



NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE is hereby given that the Annual General Meeting (the "Meeting") of **XIMEN MINING CORP.** (the "**Company**" or "**Ximen**") will be held at 1100-1111 Melville Street Vancouver, BC V6E 3V6 on **Thursday July 14, 2022 at 1:00 pm** (local time), for the following purposes:

1. To receive and consider the audited financial statements of the Company for the fiscal year ended June 30, 2021 together with the auditor's report thereon.
2. To elect directors to hold office until the next Annual General Meeting and to fix the number of directors at four (4).
3. To appoint auditors for the ensuing year and to authorize the Directors to fix the remuneration to be paid to the auditors.
4. To approve the proposed Stock Option Plan of the Company as more particularly described in the Information Circular and to authorize the Directors to make modifications thereto in accordance with the Stock Option Plan and the policies of the TSX Venture Exchange.
5. To transact such other business as may properly come before the meeting.

An Information Circular accompanies this Notice. The Information Circular contains details of matters to be considered at the Meeting. The report of the auditor and the audited financial statements of the Company for the year ended June 30, 2021 with related management discussion and analysis will be made available at the Meeting and are available on www.sedar.com.

Shareholders who are unable to attend the Meeting in person and who wish to ensure that their shares will be voted at the Meeting are requested to complete, date and sign the enclosed form of proxy, or another suitable form of proxy, and deliver it by hand or by mail in accordance with the instructions set out in the form of proxy and in the Information Circular.

Non-registered shareholders who plan to attend the Meeting must follow the instructions set out in the form of proxy or voting instruction form and in the Information Circular to ensure that their shares will be voted at the Meeting. If you hold your shares in a brokerage account you are not a registered shareholder.

DATED at Vancouver, British Columbia, this 9th of June 2022

BY ORDER OF THE BOARD OF DIRECTORS

"Christopher R. Anderson"

CHRISTOPHER R. ANDERSON

XIMEN MINING CORP.

INFORMATION CIRCULAR

(Containing information as at June 9, 2022 unless indicated otherwise)

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of Proxies by the Management of the Company for use at the Annual General Meeting (the "Meeting") of the shareholders of XIMEN MINING CORP. (the "Company") to be held at the time and place and for the purposes set forth in the accompanying Notice of Meeting. It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally by officers of the Company. The cost of solicitation will be borne by the Company.

GENERAL PROXY INFORMATION

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. In accordance with National Instrument 54-101 of the Canadian Securities Administrators, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the voting common shares in the capital of the Company (the "Shares") held on a record by such persons and the Company may reimburse such persons for reasonable fees and disbursements incurred by them in so doing. All costs of this solicitation will be borne by the Company.

APPOINTMENT OF PROXYHOLDER

The individuals named in the accompanying form of proxy are directors of the Company (the "**Management Nominees**"). **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY STRIKING OUT THE NAMES OF THE MANAGEMENT NOMINEES NAMED IN THE ACCOMPANYING FORM OF PROXY AND INSERTING THE DESIRED PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OR PROXY OR BY COMPLETING ANOTHER FORM OF PROXY.** A proxy will not be valid unless the completed and executed form of proxy is received by Computershare Investor Services Inc., Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting.

REVOCATION OF PROXIES

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by either executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to **COMPUTERSHARE INVESTOR SERVICES INC., 100 UNIVERSITY AVENUE, 8TH FLOOR, TORONTO, ON M5J 2Y1** or to the Company's head office at 888 Dunsmuir Street, Suite 888, Vancouver, B.C., V6C 3K4 at any time up to and including the last business day that precedes the day of the Meeting or to the Chairman of the Meeting on the day of the Meeting, or in any other manner provided by law. In addition, a proxy may be revoked by the registered shareholder personally by attending the Meeting and voting the registered shareholder's Shares. A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

REGISTERED SHAREHOLDERS

If you are a registered Shareholder (a “**Registered Shareholder**”), you may elect to submit a proxy whether or not you are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by:

- (a) completing, dating and signing the enclosed form of proxy and returning it to the Company’s transfer agent, Computershare Investor Services Inc., by mail or by hand to the 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department;
- (b) deposited to the office of the company, at 888 Dunsmuir Street, Suite 888, Vancouver, B.C., V6C 3K4, at least 48 hours before the time of the meeting, excluding Saturdays, Sundays and holidays.

Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed form of proxy for the holder’s account number and the proxy control number; in all cases ensuring that the proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting at which the proxy is to be used.

ADVANCE TO BENEFICIAL HOLDERS OF SHARES

The information set forth in this section is of significant importance to many shareholders of the Company, 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 shareholders whose names appear on the records of the Company as the registered holders of Shares, or as set out in the following disclosure, can be recognized and acted upon at the Meeting.

If Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Shares will not be registered in the Shareholder's name on the records of the Company. Such Shares will more likely be registered under the names of the Shareholder's broker or an agent of that broker. In the United States, the vast majority of such Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

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

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

The Company is availing itself under National Instrument 54-101 for the Company to deliver proxy-related materials directly to its NOBOs. As a result NOBOs can expect to receive a Voting Instruction Form (“VIF”) from our transfer agent, COMPUTERSHARE INVESTOR SERVICES INC., 100 UNIVERSITY AVENUE, 8TH FLOOR, TORONTO, ON M5J 2Y1. The VIF is to be completed and returned to the transfer agent in the envelope provided, or a NOBO has the option to submit their proxy vote in the manner described on the VIF. The transfer agent shall tabulate the results of the voting on the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Shares represented by those VIFs.

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

By choosing to send these materials to you directly, the Company (and not the intermediary holding securities 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 your request for voting instructions. Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Shares are voted at the Meeting.

The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the form of proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("Broadridge") in the United States and in Canada. Broadridge mails a VIF in lieu of the form of proxy provided by the Company. The VIF will name the same persons as the proxy to represent the Beneficial Shareholder at the Meeting, and that person may be the Beneficial Shareholder themselves. A Beneficial Shareholder has the right to appoint a person (who need not be a Beneficial Shareholder of the Company) other than the persons designated in the VIF, to represent the Beneficial Shareholder at the Meeting. To exercise this right, the Beneficial Shareholder should insert the name of the desired representative in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail, in accordance with Broadridge's instructions. 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 receiving a VIF from Broadridge cannot use it to vote Shares directly at the Meeting - the VIF must be returned to Broadridge, as the case may be, well in advance of the Meeting in order to have the Shares voted.** Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of his broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the Registered Shareholder and vote the Shares in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Shares as proxyholder for the registered shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

Alternatively, Beneficial Shareholders may request in writing that their broker send to them a legal proxy which would enable them to attend at the Meeting and vote their Shares.

VOTING OF PROXIES

The Shares represented by a properly executed proxy in favour of Management Nominees as proxyholders in the accompanying form of proxy will:

- (a) be voted or withheld from voting in accordance with the instructions of the person appointing the proxyholder on any ballot that may be taken; and
- (b) where a choice with respect to any matter to be acted upon has been specified in the form of proxy, be voted in accordance with the specification made in such proxy.

ON A POLL SUCH SHARES WILL BE VOTED AS DIRECTED BY MANAGEMENT OF THE COMPANY FOR EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED OR WHERE BOTH CHOICES HAVE BEEN SPECIFIED BY THE SHAREHOLDER.

The enclosed form of proxy when properly completed and delivered and not revoked confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the persons designated in the enclosed form of proxy to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Circular, the management of the Company knows of no such amendment, variation or other matter which may be presented to the Meeting.

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

None of the directors or executive officers of the Company, nor any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors and as set out herein.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Board of Directors of the Company has fixed June 9, 2022 as the record date (the "**Record Date**") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Shares voted at the Meeting.

As of June 9, 2022 the Company had outstanding 108,145,068 fully paid and non-assessable Shares without par value, each carrying the right to one vote.

To the knowledge of the directors and senior officers of the Company, there are no persons or companies who beneficially own, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company.

FINANCIAL STATEMENTS

The audited financial statements for the year ended June 30, 2021, the report of the auditor, together with the management's discussion and analysis can be found on www.sedar.com.

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to approve the resolutions described herein. A special resolution is a resolution passed by a majority of not less than two-thirds (2/3rds) of the votes cast by the shareholders who, being entitled to do so, voted in person or by proxy at the Meeting. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

RECOMMENDATION OF THE BOARD

The Board of Directors (the "**Board**") unanimously recommends that Shareholders vote IN FAVOUR OF all resolutions.

PARTICULARS OF MATTERS TO BE ACTED UPON

A. FINANCIAL STATEMENTS

The audited financial statements of the Corporation for the year ended June 30, 2021 with the report of the auditors thereon, will be presented to the shareholders at the Meeting for their review and consideration.

B. NUMBER OF DIRECTORS

The Articles of the Corporation provide that the Corporation shall have a minimum of three and a maximum of that number of directors as may be fixed or changed from time to time by majority approval from the shareholders. Accordingly, shareholders will be asked to set the number of directors at **FOUR (4)**.

C. ELECTION OF DIRECTORS

Management of the Corporation proposes to nominate the persons listed below for election as directors to hold office until the next annual meeting or until his successor is appointed, unless his office is earlier vacated in accordance with the *Business Corporations Act* (British Columbia) (the "BCA") and the Articles.

All of the nominees are currently members of the Board and have been since the dates indicated below. Management does not contemplate that any of the nominees will be unable to serve as a director. **However, if a nominee should be unable to so serve for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. The persons named in the enclosed form of proxy intend to vote FOR the election of all of the nominees whose names are set forth below unless otherwise instructed to withhold from voting thereon on a properly executed and validly deposited proxy.**

The following table sets forth certain information concerning management's nominees for election as directors, including the approximate number of Shares beneficially owned, directly or indirectly, by each of them, or over which they exercise control or direction.

Name, position and jurisdiction of residence	Principal Occupation or employment during the past five years	Director of Company Since	Number of securities beneficially owned, controlled or directed, directly or indirectly (1)
Christopher R. Anderson⁽²⁾ <i>British Columbia, Canada</i> Director, CEO, and President	Independent Businessman; Director & CEO of Alliance Mining Corp. since March 28, 2012 and Director & CEO of Great Atlantic Resources Corp. since April 21, 2011.	December 4, 2013	6,033,237 common shares 5.8% undiluted 600,000 options 4,709,439 warrants 10.8% diluted
Scott Kent⁽²⁾ <i>British Columbia, Canada</i> Director	Independent Businessman Director of Alliance Mining Corp since April 8, 2015.	April 27, 2015	40,000 common shares 0.04% undiluted 80,000 options 40,000 warrants 0.2% diluted
Wesley Warthe-Anderson <i>British Columbia, Canada</i> Director	Independent Businessman Over the past seven years he has worked on various mining projects throughout Canada.	February 15, 2017	451,000 common shares 0.43% undiluted 230,000 warrants 0.6% diluted
Roy Davis⁽²⁾ <i>Los Angeles, CA, USA</i> Director	BSc, ARSM Metalliferous Mining; Mining Engineer: he has held multiple senior positions in both public and private mining operations. He is currently the President of Uranium Exploration Corporation.	April 2, 2017	NIL Shares 275,000 options 0.3% diluted

Notes:

- ¹⁾ The information as to Common Shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Company, has been furnished by insider reports filed on SEDI and by the respective directors and/or nominees themselves.
- ²⁾ A member of the Audit Committee, Mr. Anderson, Mr. Kent and Mr. Davis is the Audit Chairman.

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

It is intended that the shares represented by proxies in favour of management nominees will be voted for the election of such nominees. management does not contemplate that any of such nominees will be unable to serve as directors. however, if for any reason, any of the proposed nominees do not stand for election or are unable to serve as such, proxies in favour of management designees will be voted for another nominee in their discretion unless the shareholder has specified in his proxy that his shares are to be withheld from voting in the election of directors.

Penalties and Sanctions

No proposed director (including any personal holding company of a proposed director):

- (a) is, as at the date of this Circular, or has been, within the preceding 10 years, a director, chief executive officer or chief financial officer of any company (including the Company) that
 - (i) was the subject of an order while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; 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 director, chief executive officer or chief financial officer;
- (b) is, as at the date of this Circular, or has been, within the preceding 10 years, 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; or
- (c) has, within the 10 years before the date of this Circular, became 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; or
- (d) has been subject to:
 - (i) 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 within the 10 years before the date of this Circular, the disclosure of which would likely be important to a reasonable securityholder in deciding whether to vote for a proposed director;
 - (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

D. APPOINTMENT OF AUDITORS

Shareholders will be requested to appoint WDM Chartered Accountants, of Suite 420, 1501 West Broadway, Vancouver, British Columbia as auditors of the Corporation to hold office until the next annual meeting of shareholders and to authorize the directors of the Corporation to fix their remuneration and the terms of their engagement. WDM, Chartered Accountants, was first appointed June 20, 2014.

To be approved, the resolution requires the affirmative vote of a majority of the votes cast on the resolution. Proxies received in favour of management will be voted in favour of the appointment of WDM, Chartered Accountants as auditors of the Corporation to hold office until the next annual meeting of shareholders and the authorization of the directors to fix the auditors' remuneration and the terms of their engagement, unless the shareholder has specified in a proxy that his, her or its Common Shares are to be withheld from voting in respect thereof.

E. APPROVAL OF THE STOCK OPTION PLAN

Effective January 3, 2017, the directors of the Company approved amendments to the Stock Option Plan (the “Plan”) to conform the Plan to the current requirements of the TSX-V. The policies of the TSXV require that the Plan be approved by shareholders on an annual basis at the Company’s Annual General Meeting. The Plan is subject to the approval of the shareholders of the Company and review and acceptance by the TSXV. The Company is seeking shareholder approval for the Plan and the approval of the number of common shares reserved for issuance under the Plan in accordance with and subject to the rules and policies of the TSXV.

The Plan is a “rolling” stock option plan, whereby a maximum of 10% of the issued shares of the Company, from time to time, may be reserved for issuance pursuant to the exercise of options. The purpose of the Stock Option Plan is to attract and motivate directors, officers, employees and consultants to the Company and its subsidiaries and thereby advance the Company's interests by affording such persons with an opportunity to acquire an equity interest in the Company through the stock options.

Some of the key provisions of the Stock Option Plan are as follows:

- (a) the Stock Option Plan will reserve a rolling maximum of 10% of the issued and outstanding shares of the Company at the time of a stock option grant;
- (b) no more than 5% of the common shares outstanding at the time of grant may be reserved for issuance to any one individual in any 12 month period;
- (c) no more than 2% of the common shares outstanding at the time of grant may be reserved for issuance to any Consultant in any 12 month period;
- (d) no more than an aggregate of 2% of the common shares outstanding at the time of grant may be reserved for issuance to persons conducting Investor Relations Activities in any 12 month period;
- (e) the exercise price of any options will be determined by the Board of Directors. However, the minimum exercise price of a stock option cannot be less than the Discounted Market Price of the common shares;
- (f) the term of any options granted under the amended Stock Option Plan will be fixed by the board of directors at the time such options are granted, provided that options will not be permitted to exceed a term of ten years;
- (g) options are non-assignable and non-transferable; and
- (h) the amended Stock Option Plan contains provisions for adjustment in the number of common shares or other property issuable on exercise of a stock option in the event of a share consolidation, split, reclassification or other capital reorganization, or a stock dividend, amalgamation, merger or other relevant corporate transaction, or any other relevant change in or event affecting the common shares.

The full text of the Stock Option Plan is attached hereto as Schedule “B”

The text of the resolution to be passed is as follows. In order to be passed, a majority of the votes cast at the Meeting in person or by proxy must be voted in favour of the resolution. The persons named in the enclosed Instrument of Proxy intend to vote for such resolution.

“BE IT RESOLVED that the Company’s Stock Option Plan be and is hereby ratified and approved, and that in connection therewith a maximum of 10% of the issued and outstanding common shares at the time of each grant be approved for granting as options and that the board of directors be and are hereby authorized, without further shareholder approval, to make such changes to the Stock Option Plan as may be required or approved by regulatory authorities.”

THE BOARD RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE APPROVAL OF THE RESOLUTION. SHARES REPRESENTED BY PROXIES IN FAVOUR OF THE MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF THE ORDINARY RESOLUTION, UNLESS A SHAREHOLDER HAS SPECIFIED IN HIS PROXY THAT HIS SHARES ARE TO BE VOTED AGAINST THE ORDINARY RESOLUTION.

F. OTHER MATTERS

While management of the Corporation is not aware of any business other than that mentioned in the Notice of Meeting to be brought before the Meeting for action by the shareholders, **it is intended that the proxies hereby solicited will be exercised upon any other matter or proposal that may properly come before the Meeting, in accordance with the discretion of the persons authorized to act thereunder.**

STATEMENT OF EXECUTIVE COMPENSATION

Named Executive Officers

For the purposes of this Circular, a named executive officer (“**Named Executive Officer**” or “**NEO**”) of the Company means each of the following individuals:

- (a) a chief executive officer (“**CEO**”) of the Company;
- (b) a chief financial officer (“**CFO**”) of the Company;
- (c) each of the Company’s three most highly compensated executive officers of the Company including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was individually, more than \$150,000, as determined for the June 30, 2019 financial year; and
- (d) each individual who would be a NEO under paragraph (c) above but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at June 30, 2021.

COMPENSATION DISCUSSION AND ANALYSIS

The purpose of this Compensation Discussion and Analysis is to provide information about the Company’s executive compensation objectives and processes and to discuss compensation decisions relating to its NEOs and Directors listed in the Summary Compensation Table that follows. During the two most recent fiscal years ended June 30, 2021 and 2020, the following individuals were NEOs or former NEOs of the Company, namely: Christopher R. Anderson, Director, President and Chief Executive Officer (from December 4, 2013 to present); and Nicolette Keith, CFO (from May 17, 2018 to present).

Compensation Objectives and Principles

The primary goal of the Company’s executive compensation program is to attract and retain the key executives necessary for the Company’s long term success, to encourage executives to further the development of the Company and its operations, and to motivate top quality and experienced executives. The key elements of the executive compensation program are: (i) base salary; (ii) potential annual incentive award; and (iii) incentive stock options. The directors are of the view that all elements of the total program should be considered, rather than any single element.

Compensation Process

The Company does not have a formal compensation program with set benchmarks nor has the Board formally considered the implications of the risks associated with the Company’s compensation policies and practices. The Company relies solely on its Board, through discussion without any formal objectives, criteria or analysis, in determining the compensation of its executive officers. The Board is responsible for determining all forms of compensation, including long-term incentive in the form of stock options, to be granted to the Named Executive Officers of the Company and to the directors, and for reviewing the recommendations respecting compensation for any other officers of the Company from time to time, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of its officers, the Board considers: (i) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and the Company’s shareholders; and (iv) rewarding performance, both on an individual basis and with respect to operations in general.

LONG-TERM INCENTIVE AWARDS (LTIP)

Our LTIP awards program consists of the grant of Options to purchase Shares under our Stock Option Plan and the grant of RSUs under our RSU Plan.

Our LTIP program provides a framework for the Board regarding the granting of Options, and RSUs. RSU's are limited to the key management positions that have the responsibility for influencing our policy, strategy, long-term performance and associated outcomes. While previous grants may be taken into account when considering new grants, our granting of Options, and RSUs has been based on review of peer performance data by our Board in consultation with our CFO. The Board reviews and makes recommendations which are approved by all members with respect to grants to be given to each participant. The Board also considers previous grants of options and the overall number of options that are outstanding relative to the number of outstanding Shares in determining whether to make any new grants of options and the size and terms of any such grants, as well as the level of effort, time, responsibility, ability, experience and level of commitment of the executive officer in determining the level of incentive stock option compensation. See "Incentive Plan Awards – Outstanding Share-Based and Option-Based Awards" below, as well as "Approval of the Stock Option Plan" for a description of the Company's Plan, and "Securities Authorized for Issuance under Equity Compensation Plans".

Options: Options are used to align our executive and other key employee interests with those of our shareholders by providing an incentive to achieve our long-term superior performance objectives. The Board has established a vesting schedule focused on the retention of our NEOs and other employees. Options vest may over a three-year period, with one-third vesting on each of the first, second and third anniversary of the grant date or be granted as fully vested depending on the circumstances.

Further details of the Option plan can be found above on Page 6 of this information circular.

RSUs: In 2018, we adopted the RSU Plan, which was subsequently approved by our shareholders at our annual meeting. The RSU Plan provides for awards of RSUs. Pursuant to the RSU Plan, each vested RSU represents the right to receive a cash payment or its equivalent in fully-paid Shares equal to the fair market value of the Shares as at the vesting date. The RSU Plan is designed to provide Eligible Persons of the Company and its related entities with the opportunity to acquire RSUs of the Company, thereby allowing an Eligible Person to participate in the long-term success of the Company thus promoting the alignment of an Eligible Person's interests with the Shareholders.

Nature and Administration of the RSU Plan

As defined in the RSU Plan, Eligible Persons are eligible to participate in the RSU Plan (as "Recipients"), and the Company reserves the right to restrict eligibility or otherwise limit the number of persons eligible for participation as Recipients in the RSU Plan. Eligibility to participate as a Recipient in the RSU Plan does not confer upon any person a right to receive an award of RSUs.

Subject to certain restrictions, the Board or its appointed committee, can, from time to time, award RSUs to Eligible Persons. RSUs will be credited to an account maintained for each Recipient on the books of the Company as of the award date. The number of RSUs to be credited to each Recipient's account shall be determined at the discretion of the Board and pursuant to the terms of the RSU Plan.

Each award of RSUs vests on the date(s) (each a "**Vesting Date**") that is the later of the Trigger Date (as defined in the RSU Plan) and the date upon which the relevant performance condition or other vesting condition set out in the award has been satisfied, subject to the requirements of the RSU Plan.

RSUs and all other rights, benefits or interests in this Plan are non-transferable and may not be pledged or assigned or encumbered in any way and are not subject to attachment or garnishment, except that if a Recipient dies the legal representatives of the Recipient will be entitled to receive the amount of any payment otherwise payable to the Recipient hereunder in accordance with the provisions hereof.

Credit for Dividends: A Recipient's account will be credited with additional RSUs as of each dividend payment date in respect of which cash dividends are paid on Shares. The number of additional RSUs to be credited to a Recipient's account is computed by multiplying the amount of the dividend per Share by the aggregate number of RSUs that were credited to the Recipient's account as of the record date for payment of the dividend, and dividing that number by the Fair Market Value (as defined in the RSU Plan). Note that the Company is not obligated to pay dividends on Shares.

Resignation, Termination, Leave of Absence or Death: Generally, if a Recipient's employment or service is terminated for cause, if Recipient enters Retirement (as defined in the RSU Plan), or if the Recipient voluntarily resigns from employment with the Company, then any RSUs credited to him or her under the RSU Plan which have not vested on or before the separation date for the Recipient are forfeited, cancelled and terminated without payment.

In the event a Recipient is terminated without cause, dies, or suffers Total Disability (as defined in the RSU Plan), unvested RSUs will immediately vest on the date of termination.

Control of Change: In the event of a Change of Control (as defined in the RSU Plan), all RSUs credited to a Recipient vest on the date on which the Change of Control occurs. Within thirty (30) days after the date on which the Change of Control Occurs, but in no event later than the Expiry Date, the Recipient must receive a payment equal to the number of RSUs that vested on the date of the Change of Control, multiplied by the Fair Market Value on that date.

Adjustments: In the event of any dividend paid in shares, share subdivision, combination or exchange of shares, merger, consolidation, spin-off or other distribution of Company assets to shareholders, or any other change in the capital of the Company affecting Shares, the Board will make adjustments with respect to the number of RSUs outstanding and any proportional adjustments as it, in its discretion, considers appropriate to reflect the change.

Vesting: The Board has discretion to grant RSUs to Eligible Persons as it determines is appropriate, and can impose conditions on vesting as it sees fit in addition to the Performance Conditions (as defined in the RSU Plan) if any. Vesting occurs on the date set by the Board at the time of the grant or if no date is set then December 1 of the third calendar year following the date of the grant (the “Trigger Date”), and the date upon which the relevant Performance Condition or other vesting condition has been satisfied, subject to the limitations of the RSU Plan.

Limitations under the RSU Plan: Unless disinterested Shareholder Approval is obtained (or unless permitted otherwise by the rules of the Stock Exchange):

- (a) the maximum number of Shares that may be issued to an Eligible Person pursuant to Restricted Stock Units under the Plan may not exceed 1% of the issued Shares calculated on the Grant Date (on a non-diluted basis) and in aggregate, within a 12-month period, may not exceed 2% of the issued Shares calculated on the Grant Date (on a non-diluted basis);
- (b) the maximum number of Shares which may be reserved for issuance to Insiders (as a group) under the Plan and under other Share Compensation Arrangement may not exceed 10% of the issued Shares calculated on the Grant Date (on a non-diluted basis);
- (c) the maximum number of Shares that may be issued to Insiders (as a group) pursuant to Restricted Stock Units under the Plan and under any other Share Compensation Arrangement, within a 12-month period, may not exceed 10% of the issued Shares calculated on the Grant Date (on a non-diluted basis);
- (d) subject to clause (e) below, the maximum number of Shares that may be issued to any one Eligible Person pursuant to Restricted Stock Units under the Plan and under any other Share Compensation Arrangement, within a 12-month period, may not exceed 5% of the issued Shares calculated on the Grant Date (on a non-diluted basis); and
- (e) the maximum number of Shares that may be issued to an Eligible Person who is a Consultant or a Person retained to provide Investor Relations Activities pursuant to Restricted Stock Units under the Plan and under any other Share Compensation Arrangement, within a 12-month period, may not exceed 2% of the issued Shares calculated on the Grant Date (on a non-diluted basis), without the prior consent of the Stock Exchange.

Amendment or Termination of RSU Plan: Subject to all necessary approvals of the Stock Exchange, the Board may amend or terminate the RSU Plan at any time, but the consent of the Recipient is required for any such amendment that adversely affects the rights of the Recipient, unless the amendment or termination is required by law. A termination of the RSU Plan will not accelerate the vesting of RSUs or the time which a Recipient would otherwise be entitled to receive payment in respect of the RSUs.

Further information on our Options, RSUs and PSUs can be found under the heading “Securities Authorized for Issuance Under Equity Compensation Plans” in this Information Circular. Both the Option Plan and the RSU Plan are administered by the Board of Directors which has the authority to determine the eligible participants to whom Options, and RSUs may be granted, as applicable, and the amount of the awards under each grant.

Benefits and Perquisites

The Company's Named Executive Officers and Directors do not receive any benefits or perquisites.

The Company has not placed a restriction on the purchase by its NEOs, directors or other employees of financial instruments (including prepaid variable forward contracts, equity swaps, collars or units of exchange funds) that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or employee. To the Company's knowledge, none of the above people have purchased such financial instruments.

SUMMARY COMPENSATION TABLE

The following table sets forth all direct and indirect compensation for, or in connection with, services provided and for services to be provided by the NEOs and Directors of the Company for the two most recently completed financial years ended June 30, 2020 and June 30, 2021. Other than as disclosed elsewhere in this Information Circular, no director of the Company who is not a Named Executive Officer has received, during the most recently completed financial year, compensation pursuant to:

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

The Company may grant incentive stock options or RSU's to Directors and officers of the Company from time to time pursuant to the stock option plan of the Company and in accordance with the policies of the TSX Venture Exchange (the "TSX-V").

					Non-equity incentive Plan Compensation (\$)				
Name and Principal Position	Year	Salary (\$)	Share based Awards (\$)	Option based Awards \$(1)	Annual Incentive Plans	Long-term Incentive Plans	Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
Christopher R. Anderson - <i>Director CEO and President</i>	2020	Nil	183,750	\$101,448	Nil	Nil	Nil	\$532,400	\$817,598
	2021	Nil	Nil	\$92,732	Nil	Nil	Nil	\$287,000	\$379,732
Roy Davis <i>Director</i>	2020	Nil	Nil	\$43,478	Nil	Nil	Nil	Nil	\$43,478
	2021	Nil	Nil	\$39,742	Nil	Nil	Nil	Nil	\$39,742
Wesley Warthe- Anderson - <i>Director</i>	2020	Nil	Nil	\$57,970	Nil	Nil	Nil	Nil	\$57,970
	2021	Nil	Nil	\$52,990	Nil	Nil	Nil	Nil	\$52,990
Scott Kent <i>Director</i>	2020	Nil	Nil	\$43,478	Nil	Nil	Nil	Nil	\$43,478
	2021	Nil	Nil	\$26,495	Nil	Nil	Nil	Nil	\$26,495
Nicolette Keith <i>CFO</i>	2020	Nil	Nil	\$43,478	Nil	Nil	Nil	Nil	\$43,478
	2021	Nil	Nil	\$39,742	Nil	Nil	Nil	Nil	\$39,742

Notes:

- 1) This column does not reflect the current value of the stock options or the value, if any, that may be realized if and when the stock options are exercised. The fair value of the option-based awards was determined on the grant date using the Black-Scholes option pricing model. The Company uses the Black-Scholes option pricing model because it is a widely used and generally accepted method of estimating the fair value of stock options for accounting purposes.
- 2) Paid to a company controlled by Christopher R. Anderson for management services.

Incentive Plan Awards

Incentive Plan Awards – Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information in respect of all share-based awards and option-based awards outstanding at the end of June 30, 2021 to the Named Executive Officers and Directors of the Company.

	Option Based Awards				Share-Based Awards ⁽¹⁾⁽³⁾		
Name	Number of Common Shares Underlying unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options (\$)	Number of Shares or units of Shares that have not Vested	Market or Payout Value of Share-based Awards that	Market or Payout Value of Vested Share-based Awards not paid out or distributed
Christopher R. Anderson Director, President and CEO	20,000	\$0.75	Oct 5, 2021	Nil	Nil	Nil	Nil
	20,000	\$0.60	Nov 22, 2021	Nil	Nil	Nil	Nil
	75,000	\$0.30	Dec 27, 2023	Nil	Nil	Nil	Nil
	175,000	\$0.70	July 15, 2024	Nil	Nil	Nil	Nil
	350,000	\$0.40	Feb 22, 2026	Nil	Nil	Nil	Nil
Nicolette Keith CFO	75,000	\$0.70	July 15, 2024	Nil	Nil	Nil	Nil
	150,000	\$0.40	Feb 22, 2026	Nil	Nil	Nil	Nil
Roy Davis Director	50,000	\$0.18	Feb 25, 2023	\$3,000	Nil	Nil	Nil
	75,000	\$0.30	Dec 27, 2023	Nil	Nil	Nil	Nil
	75,000	\$0.70	July 15, 2024	Nil	Nil	Nil	Nil
	150,000	\$0.40	Feb 22, 2026	Nil	Nil	Nil	Nil
Wesley Warthe - Anderson Director	100,000	\$0.70	July 15, 2024	Nil	Nil	Nil	Nil
	200,000	\$0.40	Feb 22, 2026	Nil	Nil	Nil	Nil
Scott Kent Director	15,000	\$0.75	Oct 5, 2021	Nil	Nil	Nil	Nil
	15,000	\$0.60	Nov 22, 2021	Nil	Nil	Nil	Nil
	75,000	\$0.70	July 15, 2024	Nil	Nil	Nil	Nil
	150,000	\$0.40	Feb 22, 2026	Nil	Nil	Nil	Nil

Notes:

- 1) This amount is calculated based on the difference between the market value of the securities underlying the options at the end of the most recently completed financial year, which was \$0.155 and the exercise or base price of the option.
- 2) The fair value of the option-based awards was determined on the grant date using the Black-Scholes option pricing model. The Company uses the Black-Scholes option pricing model because it is a widely used and generally accepted method of estimating the fair value of stock options for accounting purposes.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth, for each NEO and Director the value of all incentive plan awards issued during the year ended June 30, 2021:

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 (\$)
Christopher R. Anderson Director, President and CEO	92,732	Nil	Nil
Nicolette Keith CFO	39,742	Nil	Nil
Roy Davis Director	39,742	Nil	Nil
Wesley Warthe-Anderson Director	52,990	Nil	Nil
Scott Kent Director	26,495	Nil	Nil

Pension Plan Benefits and Deferred Compensation Plans

The Company does not have a pension plan or provide any benefits following or in connection with retirement.

Termination of Employment, Change in Responsibilities and Employment Contracts

The Company entered into a five year agreement with its Director, President and Chief Executive Officer, Christopher Anderson in December, 2016 (the “**2016 Agreement**”), for consulting services to the Company for consideration of \$15,000 (plus applicable taxes) plus auto and reimbursement of all traveling and direct expenses incurred. Termination of these agreements may occur by virtue of a Change of Control in the Company either through a corporate acquisition by another public Company or the purchase in the public stock markets of no less than 25% ownership in the Company. Both of the aforementioned situations will be defined as a Change of Control. Upon the occurrence of a Change of Control, Mr. Anderson shall have the right, by providing written fifteen day notice of termination of the 2016 Agreement, and will be entitled to payment of severance equal to no less than two years then current annualized compensation. Payment of the severance is due twenty-one days after receipt of the notice.

Notwithstanding the foregoing, neither the Company nor any of its subsidiaries has any plan or arrangement with respect to compensation to its executive officers which would result from the resignation, retirement or any other termination of employment of the executive officers' employment with the Company and its subsidiaries or from a change of control of the Company or any subsidiary of the Company or a change in the executive officers' responsibilities following a change in control.

NARRATIVE DISCUSSION

Other than amounts already included in the above table, the Company has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Company for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultant or expert during the most recently completed financial year or subsequently, up to and including the date of this Information Circular.

The Company has a stock option plan for the granting of incentive stock options to the officers, employees and directors. The purpose of granting such options to the Company's directors is to assist the Company in compensating, attracting, retaining and motivating the directors and to closely align the personal interests of the directors to that of the Company's shareholders.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

As of the financial year ended June 30, 2021, the Company's Stock Option Plan was the only equity compensation plan under which securities were authorized for issuance. The following table sets forth information with respect to the Company's Stock Option Plan as at the date of this Circular being June 9, 2021:

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (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)) (c)
Equity compensation plans approved by shareholders	23,725,577	\$0.56	7,189,506
Equity compensation plans not approved by shareholders	N/A	N/A	N/A

Notes:

- (1) This figure is based on the total number of shares authorized for issuance under the Company's Stock Option Plan, less the number of stock options outstanding as at the Company's year ended June 30, 2021. As at June 9, 2022 the Company was authorized to issue a total of 10,814,506 stock options.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Circular, no director, executive officer, employee or former director, executive officer or employee of the Company was indebted to the Company as at the date hereof or at any time during the most recently completed financial year of the Company. None of the proposed nominees for election as a director of the Company, or any associate or affiliate of any director, executive officer or proposed nominee, was indebted to the Company as at the date hereof or at any time during the most recently completed financial year.

The Company has not provided any guarantees, support agreements, letters of credit or other similar arrangement or understanding for any indebtedness of any of the Company's directors, executive officers, proposed nominees for election as a director, or associates or affiliates of any of the foregoing individuals as at the date hereof or at any time during the most recently completed financial year of the Company.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

An "informed person" means: (a) a director or executive officer of the Company; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company; (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% of the voting rights other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its Common Shares.

To the knowledge of management of the Company, no informed person or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries during the year ended June 30, 2021, or has any interest in any material transaction in the current year other than as set out herein.

MANAGEMENT CONTRACTS

The management functions of the Company are substantially performed by the directors and officers of the Company, and not to any substantial degree by any other person with whom the Company has contracted. Refer to Section "*Termination of Employment, Change in Responsibilities and Employment Contracts*" for details of the 2016 Agreement with Christopher Anderson, Director, President and Chief Executive Officer of the Company.

CORPORATE GOVERNANCE

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

National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. The Company will continue to review and implement corporate governance guidelines as the business of the Company progresses and becomes more active in operations. National Instrument 58-101 *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices in Form 58-101F2, which disclosure is set out below.

Board of Directors

The mandate of the Board is to supervise the management of the Company and to act in the best interests of the Company. The Board acts in accordance with:

- (a) the *Business Corporations Act* (British Columbia)
- (b) the Company's articles of incorporation and by-laws
- (c) the Company's code of business conduct
- (d) the charters of the Board and the Board committees; and
- (e) other applicable laws and Company policies

The Board approves all significant decisions that affect the Company before they are implemented. The Board supervises their implementation and reviews the results.

The Board is actively involved in the Company's strategic planning process. The Board discusses and reviews all materials relating to the strategic plan with management. The Board is responsible for reviewing and approving the strategic plan. At least one Board meeting each year is devoted to discussing and considering the strategic plan, which takes into account the risks and opportunities of the business. Management must seek the Board's approval for any transaction that would have a significant impact on the strategic plan.

The Board periodically reviews the Company's business and implementation of appropriate systems to manage any associated risks, communications with investors and the financial community and the integrity of the Company's internal control and management information systems. The Board also monitors the Company's compliance with its timely disclosure obligations and reviews material disclosure documents prior to distribution. The Board periodically discusses the systems of internal control with the Company's external auditor.

The Board is responsible for choosing the President and appointing senior management and for monitoring their performance and developing descriptions of the positions for the Board, including the limits on management's responsibilities and the corporate objectives to be met by the management.

The Board approves all the Company's major communications, including annual and quarterly reports, financing documents and press releases. The Company communicates with its stakeholders through a number of channels including its website. The Board approved the Company's communication policy that covers the accurate and timely communication of all important information. It is reviewed annually. This policy includes procedures for communicating with analysts by conference calls.

The Board, through its Audit Committee, examines the effectiveness of the Company's internal control processes and management information systems. The Board consults with the external auditor and management of the Company to ensure the integrity of these systems. The external auditor submits a report to the Audit Committee each year on the quality of the Company's internal control processes and management information systems.

The Board is responsible for determining whether or not each director is an independent director. The President, Secretary and any other officer are not considered independent. None of the other directors work in the day-to-day operations of the Company, are party to any material contracts with the Company, or receive any fees from the Company except as disclosed in this circular.

Directorships

The following table sets forth the directors of the Company who currently hold directorships on other reporting issuers:

Name Directors	Name of Other Reporting Issuer
Christopher R. Anderson	Alliance Mining Corp. (TSXV) Golden Dawn Minerals Inc (TSXV) Great Atlantic Resources Corp. (TSXV)
Scott Kent	Alliance Mining Corp. (TSXV) Fort St. James Nickel Corp. (TSXV) GGX Gold Corp (TSXV)
Wesley Warthe-Anderson	New Destiny Mining Corp. (TSXV)

Orientation and Continuing Education

The Board of the Company briefs all new directors with the policies of the Board of Directors, and other relevant corporate and business information.

Ethical Business Conduct

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.

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Company or an affiliate

of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

Nomination of Directors

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, show support for the Company's mission and strategic objectives, and a willingness to serve.

Compensation

The Board conducts reviews with regard to directors' compensation once a year. To make its recommendation on directors' compensation, the Board takes into account the types of compensation and the amounts paid to directors of comparable publicly traded Canadian companies and aligns the interests of Directors with the return to shareholders. The Board decides the compensation of the Company's officers, based on industry standards and the Company's financial situation.

Other Board Committees

The Company and the Board has no committees other than the Audit Committee. The Audit Committee Charter is enclosed herein as Schedule "A".

Assessments

The Board monitors the adequacy of information given to directors, communication between the board and management and the strategic direction and processes of the board and committees.

COMPOSITION OF THE AUDIT COMMITTEE

Member	Independent⁽¹⁾	Financially Literate⁽²⁾
Christopher R. Anderson	No	Yes
Roy Davis	Yes	Yes
Scott Kent	Yes	Yes

Note:

- (1) A member of an audit committee is independent if the member has had no direct or indirect material relationship within the past three years with the Company which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth 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.

RELEVANT EDUCATION AND EXPERIENCE

For the relevant experience of each Audit Committee member, see their principal occupations for the last five years under the heading – “*Election of Directors*”.

Each member of the audit committee has had experience that would provide the member with:

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

AUDIT COMMITTEE OVERSIGHT

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor (currently, WDM Chartered Accountants Vancouver, British Columbia) not adopted by the Board.

RELIANCE ON CERTAIN EXEMPTIONS

During the most recently completed financial year, the Company has not relied on the exemptions contained in sections 2.4 or 8 of National Instrument 52-110 *Audit Committees*. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of all the non-audit services not pre-approved is reasonably expected to be no more than 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided, the Company did not recognize the services as non-audit services at the time of engagement, and the services are promptly brought to the attention of the Audit Committee and approved prior to the completion of the audit by the Audit Committee. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of the Instrument, in whole or in part.

PRE-APPROVAL POLICIES AND PROCEDURES

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

EXTERNAL AUDITOR SERVICE FEES

The Audit Committee has reviewed the nature and amount of the non-audited services provided by WDM Chartered Accountants, to the Company to ensure auditor independence. Fees incurred for audit and non-audit services in the last two fiscal years for audit fees are outlined in the following table:

	Fees Paid to Auditor in Year Ended	
	June 30, 2020	June 30, 2021
Audit Fees ⁽¹⁾	45,150	45,150
Audit-Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	Nil	Nil
All Other Fees ⁽⁴⁾	Nil	Nil
Total	\$	\$

Note:

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

Exemption

The Company is relying upon the exemption set forth in section 6.1 of NI 52-110 with respect to Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

ADDITIONAL INFORMATION

Additional information relating to the Company is included in the Company's audited comparative financial statements for the year ended June 30, 2021 and the prior fiscal year, the auditor's report and related management discussion and analysis. Copies of the Company's most current interim financial statements and related management discussion and analysis, and additional copies of this proxy circular, may be obtained from SEDAR at www.sedar.com and upon request from the Company's Secretary at the address of the Company.

APPROVAL OF DIRECTORS

The contents and mailing of this Circular have been approved by the Board of Directors of the Company.

Where information contained herein rests specifically within the knowledge of a person other than the Company, the Company has relied upon information furnished by such person.

Dated at Vancouver, British Columbia, this June 9, 2022

"Christopher R. Anderson"

Christopher R. Anderson

President and Chief Executive Office

SCHEDULE A

AUDIT COMMITTEE CHARTER

The Audit Committee Charter

The Audit Committee's mandate and charter can be described as follows:

1. Each member of the Audit Committee shall be a member of the Board, in good standing, and the majority of the members of the Audit Committee shall be independent in order to serve on this committee.
2. At least one of the members of the Audit Committee shall be financially literate.
3. Review the Audit Committee's charter annually, reassess the adequacy of this charter, and recommend any proposed changes to the Board. Consider changes that are necessary as a result of new laws or regulations.
4. The Audit Committee shall meet at least four times per year, and each time the Company proposes to issue a press release with its quarterly or annual earnings information. These meetings may be combined with regularly scheduled meetings, or more frequently as circumstances may require. The Audit Committee may ask members of the Management or others to attend the meetings and provide pertinent information as necessary.
5. Conduct executive sessions with the outside auditors, outside counsel, and anyone else as desired by the Audit Committee.
6. The Audit Committee shall be authorized to hire outside counsel or other consultants as necessary (this may take place any time during the year).
7. Approve any non-audit services provided by the independent auditors, including tax services. Review and evaluate the performance of the independent auditors and review with the full Board any proposed discharge of the independent auditors.
8. Review with the Management the policies and procedures with respect to officers' expense accounts and perquisites, including their use of corporate assets, and consider the results of any review of these areas by the independent auditor.
9. Consider, with the Management, the rationale for employing accounting firms rather than the principal independent auditors.
10. Inquire of the Management and the independent auditors about significant risks or exposures facing the Company; assess the steps the Management has taken or proposes to take to minimize such risks to the Company; and periodically review compliance with such steps.
11. Review with the independent auditor, the audit scope and plan of the independent auditors. Address the coordination of the audit efforts to assure the completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.
12. Inquire regarding the "quality of earnings" of the Company from a subjective as well as an objective standpoint.
13. Review with the independent accountants: (a) the adequacy of the Company's internal controls including computerized information systems controls and security; and (b) any related significant findings and recommendations of the independent auditors together with the Management's responses thereto.
14. Review with the Management and the independent auditor the effect of any regulatory and accounting initiatives, as well as off-balance-sheet structures, if any.
15. Review with the Management, the independent auditors, the interim and annual financial reports before they are filed with the regulatory authorities.

16. Review with the independent auditor that performs an audit: (a) all critical accounting policies and practices used by the Company; and (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with the Management of the Company, the ramifications of each alternative and the treatment preferred by the Company.
17. Review all material written communications between the independent auditors and the Management.
18. Review with the Management and the independent auditors: (a) the Company's annual financial statements and related footnotes; (b) the independent auditors' audit of the financial statements and their report thereon; (c) the independent auditor's judgments about the quality, not just the acceptability, of the Company's accounting principles as applied in its financial reporting; (d) any significant changes required in the independent auditors' audit plan; and (e) any serious difficulties or disputes with the Management encountered during the audit.
19. Periodically review the Company's code of conduct to ensure that it is adequate and up-to-date.
20. Review the procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters that may be submitted by any party internal or external to the organization. Review any complaints that might have been received, current status, and resolution if one has been reached.
21. Review procedures for the confidential, anonymous submission by employees of the organization of concerns regarding questionable accounting or auditing matters. Review any submissions that have been received, the current status, and resolution if one has been reached.
22. The Audit Committee will perform such other functions as assigned by law, the Company's articles, or the Board.

SCHEDULE B

XIMEN MINING CORP.

AMENDED 2017 STOCK OPTION PLAN

1. PURPOSE OF THE PLAN

- 1.1 The purpose of the Plan is to attract, retain and motivate persons of training experience and leadership as key service providers to the Company and its Subsidiaries, including their directors, officers and employees, and to advance the interests of the Company by providing such persons with the opportunity, through share options, to acquire an increased proprietary interest in the Company.

2. DEFINED TERMS

Where used herein, the following terms shall have the following meanings, respectively:

- 2.1 **"Board"** shall mean the board of directors of the Company;
- 2.2 **"Company"** means Ximen Mining Corp. and includes any successor company thereof;
- 2.3 **"Consultant"** means, in relation to the Company, an individual, or a company wholly-owned by individuals, who:
- (a) provides ongoing consulting services to the Company or an Affiliate of the Company under a written contract;
 - (b) possesses technical, business or management expertise of value to the Company or an Affiliate of the Company;
 - (c) spends a significant amount of time and attention on the business and affairs of the Company or an Affiliate of the Company; and
 - (d) has a relationship with the Company or an Affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company.
- 2.4 **"Directors"** means directors, senior officers and Management Company Employees of the Company.
- 2.5 **"Eligible Person"** means:
- (i) any Director, Employee, Consultant or Management Company Employee of the Company (an **"Eligible Individual"**); or
 - (ii) a company controlled by an Eligible Individual, the issued and outstanding voting shares of which are, and will continue to be, beneficially owned, directly or indirectly, by such Eligible Individual and/or spouse, children and/or grandchildren of such Eligible Individual (an **"Employee Company"**);

- 2.6 **"Employee"** means:
- (a) an individual who is considered an employee under the Income Tax Act (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);
 - (b) an individual who works full-time for the Company providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
 - (c) an individual who works for the Company on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source.
- 2.7 **"Exchange"** means the TSX Venture Exchange.
- 2.8 **"Insider"** means any insider, as such term is defined in the *Securities Act* (British Columbia), of the Company, other than a person who falls within that definition solely by virtue of being a director or senior officer of a Subsidiary, and includes any associate, as such term is defined in the *Securities Act* (British Columbia), of any such insider;
- 2.9 **"Investor Relations Activities"** has that meaning ascribed to it under Policy 1.1 of the Exchange, as amended;
- 2.10 **"Management Company Employee"** means an individual employed by a Person providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a Person engaged in Investor Relations Activities.
- 2.11 **"Market Price"** at any date in respect of the Shares means the closing sale price of such Shares on the TSX Venture Exchange on the trading day immediately preceding such date;
- 2.12 **"Option"** means an option to purchase Shares granted to an Eligible Person under the Plan;
- 2.13 **"Option Price"** means the price per Share at which Shares may be purchased under an Option, as the same may be adjusted from time to time in accordance with Article 8 hereof;
- 2.14 **"Optioned Shares"** means the Shares issuable pursuant to an exercise of Options;
- 2.15 **"Optionee"** means an Eligible Person to whom an Option has been granted and who continues to hold such Option;
- 2.16 **"Plan"** means the Ximen Mining Corp. Stock Option Plan, as the same may be further amended or varied from time to time;
- 2.17 **"Securities Laws"** means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time which are applicable to the Company.
- 2.18 **"Shares"** means the common shares of the Company or, in the event of an adjustment contemplated by Article 8 hereof, such other shares or securities to which an Optionee may be entitled upon the exercise of an Option as a result of such adjustment; and
- 2.19 **"Subsidiary"** means any corporation, which is a subsidiary; as such term is defined in the *Business Corporations Act* (British Columbia), of the Company.

3. ADMINISTRATION OF THE PLAN

3.1 The Plan shall be administered by the Board.

3.2 The Board shall have the power, where consistent with the general purpose and intent of the Plan and subject to the specific provisions of the Plan and the policies of the Exchange:

- (a) to establish policies and to adopt rules and regulations for carrying out the purposes, provisions and administration of the Plan;
- (b) to interpret and construe the Plan and to determine all questions arising out of the Plan or any Option, and any such interpretation, construction or determination made by the Board shall be final, binding and conclusive for all purposes;
- (c) to determine the number of Shares covered by each Option;
- (d) to determine the Option Price of each Option;
- (e) to determine the time or times when Options will be granted and exercisable;
- (f) to determine if the Shares which are issuable on the exercise of an Option will be subject to any restrictions upon the exercise of such Option; and
- (g) to prescribe the form of the instruments relating to the grant, exercise and other terms of Options.

3.3 The Board may, in its discretion, require as conditions to the grant or exercise of any Option that the Optionee shall have:

- (a) represented, warranted and agreed in form and substance satisfactory to the Company that he or she is acquiring and will acquire such Option and the Shares to be issued upon the exercise thereof or, as the case may be, is acquiring such Shares, for his or her own account, for investment and not with a view to or in connection with any distribution, that he or she has had access to such information as is necessary to enable him or her to evaluate the merits and risks of such investment and that he or she is able to bear the economic risk of holding such Shares for an indefinite period;
- (b) agreed to restrictions on transfer in form and substance satisfactory to the Company and to an endorsement on any option agreement or certificate representing the Shares making appropriate reference to such restrictions (including any notation required by the TSX Venture Exchange or any other stock exchange on which the Shares become listed); and
- (c) agreed to indemnify the Company in connection with the foregoing.

3.4 Any Option granted under the Plan shall be subject to the requirement that, if at any time counsel to the Company shall determine that the listing, registration or qualification of the Shares subject to such Option upon any securities exchange or under any law or regulation of any jurisdiction, or the consent or approval of any securities exchange or any governmental or regulatory body, is necessary as a condition of, or in connection with, the grant or exercise of such Option or the issuance or purchase of Shares there under, such Option may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Board. Nothing herein shall be deemed to require the Company to apply for or to obtain such listing, registration, qualification, consent or approval.

4. SHARES SUBJECT TO THE PLAN

The maximum number of Shares issuable under the Plan shall not exceed 10% of the number of Shares of the Company issued and outstanding, inclusive of all Shares presently reserved for issuance pursuant to previously granted stock options, and inclusive of all grants to Consultants and persons performing Investor Relations Activities.

Any exercise, expiration or termination of options, will make new grants available under the Plan (“reloading”), provided that the maximum number of Shares reserved for issuance shall not exceed 10% of the total issued and outstanding Shares of the Company. The Company shall comply with all applicable regulatory and Exchange rules and policies in respect of the reloading under the Plan as they may be from time to time.

5. ELIGIBILITY, GRANT AND TERMS OF OPTIONS

- 5.1 Options may be granted to any Eligible Person in accordance with Section 5.2 hereof.
- 5.2 Options may be granted by the Company to the extent that they are approved by the Board.
- 5.3 Subject as herein and otherwise specifically provided in this Article 5, the number of Shares subject to each Option, the Option Price of each Option, the expiration date of each Option, the extent to which each Option is exercisable from time to time during the term of the Option and other terms and conditions relating to each such Option shall be determined by the Board and shall be in compliance with Exchange Policy 4.4.
- 5.4 Each Option granted under this Plan shall be exercisable for a maximum period of up to ten (10) years from the date the Option is granted to the Optionee. Subject to this section 5.4, the Board shall, at the time of granting an Option, determine the time or times when an Option or a part of an Option shall be exercisable.
- 5.5 Subject to any adjustments pursuant to the provisions of Article 8 hereof, the Option Price of any Option shall in no circumstances be lower than the Market Price on the date on which the grant of the Option is approved by the Board. If, as and when any Shares have been duly purchased and paid for under the terms of an Option, such Shares shall be conclusively deemed allotted and issued as fully paid non-assessable Shares at the price paid therefore.
- 5.6 An Option is personal to the Optionee and is non-assignable and non-transferable (whether by operation of law or otherwise), except as provided for herein. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of an Option contrary to the provisions of the Plan, or upon the levy of any attachment or similar process upon an Option, the Option shall, at the election of the Company, cease and terminate and be of no further force or effect whatsoever.
- 5.7 No Options shall be granted to any Optionee if such grant could result, at any time, in the issuance to any one individual, within a one-year period, of a number of Shares exceeding 5% of the issued and outstanding Shares (unless the Issuer has obtained disinterested Shareholder approval) pursuant to section 5.1 therein.
- 5.8 The aggregate number of Options granted to Consultants shall not exceed 2% of the issued and outstanding Shares of the Company at the time of grant.
- 5.9 The aggregate number of options granted to persons employed in Investor Relations Activities shall not exceed 2% of the issued and outstanding Shares of the Company at the time of grant unless the Exchange permits otherwise.

5.10 In addition to any resale restrictions under Securities Laws, all certificates evidencing Options and any Shares issued on the exercise of Options within four (4) months from the date the Options are granted will bear such resale restriction on legends as are required under Securities Laws and the policies of the Exchange.

5.11 The Company's shareholders must approve any Plan or grant that, together with all of the Company's other previously established stock option plans or grants, could result at any time in the number of Shares reserved for issuance under stock options exceeding 10% of the issued and outstanding Shares.

5.12 The Company shall obtain disinterested shareholder approval of Options if:

- (i) such Options, together with all of the Issuer's previously established or proposed stock option grants, could result at any time in:
 - (a) the number of shares reserved for issuance under stock options granted to Insiders exceeding 10% of the outstanding Listed Shares;
 - (b) the issuance to Insiders, within a one year period, of a number of shares exceeding 10% of the outstanding Listed Shares; or
 - (c) the issuance to any one Insider and such Insider's Associates, within a one year period, of a number of shares exceeding 5% of the outstanding Listed Shares; or
- (ii) the Issuer is decreasing the exercise price of stock options previously granted to Insiders.

6. TERMINATION OF EMPLOYMENT, DEATH

6.1 Subject to Sections 6.2 and 6.3 hereof and to any express resolution passed by the Board with respect to an Option, an Option and all rights to purchase Shares pursuant thereto shall expire and terminate within 90 days after the Optionee who holds such Option ceases to be an Eligible Person. Options granted to an Optionee who is engaged in Investor Relations Activities shall expire and terminate within 30 days after the Optionee who holds such Option ceases to be employed to provide Investor Relations Activities.

6.2 If an Optionee dies before the expiry of an Option in accordance with the terms thereof, the Optionee's legal representative(s) may, subject to the terms of the Option and the Plan, exercise the Option to the extent that the Optionee was entitled to do so at the date of his or her death at any time up to and including, but not after, a date one year following the date of death of the Optionee, or prior to the close of business on the expiration date of the Option, whichever is earlier.

6.3 For greater certainty, Options shall not be affected by any change of employment of the Optionee or by the Optionee ceasing to be a director of the Company provided that the Optionee continues to be an Eligible Person.

6.4 For the purposes of this Article 6, a determination by the Company that an Optionee was discharged for "cause" shall be binding on the Optionee; provided, however, that such determination shall not be conclusive of the Optionee's potential entitlement to damages for the loss of the right to exercise an Option in the event that a court of competent jurisdiction ultimately determines that the discharge was without "cause".

6.5 If an Optionee has been terminated "for cause" or does not exercise his or her options in accordance with the provisions of sections 6.2 or 6.3 as the case may be, the number of options not exercised shall be added to the number of options remaining available to be granted under the Plan.

7. EXERCISE OF OPTIONS

- 7.1 Subject to the provisions of the Plan, an Option may be exercised from time to time by delivery to the Company at its registered office of a written notice of exercise addressed to the Secretary of the Company specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full, by cash or certified cheque, of the option Price of the Shares then being purchased. Certificates for such Shares shall be issued and delivered to the Optionee within a reasonable time following the receipt of such notice and payment.
- 7.2 Notwithstanding any of the provisions contained in the Plan or in any Option, the Company's obligation to issue Shares to an Optionee pursuant to the exercise of any Option shall be subject to:
- (a) completion of such registration or other qualification of such Shares or obtaining approval of such governmental or regulatory authority as the Company shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
 - (b) the admission of such Shares to listing on any stock exchange on which the Shares may then be listed;
 - (c) the receipt from the Optionee of such representations, warranties, agreements and undertakings, as the Company determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction; and
 - (d) the satisfaction of any conditions on exercise prescribed pursuant to Section 3.4 hereof.

In this connection the Company shall, to the extent necessary, take all commercially reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Shares in compliance with applicable securities laws and for the listing of such Shares on any stock exchange on which the Shares are then listed.

- 7.3 Options shall be evidenced by a share option agreement, instrument or certificate in such form not inconsistent with this plan as the Board may from time to time determine as provided for under Subsection 3.2 (g), provided that the substance of Article 5 be included therein.

8. CERTAIN ADJUSTMENTS

- 8.1 In the event of any subdivision or redivision of the Shares into a greater number of Shares at any time after the grant of an Option to any Optionee and prior to the expiration of the term of such Option, the Company shall deliver to such Optionee at the time of any subsequent exercise of his or her Option in accordance with the terms hereof, in lieu of the number of Shares to which he or she was theretofore entitled upon such exercise, but for the same aggregate consideration payable therefore, such number of Shares as such Optionee would have held as a result of such subdivision or redivision if, on the record date thereof, the Optionee had been the registered holder of the number of Shares to which he or she was theretofore entitled upon such exercise.
- 8.2 In the event of any consolidation of the Shares into a lesser number of Shares at any time after the grant of an Option to any Optionee and prior to the expiration of the term of such Option, the Company shall deliver to such Optionee at the time of any subsequent exercise of his or her Option in accordance with the terms hereof, in lieu of the number of Shares to which he or she was theretofore entitled upon such exercise, but for the same aggregate consideration payable therefore, such number of Shares as such Optionee would have held as a result of such consolidation if, on the record date thereof, the Optionee had been the registered holder of the number of Shares to which he or she was theretofore entitled upon such exercise.
- 8.3 If at any time after the grant of an Option to any Optionee and prior to the expiration of the term of such

Option, the Shares shall be reclassified, reorganized or otherwise changed, otherwise than as specified in Sections 8.1 and 8.2 or, subject to the provisions of Subsection 9.2(a) hereof, the Company shall consolidate, merge or amalgamate with or into another company (the company resulting or continuing from such consolidation, merger or amalgamation being herein called the "Successor Company") or, the Company shall pay a stock dividend (other than any dividends in the ordinary course), the Optionee shall be entitled to receive upon the subsequent exercise of his or her Option in accordance with the terms hereof and shall accept in lieu of the number of Shares to which he or she was theretofore entitled upon such exercise but for the same aggregate consideration payable therefore, the aggregate number of shares of the appropriate class and/or other securities of the Company or the Successor Company (as the case may be) and/or other consideration from the Company or the Successor Company (as the case may be) that the Optionee would have been entitled to receive as a result of such reclassification, reorganization or other change or, subject to the provisions of Subsection 9.2(a) hereof, as a result of such consolidation, merger, amalgamation, or stock dividend, if on the record date of such reclassification, reorganization, other change or stock dividend, or the effective date of such consolidation, merger or amalgamation or dividend payment, as the case may be, he or she had been the registered holder of the number of Shares to which he or she was theretofore entitled upon such exercise.

8.4 In the event the Company should declare and pay a special cash dividend or other distribution out of the ordinary course, a special dividend in specie on the Shares, or a stock dividend other than in the ordinary course, the Option Price of all Options outstanding on the record date of such dividend or other distribution shall be reduced by an amount equal to the cash payment or other distribution or the fair market value of the dividend in specie or stock dividend or other distribution, as determined by the Board in its sole discretion. Any such reduction in the Option Price shall be subject to regulatory approval and the Option Price shall not be less than \$0.01 per Share.

8.5 All amendments and adjustments to either the Plan or Options shall be in accordance with Exchange Policy 4.4.

9. AMENDMENT OR DISCONTINUANCE OF THE PLAN

9.1 The Board may amend or discontinue the Plan at any time, provided, however, that no such amendment may materially and adversely affect any Option previously granted to an Optionee without the consent of the Optionee, except to the extent required by law. Any such amendment shall, if required, be subject to the prior approval of, or acceptance by, any stock exchange on which the Shares are listed and posted for trading.

9.2 Notwithstanding anything contained to the contrary in this Plan or in any resolution of the Board in implementation thereof:

(a) in the event the Company proposes to amalgamate, merge or consolidate with any other company (other than a wholly-owned Subsidiary) or to liquidate, dissolve or wind-up, or in the event an offer to purchase or repurchase the Shares of the Company or any part thereof shall be made to all or substantially all holders of Shares of the Company, the Company shall have the right, upon written notice thereof to each Optionee holding Options under the Plan, to permit the exercise of all such Options within the 20 day period next following the date of such notice and to determine that upon the expiration of such 20 day period, all rights of the Optionees to such Options or to exercise same (to the extent not theretofore exercised) shall *ipso facto* terminate and cease to have further force or effect whatsoever;

(b) in the event of the sale by the Company of all or substantially all of the assets of the Company as an entirety or substantially as an entirety so that the Company shall cease to operate as an active business, any outstanding Option may be exercised as to all or any part of the Optioned Shares in respect of which the Optionee would have been entitled to exercise the Option in accordance with the provisions of the Plan at the date of completion of any such sale at any time up to and including, but not after the earlier of: (i) the close of business on that date which is thirty (30) days following

the date of completion of such sale; and (ii) the close of business on the expiration date of the Option; but the Optionee shall not be entitled to exercise the Option with respect to any other Optioned Shares;

- (c) subject to the rules of any relevant stock exchange or other regulatory authority, the Board may, by resolution, advance the date on which any Option may be exercised or extend the expiration date of any Option. The Board shall not, in the event of any such advancement or extension, be under any obligation to advance or extend the date on or by which Options may be exercised by any other Optionee; and
- (d) the Board may, by resolution, but subject to applicable regulatory requirements, decide that any of the provisions hereof concerning the effect of termination of the Optionee's employment shall not apply to any Optionee for any reason acceptable to the Board.

Notwithstanding the provisions of this Article 9, should changes be required to the Plan by any securities commission, stock exchange or other governmental or regulatory body of any jurisdiction to which the Plan or the Company now is or hereafter becomes subject, such changes shall be made to the Plan as are necessary to conform with such requirements and, if such changes are approved by the Board, the Plan as amended, shall be filed with the records of the Company and shall remain in full force and effect in its amended form as of and from the date of its adoption by the Board.

10. MISCELLANEOUS PROVISIONS

- 10.1 An Optionee shall not have any rights as a shareholder of the Company with respect to any of the Shares covered by such Option until the date of issuance of a certificate for Shares upon the exercise of such Option, in full or in part, and then only with respect to the Shares represented by such certificate or certificates. Without in any way limiting the generality of the foregoing, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such share certificate is issued.
- 10.2 Nothing in the Plan or any Option shall confer upon an Optionee any right to continue or be re-elected as a director of the Company or any right to continue in the employ of the Company or any Subsidiary, or affect in any way the right of the Company or any Subsidiary to terminate his or her employment at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Company or any Subsidiary to extend the employment of any Optionee beyond the time which he or she would normally be retired pursuant to the provisions of any present or future retirement plan of the Company or any Subsidiary, or beyond the time at which he or she would otherwise be retired pursuant to the provisions of any contract of employment with the Company or any Subsidiary.
- 10.3 Notwithstanding Section 5.8 hereof, Options may be transferred or assigned between an Eligible Individual and the related Employee Company provided the assignor delivers notice to the Company prior to the assignment.
- 10.4 The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

11. SHAREHOLDER AND REGULATORY APPROVAL

- 11.1 The Plan shall be subject to ratification by the shareholders of the Company to be effected by a resolution passed at a meeting of the shareholders of the Company, and to acceptance by any other relevant regulatory authority. Any Options granted prior to such ratification and acceptance shall be conditional upon such ratification and acceptance being given and no such Options may be exercised unless and until such ratification and acceptance are given.