



**Annual and Special General Meeting  
to be held on December 18, 2020**

**Notice of Meeting  
and  
Management Information Circular**

**November 19, 2019**

**Mosaic Minerals Corp.**  
4908 Pine Crescent,  
Vancouver, British Columbia V6M 3P6

**NOTICE OF ANNUAL AND SPECIAL GENERAL MEETING OF SHAREHOLDERS**

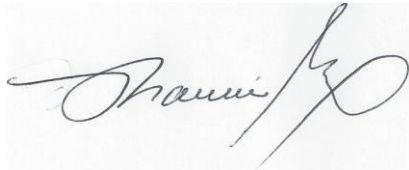
NOTICE IS HEREBY GIVEN that an annual and special general meeting (the "**Meeting**") of the shareholders of Mosaic Minerals Corp. the "**Company**") will be held at 4908 Pine Crescent, Vancouver, BC V6M 3P6 on December 18, 2020 at 10:30 a.m. (Vancouver, British Columbia time) for the following purposes:

1. to receive and consider the audited financial statements of the Company for the years ended July 31, 2018 together with the auditor's reports thereon;
2. to elect directors for the ensuing year;
3. to appoint Davidson & Company LLP, Chartered Professional Accountants, as auditor of the Company for the ensuing year and authorize the directors to determine the remuneration to be paid to the auditor;
4. to confirm the Company's rolling stock option plan;
5. to transact such other business as may properly be put before the Meeting.

The accompanying Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice. Also accompanying this Notice are (i) Forms of Proxy or Voting Instruction Form, and (ii) Financial Statement Request Form. Any adjournment of the Meeting will be held at a time and place to be specified at the Meeting.

Only shareholders of record at the close of business on **November 13, 2020**, will be entitled to receive notice of and vote at the Meeting. Shareholders who are unable to attend the Meeting are requested to complete, sign, date and return the enclosed form of proxy indicating your voting instructions. A proxy will not be valid unless it is deposited at the office of AST Trust Company (Canada), 1 Toronto Street, Suite 1200, Toronto, Ontario, M5C 2V6 not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or any adjournments thereof. If you are not a registered shareholder, please refer to the accompanying Information Circular for information on how to vote your shares.

DATED at Vancouver, British Columbia, the 19<sup>th</sup> day of November, 2020.

A handwritten signature in dark ink, appearing to read "Maurice Giroux", with a stylized flourish at the end.

Maurice Giroux  
Chief Executive Officer and Director

**MOSAIC MINERALS CORP.**

4908 Pine Crescent, Vancouver, British Columbia V6M 3P6

**MANAGEMENT INFORMATION CIRCULAR**

(as at November 19<sup>th</sup>, 2020 except as otherwise indicated)

**SOLICITATION OF PROXIES**

This information circular (the "**Circular**") is provided in connection with the solicitation of proxies by Management of Stellar AfricaGold Inc. (the "**Company**"). The form of proxy which accompanies this Circular (the "**Proxy**") is for use at the annual general special meeting of the shareholders of the Company (the "**Shareholders**") to be held on December 18, 2020 (the "**Meeting**"), at the time and place set out in the accompanying notice of Meeting (the "**Notice of Meeting**"). The Company will bear the cost of this solicitation. The solicitation will be made by mail but may also be made by telephone.

All capitalized terms used in this Circular (including the Schedules hereto) but not otherwise defined herein have the meanings set forth under the heading "Glossary of Terms". Except where otherwise expressly noted, information in this Circular is given as of November 19<sup>th</sup>, 2020.

No person has been authorized to give any information or to make any representation in connection with the Arrangement and any other matters described herein other than those contained in this Circular and, if given or made, any such information or representation should not be considered to have been authorized by the Company or Mosaic.

This Circular does not constitute the solicitation of an offer to purchase, or the making of an offer to sell, any securities or the solicitation by proxy by any person in any jurisdiction in which such solicitation or offer is not authorized or in which the person making such solicitation or offer is not qualified to do so or to any person to whom it is unlawful to make such solicitation or offer.

Information contained in this Circular should not be construed as legal, tax or financial advice and Shareholders are urged to consult their own professional advisors in connection therewith.

Descriptions in the body of this Circular of the terms of the Global Agreement of Sale and Purchase is merely a summary of the terms of those documents. Shareholders should refer to the full text of the agreement as filed on Sedar.

**FORWARD LOOKING STATEMENTS**

This Circular may include and incorporate statements that are prospective in nature that constitute forward-looking information and/or forward-looking statements within the meaning of applicable securities laws (collectively, "**forward-looking statements**"). Forward-looking statements include, but are not limited to, statements concerning the completion and proposed terms of, and matters relating to, the anticipated election of the Company's proposed directors, as well as other statements with respect to management's beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans" or "continue", or similar expressions suggesting future outcomes or events.

Forward-looking statements reflect Management's current beliefs, expectations and assumptions and are based on information currently available to Management, Management's historical experience, perception of trends and current business conditions, expected future developments and other factors which management considers appropriate. With respect to the forward-looking statements included in or incorporated into this Circular, Management has made certain assumptions with respect to, among other things, the belief that the Company will benefit from pursuing a new explorations and capital allocation strategy, that the Company will meet its future

objectives and priorities, that the Company will have access to adequate capital to fund its future projects and plans, as well as assumptions concerning general economic and industry growth rates, commodity prices, currency exchange and interest rates and competitive intensity.

Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the future circumstances, outcomes or results anticipated or implied by such forward-looking statements will occur or that plans, intentions or expectations upon which the forward-looking statements are based will occur. By their nature, forward-looking statements involve known and unknown risks and uncertainties and other factors that could cause actual results to differ materially from those contemplated by such statements. Factors that could cause such differences include, but are not limited to: global financial markets, general economic conditions, competitive business environments, and other factors may negatively impact the Company's financial condition. For a further description of these and other factors that could cause actual results to differ materially from the forward-looking statements included in or incorporated into this Circular, see the risk factors discussed under the heading "*Risk Factors*", as well as the risk factors included in the Company's management discussion and analysis for the year ended December 31, 2019 and as described from time to time in the reports and disclosure documents filed by the Company with Canadian securities regulatory authorities, which are available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). This list is not exhaustive of the factors that may impact the Company's forward-looking statements. These and other factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking statements. As a result of the foregoing and other factors, there can be no assurance that actual results will be consistent with these forward-looking statements.

All forward-looking statements included in or incorporated by reference into this Circular are qualified by these cautionary statements. The forward-looking statements contained herein are made as of the date of this Circular and, except as required by applicable law, the Company does not undertake any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

**Readers are cautioned that the actual results achieved will vary from the information provided herein and that such variations may be material. Consequently, there are no representations by the Company that actual results achieved will be the same in whole or in part as those set out in the forward-looking statements.**

#### **DOCUMENTS INCORPORATED BY REFERENCE**

The following documents are incorporated by reference and form part of this Circular. Copies of these documents may be obtained by accessing the SEDAR website at [www.sedar.com](http://www.sedar.com) under the profile of the Company. In addition, copies of the following documents may also be obtained on request without charge from the Company's CEO at [cumming@stellarafricagold.com](mailto:cumming@stellarafricagold.com):

- a) the audited consolidated financial statements of the Company for the year ended December 31, 2019 together with the notes thereto and the auditor's report thereon; and
- b) management's discussion and analysis for the year ended December 31, 2019.

#### **APPOINTMENT AND REVOCATION OF PROXY**

The persons named in the Proxy are directors and/or officers of the Company. **A registered Shareholder who wishes to appoint some other person to serve as their representative at the Meeting may do so by inserting the desired person's name in the blank space provided.** The completed Proxy should be delivered to AST Trust Company ("AST") by **10:30 a.m.** (local time in Vancouver, British Columbia) on **Wednesday, December 16, 2020**, or prior to 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting at which the Proxy is to be used.

The Proxy may be revoked by:

- a) signing a proxy with a later date and delivering it at the time and place noted above;

- b) signing and dating a written notice of revocation and delivering it to AST, or by transmitting a revocation by telephonic or electronic means, to AST, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the Proxy is to be used, or delivering a written notice of revocation and delivering it to the Chair of the Meeting on the day of the Meeting or adjournment of it; or
- c) attending the Meeting or any adjournment of the Meeting and registering with the scrutineer as a Shareholder present in person.

### **Provisions Relating to Voting of Proxies**

The shares represented by Proxy in the form provided to Shareholders will be voted or withheld from voting by the designated holder in accordance with the direction of the registered Shareholder appointing him. If there is no direction by the registered Shareholder, those shares will be voted for all proposals set out in the Proxy and for the election of directors and the appointment of the auditors as set out in this Circular. The Proxy gives the person named in it the discretion to vote as such person sees fit on any amendments or variations to matters identified in the Notice of Meeting, or any other matters which may properly come before the Meeting. At the time of printing of this Circular, the management of the Company (the "**Management**") knows of no other matters which may come before the Meeting other than those referred to in the Notice of Meeting.

### **Important Advice to Beneficial Holders of Common Shares**

**The information set forth in this section is of importance to many Shareholders, as a substantial number of Shareholders do not hold common shares in their own name.** Shareholders who hold their common shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their common shares in their own name (referred to herein as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders who appear on the records maintained by the Company's registrar and transfer agent as registered holders of common shares will be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then those common shares will, likely, not be registered in the Shareholder's name. Such common shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such common shares are registered under the name of Cede & Co., the registration name for The Depository Trust Company, which acts as nominee for many United States brokerage firms. Common shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted or withheld at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders to ensure that their common shares are voted at the Meeting. The form of instrument of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially like the instrument of proxy provided directly to registered Shareholders by the Company. However, its purpose is limited to instructing the registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. A majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable voting instruction form ("**VIF**"), mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides

appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote common shares directly at the Meeting. The VIFs must be returned to Broadridge (or instructions respecting the voting of common shares must otherwise be communicated to Broadridge) well in advance of the Meeting to have the common shares voted. If you have any questions respecting the voting of common shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

The Notice of Meeting, Circular, Proxy and VIF, as applicable, are being provided to both registered Shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories - those who object to their identity being known to the issuers of securities which they own ("**OBOs**") and those who do not object to their identity being made known to the issuers of the securities which they own ("**NOBOs**"). Subject to the provisions of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), issuers may request and obtain a list of their NOBOs from intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials directly (not via Broadridge) to such NOBOs. If you are a Beneficial Shareholder and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the common shares on your behalf.

Pursuant to the provisions of NI 54-101, the Company is providing the Notice of Meeting, Circular and Proxy or VIF, as applicable, to both registered owners of the securities and non-registered owners of the securities. If you are a non-registered owner, and the Company 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. By choosing to send these materials to you directly, the Company (and not the intermediary holding common shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the VIF. As a result, if you are a non-registered owner of the securities, you can expect to receive a scannable VIF from AST. Please complete and return the VIF to AST in the envelope provided or by facsimile. In addition, telephone voting and internet voting instructions can be found on the VIF. AST will tabulate the results of the VIFs received from the Company's NOBOs and will provide appropriate instructions at the Meeting with respect to the common shares represented by the VIFs they receive.

The Company's OBOs can expect to be contacted by Broadridge or their brokers or their broker's agents as set out above. Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the common shares in that capacity. NI 54-101 allows a Beneficial Shareholder who is a NOBO to submit to the Company or an applicable intermediary any document in writing that requests that the NOBO or a nominee of the NOBO be appointed as the NOBO's proxyholder. If such a request is received, the Company or an intermediary, as applicable, must arrange, without expenses to the NOBO, to appoint such NOBO or its nominee as a proxyholder and to deposit that proxy within the time specified in this Circular, provided that the Company or the intermediary receives such written instructions from the NOBO at least one business day prior to the time by which proxies are to be submitted at the Meeting, with the result that such a written request must be received by 11:00 a.m. (Vancouver, British Columbia time) on the day which is at least three business days prior to the Meeting. **A Beneficial Shareholder who wishes to attend the Meeting and to vote their common shares as proxyholder for the registered Shareholder, should enter their own name in the blank space on the VIF or such other document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

All references to Shareholders in the Notice of Meeting, Circular and the accompanying Proxy are to registered Shareholders of the Company as set forth on the list of registered Shareholders of the Company as maintained by the registrar and transfer agent of the Company, AST, unless specifically stated otherwise.

## Financial Statements

The audited financial statements of the Company for the Company's fiscal years ending July 31, 2020 and 2019 the report of the auditor thereon and the related management's discussion and analysis will be filed on SEDAR at [www.sedar.com](http://www.sedar.com) by November 29, 2020. The financial statements and management's discussion and analysis will be available at the Meeting and will be tabled. No resolution is required.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

At November 19<sup>th</sup>, 2020, the Company's authorized share capital consists of an unlimited number of common shares of which 23,708,500 common shares are issued and outstanding. All common shares in the capital of the Company carry the right to one vote

Shareholders registered as at November 13, 2020, are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must, to entitle the person appointed by the Proxy to attend and vote, deliver their Proxies at the place and within the time set forth in the notes to the Proxy.

To the knowledge of the directors and executive officers of the Company, as of the date of this Circular, no persons beneficially own, directly or indirectly, or exercise control or direction over, 10% or more of the issued and outstanding common shares of the Company.

As of the date hereof, the directors and officers, as a group, own beneficially, directly or indirectly, 4,524,921 Common Shares of the Company, representing 19% of the currently issued and outstanding Common Shares.

## ELECTION OF DIRECTORS

The directors of the Company are elected annually and hold office until the next annual general meeting of the Shareholders or until their successors are elected or appointed. Management proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are elected or appointed. In the absence of instructions to the contrary, Proxies given pursuant to the solicitation by Management will be voted for the nominees listed in this Circular. Management does not contemplate that any of the nominees will be unable to serve as a director. At the Meeting, Shareholders will be asked to pass an ordinary resolution to set the number of directors for the ensuing year at five with authority to add one additional director during to forthcoming term and to elect the directors named below.

The following table sets out the names of the management's nominees for election as directors, the offices they presently hold within the Company, their occupations, the length of time they have served as directors of the Company, and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised, as of the date of this Circular. 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 Company and was furnished by the respective nominees and from insider reports available at [www.sedi.ca](http://www.sedi.ca). Each nominee has held the same or similar principal occupation with the organization indicated or a predecessor thereof for the last five years.

Name, Positions within the Company and Province of Residence	Occupation, Business or Employment	Director Since	Number and Percentage of Common Shares Beneficially Owned or Controlled
Maurice Giroux President & Chief Operating Officer Quebec	Geologist, VP Exploration and COO of Stellar AfricaGold Inc.	2018	2,656,887 <sup>(2)</sup> 11%

John Cumming Vice President and Chief Financial Officer British Columbia	Lawyer, President and CEO of Stellar AfricaGold Inc. Previously Vice President and CFO of Merrex Gold Inc.	2018	1,868,034 8%
Tim Johnson <sup>(1)</sup> Director British Columbia	President and CEO of Granite Creek copper Inc.	2018	Nil
Eric Allard <sup>(1)</sup> Director Quebec	Consulting Geological Engineer, President of ERA Consulting Inc.	2020	Nil
Michel Lebeuf Jr. <sup>(1)</sup> Director Quebec	Lawyer, Dunton Rainville LLP	2020	Nil

Notes:

(1) Member and proposed members of the audit committee.

No proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company.

## Director Biographies

**John Cumming- Age 69 - Executive Vice President, Chief Financial Officer, Corporate Secretary and Director** Mr. Cumming is a barrister and solicitor and corporate executive with over 43 years' experience in the public company sector. Mr. Cumming holds a BA and LLB from the University of British Columbia and a Master of Laws specializing in Corporate and Commercial Law from Kings College, University of London. He has been active in the Canadian securities markets and resource exploration sector since 1978. Mr. Cumming practiced exclusively as a corporate finance, securities regulation and mining lawyer from 1978 until 1992 as the senior securities and mining law partner at a mid-sized Vancouver, BC, law firm. Mr. Cumming served as director, Executive Vice President and CFO of Merrex Gold Inc. from 2005 to 2017. Mr. Cumming is a director, President and CEO of Stellar AfricaGold Inc. and Copper North Mining Corp., and a director of Taat Lifestyles and Wellness Ltd. (formerly Molori Energy Inc.). Mr. Cumming an independent contractor devoting approximately 50% of his time to the affairs of the Issuer.

## **Maurice Giroux – Age 68 - President, Chief Executive Officer and Director**

Mr. Giroux holds a Bachelor of Science Geology and has over 40 years' experience as a geologist focused in mineral exploration on the international scene, and more particularly in West Africa where he has been active for the past 21 years. He was notably involved in the discovery of three gold and diamond mines that are under commercial development today. He also contributed to a vast international project that led to the mapping of two-thirds of Guinea's geology and he co-authored a comprehensive study of the country's mining potential. His expertise and extensive experience have allowed him to establish and cultivate sound business relationships in several West African countries. Mr. Giroux is also a director of Stellar AfricaGold Inc. Mr. Giroux an independent contractor devoting approximately 50% of his time to the affairs of the Corporation.

## **Timothy Johnson- Age 54 - Director**

Mr. Johnson is a director and the President and Chief Executive Officer of Granite Creek Copper Ltd., a TSX-V listed resource exploration company. He has been active in the Canadian securities markets and resource exploration sector since 2010. Mr. Johnson is financially literate and familiar with reviewing public company financial statements and the accounting principles used in reading and preparing financial statements. Mr. Johnson is an independent contractor devoting approximately 5% of his time to the affairs of the Issuer.



***Eric Allard, P.Eng. - Age 48 - Director***

Mr. Allard is a geological engineering graduate (Laval University, 1997) a geological engineer, and President of ERA Consulting Inc. since 2006. Mr. Allard has 20 years of experience in project and operations management for exploration mining, oil & gas and construction engineering. Mr. Allard has held various positions as VP operations in junior mining companies in Canada and Africa and has been managing a geophysical services company in Canada for the last 10 years. He has participated in all levels of company management from sales and business management to technical project management. He is a member in good standing of the Ordre des Ingénieurs du Québec. Mr. Allard is a director of Tantalex Resources Corporation. Mr. Allard is an independent contractor devoting approximately 5% of his time to the affairs of the Issuer.

***Michel Lebeuf Jr., LLB. - Age 47 - Director***

Mr. Allard is a partner in the Business Law Group at Dunton Rainville LLP, Montreal. He specializes in securities regulation and corporate finance law. Mr. Allard hold a Bachelor of Political Science and a LLB from the University of Montreal and sits of the board of directors of five other reporting issuers. Mr. Allard is an independent contractor devoting approximately 5% of his time to the affairs of the Issuer.

**Corporate Cease Trade Orders or Bankruptcies**

No director or proposed director of the Company is, or within the ten years prior to the date of this Circular has been, a director or executive officer of any company, including the Company, that while that person was acting in that capacity:

- (a) was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- (b) was subject to an event that resulted, after the director ceased to be a director or executive officer of the company being the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) 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.

**Individual Bankruptcies**

No director or proposed director of the Company has, within the ten years prior to the date of this Circular, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or been 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 that individual.

**Penalties or Sanctions**

None of the proposed directors have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, have entered into a settlement agreement with a securities regulatory authority or have been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable security holder making a decision about whether to vote for the proposed director.

## EXECUTIVE COMPENSATION

See Form 51-102F6 *Statement of Executive Compensation* appended hereto as Schedule A.

### STOCK OPTION PLANS AND OTHER INCENTIVE PLANS

The Company proposes to institute an incentive stock option plan (the "**Stock Option Plan**"). The proposed Stock Option Plan provides that the maximum aggregate number of Plan Shares that may be reserved for issuance under the Plan at any point in time is 10% of the outstanding shares at the time Plan Shares are reserved for issuance.

The Stock Option Plan is administered by the Board of Directors and provides for grants of options to directors, executive officers, employees of and consultants to the Company at the discretion of the Board. The term of any options granted under the Stock Option Plan is fixed by the Board of Directors and may not exceed ten (10) years. The exercise price of options granted under the Stock Option Plan will be determined by the Board of Directors, but the exercise price must not be less than the lowest price permitted by the CSE. Any options granted pursuant to the Stock Option Plan will terminate at the end of the period of time (to be determined in each instance by the Board of Directors at the time of grant, such period of time to not be in excess of one year after the option holder ceasing to act as a director, executive officer, employee or consultant of the Company or any of its affiliates, unless such cessation is on account of death, disability or termination of employment with cause). If such cessation is because of disability or death, the options terminate on the first anniversary of such cessation, and if it is on account of termination of employment with cause, the options terminate immediately. The Stock Option Plan also provides for adjustments to outstanding options in the event of any consolidation, subdivision, conversion or exchange of the Company's shares. The directors of the Company may, at its discretion at the time of any grant, impose a schedule over which period of time the option will vest and become exercisable by the optionee.

Subject to the approval of any stock exchange on which the Company's securities are listed, the Board may terminate, suspend or amend the terms of the Stock Option Plan, provided that the Board may not do any of the following without obtaining, within twelve (12) months either before or after the Board's adoption of a resolution authorizing such action, Shareholder approval, and, where required, disinterested Shareholder approval, or by the written consent of the holders of a majority of the outstanding securities of the Company entitled to vote:

1. increase the aggregate number of common shares which may be issued under the Stock Option Plan;
2. materially modify the requirements as to the eligibility for participation in the Stock Option Plan which would have the potential of broadening or increasing Insider participation;
3. add any form of financial assistance or any amendment to a financial assistance provision which is more favourable to participants under the Stock Option Plan;
4. add a cashless exercise feature, payable in cash or securities, which does not provide for a full deduction of the number of underlying securities from the Stock Option Plan reserve; and
5. materially increase the benefits accruing to participants under the Stock Option Plan.

However, the Board may amend the terms of the Stock Option Plan to comply with the requirements of any applicable regulatory authority without obtaining Shareholder approval, including:

1. amendments to the Stock Option Plan of a housekeeping nature;
2. a change to the vesting provisions of a security or the Stock Option Plan; and
3. a change to the termination provisions of a security or the Stock Option Plan which does not entail an extension beyond the original expiry date.

## EQUITY COMPENSATION PLAN INFORMATION

The following table sets out those securities of the Company which have been authorized for issuance under equity compensation plans, as at the end of the most recently completed financial year:

Equity Compensation Plan Category (Approved or not approved by the securityholders)	Number of securities to be issued upon exercise of outstanding options, warrants and rights <sup>(1)</sup>  (a)	Weighted-average exercise price of outstanding options, warrants and rights  (b)	Number of securities remaining available for future issuance under Equity compensation plans (excluding securities reflected in column (a))
Approved	Nil	N/A	Nil
Not approved	Nil	N/A	Nil
<b>Total</b>	<b>Nil</b>		<b>Nil</b>

Note 1: Warrants and rights do not form part of the Company's equity compensation

### Indebtedness of Directors and Executive Officers

None of the current or former directors, executive officers, employees of the Company, the proposed nominees for election to the Board, or their respective associates or affiliates, are or have been indebted to the Company since the beginning of the last completed financial year of the Company.

### Interest of Certain Persons or Companies in Matters to be Acted Upon

Other than as set out herein, no director or executive officer of the Company or any proposed nominee of Management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, since the beginning of the Company's last financial year in matters to be acted upon at the Meeting, other than the election of directors, the approval of the Stock Option Plan and the Proposed Transaction. See also the heading "The Proposed Transaction" for additional disclosure.

### Interest of Informed Persons in Material Transactions

None of the persons who were directors or executive officers of the Company or a subsidiary at any time during the Company's last completed financial year, the proposed nominees for election to the board of directors of the Company, any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding common shares of the Company, nor the associates or affiliates of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or proposed transaction which has materially affected or would materially affect the Company.

## EMPLOYMENT, CONSULTING AND MANAGEMENT AGREEMENTS

None

## AUDIT COMMITTEE INFORMATION

### Audit Committee Charter

The Audit Committee has a formal charter, the text of which is attached to this Circular as Schedule B. The Audit Committee Charter sets out the mandate and responsibilities of the Audit Committee that the Board revised after careful consideration of NI 52-110.

### Composition of Audit Committee

Name	Independent	Financially Literate
Tim Johnson	Yes	Yes
Eric Allard	Yes	Yes
Michel Lebeuf Jr.	Yes	Yes

The Audit Committee is comprised of three directors, one of which is independent under N1 52-110. All the members of the Committee are "financially literate" and are able to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity that can reasonably expected to be raised by the Company's financial statements.

### Relevant Education and Experience

The education and experience of each Audit Committee member that is relevant to the performance of his responsibilities are as follows:

#### ***Timothy Johnson- Age 54 - Director***

Mr. Johnson is a director and the President and Chief Executive Officer of Granite Creek Copper Ltd., a TSX-V listed resource exploration company. He has been active in the Canadian securities markets and resource exploration sector since 2010. Mr. Johnson is financially literate and familiar with reviewing public company financial statements and the accounting principles used in reading and preparing financial statements.

#### ***Eric Allard, P.Eng.- Age 48 - Director***

Mr. Allard is a geological engineering graduate (Laval University, 1997) a geological engineer, and President of ERA Consulting Inc. since 2006. Mr. Allard has 20 years of experience in project and operations management for exploration mining, oil & gas and construction engineering. Mr. Allard has held various positions as VP operations in junior mining companies in Canada and Africa and has been managing a geophysical services company in Canada for the last 10 years. He has participated in all levels of company management from sales and business management to technical project management. He is a member in good standing of the Ordre des Ingénieurs du Québec. Mr. Allard is financially literate and familiar with reviewing public company financial statements and the accounting principles used in reading and preparing financial statements.

#### ***Michel Lebeuf Jr., LLB.- Age 47 - Director***

Mr. Allard is a partner in the Business Law Group at Dunton Rainville, Montreal. He specializes in securities regulation and corporate finance law. Mr. Allard hold a Bachelor of Political Science and a LLB from the University of Montreal. Mr. Allard sits on the board of directors of numerous reporting issuers, is financially literate, and is familiar with reviewing public company financial statements and the accounting principles used in reading and preparing financial statements.

### Audit Committee Oversight

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

## Reliance on Certain Exemptions

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

The Company relies upon the exemption in section 6.1 of NI 52-110. The Company is a "venture issuer" as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Part 3 (Composition of Audit Committee) since not all members of the Audit Committee are independent and Part 5 (Reporting Obligations) since the Company does not file an annual information form.

## Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Company's board, and where applicable by the Audit Committee, on a case-by-case basis.

## External Auditor Service Fees

The fees charged to the Company by its external auditor in each of the last two financial years are as follows:

	2019 Fiscal Year	2018 Fiscal Year
Audit Fees <sup>(1)</sup>	\$12,500	\$10,000
Audit-Related Fees <sup>(2)</sup>	\$5,000	Nil
Tax Fees <sup>(3)</sup>	Nil	Nil
Other <sup>(4)</sup>	-	-
Total	\$17,500	\$10,000

Notes:

- (1) Audit fees are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year.
- (2) Audit-related fees are fees not included in the audit fees that are billed by the auditor for assistance and related services that are reasonably related to the performance of the audit review of the Company's financial statements.
- (3) Tax fees include fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning.
- (4) Other fees are fees billed by the auditor for products and services not included in the foregoing categories.

## CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101, *Disclosure of Corporate Governance Practices*, requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the "**Guidelines**") adopted in National Policy 58-201. These Guidelines are not prescriptive but have been used by the Company in adopting its corporate governance practices. The Board and senior management of the Company consider good corporate governance to be an integral part of the effective and efficient operation of Canadian corporations. The Company's approach to corporate governance is set out below.

### Board of Directors

Management is nominating four individuals to the Company's Board, all of whom are current directors of the Company.

The Guidelines suggest that the board of directors of every reporting issuer should be constituted with a majority of individuals who qualify as "independent" directors under NI 52-110, which provides that a director is independent if

he or she has no direct or indirect "material relationship" with the Company. The "material relationship" is defined as a relationship which could, in the view of the Company's Board, reasonably interfere with the exercise of a director's independent judgement. Of the proposed members of the Board, Tim Johnson, Eric Allard and Michel Lebeuf Jr. are considered "independent" within the meaning of NI 52-110 and John Cumming, CFO, and Maurice Giroux, CEO are not considered to be "independent" within the meaning of NI 52-110.

The Board has a stewardship responsibility to supervise the management of and oversee the conduct of the business of the Company, provide leadership and direction to Management, evaluate Management, set policies appropriate for the business of the Company and approve corporate strategies and goals. The day- to-day management of the business and affairs of the Company is delegated by the Board to the President and CEO and operations are overseen by CEO Maurice Giroux. The Board gives direction and guidance through the President to Management and will keep Management informed of its evaluation of the senior officers in achieving and complying with goals and policies established by the Board.

The Board recommends nominees to the Shareholders for election as directors, and immediately following each annual general meeting appoints an Audit Committee and Compensation Committee and the chairperson of each committee. The Board establishes and periodically reviews and updates the Audit Committee mandates, duties and responsibilities, elects a chairperson of the Board and establishes his or her duties and responsibilities, appoints the CEO, CFO and President of the Company and establishes the duties and responsibilities of those positions and on the recommendation of those positions and on the recommendation of both the CEO and the President, appoints the senior officers of the Company and approves the senior management structure of the Company.

The Board exercises its independent supervision over management by its policies that (a) periodic meetings of the Board be held to obtain an update on significant corporate activities and plans; and (b) all material transactions of the Company are subject to prior approval of the Board. The Board shall meet not less than three times during each year and will endeavour to hold at least one meeting in each fiscal quarter. The Board will also meet at any other time at the call of the CEO, or subject to the Articles of the Company, of any director.

The mandate of the Board is to manage or supervise management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company's affairs directly and through its committees.

## Directorships

The following directors of the Company are also directors of other reporting issuers as stated below:

Name of Director	Name of Other Reporting Issuer	Position with Other Reporting Issuer
Maurice Giroux	Stellar AfricaGold Inc.	Director, Vice President and COO
John Cumming	TAAT Lifestyles and Wellness Ltd. Copper North Mining Corp. Stellar AfricaGold Inc.	Director Director, President and CEO Director, President and CEO
Tim Johnson	Granite Creek Copper Ltd.	Director, President and CEO
Eric Allard	Tantalex Resources Corporation	Director
Michel Lebeuf Jr.	Auxico Resources Canada Inc. 27 Red Capital Inc. 4 Touchdowns Capital Inc Tantalex Resources Corporation Petro Viking Energy Inc.	Corporate Secretary Director Director Director and Corporate Secretary Director and Corporate Secretary

### **Orientation and Continuing Education**

The Company does not currently have any formal orientation or continuing education programs for new directors. Orientation and education of new directors is carried out through an informal process. New board members are provided with access to recent, publicly filed documents of the Company, technical reports and internal financial information. The Company also provides technical presentations and/or information to new directors where necessary to ensure that they possess or have access to the technical skills and knowledge necessary for them to meet their obligation as directors.

Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation with management's assistance, to attend related industry seminars and conventions and to visit the Company's operations. Board members have full access to the Company's records.

### **Ethical Business Conduct**

The Company does not currently have a formal code of business conduct or policy in place for its directors, officers, employees and consultants. The Board believes that the Company's size facilitates informal review of and discussions with employees and consultants to promote ethical business conduct.

The board of directors itself must comply with statutory conflict of interest provisions as well as the relevant securities regulatory instruments and individual directors must exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

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

### **Nomination of Directors**

The Board considers its size each year when it considers the number of directors to recommend to the Shareholders for election at the annual meeting of Shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of view and experience.

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

### **Compensation Committee**

The Compensation Committee is a committee comprised of three directors whose primary purpose is to enable the Company to recruit, retain and motivate employees and ensure conformity between compensation and other corporate objectives and review and recommend for Board consideration, all compensation packages, both present and future, for the Company's management and directors (including annual retainer, meeting fees, bonuses and option grants) including any severance packages. Given the small size of the Company's Board, the members are all officers of the Company and are not independent directors.

Members of the Compensation Committee shall be appointed or reappointed at the meeting of the Board following the Company's annual general meeting and from among the appointees to the Compensation Committee, the Board shall appoint a chairperson (the "**Compensation Committee Chairperson**"). The duties of the Compensation Committee Chairperson include overseeing the proper functioning of the Compensation Committee to ensure the proper discharge of its duties, to schedule meetings and to ensure timely reporting to the Board.

The Compensation Committee will meet as often as may be necessary or appropriate in its judgment.

In exercising its mandate, the Compensation Committee sets the standards for the compensation of directors, employees and officers based on industry data and with the goal to attract, retain and motivate key persons to ensure the long-term success of the Company. Compensation generally includes the three (3) following components: base salary, annual bonus based on performance and grant of stock options. The Compensation Committee considers the international nature of its mineral exploration and development activities and increased competition in the market for its key personnel while also taking into account the performance and objectives set forth for the Company.

The Compensation Committee is accountable to the Board and reports to the Board at its next regular meeting all deliberations and actions it has taken since any previous report. Minutes of Compensation Committee meetings will be available for review by any member of the Board on request to the Compensation Committee Chairperson.

The members of the Compensation Committee are John Cumming, Maurice Giroux and Jean François Lalonde.

#### **Other Board Committees**

The Board has no committees, other than the Audit Committee and Compensation Committee.

#### **Assessments**

The Board of the Company has not established any formal procedures for assessing the performance of the Board or its committees and members. Generally, those responsibilities have been carried out on an informal basis by the board itself. Furthermore, it is the view of the Board that due to its small size and the close and open relationship among its members, the formality of a committee would not be as effective as the current arrangement and is not necessary.

#### **APPOINTMENT OF AUDITOR**

At the Meeting, Shareholders will be asked to pass a resolution appointing Davidson & Company LLP, 1200-609 Granville Street, Vancouver, BC, V7Y 1G6 as the auditor of the Company, to hold office until the next annual meeting of Shareholders and to authorize the Board to fix the auditor's remuneration. Davidson & Company have been the Company's auditor since its incorporation in 2018.

#### **PARTICULARS OF MATTERS TO BE ACTED UPON**

##### **Confirming Stock Option Plan**

The Company does not presently have an incentive stock option plan (the "**Stock Option Plan**") in place but does propose to establish such a plan. Shareholders are being asked to confirm approval of the Company's proposed stock option plan.

The following information is intended as a brief description of the Stock Option Plan and is qualified in its entirety by the full text of the Stock Option Plan, which will be available for review at the Meeting. All capitalized terms in this section are as defined in the Company's Stock Option Plan.

1. The maximum aggregate number of shares that may be issued upon the exercise of stock options granted under the Stock Option Plan shall not exceed 10% of the total number of issued and outstanding shares on a non-diluted basis. The Option Price under each Option shall not be less than the Discounted Market Price on the Grant Date.
2. The number of Shares which may be issuable under the Stock Option Plan and all of the Company's other previously established or proposed share compensation arrangements, within a one-year period:



- (a) to all Insiders shall not exceed 10% of the total number of issued and outstanding shares on a non-diluted basis;
  - (b) to any one Optionee, shall not exceed 5% of the total number of issued and outstanding shares on the Grant Date on a non-diluted basis;
  - (c) to any one Consultant shall not exceed 2% in the aggregate of the total number of issued and outstanding shares on the Grant Date on a non-diluted basis; and
  - (d) to all Eligible Persons who undertake Investor Relations Activities shall not exceed 2% in the aggregate of the total number of issued and outstanding shares on the Grant Date on a non-diluted basis, which Options are to be vested in stages over a one-year period and no more than one quarter (1/4) of such Options may be vested in any three (3) month period.
3. Any Unissued Option Shares not acquired by an Optionee under an Option which has expired, and any Option Shares acquired by an Optionee under an Option when exercised, may be made the subject of a further Option granted pursuant to the provisions of the Stock Option Plan. The Expiry Date for each Option shall be set by the Board at the time of issue of the Option and shall not be more than ten years after the Grant Date.
4. If the Optionee ceases to be an Eligible Person (other than by reason of death or for cause) the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of the Expiry Date and the date which is 90 days (30 days if the Optionee was engaged in Investor Relations Activities) after the Optionee ceases to be an Eligible Person.

The Board retains the discretion to impose vesting periods on any options granted.

An ordinary resolution is sought.

#### **General Matters**

It is not known whether any other matters will come before the Meeting other than those set forth above and in the Notice of Meeting, but if any other matters do arise, the person named in the Proxy intends to vote on any poll, in accordance with his or her best judgement, exercising discretionary authority with respect to amendments or variations of matters set forth in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment of the Meeting.

#### **ADDITIONAL INFORMATION**

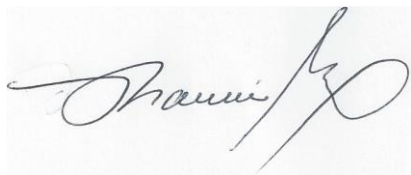
Additional Information concerning the Company is available on the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information concerning the Company is provided in the Company's comparative audited financial statements and management's discussion and analysis for the financial years ended December 31, 2019 and December 31, 2018. Shareholders wishing to obtain a copy of the Company's financial statements and management's discussion and analysis may contact the Company by mail at 4908 Pine Crescent, Vancouver, BC, V6M3P6, by telephone (604) 618-4262 or by email at [cumming@stellarafricagold.com](mailto:cumming@stellarafricagold.com)

#### **BOARD APPROVAL**

The content and sending of this Circular were approved by the Company's board of directors.

Dated at Vancouver, BC. this 19<sup>th</sup> day of November, 2020

**ON BEHALF OF THE BOARD**

A handwritten signature in black ink, appearing to read "Maurice Giroux", followed by a large, stylized flourish or initial.

Maurice Giroux  
Chief Executive Officer and Director

## SCHEDULE A - Statement of Executive Compensation

The following *Statement of Executive Compensation* for the Financial year ending December 31, 2019 effective as at June 2, 2020 is provided as required under form 51-102F6 (**the "Form"**) as such term is defined in National Instrument 51-102. Its purpose is to provide disclosure of all compensation earned by named executive officers and all directors in connection with their positions as officers, directors or consultants to the Company. Terms defined in NI 51-102 have the same meaning in this Statement of Executive Compensation.

### GENERAL

For the purpose of this Statement of Executive Compensation:

**"Company"** means Mosaic Minerals Corp.;

**"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 Company, 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 Company 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; and
- (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;

Based on the foregoing definition, during the financial year ended July 31, 2018, the Company had two Named Executive Officers ("**NEOs**") being, Maurice Giroux, the Chief Executive Officer ("**CEO**"), and John Cumming, the Chief Financial Officer ("**CFO**").

### COMPENSATION DISCUSSION AND ANALYSIS

#### Compensation Discussion and Analysis

The Company is a mineral exploration corporation which currently does not have positive earnings. The board of directors of the Company is responsible for final approval of all executive compensation, including long-term incentives in the form of stock options, to be granted to the Chief Executive Officer and the Chief Financial Officer and the directors. The board of directors meets to discuss and determine management compensation without reference to formal criteria.

The general objective of the Company's compensation structure is to: (i) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (ii) align management's interests with the long-term interests of shareholders; (iii) provide a compensation package that is commensurate with other junior mining exploration companies in order to enable the Company to attract and retain talent; and (iv) ensure that the total compensation package is designed in a manner

that takes into account the constraints under which the Company operates and taking into account that it is a junior mining exploration corporation without a history of earnings.

Neither the Board nor the compensation committee of the Company (the "Compensation Committee") has conducted a formal evaluation of the implications of the risks associated with the Company's compensation policies and practices. However, risk management is a factor the Board is conscious of when implementing its compensation program, and the Board and the Compensation Committee believe that the weighting between short-term compensation (base salary) and long-term compensation (incentive stock options) and the absence of any defined short-term bonus compensation make it unlikely that a NEO would take inappropriate or excessive short-term risks at the expense of the Company or its shareholders that would have a material adverse effect on their long-term stock option compensation.

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

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

#### **Elements of Executive Compensation Program**

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

- (a) Base salary or consulting fees;
- (b) Bonus payments; and
- (c) Equity participation through the Company's incentive stock option plan if and when one is established.

#### **Base Salary or Consulting Fees**

The Company believes that base salaries or consulting fees provide an immediate short-term cash incentive to management. Base salary ranges for executive officers were initially determined upon a review of companies within the mineral exploration sector, which were of the same size as the Company, at the same stage of development as the Company and considered comparable to the Company.

In determining the base salary of a NEO, the board of directors considers the following factors:

- (a) the responsibilities related to the position;
- (b) salaries paid by other companies in the mineral exploration sector;
- (c) the experience level of the executive officer;
- (d) the amount of time and commitment which the executive officer devotes to the Company; 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 NEOs is eligible for an annual bonus which could be paid either in cash or in shares. The amount paid would be based on the Board's assessment of the Company's performance for the year. Factors considered in determining bonus amounts would 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 Company has not awarded any bonuses for the past three financial years.

## **Share-Based and Option-Based Awards**

The Company does not grant share-based awards.

The Company has not granted any stock options to date but intends to do in the future. Stock options are granted to provide an incentive to the directors and NEOs of the Company to promote the longer-term objectives of the Company; to give suitable recognition to the ability and industry of those persons who contribute materially to the success of the Company; and to attract and retain persons of experience and ability by providing them with the opportunity to acquire an ownership interest in the Company and accumulate capital linked directly to the Company's long-term performance. The Board awards stock options to its NEOs based upon the recommendation of the Compensation Committee. Previous grants of incentive stock options, if any, are accounted for when considering new stock option allocations. No intended option beneficiary participates in either the Compensation Committee or board discussion regarding their own stock option allocation nor do they vote in respect of the grant of those options. All intended option beneficiaries are entitled to make representations and advocate on their own behalf to the Compensation Committee and the board.

Implementation of the incentive stock option plan and any amendment of an existing stock option plan are the responsibility of the Company's board.

## **Compensation Governance**

Due to its early stage of development the Company has not yet established a Compensation Committee although it expects to do so in the future. To date compensation matters have been reviewed by the full board of directors.

When a Compensation Committee is established it will monitor, on behalf of the Board, compensation for the executive officers of the Company. The Compensation Committee will consist of three members considered to be independent.

The Compensation Committee will review and approve annually corporate goals and objectives relevant to NEO compensation, including the evaluation and the performance of the CEO and CFO taking into account those corporate goals and objectives, and make recommendations to the Board with respect to NEO compensation levels (including both salary and stock option allocations). Individual performance in connection with the achievement of corporate milestones and objectives will also be reviewed for all NEOs. No NEO will participate in the discussion or decisions relating to their own compensation.

All members of the Compensation Committee should have direct experience which is relevant to their responsibilities as Compensation Committee members. All members should be or have held senior executive roles within public companies, and therefore have sufficient understanding of compensation programs. They should also have good financial understanding allowing them to assess the costs versus benefits of compensation plans. The members combined experience in the resource sector provides them with the understanding of the Company's success factors and risks, which is very important when determining metrics for measuring success.

## SUMMARY COMPENSATION TABLE

### NEO Compensation

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company or its subsidiary, to each NEO of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO of the Company for services provided and for services to be provided, directly or indirectly, to the Company or its subsidiary.

Name and principal position	Fiscal Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation including bonuses (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Maurice Giroux <i>CEO</i>	2019	\$85,535	Nil	Nil	N/A	N/A	N/A	Nil	\$85,535
	2018	\$76,058	Nil	Nil	N/A	N/A	N/A	Nil	\$76,058
John Cumming <i>CFO</i>	2019	\$25,000	Nil	Nil	N/A	N/A	N/A	Nil	\$25,000
	2018	\$14,600	Nil	Nil	N/A	N/A	N/A	Nil	\$14,600

#### Notes:

Salary credited to Maurice Giroux was paid to 2429-7327 QC Inc., a company owned and controlled by Maurice Giroux and is net of amounts paid by 2429-7327 QC Inc. to arms' length subcontractors.

### Narrative Discussion

Remuneration paid is based upon time spent and results achieved.

In the future executive services agreements may be negotiated with NEOs.

## INCENTIVE PLAN AWARDS

### Outstanding share-based and option-based awards

The Company does not have any share-based awards.

The Company does not have any option-based awards.

### Incentive plan awards – value vested or earned during the year

The value of vested incentive plan awards for each NEO is set forth in the table below.

Name	Option-based awards - Value vested during the year (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
John Cumming	N/A	N/A	N/A
Maurice Giroux	N/A	N/A	N/A

Note: The fair value of option-based awards is measured at grant date using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted, and each tranche is recognized over the period during which the options vest.

### Narrative discussion of the Company's incentive stock option plan

The Company has not adopted an Incentive Stock Option Plan but may do so in the future.

## PENSION PLAN BENEFITS

The Company does not have any pension plan benefits.

## TERMINATION AND CHANGE OF CONTROL BENEFITS

### Termination and Change of Control Benefits

There are no termination or change in control benefits.

## DIRECTOR COMPENSATION

### Director compensation table

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company or its subsidiary, to each director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the director of the Company for services provided and for services to be provided, directly or indirectly, to the Company or its subsidiary in the most recent fiscal year.

Other than as indicated below no compensation was paid to directors in their capacity as directors of the Company or its subsidiaries, in their capacity as members of a committee of the Board or of a committee of the board of directors of its subsidiaries, or as consultants or experts, during the Company's most recently completed financial year, namely December 31, 2019.

Where compensation to NEOs was disclosed elsewhere in this form it is not repeated below.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based Awards (\$)	Non-equity incentive plan compensation	Pension value (\$)	All other compensation (\$)	Total (\$)

Note: The fair value of option-based awards is measured at grant date using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted, and each tranche is recognized over the period during which the options vest.

### Outstanding share-based and option-based awards

The Company does not have any share-based awards.

The following table sets forth the outstanding option-based awards held by the directors of the Company at the end of the most recently completed financial year excluding those directors who are also NEOs whose option-based awards are disclosed elsewhere in this form:

Option-based Awards – Directors excluding those who are also NEOs				
Name	Number of securities underlying unexercised options (#)	Option exercise price <sup>(1)</sup> (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup>

Notes: "In-the-Money Options" means the excess of the market value of the Company's shares on July 31, 2018 over the exercise price of the options. The market price for the Company's common shares on July 31, 2018 was \$0.04.

**Incentive plan awards – value vested or earned during the year**

The value of vested incentive plan awards for each director (again excluding those directors who are also NEOs whose option-based awards are disclosed elsewhere in this form) is set forth in the table below.

<b>Name</b>	<b>Option-based awards - Value vested during the year (\$)</b>	<b>Share-based awards - Value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation - Value earned during the year (\$)</b>

Note: The fair value of option-based awards is measured at grant date using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted, and each tranche is recognized over the period during which the options vest.

**Narrative discussion of the Company's incentive stock option plan**

The Company does not have an Incentive Stock Option Plan



## **SCHEDULE B - STELLAR AUDIT COMMITTEE CHARTER**

### **1. PURPOSE**

1.1 The primary functions of the Audit Committee of Stellar AfricaGold Inc. (the "Company") are to fulfill its responsibilities in relation to reviewing the integrity of the Company's financial statements, financial disclosures and internal controls over financial reporting; monitoring the system of internal control; monitoring the Company's compliance with legal and regulatory requirements; selecting the external auditors for shareholder approval; and reviewing the qualifications, independence and performance of the external auditors.

### **2. MEMBERSHIP AND ORGANIZATION**

2.1 **Composition** - Subject to paragraph 2.6, the Audit Committee shall consist of not less than three independent members of the Board. At the invitation of the Audit Committee, members of the Company's management and others may attend Audit Committee meetings as the Audit Committee considers necessary or desirable.

2.2 **Appointment and Removal of Audit Committee Members** - Each member of the Audit Committee shall be appointed by the Board on an annual basis and shall serve at the pleasure of the Board, or until the earlier of (a) the close of the next annual meeting of shareholders of the Company at which the member's term of office expires, (b) the death of the member or (c) the resignation, disqualification or removal of the member from the Audit Committee or from the Board. The Board may fill a vacancy in the membership of the Audit Committee.

2.3 **Chair** - At the time of the annual appointment of the members of the Audit Committee, the Board shall appoint a Chair of the Audit Committee. The Chair shall be a member of the Audit Committee, preside over all Audit Committee meetings, coordinate the Audit Committee's compliance with this mandate, work with management to develop the Audit Committee's annual work-plan and provide reports of the Audit Committee to the Board. The Chair may vote on any matter requiring a vote and shall provide a second vote in the case of a tie vote.

2.4 **Independence** - Subject to paragraph 2.6, each member of the Audit Committee shall be an "independent" (as such term is used in NI 52-110).

2.5 **Financial Literacy** - Subject to paragraph 2.6, members of the Audit Committee shall be financially literate or agree to become financially literate within a reasonable period of time following the member's appointment. An individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

2.6 **Venture Issuer** - For so long as the Company is a "venture issuer" as defined in NI 52-110, it is not required to comply with the provisions of paragraph 2.1 "Composition", 2.4 "Independence" or 2.5 "Financial Literacy" above. In the event the Company cannot comply with all or a part of these provisions, then the Committee shall be comprised of not less than three members of the Board.

### **3. MEETINGS**

3.1 **Meetings** - The members of the Audit Committee shall hold meetings as are required to carry out this mandate, and in any case no less than four meetings annually. The external auditors are entitled to attend and be heard at each Audit Committee meeting. The Chair, any member of the Audit Committee, the external auditors, the Chairman of the Board or the President and Chief Executive Officer may call a meeting of the Audit Committee. The Chair shall chair all Audit Committee meetings that he or she attends, and in the absence of the Chair, the members of the Audit Committee present may appoint a Chair from their number for a meeting.

**3.2 Secretary and Minutes** - The Corporate Secretary, his or her designate or any other person the Audit Committee requests, shall act as secretary at Audit Committee meetings. Minutes of Audit Committee meetings shall be recorded and maintained by the Corporate Secretary and subsequently presented to the Audit Committee for approval.

**3.3 Quorum** - A majority of the members of the Audit Committee shall constitute a quorum. If a quorum cannot be obtained for an Audit Committee meeting, members of the Board who would qualify as members of the Audit Committee may, at the request of the Chair or the Chairman of the Board, serve as members of the Audit Committee for that meeting.

**3.4 Access to Management and Outside Advisors** - The Audit Committee shall have unrestricted access to management and employees of the Company, and, from time to time may hold meetings with the external auditor, the Chief Financial Officer or the President and Chief Executive Officer. The Audit Committee shall have the authority to retain and terminate external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective compensation for these advisors without consulting or obtaining the approval of the Board or any officer of the Company. The Company shall provide appropriate funding, as determined by the Audit Committee, for the services of these advisors.

**3.5 Meetings Without Management** - The Audit Committee shall hold unscheduled or regularly scheduled meetings, or portions of regularly scheduled meetings, at which management is not present.

#### **4. FUNCTIONS AND RESPONSIBILITIES**

The Audit Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Audit Committee by the Board. In addition to these functions and responsibilities, the Audit Committee shall perform the duties required of an audit committee by applicable corporate securities laws, the binding requirements of the stock exchanges on which the securities of the Company are listed, and all other applicable laws.

##### **4.1 Financial Reports**

- (a) **General** - The Audit Committee is responsible for reviewing the integrity of the Company's financial statements and financial disclosures. Management is responsible for the preparation, presentation and integrity of the Company's financial statements and financial disclosures and for the appropriateness of the accounting principles and the reporting policies used by the Company. The external auditors are responsible for auditing the Company's annual consolidated financial statements and, if requested by the Company, for reviewing the Company's unaudited interim financial statements.
- (b) **Review of Annual Financial Reports** – The Audit Committee shall review the annual consolidated audited financial statements ("financial statements" of the Company, the external auditors' report thereon and the related management's discussion and analysis ("MD&A") of the Company's financial condition and results of operation to determine whether they present fairly, in all material respects in accordance with International Financial Reporting Standards ("IFRS"), or any other generally accepted accounting principles in which the financial statements of the Company are prepared from time to time, the financial condition, results of operations and cash flows of the Company. After completing its review, if advisable, the Audit Committee shall approve and recommend for Board approval the annual financial statements and the related MD&A.

- (c) **Review of Interim Financial Reports** – The Audit Committee shall review the interim financial statements of the Company, the external auditors review report thereon, if applicable, and the related MD&A to determine whether they present fairly, in all material respects, in accordance with International Accounting Standards ("IAS") 34 *Interim Financial Reporting*, the financial condition, results of operations and cash flows of the Company. After completing its review, if advisable, the Audit Committee shall, if so authorized by the Board, approve the interim financial statements and the related MD&A, or if not authorized by the Board, then approve and recommend for Board approval.
- (d) **Review Considerations** – In conducting its review of the annual financial statements of the interim financial statements, the Audit Committee shall:
- (i) meet with management and the external auditors to discuss the financial statements and MD&A;
  - (ii) review the disclosures in the financial statements;
  - (iii) review the audit report or review report prepared by the external auditors;
  - (iv) discuss with management, the external auditors and legal counsel, as requested, any litigation claim or other contingency that could have a material effect on the financial statements;
  - (v) review critical accounting and other significant estimates and judgments underlying the financial statements as presented by management;
  - (vi) review any material effects of regulatory accounting initiatives or off-balance sheet structures on the financial statements as presented by management;
  - (vii) review any material changes in accounting policies and any significant changes in accounting practices and their impact on the financial statements as presented by management;
  - (viii) review management's report on the effectiveness of internal controls over financial reporting;
  - (ix) review results of the Company's whistleblowing program; and
  - (x) review any other matters, related to the financial statements, that are brought forward by the external auditors, management or which are required to be communicated to the Audit Committee under accounting policies, auditing standards or applicable law.

**4.2 Approval of Other Financial Disclosures** – The Audit Committee shall review and, if advisable, approve and recommend for Board approval financial disclosure in a prospectus or other securities offering document of the Company, press releases disclosing financial results of the Company and any other material financial disclosure, including in Management Information Circulars and Annual Information Forms.

### 4.3 External Auditors

- (a) **General** - The Audit Committee shall be responsible for oversight of the work of the external auditors in auditing and reviewing the Company's financial statements and internal controls over financial reporting.
- (b) **Appointment and Compensation** – The Audit Committee shall review and, if advisable, select and recommend (i) for shareholder approval, the appointment of the external auditors and (ii) for shareholder or Board approval, as applicable, the compensation of the external auditors
- (c) **Annual Review Report** – At least annually, the Audit Committee shall obtain and review a report by the external auditors describing: (i) their internal quality-control procedures and (ii) any material issues raised by their most recent internal quality-control review, peer review or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the external auditors and any steps taken to deal with any of these issues.
- (d) **Audit Plan** – At least annually, the Audit Committee shall review a summary of the external auditors' annual audit plan. The Audit Committee shall consider and review with the external auditors any material changes to the scope of the plan.
- (e) **Quarterly Review Report** – If the external auditors review the Company's unaudited interim financial statements, then the Audit Committee shall review a quarterly review report prepared by the external auditors in respect of each of the interim financial statements of the Company.
- (f) **Independence of External Auditors** – At least annually, and before the external auditors issue their report on the annual financial statements, the Audit Committee shall obtain from the external auditors a formal written statement describing all relationships between the external auditors and the Company, discuss with the external auditors any disclosed relationships or services that may affect the objectivity and independence of the external auditors, and obtain written confirmation from the external auditors that they are objective and independent within the meaning of the Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which it belongs.
- (g) **Evaluation and Rotation of Lead Partner** – At least annually, the Audit Committee shall review the qualifications and performance of the lead partners of the external auditors. The Audit Committee shall obtain a report from the external auditors annually verifying that the lead partner of the external auditors has served in that capacity for no more than five fiscal years of the Company and that the engagement team collectively possesses the experience and competence to perform an appropriate audit.
- (h) **Pre-Approval of Non-Audit Services** – The Audit Committee shall pre-approve any retainer of the external auditors for any non-audit service to the Company in accordance with applicable law and Board approved policies and procedures. The Audit Committee may delegate pre-approval authority to a member of the Audit Committee. The decisions of any member of the Audit Committee to whom this authority has been delegated must be presented to the full Audit Committee at its next scheduled Audit Committee meeting.
- (i) **Hiring Practices** – The Audit Committee shall review and approve guidelines regarding the hiring of employees or former employees of the external auditors.

#### 4.4 Internal Controls

- (a) **General** – The Audit Committee shall monitor the system of internal control.
  - (b) **Establishment, Review and Approval** – The Audit Committee shall require management to implement and maintain appropriate systems of internal control in accordance with applicable laws, regulations and guidance, including internal control over financial reporting and disclosure and to review, evaluate and approve these procedures. At least annually, the Audit Committee shall consider and review with management and the external auditors:
    - (i) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Company's internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions;
    - (ii) any significant changes in internal control over financial reporting that are disclosed, or considered for disclosure, including those in the Company's periodic regulatory filings;
    - (iii) any material issues raised by any inquiry or investigation by the Company's regulators;
    - (iv) any related significant issues and recommendations of the external auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.
- 4.5 **Whistleblowing Procedures** – The Audit Committee shall review and approve the establishment by management of procedures for the receipt, retention and treatment of complaints received by the Company from employees or others, regarding accounting, internal accounting controls, or auditing matters.
- 4.6 **Succession Planning** – In consultation with the Board, the Audit Committee shall review succession plans for the Chief Financial Officer and the Chief Accountant or Controller of the Company. The Audit Committee shall review candidates for the position of Chief Financial Officer of the Company and make recommendations to the Board with respect to the appointment of a Chief Financial Officer.
- 4.7 **Adverse Investments and Transaction** – The Audit Committee shall review any investments and transactions that could adversely affect the well-being of the Company.
- 4.8 **Audit Committee Disclosure** – The Audit Committee shall review and approve any audit committee disclosures required by securities regulators in the Company's disclosure documents.
- 4.9 **Assessment of Regulatory Compliance** – The Audit Committee shall review management's assessment of compliance with laws and regulations as they pertain to responsibilities under this mandate, report its findings to the Board and recommend changes it considers appropriate.
- 4.10 **Delegation** – The Audit Committee may designate a sub-committee to review any matter within this mandate as the Audit Committee deems appropriate.

## **5. REPORTING TO THE BOARD**

5.1 The Chair shall report to the Board, as required by applicable law or as deemed necessary by the Audit Committee or as requested by the Board, on matters arising at Audit Committee meetings and, where applicable, shall present the Audit Committee's recommendation to the Board for its approval.

***Approved and adopted by the Board effective September ~~xx~~, 2019.***

**SCHEDULE C DISSENT PROVISIONS OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)**  
**DISSENT RIGHTS SECTIONS 237-247 OF THE BCBCA**

**Definitions and Application 237(1)**

In this Division:

"dissenter" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;  
"notice shares" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"payout value" means,

- (a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,
- (b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291(2)(c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,
- (c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, or
- (d) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

- (a) the court orders otherwise, or
- (b) in the case of a right of dissent authorized by a resolution referred to in section 238(1)(g), the court orders otherwise or the resolution provides otherwise.

**Right to dissent**

238(1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

- (a) under section 260, in respect of a resolution to alter the articles
  - (i) to alter restrictions on the powers of the company or on the business it is permitted to carry on, or
  - (ii) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company's community purposes within the meaning of section 51.91;
- (b) under section 272, in respect of a resolution to adopt an amalgamation agreement;
- (c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;
- (d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;
- (e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;
- (f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;
- (g) in respect of any other resolution, if dissent is authorized by the resolution;
- (h) in respect of any court order that permits dissent.

(2) A shareholder wishing to dissent must

- (a) prepare a separate notice of dissent under section 242 for
  - (i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and
  - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,
- (b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and
- (c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

- (a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and
- (b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

**Waiver of right to dissent**

239(1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

- (a) provide to the company a separate waiver for
    - (i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and
    - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and
  - (b) identify in each waiver the person on whose behalf the waiver is made.
- (3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to
  - (a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and
  - (b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.
- (4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

#### **Notice of resolution**

240(1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

- (a) a copy of the proposed resolution, and
  - (b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.
- (2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,
  - (a) a copy of the proposed resolution, and
  - (b) a statement advising of the right to send a notice of dissent.
- (3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,
  - (a) a copy of the resolution,
  - (b) a statement advising of the right to send a notice of dissent, and
  - (c) if the resolution has passed, notification of that fact and the date on which it was passed.
- (4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

#### **Notice of court orders**

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

- (a) a copy of the entered order, and
  - (b) a statement advising of the right to send a notice of dissent.

#### **Notice of dissent**

242(1) A shareholder intending to dissent in respect of a resolution referred to in section 238(1) (a), (b), (c), (d), (e) or (f) must,

- (a) if the company has complied with section 240(1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,
  - (b) if the company has complied with section 240(3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or
  - (c) if the company has not complied with section 240(1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of
    - (i) the date on which the shareholder learns that the resolution was passed, and
    - (ii) the date on which the shareholder learns that the shareholder is entitled to dissent.
- (2) A shareholder intending to dissent in respect of a resolution referred to in section 238(1) (g) must send written notice of dissent to the company
  - (a) on or before the date specified by the resolution or in the statement referred to in section 240(2)(b) or (3)(b) as the last date by which notice of dissent must be sent, or



- (b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.
- (3) A shareholder intending to dissent under section 238(1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company
  - (a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or
  - (b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.
- (4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:
  - (a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;
  - (b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and
    - (i) the names of the registered owners of those other shares,
    - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
    - (iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;
  - (c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and
    - (i) the name and address of the beneficial owner, and
    - (ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.
- (5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

**Notice of intention to proceed**

- 243(1) A company that receives a notice of dissent under section 242 from a dissenter must,
- (a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of
    - (i) the date on which the company forms the intention to proceed, and
    - (ii) the date on which the notice of dissent was received, or
  - (b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.
- (2) A notice sent under subsection (1) (a) or (b) of this section must
- (a) be dated not earlier than the date on which the notice is sent,
  - (b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and
  - (c) advise the dissenter of the manner in which dissent is to be completed under section 244.

**Completion of dissent**

- 244(1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,
- (a) a written statement that the dissenter requires the company to purchase all of the notice shares,
  - (b) the certificates, if any, representing the notice shares, and
  - (c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.
- (2) The written statement referred to in subsection (1) (c) must
- (a) be signed by the beneficial owner on whose behalf dissent is being exercised, and
  - (b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out
    - (i) the names of the registered owners of those other shares,
    - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
    - (iii) that dissent is being exercised in respect of all of those other shares.
- (3) After the dissenter has complied with subsection (1),
- (a) the dissenter is deemed to have sold to the company the notice shares, and
  - (b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.
- (4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.

- (5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.
- (6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

**Payment for notice shares**

- 245(1) A company and a dissenter who has complied with section 244(1) may agree on the amount of the payout value of the notice shares and, in that event, the company must (a) promptly pay that amount to the dissenter, or
- (b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
- (2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may
    - (a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court;
    - (b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244(1), and
    - (c) make consequential orders and give directions it considers appropriate.
  - (3) Promptly after a determination of the payout value for notice shares has been made under subsection (2)(a) of this section, the company must
    - (a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or
    - (b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
  - (4) If a dissenter receives a notice under subsection (1)(b) or (3)(b),
    - (a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or
    - (b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.
  - (5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that
    - (a) the company is insolvent, or
    - (b) the payment would render the company insolvent.

**Loss of right to dissent**

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

- (a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;
- (b) the resolution in respect of which the notice of dissent was sent does not pass;
- (c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;
- (d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;
- (e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;
- (f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;
- (g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;
- (h) the notice of dissent is withdrawn with the written consent of the company;
- (i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

**Shareholders entitled to return of shares and rights**

247 If, under section 244(4) or (5), 245(4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

- (a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244(1)(b) or, if those share certificates are unavailable, replacements for those share certificates,
- (b) the dissenter regains any ability lost under section 244(6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and
- (c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.







