

# **79 RESOURCES LTD.**

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS  
AND  
MANAGEMENT INFORMATION CIRCULAR**

**Dated: August 11, 2021**

## **Meeting Details**

**Date:** September 15, 2021  
**Time:** 2:00 p.m. (Vancouver Time)  
**Place:** Suite 1240 – 789 W. Pender Street,  
Vancouver, BC V6C 1H2

## **79 RESOURCES LTD.**

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Suite 1240 – 789 W. Pender Street  
Vancouver, British Columbia, V6C 1H2, Canada  
Telephone: 604-683-3995

### **NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “**Meeting**”) of the holders of common shares (“**Shareholders**”) of 79 Resources Ltd. (the “**Company**”) will be held at Suite 1240 – 789 W. Pender Street, Vancouver, British Columbia, Canada on the 15<sup>th</sup> day of September 2021, at 2:00 p.m. (Vancouver time) for the following purposes:

- (a) to receive the audited financial statements of the Company as at and for the financial year ended December 31, 2019 and 2020, together with the reports of the auditor thereon;
- (b) to appoint Davidson & Company LLP, Chartered Professional Accountants as auditor of the Company for the ensuing year and authorize the board of directors to fix the remuneration of the auditor;
- (c) to fix the number of the directors of the Company for the ensuing year at four (4);
- (d) to elect directors to hold office for the ensuing year; and
- (e) to transact such other business as may properly be transacted at the Meeting or at any adjournment thereof.

The specific details of the foregoing matters to be put before the Meeting, as well as further information with respect to voting by proxy, are set forth in the Circular.

**A shareholder who is unable to attend the Meeting in person and who wishes to ensure that such shareholder’s shares will be voted at the Meeting is requested to complete, date and sign the enclosed form of proxy and deliver it in accordance with the instructions set out in the form of proxy and in the information circular.**

As set out in the notes, the enclosed proxy is solicited by management, but, you may amend it, if you so desire, by striking out the names listed therein and inserting in the space provided, the name of the person you wish to represent you at the Meeting.

**DATED** this 11<sup>th</sup> day of August, 2021.

By order of the Board of Directors.

**79 RESOURCES LTD.**

*/s/ “Steven Feldman”*

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**Steven Feldman**  
**Director and CEO**

# 79 RESOURCES LTD.

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Suite 1240 – 789 W. Pender Street  
Vancouver, British Columbia, V6C 1H2, Canada  
Telephone: 604-683-3995

## **MANAGEMENT INFORMATION CIRCULAR**

(containing information as at August 11, 2021 unless otherwise stated)

**For the Annual General Meeting  
to be held on Wednesday, September 15, 2021**

### **SOLICITATION OF PROXIES**

This Information Circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management (the “**Management**”) of 79 Resources Ltd. (the “**Company**”), for use at the annual general meeting (the “**Meeting**”) of the shareholders (“**Shareholders**”) of the Company to be held on Wednesday, September 15, 2021, at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof.

The enclosed form of proxy (the “**Proxy**”) is solicited by Management. The solicitation will be primarily by mail however, proxies may be solicited personally or by telephone by the regular officers and employees of the Company. The cost of solicitation will be borne by the Company.

### **APPOINTMENT OF PROXYHOLDERS**

The persons named in the Proxy are representatives of the Company.

**A Shareholder entitled to vote at the Meeting has the right to appoint a person (who need not be a Shareholder) to attend and act on the Shareholder’s behalf at the Meeting other than the persons named in the accompanying form of proxy. To exercise this right, a Shareholder shall strike out the names of the persons named in the accompanying form of proxy and insert the name of the Shareholder’s nominee in the blank space provided, or complete another suitable form of proxy.**

### **VOTING BY PROXYHOLDER**

#### **Manner of Voting**

The common shares represented by the Proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and, if the Shareholder specifies a choice on the Proxy with respect to any matter to be acted upon, the shares will be voted accordingly. On any poll, the persons named in the Proxy (the “**Proxyholders**”) will vote the shares in respect of which they are appointed. Where directions are given by the Shareholder in respect of voting for or against any resolution, the Proxyholder will do so in accordance with such direction.

The Proxy, when properly signed, confers discretionary authority on the Proxyholder with respect to amendments or variations to the matters which may properly be brought before the Meeting. At the time of printing this Circular, Management is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to Management should properly come before the Meeting, the proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the Proxyholder.

**In the absence of instructions to the contrary, the Proxyholders intend to vote the common shares represented by each Proxy, properly executed, in favour of the motions proposed to be made at the Meeting as stated under the headings in this Circular.**

## **Revocation of Proxy**

A Shareholder who has given a Proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a Proxy may be revoked by instrument in writing executed by the Shareholder or by his or her attorney authorized in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer and deposited by hand with the Company's registrar and transfer agent, Endeavor Trust Corporation ("**Endeavour**") by hand or mail at Suite 702-777 Hornby Street, Vancouver, BC V6Z 1S4, or by fax at 604-559-8908 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 to the Chair of the Meeting on the day of the Meeting or any adjournment of it. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

## **COVID-19**

In light of ongoing concerns regarding the spread of COVID-19, Shareholders are encouraged to vote on the matters before the Meeting by Proxy. We encourage Shareholders not to attend the Meeting in person, particularly if they are experiencing any of the described COVID-19 symptoms. As always, we encourage Shareholders to vote their common shares prior to the Meeting by following the instructions set out herein.

We may take additional precautionary measures in relation to the Meeting in response to further developments with the COVID-19 outbreak. In the event it is not possible or advisable to hold the Meeting in person, we will announce alternative arrangements for the Meeting as promptly as practicable, which may include delaying the Meeting or holding the Meeting entirely by electronic means, telephone or other communication facilities.

**If you are a Registered Shareholder (as defined below) or appointed proxyholder and are planning to attend the Meeting, please notify the Company in advance of the Meeting at either the email address or phone number provided below:**

**Email:** john@engcom.ca

**Telephone:** 604-683-3995

## **Voting Thresholds Required for Approval**

In order to approve a motion proposed at the Meeting, a majority of not less than one-half of the votes cast will be required (an "**Ordinary Resolution**") unless the motion requires a special resolution (a "**Special Resolution**"), in which case a majority of not less than two-thirds of the votes cast will be required. In the event a motion proposed at the Meeting requires disinterested Shareholder approval, common shares held by Shareholders of the Company who are also "insiders", as such term is defined under applicable securities laws, will be excluded from the count of votes cast on such motion.

## **ADVICE TO REGISTERED SHAREHOLDERS**

Shareholders whose names appear on the records of the Company as the registered holders of common shares in the capital of the Company (the "**Registered Shareholders**") may choose to vote by proxy whether or not they are able to attend the Meeting in person.

Registered Shareholders who choose to submit a Proxy may do so by completing, signing, dating and depositing the Proxy with Endeavour, by hand or mail at Suite 702-777 Hornby Street, Vancouver, BC V6Z 1S4, or by fax at 604-559-8908, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof. The Proxy may be signed by the Shareholder or by his or her attorney in writing, or, if the Registered Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer.

## **Returning your Proxy Form**

To be effective, we must receive your completed proxy form or voting instruction no later than 2:00 p.m. (Vancouver time) on Monday, September 13, 2021.

If the Meeting is postponed or adjourned, we must receive your completed form of proxy by 5:00 p.m. (Vancouver time), two full business days before any adjourned or postponed Meeting at which the proxy is to be used. Late proxies

may be accepted or rejected by the Chairman of the Meeting at his discretion and he is under no obligation to accept or reject a late proxy. The Chairman of the Meeting may waive or extend the proxy cut-off without notice.

### **ADVICE TO BENEFICIAL SHAREHOLDERS**

**The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold shares in their own name.**

Shareholders who do not hold their shares in their own name (referred to in this information circular as “**Beneficial Shareholders**”) should note that only proxies deposited by Registered Shareholders whose names appear on the records of the Company as the registered holders of shares can be recognized and acted upon at the Meeting.

If shares are listed in an account statement provided to a Shareholder by an intermediary, such as a brokerage firm, then, in almost all cases, those shares will not be registered in the Shareholder’s name on the records of the Company. Such shares will more likely be registered under the name of the Shareholder’s intermediary or an agent of that intermediary, and consequently the Shareholder will be a Beneficial Shareholder. In Canada, the vast majority of such shares are registered under the name CDS & Co. (being the registration name for the Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). The shares held by intermediaries or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, an intermediary and its agents are prohibited from voting shares for the intermediary’s clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their shares are communicated to the appropriate person.**

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders’ meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form provided to a Beneficial Shareholder by its broker, agent or nominee is limited to instructing the registered holder of the shares on how to vote such shares on behalf of the Beneficial Shareholder.

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications (“**Broadridge**”). Broadridge typically supplies a voting instruction form, mails those forms to Beneficial Shareholders and asks those Beneficial Shareholders to return the forms to Broadridge or follow specific telephone or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of the shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use that form to vote shares directly at the Meeting. Instead, the voting instruction form must be returned to Broadridge or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure such shares are voted.**

There are two kinds of Beneficial Shareholders, those who object to their name being made known to the issuers of securities which they own (“**OBOs**” for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (“**NOBOs**” for Non-Objecting Beneficial Owners). Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) issuers can obtain a list of their NOBOs from intermediaries for distribution of proxy related materials directly to NOBOs. This year, the Company has decided to take advantage of those provisions of NI 54-101 that permit it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a scannable Voting Instruction Form (“**VIF**”) from our Transfer Agent, Endeavour. These VIFs are to be completed and returned to Endeavour in the envelope provided or by facsimile. In addition, Endeavour provides both telephone voting and internet voting as described on the VIF itself which contains complete instructions. Endeavour will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive. The Company does not intend to pay for intermediaries to deliver these securityholder materials to OBOs and, as a result, OBOs will not be sent paper copies unless their intermediary assumes the costs.

These proxy-related materials are being sent to both Registered Shareholders and Beneficial Shareholders of the Company. If you are a Beneficial Shareholder 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. In this event, by choosing to send these materials to you directly, the Company (and not the intermediary holding 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 request for voting instructions.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purpose of voting shares registered in the name of their broker, agent or nominee, a Beneficial Shareholder may attend the Meeting as a Proxyholder for a Registered Shareholder and vote their shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their shares as Proxyholder for a Registered Shareholder should contact their broker, agent or nominee well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their shares as a Proxyholder.

### **Non-Objecting Beneficial Owners**

Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), issuers can obtain a list of their NOBOs from intermediaries for distribution of proxy-related materials directly to NOBOs. This year, the Company will rely on those provisions of NI 54-101 that permit it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a scannable voting instruction form (“**VIF**”) from the Company’s transfer agent, Endeavour. These VIFs are to be completed and returned to Endeavour in the envelope provided or by facsimile. In addition, Endeavour provides both telephone voting and internet voting as described on the VIF itself which contains complete instructions. Endeavour will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

If you are a Beneficial Shareholder and the Company or its agent has sent these proxy-related materials to you directly, please be advised that your name, address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding your securities on your behalf. By choosing to send these proxy-related materials to you directly, the Company (and not the intermediaries holding securities your behalf) has assumed responsibility for (i) delivering the proxy-related materials to you and (ii) executing your proper voting instructions as specified in the VIF.

### **Objecting Beneficial Owners**

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

Applicable regulatory rules require intermediaries to seek voting instructions from OBOs in advance of Shareholders’ meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by OBOs in order to ensure that their shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form provided to an OBO by its broker, agent or nominee is limited to instructing the registered holder of the shares on how to vote such shares on behalf of the OBO.

The form of proxy provided to OBOs by intermediaries will be similar to the Proxy provided to Registered Shareholders. However, its purpose is limited to instructing the intermediary on how to vote your shares on your behalf. The majority of intermediaries now delegate responsibility for obtaining instructions from OBOs to Broadridge Investor Communications (“**Broadridge**”). Broadridge typically supplies voting instruction forms, mails those forms to OBOs, and asks those OBOs to return the forms to Broadridge or follow specific telephonic or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of the shares to be represented at the meeting. **An OBO receiving a voting instruction form from Broadridge cannot use that form to vote shares directly at the Meeting. Instead, the voting instruction form must be returned to Broadridge or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure that such shares are voted.**

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

Except as otherwise disclosed herein, none of the directors (“**Directors**”) or officers (“**Officers**”) of the Company, at any time since the beginning of the Company’s last financial year, nor any proposed nominee for election as a Director, or any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting exclusive of the election of directors or the appointment of auditors.

## **RECORD DATE, VOTING SHARES, AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

A Shareholder of record at the close of business on August 11, 2021 (the “**Record Date**”) who either personally attends the Meeting or who has completed and delivered a proxy in the manner and subject to the provisions described above, shall be entitled to vote or to have such shareholder’s shares voted at the Meeting, or any adjournment thereof.

The Company’s authorized capital consists of an unlimited number of common shares (the “**Common Shares**”) without par value. As at the Record Date, the Company has 17,530,001 Common Shares issued and outstanding, each share carrying the right to one vote.

To the knowledge of the Directors and Officers of the Company, as of the date of this Circular, no person owns, directs, or controls, directly or indirectly, 10% or more of the issued and outstanding Common Shares.

## **EXECUTIVE COMPENSATION**

### **Statement of Executive Compensation**

The following information is presented in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* (“**Form 51-102F6V**”) and provides details of all compensation for each of the named executive officers or “**NEOs**”, as defined in Form 51-102F6V, and directors of the Company for the period from incorporation on April 17, 2019 to December 31, 2020.

For the purposes of this Circular, a Named Executive Officer (“**NEO**”) of the Company means each of the chief executive officer (“**CEO**”) of the Company, the chief financial officer (“**CFO**”) of the Company, and each of the most highly compensated executive officers, other than the CEO or CFO, whose total compensation was more than \$150,000 for that financial year.

During the period from incorporation on April 17, 2019 to December 31, 2020, the Company had four NEOs: Gary Musil, former Chief Executive Officer (“**CEO**”) and Nancy Kawazoe, former Chief Financial Officer (“**CFO**”), Steven Feldman, current CEO, and Leon Ho, current CFO.

There is no compensation structure in place at this time. In the future, the board of directors (the “**Board**”) may consider a variety of factors when determining both compensation policies and programs and individual compensation levels. These factors will include the long-term interests of the Company and its shareholders, overall financial and operating performance of the Company and the Board’s assessment of each Officer’s individual performance, contribution towards meeting corporate objectives, responsibilities, length of service and levels of compensation provided by industry competitors.

### **Director and Named Executive Officer Compensation, excluding Compensation Securities**

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each NEO and 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 NEO or a director of the Company for services provided and for services to be provided, directly or indirectly, to the Company excluding any compensation securities.

<b>Name and position</b>	<b>Year<sup>(1)</sup></b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
Gary Musil <sup>(2)</sup> Former CEO and President	2020	Nil	Nil	Nil	Nil	\$41,272 <sup>(3)</sup>	41,272 <sup>(3)</sup>
	2019	Nil	Nil	Nil	Nil	\$15,000 <sup>(3)</sup>	\$15,000 <sup>(3)</sup>
	2020	Nil	Nil	Nil	Nil	\$10,318 <sup>(5)</sup>	10,318 <sup>(5)</sup>

<b>Table of Compensation Excluding Compensation Securities</b>							
<b>Name and position</b>	<b>Year<sup>(1)</sup></b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
Nancy Kawazoe, Former CFO and Corporate Secretary <sup>(4)</sup>	2019	Nil	Nil	Nil	Nil	\$4,500 <sup>(5)</sup>	\$4,500 <sup>(5)</sup>
James Place, Former Director <sup>(6)</sup>	2020	Nil	Nil	Nil	Nil	\$2,818	\$2,818
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Twila Jensen, Former Director <sup>(7)</sup>	2020	Nil	Nil	Nil	Nil	\$2,818	\$2,818
	2019	Nil	Nil	Nil	Nil	Nil	Nil
John Masters, Director <sup>(8)</sup>	2020	Nil	Nil	Nil	Nil	\$2,818	\$2,818
	2019	Nil	Nil	Nil	Nil	Nil	Nil
William Rascan, Director <sup>(9)</sup>	2020	Nil	Nil	Nil	Nil	Nil	Nil
Steven Feldman, Director and CEO <sup>(10)</sup>	2020	Nil	Nil	Nil	Nil	Nil	Nil
Leon Ho, CFO <sup>(11)</sup>	2020	Nil	Nil	Nil	Nil	Nil	Nil

(1) Year ended December 31, 2019 and 2020

(2) Gary Musil was appointed a director of the Company on April 17, 2019 and resigned on March 2, 2021

(3) The Company paid this aggregate amount in fees to Musil G. Consulting Services Ltd., a private company controlled by Gary Musil, then the Company's CEO and President, pursuant to a consulting agreement

(4) Nancy Kawazoe was appointed a director of the Company on April 17, 2019 and resigned on March 2, 2021

(5) The Company accrued this amount to Ms. Kawazoe for accounting services

(6) James Place was appointed a director of the Company on April 17, 2019 and resigned on May 6, 2021

(7) Twila Jensen was appointed a director of the Company on April 17, 2019 and resigned on March 2, 2021

(8) John Masters was appointed a director of the Company on December 24, 2019

(9) William Rascan was appointed a director of the Company on December 23, 2020

(10) Steven Feldman was appointed a director of the Company on December 23, 2020

(11) Leon Ho was appointed as CFO of the Company on October 27, 2020

### **Stock Options and Other Compensation Securities**

The following table sets forth all compensation securities granted by the Company to each NEO and director of the Company.



<i>Table of Compensation Securities</i>							
<b>Name and position</b>	<b>Type of compensation security</b>	<b>Number of compensation securities, number of underlying securities and percentage of class</b>	<b>Date of issue or grant</b>	<b>Issue, conversion or exercise price</b>	<b>Closing price of security or underlying security on date of grant</b>	<b>Closing price of security or underlying security at year end</b>	<b>Expiry Date</b>
Gray Musil	Stock options	400,000 (400,000/0.022 %)	February 24, 2020	\$0.10	N/A	\$0.16	February 24, 2023
Nancy Kawazoe	Stock options	100,000 (100,000/0.005 %)	February 24, 2020	\$0.10	N/A	\$0.16	February 24, 2023
James Place	Stock options	100,000 (100,000/0.005 %)	February 24, 2020	\$0.10	N/A	\$0.16	February 24, 2023
Twila Jensen	Stock options	100,000 (100,000/0.005 %)	February 24, 2020	\$0.10	N/A	\$0.16	February 24, 2023

### **Exercise of Compensation Securities by Directors and NEOs**

On December 30, 2020, the Company issued 200,000 Common Shares pursuant to exercise of compensation stock options for gross proceeds of \$20,000, and accordingly, the Company reallocated \$5,636 of reserves to share capital.

### **Employment, Consulting and Management Agreements**

Management functions of the Company are not, to any substantial degree, performed other than by Directors or NEOs of the Company. There are no agreements or arrangements that provide for compensation to NEOs or Directors of the Company, or that provide for payments to a NEO or Director at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, severance, a change of control in the Company or a change in the NEO or Director's responsibilities

### **Oversight and Description of Director and NEO Compensation**

#### ***Compensation of Directors***

Compensation of Directors of the Company is reviewed annually and determined by the Board. The level of compensation for Directors is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

In the Board's view, there is, and has been, no need for the Company to design or implement a formal compensation program for Directors.

#### ***Compensation of NEOs***

Compensation of NEOs is reviewed annually and determined by the Board. The level of compensation for NEOs is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

#### ***Elements of NEO Compensation***

The Board does not employ a prescribed methodology when determining the grant or allocation of Options to NEOs. The Company does not offer any long-term incentive plans, share compensation plans, retirement plans, pension plans, or any other such benefit programs for NEOs.

## **Pension Plan Benefits**

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Company and none are proposed at this time.

## **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

On February 24, 2020 the Board approved a stock option plan (the “**Stock Option Plan**”), a copy of which is available on SEDAR. The purpose of the Stock Option Plan is to assist the Company in attracting, retaining and motivating directors, officers, employees and consultants (together “eligible persons”) of the Company and of its affiliates and to closely align the personal interests of such eligible persons with the interests of the Issuer and its shareholders.

The Stock Option Plan provides that if the Company is a non-reporting issuer, the maximum number of Common Shares which may be issued pursuant to options granted under the Stock Option Plan shall be that number equal to 15% of the Company’s then issued share capital on the date on which an option is granted.

From the date that the Company becomes a reporting issuer with its Common Shares listed on a stock exchange (the “**Listing Date**”), the Stock Option Plan provides that the aggregate number of Common Shares reserved for issuance is 10% of the number of Common Shares of the Company issued and outstanding from time to time.

The Stock Option Plan is administered by the Board, who have full and final authority with respect to the granting of all options thereunder.

Options may be granted under the Stock Option Plan to such eligible persons of the Company and its affiliates, if any, as the Board may from time to time designate, including, but not limited to directors, senior officers, employees of the Company, consultants (as defined in National Instrument 45-106 – *Prospectus Exemptions*), employees of an external management company or a corporation controlled by a consultant of the Company and its subsidiaries, or an eligible charitable organization. The exercise prices shall be determined by the Board, but shall, in no event, be less than the greater of the closing market price of the Company’s shares on the Canadian Securities Exchange on (i) the trading day prior to the date of grant of the Options and (ii) the date of grant of such Options.

The Stock Option Plan provides that after the Listing Date, the number of Common Shares issuable on the exercise of options granted to all persons together with all of the Company’s other previously granted options may not exceed 10% of the Company’s issued and outstanding Common Shares on a non-diluted basis, from time to time. In addition, the number of Common Shares, which may be reserved for issuance within a one-year period: (i) to any one individual upon the exercise of all stock options held by such individual, may not exceed 5% of the Common Shares issued and outstanding on the grant date, on a non-diluted basis, unless otherwise approved by disinterested shareholders of the Company, (ii) to any one consultant may not exceed 2% in the aggregate of the total number of Common Shares issued and outstanding on the grant date on a non-diluted basis, or (iii) to all persons who undertake Investor Relations Activities (as defined in the CSE policies) may not exceed 1% in the aggregate of the total number of issued and outstanding Common Shares on the grant date on a non-diluted basis. Subject to earlier termination in the event of dismissal for cause, early retirement, voluntary resignation or termination other than for cause, or in the event of death or disability, all options granted under the Stock Option Plan will expire on the date set by the Board as the expiry date of the option, which expiry date shall not be more than 10 years from the date that such options are granted. Options granted under the Stock Option Plan are not transferable or assignable other than by testamentary instrument or pursuant to the laws of succession. Options are exercisable by an eligible person under the Stock Option Plan delivering to the Company a notice specifying the number of Common Shares in respect of which the option is exercised together with payment in full of the option price.

The following table sets out information with respect to all compensation plans under which equity securities are authorized for issuance as at December 31, 2020:

<b>Equity Compensation Plan Information</b>			
<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)<sup>(1)</sup></b>
Equity compensation plans not approved by securityholders	600,000	\$0.10	1,153,000
Total	600,000	\$0.10	1,153,000

(1) Represents the number of Common Shares available for issuance under the Stock Option Plan approved by the Board of Directors of the Issuer on February 24, 2020 providing for the granting of incentive stock options to the Company's directors, officers, employees and consultants,

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

As of the date hereof, other than indebtedness that has been entirely repaid on or before the date of this Circular or "routine indebtedness", as that term is defined in Form 51-102F5 of National Instrument 51-102 – *Continuous Disclosure Obligations*, none of

- (a) the individuals who are, or at any time since the beginning of the last financial year of the Company were, a Director or Officer;
- (b) the proposed nominees for election as Directors; or
- (c) any associates of the foregoing persons,

is, or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or any subsidiary of the Company (a "**Subsidiary**"), or is a person whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any Subsidiary.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

For purposes of the following discussion, "**Informed Person**" means:

- (a) a Director or Officer;
- (b) a Director or executive officer of a person or company that is itself an Informed Person or a Subsidiary;
- (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Company, other than the voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) the Company itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Except as disclosed below, elsewhere herein or in the Notes to the Company's financial statements for the financial year ended December 31, 2020, none of:

- (a) the Informed Persons of the Company;
- (b) the proposed nominees for election as a Director; or
- (c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in a proposed transaction which has materially affected or would materially affect the Company.

### **APPOINTMENT OF AUDITOR**

Davidson & Company LLP ("**Davidson**") is the Company's auditor and was appointed as the Company's auditor in January 2020. Management is recommending the appointment of Davidson as Auditors for the Company, to hold office until the next annual general meeting of the shareholders at a remuneration to be fixed by the Board of Directors.

### **MANAGEMENT CONTRACTS**

The Company is not a party to a Management Contract whereby management functions are to any substantial degree performed other than by the Directors or executive officers of the Company.

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

#### **Presentation of Financial Statements**

The audited financial statements of the Company for the years ended December 31, 2019 and 2020 (the "**Financial Statements**") and the auditor's report thereon (the "**Auditor's Report**"), will be presented to Shareholders at the Meeting.

The Financial Statements, Auditor's Report and management's discussion and analysis ("**MD&A**") for the years ended December 31, 2019 and 2020 are available under the Company's profile on SEDAR at www.sedar.com. The Notice of Annual General Meeting of Shareholders, Information Circular, Request for Financial Statements (NI 51-102), and form of Proxy will be available from Endeavour, at Suite 702-777 Hornby Street, Vancouver, BC V6Z 1S4, or from the office of the Company's counsel, which is located at Suite 2200, HSBC Building, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

#### **Appointment and Remuneration of Auditor**

Shareholders will be asked to approve the appointment of Davidson as the auditor of the Company to hold office until the next Annual General Meeting of the Shareholders at remuneration to be fixed by the Board.

**In the absence of instructions to the contrary, the Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, FOR appointing Davidson as the Company's independent auditor for the ensuing year, and FOR authorizing the Board to fix the auditor's pay.**

#### **Fixing the Number of Directors**

Management proposes, and the persons named in the accompanying form of proxy intend to vote in favour of, fixing the number of Directors for the ensuing year at four (4). Although Management is nominating four (4) individuals to stand for election, the names of further nominees for Directors may come from the floor at the Meeting.

**In the absence of instructions to the contrary, the Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, FOR fixing the number of Directors at four (4) for the ensuing year.**

#### **Election of Directors**

The persons named in the enclosed Instrument of Proxy intend to vote in favour of fixing the number of directors at four (4). Although Management is nominating four (4) individuals to stand for election, the names of further nominees for Directors may come from the floor at the Meeting.

Each Director of the Company is elected annually and holds office until the next annual general meeting of Shareholders or until his successor is duly elected, unless his or her office is earlier vacated, in accordance with the Articles of the Company.

**In the absence of instructions to the contrary, the shares represented by Proxy will be voted for the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a Director.**

The following table sets out the names of the persons proposed to be nominated by Management for election as a Director, the province or state and country in which he is ordinarily resident, the positions and offices which each presently holds with the Company, the period of time for which he has been a Director of the Company, the respective principal occupations or employment during the past five years if such nominee is not presently an elected Director 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. Each of the nominees are currently Directors of the Company.

Name, Province and Country of ordinary residence <sup>(1)</sup> , and positions held with the Company	Principal occupation and, IF NOT an elected Director, principal occupation during the past five years <sup>(1)</sup>	Date serving as a Director <sup>(2)</sup>	No. of shares beneficially owned or controlled <sup>(1)</sup>
<b>John Masters<sup>(3)</sup></b> British Columbia, Canada <i>Director</i>	Chief Financial Officer and Corporate Secretary of Sky Gold Corp. (formerly Sunvest Minerals Corp.) since September 2016 and a director since July 2016.  Director and Corporate Secretary of Sienna Resources Inc. since October 2015.  Director and Corporate Secretary of Infinite Ore Corp. (formerly Infinite Lithium Corp.) since February 2010 and Chief Financial officer since February 2014.  Chief Financial Officer and Corporate Secretary of Golden Lake Exploration since July 26, 2019.  Vice President of England Communications, a private company, from May 2010 to present.	Since December 24, 2019	300,000
<b>William Rascan</b> British Columbia, Canada <i>Director</i>	President & CEO of Nova Mentis Life Science Corp (formerly Liberty Leaf Holdings) since May 2012 and previous to that, CEO of Weststar Resources.	Since December 23, 2020	1,690,000
<b>Steven Feldman<sup>(3)</sup></b> British Columbia, Canada <i>Director and CEO</i>	Business Development Consultant since October 2013. Director of Nova Mentis Life Science Corp since May 2012 to present.	Since December 23, 2020	150,000
<b>Charles Desjardins<sup>(3)</sup></b> British Columbia, Canada <i>Director</i>	President & Director of Pegasus Resources Inc. since September 2006.  Director of Rockland Resources Inc. since April 29, 2021.  Director of Ord Mountain Resources since May 2021.	Since May 7, 2021	Nil

(1) This information, not being within the knowledge of the Company, has been furnished by the respective nominees. Information provided as at the Record Date.

(2) The Company does not set expiry dates for the terms of office of Directors. Each Director holds office as long as he is elected annually by Shareholders at Annual General Meetings, unless his office is earlier vacated in accordance with the Articles of the Company.

(3) Member of Audit Committee.

The Company does not currently have an Executive Committee of its Board.

#### ***Cease Trade Orders, Corporate and Personal Bankruptcies, Penalties and Sanctions***

For purposes of the disclosure in this section, an “order” means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days; and for purposes of item (a)(i) below, specifically includes a management cease trade order which applies to directors or executive officers of a relevant company that was in effect for a period of more than 30 consecutive days whether or not the proposed director was named in the order.

Other than as disclosed below, to the best of knowledge of the Company, none of the proposed Directors, including any personal holding company of a proposed Director:

- (a) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
  - (i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, in effect for a period of more than 30 consecutive days (each, an “order”) that was issued while the proposed director was acting in the capacity as a director, chief executive officer or chief financial officer of the company; or
  - (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer of the company; or
- (b) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets;
- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority since December 31, 2000, or before December 31, 2000 if the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed director; or
- (e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

On July 8, 2015, at a time when John Masters was an officer of Vertical Exploration Inc., formerly Cavan Ventures Inc. (“Cavan”), a cease trade order was issued to Cavan by the British Columbia Securities Commission for failing to file annual audited financial statements for the year ended February 28, 2015, and a Form 51-102F1 management's discussion and analysis for the period ended February 28, 2015. The required financial statements and management's discussion and analysis were subsequently filed and a revocation order from the British Columbia Securities Commission was issued on April 27, 2017.

On May 19, 2016, John Masters was a consumer debtor in connection with a consumer proposal in British Columbia, which was fully performed and discharged effective April 7, 2017.

#### **OTHER MATTERS**

As of the date of this Circular, management knows of no other matters to be acted upon at the Meeting. Should any other matters properly come before the Meeting, the shares represented by the proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the shares represented by the proxy.

#### **AUDIT COMMITTEE DISCLOSURE**

The Charter of the Company's audit committee and other information required to be disclosed by National Instrument 52-110 – *Audit Committees* is attached to this Circular as Schedule “A”.

#### **CORPORATE GOVERNANCE DISCLOSURE**

The information required to be disclosed by National Instrument 58-101 – *Disclosure of Corporate Governance Practices* is attached to this Circular as Schedule “B”.

**ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Copies of the Company's Financial Statements and Management Discussion and Analysis may be obtained without charge upon request from the Company at Suite 1240 – 789 W. Pender Street, Vancouver, British Columbia, V6C 1H2.

**DIRECTOR APPROVAL**

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

**DATED** this 11<sup>th</sup> day of August, 2021.

**79 RESOURCES LTD.**

*“Steven Feldman”*

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**Steven Feldman  
Director and CEO**

**SCHEDULE "A"**  
**FORM 52-110F2**  
**AUDIT COMMITTEE DISCLOSURE**  
**(VENTURE ISSUERS)**

**Item 1: The Audit Committee Charter**

The Audit Committee (the "**Committee**") is a committee of the board of directors (the "**Board**") of the Company. The role of the Committee is to provide oversight of the Company's financial management and of the design and implementation of an effective system of internal financial controls as well as to review and report to the Board on the integrity of the financial statements of the Company, its subsidiaries and associated companies. This includes helping directors meet their responsibilities, facilitating better communication between directors and the external auditor, enhancing the independence of the external auditor, increasing the credibility and objectivity of financial reports and strengthening the role of the directors by facilitating in-depth discussions among directors, management and the external auditor. Management is responsible for establishing and maintaining those controls, procedures and processes and the Committee is appointed by the Board to review and monitor them. The Company's external auditor is ultimately accountable to the Board and the Committee as representatives of the Company's shareholders. The full text of the Committee charter appears below:

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

The Audit Committee (the "Committee") of the board of directors (the "Board") of 79 Resources Ltd. (the "Company") is a standing committee of the Board whose primary function is to assist the Board in fulfilling its oversight responsibilities relating to:

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

**2. Authority**

The Committee has the authority to:

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



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

### **3. Composition and Expertise**

The Committee shall be composed of a minimum of three members, each of whom is a director of the Company. The majority of the Committee's members must not be officers or employees of the Company or an affiliate of the Company.

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

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

### **4. Meetings**

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

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

A majority of the Committee who are not officers or employees of the Company or an affiliate of the Company shall constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present in person or by means of such telephonic, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously. Business may also be transacted by the unanimous written consent resolutions of the members of the Committee, which when so approved shall be deemed to be resolutions passed at a duly called and constituted meeting of the Committee.

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

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

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

## **5. Committee and Charter Review**

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

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

## **6. Reporting to the Board**

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

## **7. Duties and Responsibilities**

### **(a) Financial Reporting**

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

The Committee is also responsible for:

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

(b) **Auditor**

The Committee is responsible for recommending to the Board:

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

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

(c) **Relationship with the Auditor**

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

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

(d) **Accounting Policies**

The Committee is responsible for:

- (i) reviewing the Company's accounting policy note to ensure completeness and acceptability with applicable accounting principles and financial reporting standards as part of the approval of the financial statements;
- (ii) discussing and reviewing the impact of proposed changes in accounting standards or securities policies or regulations;
- (iii) reviewing with management and the auditor any proposed changes in major accounting policies and key estimates and judgments that may be material to financial reporting;

- (iv) discussing with management and the auditor the acceptability, degree of aggressiveness/conservatism and quality of underlying accounting policies and key estimates and judgments; and
- (v) discussing with management and the auditor the clarity and completeness of the Company's financial disclosures.

(e) **Risk and Uncertainty**

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

- (i) uncertainty notes and disclosures; and
- (ii) MD&A disclosures.

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

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

(f) **Controls and Control Deviations**

The Committee is responsible for reviewing:

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

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

(g) **Compliance with Laws and Regulations**

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

- (i) tax and financial reporting laws and regulations;
- (ii) legal withholdings requirements;

- (iii) environmental protection laws; and
- (iv) other matters for which directors face liability exposure.

(h) **Compliance with Laws and Regulations**

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

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

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

**8. Non-Audit Services**

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

**9. Submission Systems and Treatment of Complaints**

The Committee is responsible for establishing procedures for:

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

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

**10. Procedure For Reporting Of Fraud Or Control Weaknesses**

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

should be brought to the attention of both management and the Committee.

To facilitate the reporting of suspected fraud, it is the policy of Company that the employee (the "whistleblower") has anonymous and direct access to the Chairman of the Audit Committee. Should a new Chairman be appointed prior to the updating of this document, the current Chairman will ensure that the whistleblower is able to reach the new Chairman in a timely manner. In the event that the Chairman of the Audit Committee cannot be reached, the whistleblower should contact the Chairman of the Board.

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

## **11. Hiring Policies**

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

### **Item 2: Composition of the Audit Committee**

National Instrument 52-110 Audit Committees, ("NI 52-110") provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company, which could, in the view of the Company's Board, reasonably interfere with the exercise of the member's independent judgment.

NI 52-110 provides that 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. The following sets out the members of the audit committee and their education and experience that is relevant to the performance of his responsibilities as an audit committee member.

The current members of the Audit Committee of the Company are Steven Feldman, John Masters and Charles Desjardins, all of whom are financial literate as defined by NI 52-110. Of these members, Mr. Masters and Mr. Desjardins are independent directors in accordance with NI 52-110.

### **Item 3: Relevant Education and Experience**

The Instrument provides that 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.

All members of the Audit Committee are considered financially literate and have been involved in enterprises which publicly report financial results, each of which requires a working understanding of, and ability to analyze and assess, financial information (including financial statements).

#### ***Steven Feldman, Chief Executive Officer and Director***

Mr. Feldman has over 25 years of capital markets experience including significant experience in the mining and resource industry. Mr. Feldman has consulted for a broad array of industries - from gold explorers, battery metal technology developers and legal cannabis to copper miners and large-cap coal producers. Notably, Mr. Feldman's mining experience includes managing Investor Relations at SouthGobi Resources Ltd., a coal producer and the first TSX-listed miner to dual list on the Hong Kong Stock Exchange. Mr. Feldman has also provided consulting services to several reporting issuers with respect to corporate governance, corporate advisory services and business advisory services. He has completed the Canadian Securities Course, Canadian Options Course and Professional Financial Planner Course.

***John Masters, Director***

Mr. Masters brings over a decade of experience working with public companies. He has served as Director, CFO and Secretary in numerous public companies primarily in the junior mining industry giving him a truly diverse knowledge base in the administration field. As a result of these years of experience, Mr. Masters is very familiar with the breadth and complexity of issues that face the Company, and in particular, the accounting issues that may be raised by the financial statements of the Company.

***Charles Desjardins, Director***

Mr. Desjardins has more than 30 years of public company experience in the areas of corporate finance and public company management. Mr. Desjardins has served in various capacities in a number of public mineral exploration and technology companies and has been active in the Red Lake mining district since 2006. He holds a degree in economics/finance from Simon Fraser University and serves on the audit committee of several public companies, giving him substantial experience in the accounting issues that may be raised in the financial statements of the Company.

**Item 4: Audit Committee Oversight**

At no time during the Company’s most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor (currently, Davidson & Company LLP) not adopted by the Board.

**Item 5: Reliance on Certain Exemptions**

During the most recently completed financial year, the Company has not relied on certain exemptions set out in NI 52-110, namely section 2.4 (De Minimis Non-audit Services) and section 8.1 (Exemptions).

**Item 6: Pre-Approval Policies and Procedures**

The Committee has not adopted formal policies and procedures for the engagement of non-audit services. Subject to the requirements of the NI 52-110, the engagement of non-audit services is considered by, as applicable, the Board and the Committee, on a case by case basis.

**Item 7: External Auditor Service Fees (By Category)**

The following table sets out the aggregate fees charged to the Company by the external auditor in each of the last two financial years for the category of fees described.

	<b>FYE 2019</b>	<b>FYE 2020</b>
Audit Fees <sup>(1)</sup>	\$12,000	\$15,000
Audit-Related Fees <sup>(2)</sup>	\$12,750	Nil
Tax Fees <sup>(3)</sup>	Nil	\$10,000
All Other Fees <sup>(4)</sup>	Nil	Nil
<b>Total Fees:</b>	\$24,750	\$25,000

1. “Audit fees” include aggregate fees billed by the Company’s external auditor in each of the last two fiscal years for audit fees.
2. “Audit related fees” include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company’s external auditor that are reasonably related to the performance of the audit or review of the Company’s financial statements and are not reported under “Audit fees” above. The services provided include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
3. “Tax fees” include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company’s external auditor for tax compliance, tax advice and tax planning. The services provided include tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

4. "All other fees" include the aggregate fees billed in each of the last two fiscal years for products and services provided by the Company's external auditor, other than "Audit fees", "Audit related fees" and "Tax fees" above.

**Item 8: Exemption**

During the most recently completed financial year, the Company relied on the exemption set out in section 6.1 of NI 52-110 with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations).



**SCHEDULE “B”  
FORM 58-101F2  
CORPORATE GOVERNANCE DISCLOSURE  
(VENTURE ISSUERS)**

**Item 1: Board of Directors**

The board of directors of the Company (the “**Board**”) supervises the CEO and the CFO. Both the CEO and CFO are required to act in accordance with the scope of authority provided to them by the Board.

<b>Director</b>	<b>Independence</b>
Steven Feldman	Not independent, as he is the CEO of the Company
John Masters	Independent
William Rascan	Independent
Charles Desjardin	Independent

**Item 2: Directorships**

The following directors of the Company are also currently directors of the following other reporting issuers:

<b>Director</b>	<b>Name of Reporting Issuers</b>
Steven Feldman	Nova Mentis Life Science Corp. (CSE: NOVA)
John Masters	Sienna Resources Inc. (TSXV: SIE), Infinite Ore Corp. (TSXV: ILI), Sky Gold Corp. (TSXV: SKYG)
William Rascan	Nova Mentis Life Science Corp. (CSE: NOVA)
Charles Desjardin	Pegasus Resources Inc. (TSX: PEGA), Ord Mountain Resources (TSXV: OMR), Rockland Resources Ltd. (CSE: RKL)

**Item 3: Orientation and Continuing Education**

The Board does not have a formal process for the orientation of new Board members. Orientation is done on an informal basis. New Board members are provided with such information as is considered necessary to ensure that they are familiar with the Company’s business and understand the responsibilities of the Board.

The Board does not have a formal program for the continuing education of its directors. The Company expects its directors to pursue such continuing education opportunities as may be required to ensure that they maintain the skill and knowledge necessary to fulfill their duties as members of the Board. Directors can consult with the Company’s professional advisors regarding their duties and responsibilities, as well as recent developments relevant to the Company and the Board.

**Item 4: Ethical Business Conduct**

The Board does not currently take any formal steps to encourage and promote a culture of ethics and business conduct. Directors and Officers of the Company are encouraged to conduct themselves and the business of the Company with the utmost honesty and integrity. Directors are also encouraged to consult with the Company’s professional advisors with respect to any issues related to ethical business conduct.

**Item 5: Nomination of Directors**

The identification of potential candidates for nomination as directors of the Company is carried out by all directors, who are encouraged to participate in the identification and recruitment of new directors. Potential candidates are primarily identified through referrals by business contacts.

**Item 6: Compensation**

The compensation of directors and the CEO is determined by the Board. Such compensation is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

**Item 7: Other Board Committees**

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

**Item 8: Assessments**

The Board as a whole assesses its performance, the performance of Board committees and the contribution of individual directors on an ongoing basis. The Company allows any member of the Board to engage an outside advisor at the expense of the Company in appropriate circumstances. The engagement of an outside advisor is subject to the approval by the Board as a whole.