administrator, or the person or persons to whom the Participant's RSUs are transferred by will or the applicable laws of descent and distribution) will be eligible to request that the Company settle their vested RSUs. Where, prior to the 90th day following such termination of service (or, if earlier, the Termination Date) the Participant fails to elect to settle a vested RSU, the Participant shall be deemed to have elected to settle such RSU on such 90th day (or, if earlier, the Termination Date) and to receive Common Shares in respect thereof;

- (c) in the case of a termination of the Participant's services by reason of (A) voluntary resignation, or (B) death or Disability, only the Participant's unvested RSUs shall terminate automatically as of such date, and any time during the ninety (90) day period commencing on the date of such termination of service (or, if earlier, the Termination Date), the Participant will be eligible to request that the Company settle their vested RSUs. Where, prior to the 90th day following such termination of service (or, if earlier, the Termination Date) the Participant fails to elect to settle a vested RSU, the Participant shall be deemed to have elected to settle such RSU on such 90th day (or, if earlier, the Termination Date) and to receive Common Shares in respect thereof;
- (d) for greater certainty, where a Participant's employment, term of office or other engagement with the Company terminates by reason of termination by the Company or any subsidiary of the Company for Cause then any RSUs held by the Participant (whether unvested or vested) at the Termination Date, immediately terminate and are cancelled on the Termination Date or at a time as may be determined by the Board, in its discretion;
- (e) a Participant's eligibility to receive further grants of RSUs under this Plan ceases as of the earliest of the date the Participant resigns from or terminates its engagement with the Company or any subsidiary of the Company and the date that the Company or any subsidiary of the Company provides the Participant with written notification that the Participant's employment, term of office or engagement, as the case may be, is terminated, notwithstanding that such date may be prior to the Termination Date; and
- (f) for the purposes of the Plan, a Participant shall not be deemed to have terminated service or engagement where: (i) the Participant remains in employment or office within or among the Company or any subsidiary of the Company or (ii) the Participant is on a leave of absence approved by the Board.

Section 4.5 Non-transferability of RSUs

- (1) RSUs shall not be transferable or assignable by the Participant otherwise than by will or the laws of descent and distribution, and shall be exercisable during the lifetime of a Participant only by the Participant and after death only by the Participant's legal representative.

ARTICLE 5 TERMINATION, AMENDMENTS AND ADJUSTMENTS

Section 5.1 Amendment and Termination

- (1) The Board may amend, suspend or terminate the Plan or any portion thereof at any time in accordance with applicable law, and subject to any required regulatory approval.
- (2) No such amendment, suspension or termination shall alter or impair any RSUs or any rights pursuant thereto granted previously to any Participant without the consent of such Participant.
- (3) If the Plan is terminated, the provisions of the Plan and any administrative guidelines, and other rules and regulations adopted by the Board and in force at the time of the Plan termination shall continue in effect during such time as an RSU or any rights pursuant thereto remain outstanding.
- (4) With the consent of the affected Participant, the Board may amend or modify any outstanding RSU in any manner to the extent that the Board would have had the authority to initially grant such award as so modified or

amended, including without limitation, to change the date or dates as of which the RSU becomes exercisable, subject to the prior approval of the Stock Exchange where necessary.

Section 5.2 Change of Control

(1) Notwithstanding any other provision of this Plan, in the event of an actual or potential Change of Control Event, the Board may, in its discretion, without the necessity or requirement for the agreement or consent of any Participant: (i) accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of any RSU; (ii) permit the conditional settlement of any RSU, on such terms as it sees fit; (iii) otherwise amend or modify the terms of the RSU, including for greater certainty permitting Participants to settle any RSU, to assist the Participants to tender the underlying Common Shares to, or participate in, the actual or potential Change of Control Event or to obtain the advantage of holding the underlying Common Shares during such Change of Control Event; and (iv) terminate, following the successful completion of such Change of Control Event, on such terms as it sees fit, the RSUs not settled prior to the successful completion of such Change of Control Event, including, without limitation, for no payment or other compensation.

(2) The determination of the Board in respect of any such Change of Control Event shall for the purposes of this Plan be final, conclusive and binding.

Section 5.3 Adjustments

(1) If there is a change in the outstanding Common Shares by reason of any stock dividend or split, recapitalization, amalgamation, consolidation, combination or exchange of shares, or other corporate change, the Board shall make, subject to the prior approval of the Stock Exchange where necessary, appropriate substitution or adjustment in

- (a) the number or kind of Common Shares or other securities reserved for issuance pursuant to the Plan, and
- (b) the number and kind of Common Shares or other securities subject to unsettled and outstanding RSUs granted pursuant to the Plan;

provided, however, that no substitution or adjustment shall obligate the Company to issue fractional RSUs or shares. If the Company is reorganized, amalgamated with another company or consolidated, the Board shall make such provisions for the protection of the rights of Participants as the Board in its discretion deems appropriate.

(2) For greater certainty, no amount will be paid to, or in respect of, a Participant under the Plan or pursuant to any other arrangement, and no additional RSUs, Common Shares or other securities of the Company will be granted to a Participant to compensate the Participant for any downward fluctuations in the Market Price of a Common Share nor will any other form of benefit, cash or otherwise, be conferred upon, or in respect of, a Participant for such a purpose.

ARTICLE 6 GENERAL

Section 6.1 Effective Date

The Plan shall be effective upon the approval of the Plan by the Board.

Section 6.2 Notice

Any Notice required to be given by this Plan shall be in writing and shall be given by registered mail, postage prepaid, or delivered by courier or by electronic transmission addressed, if to the Company, to the operations office of the Company in Vancouver, British Columbia, Attention: CFO; or if to a Participant, to such Participant at their address as it appears on the books of the Company or in the event of the address of any such Participant not so appearing, then to the last known address of such Participant; or if to any other person, to the last known address of such person.

Section 6.3 Tax Withholdings

The Company shall be entitled to withhold such number of Common Shares or amount of cash payable to a Participant, either under this Plan or otherwise, or make or require the Participant to make, such other arrangement, including an arrangement as contemplated under Section 4.3(2), as it may deem necessary or advisable so as to ensure that the Company is in compliance with the applicable provisions of any federal, provincial or local law relating to the withholding or remittance of tax or other relevant amounts. It is the responsibility of the Participant to complete and file any tax returns which may be required within the periods specified under applicable laws as a result of the Participant's participation in the Plan. The Company shall not be responsible for any tax consequences to a Participant as a result of the Participant's participation in the Plan.

Section 6.4 Rights of Participants

No person entitled to settle any RSU granted under this Plan shall have any of the rights or privileges of a Shareholder in respect of any Common Shares issuable upon settlement of such RSU until such Common Shares have been issued to such person. Subject to Section 4.2 and Section 5.3, no holder of any RSUs shall be entitled to receive, and no adjustment shall be made for, any dividends, distributions or any other rights declared for Shareholders for which the record date is prior to the date on which Common Shares are issued in satisfaction of a Participant's RSUs.

Section 6.5 Right to Funds

- (1) Neither the establishment of this Plan nor the granting of RSUs under this Plan shall be deemed to create a trust.
- (2) Amounts payable to any Participants under this Plan shall be a general, unsecured obligation of the Company.
- (3) The right of the Participant to receive payment pursuant to this Plan shall be no greater than the right of other unsecured creditors of the Company.

Section 6.6 Right to Issue Other Shares

The Company shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, issuing further Common Shares, varying or amending its share capital or corporate structure or conducting its business in any way whatsoever.

Section 6.7 Successors and Assigns

The Plan shall be binding on all successors and assigns of the Company and a Participant, including without limitation, the legal representatives of such Participant or any receiver or trustee in bankruptcy or representative of the Participant's creditors.

Section 6.8 Funding of the Plan

The Plan shall be unfunded. No funds will be set aside to guarantee the payment of RSUs, which will remain an unfunded liability recorded on the books of the Company.

Section 6.9 No Representation or Warranty

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

Section 6.10 Governing Law

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

Section 6.11 Severability

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

**SCHEDULE “A”
RESTRICTED SHARE UNIT AGREEMENT CERTIFICATE**

TO: [Name of Participant] (the “Participant”)

Dear ●

Lida Resources Inc. (the “Company”) hereby confirms a grant of restricted share units (“RSUs”) described in the table below to the Participant pursuant to the Company’s Restricted Share Unit Plan (the “RSU Plan”), as amended from time to time. The RSU Plan is incorporated herein by reference and made a part of this letter agreement. Capitalized terms not otherwise defined herein shall have the same meanings as in the RSU Plan.

Each RSU granted to the Participant named herein represents the right of the Participant to receive one common share in the share capital of the Company (an “RSU Share”) or, at the Company’s election, an amount in cash, in each case net of applicable taxes and contributions to government sponsored plans, equal to the Market Price of one RSU Share for each RSU then being settled, on the date(s) or pursuant to the terms specified below. Upon each Vesting Date, the Participant may deliver a written notice in the form attached hereto as Appendix “1” specifying the number of RSUs to be denominated or settled, in the Company’s discretion, in Common Shares or cash.

Subject to any further vesting conditions noted herein or the RSU Plan, the following number of RSUs are awarded with the following Grant Date(s), Expiry Date(s) and Vesting Date(s):

No. of RSUs	Service Year*	Grant Date	Vesting Date(s)	Expiry Date**

[Any additional vesting conditions/Performance Criteria (if any) added here or attached hereto]

*the year in which the Participant services were/are rendered for which the RSU grant is awarded

**the Expiry Date must be set no later than December 1st of the third year after the end of the Service Year

The Participant hereby acknowledges and consents that:

17. The Participant has received a copy of the RSU Plan and has read, understands and agrees to be bound by the provisions of the RSU Plan, including provisions relating to the tax treatment, tax withholding obligations and tax reassessment risks that apply or may apply in certain circumstances;
18. The Participant is, under the terms and conditions of the RSU Plan, a bona fide Eligible Person, entitled to receive RSUs under the RSU Plan and Applicable Law;
19. The RSUs granted hereunder shall vest, be redeemed and terminate in accordance with the provisions set out in this Agreement and the provisions of the RSU Plan;
20. RSU Shares will be subject to restrictions on disposition for a period of four (4) months from the Grant Date and, if issued before the date that is four (4) months after the Grant Date, will be legended accordingly and, in any event, will comply with the restrictions on disposition of Applicable Securities Laws and Stock Exchange Policy;
21. If the Participant is, or becomes, a resident of the United States of America, the Participant will (and it shall be a condition of the redemption of the Participant’s RSUs) that the Participant will execute such additional certificate of representation that may be reasonably required by the Company; and
22. The Participant acknowledges and consents to the Company collecting the Participant’s personal information for the purposes of this Certificate; retaining the personal information for as long as permitted or required by Applicable Law or business practices; and providing to various governmental and regulatory authorities, as may be required by Applicable Securities Laws, Stock Exchange rules, including Stock Exchange Policy, and the

rules of the Investment Industry Regulatory Organization of Canada (IIROC) or to give effect to this agreement any personal information provided by the Participant.

DATED _____, 20 ____.

LIDA RESOURCES INC.

Per: _____
Authorized Signatory

The undersigned hereby accepts such grant, acknowledges being a Participant under the RSU Plan, agrees to be bound by the provisions thereof and agrees that the RSU Plan will be effective as an agreement between the Company and the undersigned with respect to the RSUs granted or otherwise issued to the undersigned.

DATED _____, 20 ____.

Participant's Signature

Name of Participant (print)

[OR]

[NAME OF COMPANY PARTICIPANT]

By:

Authorized Signatory

Name of Authorized Signatory

APPENDIX "1"

RSU NOTICE FORM

To: The Board of Directors of Lida Resources Inc. (the "Company")

1. The undersigned (the "**Participant**"), being the holder of restricted share units ("**RSUs**") of the Company pursuant to the RSU plan of the Corporation (the "**RSU Plan**"), hereby elects, in accordance with and subject to the RSU Plan and the Certificate granting the RSUs to the Participant, to acquire _____ common shares in the capital of the Company (each, an "**RSU Share**") on a basis of, and at the Company's election, either: (a) one (1) RSU Share for each vested RSU held by the RSU Holder, or (b) an amount in cash, net of applicable taxes, equal to the Market Price of one RSU Share for each vested RSU.
2. The Participant acknowledges and agrees that the issuance of the RSU Shares, if applicable, is subject to the terms and conditions of the Certificate representing the RSUs and the RSU Plan.
3. If the Company elects to denominate or settle the RSUs on the basis of RSU Shares, the Participant directs the Company to register and deliver certificates or DRS Statements evidencing the RSU Shares as follows:

4. If the Company elects to denominate or settle the RSUs on the basis of cash, the Participant directs the Corporation to issue and deliver a cheque as follows in respect of the portion of the RSU Shares settled in cash:

All capitalized terms not defined herein shall have the meanings attributable to such terms as in the RSU Plan.

DATED the _____ day of _____, 20__.

Signature of Witness

Signature of Participant

Name of Witness (please print)

Name of Participant (please print)

**SCHEDULE “B”
COMPLIANCE CERTIFICATE**

Lida Resources Inc. (the “**Company**”) has granted or proposes to grant to _____ (the “**Recipient**”) a total of _____ restricted share units (“**RSUs**”) pursuant to the Company’s Restricted Share Unit Plan (the “**RSU Plan**”), as amended from time to time. The RSU Plan is incorporated herein by reference and made a part of this compliance certificate. Capitalized terms not otherwise defined herein shall have the same meanings as in the RSU Plan.

In connection with such grant, the Company confirms that, for the purposes of NI 45-106, **either of the following apply**:

- (a) ____ The Recipient is not one of the following (a “**Specified Recipient**”): an investor relations person of the Company, an associated consultant of the Company, an executive officer of the Company, a director of the Company, or a permitted assign of those persons; or
- (b) ____ if the Recipient is a Specified Recipient, after the grant, the number of Common Shares, calculated on a fully diluted basis,
 - (i) reserved for issuance under stock options of the Company granted to (A) related persons does not exceed 10% of the outstanding shares of the Company, and (B) a related person does not exceed 5% of the outstanding shares of the Company; and
 - (ii) issued within 12 months to (A) related persons does not exceed 10% of the outstanding shares of the Company, and (B) a related person and the associates of the related person does not exceed 5% of the outstanding shares of the Company.

Dated _____ 20 ____.

LIDA RESOURCES INC.

Authorized Signatory

SCHEDULE D

This is Schedule D to the Management Proxy Circular of
LIDA RESOURCES INC.

ADVANCE NOTICE PROVISIONS

Nomination of Directors

14.12

- (a) Subject only to the Act, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders (but only if the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting):
- (i) by or at the direction of the board or an authorized officer of the Company, including pursuant to a notice of meeting;
 - (ii) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act; or
 - (iii) by any person (a “**Nominating Shareholder**”) (A) who, at the close of business on the date of the giving of the notice provided for below in this §14.12 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and (B) who complies with the notice procedures set forth below in this §14.12.
- (b) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such person must have given (i) timely notice thereof in proper written form to the Corporate Secretary of the Company at the principal executive offices of the Company in accordance with this §14.12 and (ii) the representation and agreement with respect to each candidate for nomination as required by, and within the time period specified in §14.12(e).
- (c) To be timely under §14.12(b)(i), a Nominating Shareholder’s notice to the Corporate Secretary of the Company must be made:
- (i) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than 40 days after the date (the “**Notice Date**”) on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the tenth (10th) day following the Notice Date; and
 - (ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.
- Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this §14.12(c).
- (d) To be in proper written form, a Nominating Shareholder’s notice to the Corporate Secretary of the Company, under §14.12(b)(i) must set forth:
- (i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (A) the name, age, business address and residence address of the person, (B) the principal occupation or employment of the person, (C) the class or series and number of shares in the capital

of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, (D) a statement as to whether such person would be “independent” of the Company (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators, as such provisions may be amended from time to time) if elected as a director at such meeting and the reasons and basis for such determination and (E) any other information relating to the person that would be required to be disclosed in a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws; and

- (ii) as to the Nominating Shareholder giving the notice, (A) any information relating to such Nominating Shareholder that would be required to be made in a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws, and (B) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the Nominating Shareholder as of the record date for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice.
- (e) To be eligible to be a candidate for election as a director of the Company and to be duly nominated, a candidate must be nominated in the manner prescribed in this §14.12 and the candidate for nomination, whether nominated by the board or otherwise, must have previously delivered to the Corporate Secretary of the Company at the principal executive offices of the Company, not less than 5 days prior to the date of the Meeting of Shareholders, a written representation and agreement (in form provided by the Company) that such candidate for nomination, if elected as a director of the Company, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such person’s term in office as a director (and, if requested by any candidate for nomination, the Corporate Secretary of the Company shall provide to such candidate for nomination all such policies and guidelines then in effect).
- (f) No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this §14.12; provided, however, that nothing in this §14.12 shall be deemed to preclude discussion by a shareholder (as distinct from nominating directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
- (g) For purposes of this §14.12:
 - (i) “Affiliate”, when used to indicate a relationship with a person, shall mean a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified person;
 - (ii) “Applicable Securities Laws” means the Securities Act (British Columbia) and the equivalent legislation in the other provinces and in the territories of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each of the applicable provinces and territories of Canada;
 - (iii) “Associate”, when used to indicate a relationship with a specified person, shall mean (A) any corporation or trust of which such person owns beneficially, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of such corporation or trust for the time being outstanding, (B) any partner of that person, (C) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity, (D) a spouse of such specified person, (E) any person of either sex with

whom such specified person is living in conjugal relationship outside marriage or (F) any relative of such specified person or of a person mentioned in clauses (D) or (E) of this definition if that relative has the same residence as the specified person;

- (iv) “Derivatives Contract” shall mean a contract between two parties (the “Receiving Party” and the “Counterparty”) that is designed to expose the Receiving Party to economic benefits and risks that correspond substantially to the ownership by the Receiving Party of a number of shares in the capital of the Company or securities convertible into such shares specified or referenced in such contract (the number corresponding to such economic benefits and risks, the “Notional Securities”), regardless of whether obligations under such contract are required or permitted to be settled through the delivery of cash, shares in the capital of the Company or securities convertible into such shares or other property, without regard to any short position under the same or any other Derivatives Contract. For the avoidance of doubt, interests in broad-based index options, broad-based index futures and broad-based publicly traded market baskets of stocks approved for trading by the appropriate governmental authority shall not be deemed to be Derivatives Contracts;
- (v) “Meeting of Shareholders” shall mean such annual shareholders meeting or special shareholders meeting, whether general or not, at which one or more persons are nominated for election to the board by a Nominating Shareholder;
- (vi) “owned beneficially” or “owns beneficially” means, in connection with the ownership of shares in the capital of the Company by a person, (A) any such shares as to which such person or any of such person’s Affiliates or Associates owns at law or in equity, or has the right to acquire or become the owner at law or in equity, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, upon the exercise of any conversion right, exchange right or purchase right attaching to any securities, or pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (B) any such shares as to which such person or any of such person’s Affiliates or Associates has the right to vote, or the right to direct the voting, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (C) any such shares which are beneficially owned, directly or indirectly, by a Counterparty (or any of such Counterparty’s Affiliates or Associates) under any Derivatives Contract (without regard to any short or similar position under the same or any other Derivatives Contract) to which such person or any of such person’s Affiliates or Associates is a Receiving Party; provided, however that the number of shares that a person owns beneficially pursuant to this clause (C) in connection with a particular Derivatives Contract shall not exceed the number of Notional Securities with respect to such Derivatives Contract; provided, further, that the number of securities owned beneficially by each Counterparty (including their respective Affiliates and Associates) under a Derivatives Contract shall for purposes of this clause be deemed to include all securities that are owned beneficially, directly or indirectly, by any other Counterparty (or any of such other Counterparty’s Affiliates or Associates) under any Derivatives Contract to which such first Counterparty (or any of such first Counterparty’s Affiliates or Associates) is a Receiving Party and this proviso shall be applied to successive Counterparties as appropriate; and (D) any such shares which are owned beneficially within the meaning of this definition by any other person with whom such person is acting jointly or in concert with respect to the Company or any of its securities; and
- (vii) “public announcement” shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company or its agents under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com.
- (h) Notwithstanding any other provision to this §14.12, notice or any delivery given to the Corporate Secretary of the Company pursuant to this §14.12 may only be given by personal delivery, facsimile transmission or by email (provided that the Corporate Secretary of the Company has stipulated an email address for purposes of this notice, at such email address as stipulated from time to time), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Corporate Secretary at the address of the principal executive offices of the Company;

provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

- (i) In no event shall any adjournment or postponement of a Meeting of Shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described in §14.12(c) or the delivery of a representation and agreement as described in §14.12(e).

SCHEDULE E

This is Schedule E to the Management Proxy Circular of
LIDA RESOURCES INC.

DISSENT PROVISIONS

Record shareholders have the right to dissent in respect of the Continuance. Such right of dissent is described in the Management Proxy Circular. The full text of section 190 of the CBCA is set forth below.

SECTION 190 OF THE CANADA BUSINESS CORPORATIONS ACT

Right to dissent

190 (1) Subject to sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(d) that affects the holder or if the corporation resolves to

- (a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;
- (b) amend its articles under section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on;
- (c) amalgamate otherwise than under section 184;
- (d) be continued under section 188;
- (e) sell, lease or exchange all or substantially all its property under subsection 189(3); or
- (f) carry out a going-private transaction or a squeeze-out transaction.

Further right

(2) A holder of shares of any class or series of shares entitled to vote under section 176 may dissent if the corporation resolves to amend its articles in a manner described in that section.

If one class of shares

(2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares.

Payment for shares

(1) In addition to any other right the shareholder may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.

No partial dissent

(4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

Objection

(5) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of their right to dissent.

Notice of resolution

The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn their objection.

Demand for payment

(7) A dissenting shareholder shall, within twenty days after receiving a notice under subsection (6) or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing

- (a) the shareholder's name and address;
- (b) the number and class of shares in respect of which the shareholder dissents; and
- (c) a demand for payment of the fair value of such shares.

Share certificate

(8) A dissenting shareholder shall, within thirty days after sending a notice under subsection (7), send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

Forfeiture

(9) A dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section.

Endorsing certificate

(10) A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder.

Suspension of rights

On sending a notice under subsection (7), a dissenting shareholder ceases to have any rights as a shareholder other than to be paid the fair value of their shares as determined under this section except where

- (a) the shareholder withdraws that notice before the corporation makes an offer under subsection (12),
- (b) the corporation fails to make an offer in accordance with subsection (12) and the shareholder withdraws the notice, or
- (c) the directors revoke a resolution to amend the articles under subsection 173(2) or 174(5), terminate an amalgamation agreement under subsection 183(6) or an application for continuance under subsection 188(6), or abandon a sale, lease or exchange under subsection 189(9),

in which case the shareholder's rights are reinstated as of the date the notice was sent.

Offer to pay

(12) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (7), send to each dissenting shareholder who has sent such notice

- (a) a written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or

- (b) if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

Same terms

Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.

Payment

Subject to subsection (26), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (12) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

Corporation may apply to court

Where a corporation fails to make an offer under subsection (12), or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the shares of any dissenting shareholder.

Shareholder application to court

If a corporation fails to apply to a court under subsection (15), a dissenting shareholder may apply to a court for the same purpose within a further period of twenty days or within such further period as a court may allow.

Venue

An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the dissenting shareholder resides if the corporation carries on business in that province.

No security for costs

(18) A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16).

Parties

On an application to a court under subsection (15) or (16),

- (a) all dissenting shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and
- (b) the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel.

Powers of court

On an application to a court under subsection (15) or (16), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders.

Appraisers

(21) A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

Final order

The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of the shares as fixed by the court.

Interest

(23) A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

Notice that subsection (26) applies

If subsection (26) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (22), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

Effect where subsection (26) applies

If subsection (26) applies, a dissenting shareholder, by written notice delivered to the corporation within thirty days after receiving a notice under subsection (24), may

- (a) withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights as a shareholder; or
- (b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

Limitation

(26) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

- (a) the corporation is or would after the payment be unable to pay its liabilities as they become due; or
- (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

R.S., 1985, c. C-44, s. 190

1994, c. 24, s. 23

2001, c. 14, ss. 94, 134(F), 135(E)

2011, c. 21, s. 60(F)