

# **FIDELITY MINERALS CORP.**

**Suite 1201 – 1166 Alberni Street  
Vancouver, British Columbia V6E 3Z3**

## **NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON MARCH 6, 2020**

**AND**

## **INFORMATION CIRCULAR**

*February 4, 2020*

*This document requires immediate attention. If you are in doubt as to how to deal with the documents or matters referred to in this Information Circular, you should immediately contact your advisors.*

**FIDELITY MINERALS CORP.**  
Suite 1201 – 1166 Alberni Street  
Vancouver, BC, V6E 3Z3  
Tel: 604.671.1353

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

NOTICE IS HEREBY GIVEN that the 2020 annual general and special meeting (the “**Meeting**”) of the shareholders of Fidelity Minerals Corp. (the “**Company**”) will be held at Clark Wilson LLP, Suite 900 – 885 West Georgia Street, Vancouver, BC V6C 3H1, on Friday, March 6, 2020, at 10:00 a.m. (Pacific time) for the following purposes:

1. To receive the audited consolidated financial statements of the Company for the years ended July 31, 2019 and July 31, 2018 and the reports of the auditor thereon;
2. To set the number of directors of the Company for the ensuing year at three (3) persons;
3. To elect directors for the ensuing year;
4. To appoint the auditor of the Company for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditor;
5. To consider and, if thought fit, ratify and approve the Company’s existing stock option plan as more particularly described in the Company’s management information circular (the “**Information Circular**”) accompanying this notice of meeting (the “**Notice of Meeting**”); and
6. To transact such other business as may properly come before the Meeting or any adjournment thereof.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this Notice of Meeting.

This Notice of Meeting is accompanied by the Information Circular and either a form of proxy for registered shareholders or a voting instruction form for beneficial shareholders. Shareholders are requested to read the Information Circular and, if unable to attend the Meeting in person, complete, date, sign and return the proxy or voting instruction form, as applicable, so that as large a representation as possible may be had at the Meeting.

The Board of Directors of the Company has fixed the close of business on January 31, 2020, as the record date, being the date for the determination of the registered holders of common shares entitled to receive notice of, and to vote at, the Meeting and any adjournment thereof. The Board of Directors has also fixed 10:00 a.m. (Pacific time) on Wednesday, March 4, 2020, or no later than 48 hours before the time of any adjourned Meeting (excluding Saturdays, Sundays and holidays), as the time before which proxies to be used or acted upon at the Meeting or any adjournment thereof shall be deposited with the Company’s registrar and transfer agent, TSX Trust Company.

If you are a non-registered shareholder of the Company and have received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other

similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your securities on your behalf (the “**Intermediary**”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

DATED at Vancouver, British Columbia, as of the 4<sup>th</sup> day of February, 2020.

**FIDELITY MINERALS CORP.**

By: “Ian Graham”

Ian Graham, Chief Executive Officer and Director

# FIDELITY MINERALS CORP.

## INFORMATION CIRCULAR

The information contained in this Information Circular, unless otherwise indicated, is as of February 4, 2020.

This Information Circular is in respect of the annual general and special meeting (the “**Meeting**”) of the shareholders of Fidelity Minerals Corp. (the “**Company**”) to be held on March 6, 2020, at the time and place set out in the accompanying Notice of Meeting. This Information Circular is furnished in connection with the solicitation of proxies by management of the Company for use at the Meeting and any adjournment of the Meeting. The Board of Directors of the Company (the “**Board**”) has fixed the close of business on January 31, 2020, as the record date (the “**Record Date**”), being the date for the determination of the registered holders of common shares entitled to receive notice of, and to vote at, the Meeting and any adjournment thereof.

### PART 1 – PROXY INSTRUCTIONS

#### MANAGEMENT SOLICITATION AND APPOINTMENT OF PROXIES

The persons named in the form of proxy are nominees of the Company’s management. **A shareholder has the right to appoint a person (who need not be a shareholder) to attend and act for and on the shareholder’s behalf at the Meeting other than the persons designated as proxyholders in the form of proxy.** To exercise this right, the shareholder must either:

- (a) on the form of proxy, strike out the printed names of the individuals specified as proxyholders and insert the name of the shareholder’s nominee in the blank space provided; or
- (b) complete another proper form of proxy.

To be valid, a proxy must be dated and signed by the shareholder or by the shareholder’s attorney authorized in writing. In the case of a corporation, the proxy must be signed by a duly authorized officer of or attorney for the corporation.

The completed proxy, together with the power of attorney or other authority, if any, under which the proxy was signed or a notarially certified copy of the power of attorney or other authority, must be delivered to TSX Trust Company (“**TSX Trust**”), 301 – 100 Adelaide Street West, Toronto, Ontario M5H 4H1; fax: 416-595-9593, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment thereof. TSX Trust also offers voting via the Internet. Instructions for Internet voting can be found on the enclosed form of proxy or voting instruction form.

#### REVOCABILITY OF PROXIES

A shareholder who has given a proxy may revoke it at any time before the proxy is exercised proxy exercised:

- (a) by an instrument in writing that is:

- (i) signed by the shareholder, the shareholder's attorney authorized in writing or, where the shareholder is a corporation, a duly authorized officer or attorney of the corporation; and
  - (ii) delivered to TSX Trust Company or to the Company's registered and records office at 301 – 100 Adelaide Street West, Toronto, Ontario M5H 4H1, at any time up to and including the last business day preceding the day of the Meeting or any adjournment of the Meeting, or delivered to the Chairperson of the Meeting on the day of the Meeting or any adjournment of the Meeting before any vote on a matter in respect of which the proxy is to be used has been taken; or
- (b) in any other manner provided by law.

#### **VOTING OF SHARES AND PROXIES AND EXERCISE OF DISCRETION BY PROXYHOLDERS**

A shareholder may indicate the manner in which the persons named in the form of proxy are to vote with respect to a matter to be acted upon at the Meeting by marking the appropriate space. **If the instructions as to voting indicated in the proxy are certain, the shares represented by the proxy will be voted or withheld from voting on any ballot that may be called for in accordance with the instructions given in the proxy.**

**If the shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the shares represented will be voted or withheld from the vote on that matter accordingly. If no choice is specified in the proxy with respect to a matter to be acted upon, the proxy confers discretionary authority with respect to that matter upon the proxyholder named in the form of proxy. It is intended that the proxyholder named by management in the form of proxy will vote the shares represented by the proxy in favour of each matter identified in the proxy and for the nominees of the Company for directors and auditor.**

The form of proxy also confers discretionary authority upon the named proxyholder with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to any other matters which may properly come before the Meeting. As of the date of this Information Circular, management of the Company is not aware of any such amendments or variations, or any other matters that will be presented for action at the Meeting other than those set out herein and referred to in the Notice of Meeting. If, however, other matters that are not now known to management properly come before the Meeting, then the persons named in the form of proxy intend to vote on them in accordance with their best judgment.

#### **SOLICITATION OF PROXIES**

It is expected that solicitations of proxies will be made primarily by mail and possibly supplemented by telephone or other personal contact by directors, officers, employees and consultants of the Company without special compensation. The Company will not reimburse shareholders' nominees or agents (including brokers holding shares on behalf of clients) for the costs incurred in obtaining authorization to execute forms of proxy from their principals. The cost of solicitation will be borne by the Company.

## **ADVICE TO BENEFICIAL SHAREHOLDERS**

ONLY REGISTERED SHAREHOLDERS OR DULY APPOINTED PROXYHOLDERS ARE PERMITTED TO VOTE AT THE MEETING. SHAREHOLDERS WHO DO NOT HOLD THEIR SHARES IN THEIR OWN NAME (REFERRED TO AS “**NON-REGISTERED SHAREHOLDERS**”) ARE ADVISED THAT ONLY PROXIES FROM SHAREHOLDERS OF RECORD CAN BE RECOGNIZED AND VOTED AT THE MEETING. Non-Registered Shareholders who complete and return an instrument of proxy or voting instruction form must indicate thereon the person (usually a brokerage house) who holds their shares as a registered shareholder.

If securities are listed in an account statement provided to a shareholder by a broker, then in almost all cases those securities will not be registered in such shareholder’s name on the records of the Company and will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such securities are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which company acts as nominee for many Canadian brokerage firms). Securities held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the beneficial shareholder. Without specific instructions, brokers/nominees are prohibited from voting securities for their clients.

If you are a Non-Registered Shareholder and TSX Trust has sent Meeting materials directly to you, your name and address and information about your shareholdings have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. Such shareholders can expect to receive a scannable voting instruction form (“**VIF**”) with this Meeting material. The VIF is to be completed and returned to TSX Trust in the envelope provided or by facsimile. In addition, TSX Trust offers internet voting as described in the VIF. TSX Trust will tabulate the results of the VIFs received from beneficial shareholders and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive. A NON-REGISTERED SHAREHOLDER RECEIVING A VIF CANNOT USE THAT VIF TO VOTE SECURITIES DIRECTLY AT THE MEETING. THE VIF MUST BE RETURNED TO TSX TRUST WELL IN ADVANCE OF THE MEETING IN ORDER TO HAVE THE SHARES VOTED.

Non-Registered Shareholders who have objected to their broker/nominee disclosing ownership information about themselves to the Company are referred to as objecting beneficial owners (“**OBOs**”). In accordance with securities regulatory policy, we will have distributed copies of the required Meeting materials to the brokers/nominees for onward distribution to OBOs. THE COMPANY DOES NOT INTEND TO PAY FOR A BROKER/NOMINEE TO DELIVER MEETING MATERIALS TO OBOs. THEREFORE, AN OBO WILL NOT RECEIVE THE MATERIALS UNLESS THE OBO’S BROKER/NOMINEE ASSUMES THE COSTS OF DELIVERY. Brokers/nominees are required to forward the Meeting materials to each OBO unless the OBO has waived the right to receive them. Every broker/nominee has its own mailing procedures and provides its own return instructions, which should be carefully followed by OBOs in order to ensure that their securities are voted at the Meeting. Often the form of proxy supplied to a beneficial shareholder by its broker is identical to the form of proxy provided by the Company to the registered shareholders; however, its purpose is limited to instructing the registered shareholder how to vote on behalf of the beneficial shareholder.

Should a Non-Registered Shareholder receiving a form of proxy or VIF wish to vote at the Meeting, the Non-Registered Shareholder should strike out the names of the management proxyholders named in the form and insert the Non-Registered Shareholder’s name in the blank provided and return the materials to the broker or TSX Trust as directed and well before the Meeting date.

The Company is sending proxy-related materials directly to non-objecting beneficial owners of the Shares. The Company will not pay for the delivery of proxy-related materials to objecting beneficial owners of the Shares. The objecting beneficial owners of the Shares will not receive the materials unless their intermediary assumes the costs of delivery.

All references to shareholders in this Information Circular are to registered shareholders, unless specifically stated otherwise.

## **PART 2 – VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

On December 13, 2019, the Company completed the consolidation of its common shares on a 5 old for 1 new share basis, reducing its share capital to 26,458,844 post-consolidated shares.

The Company has only one class of shares entitled to be voted at the Meeting, namely, common shares without par value (each a “Share”). All issued Shares are entitled to be voted at the Meeting and each has one vote. As of January 31, 2020, there were 31,458,830 Shares issued and outstanding.

Only shareholders of record on January 31, 2020, will be entitled to vote at the Meeting or any adjournment thereof.

To the knowledge of the directors and executive officers of the Company, the only company who owns, or exercises control or direction, directly or indirectly, over Shares carrying 10% or more of the voting rights attached to all outstanding Shares of the Company which have the right to vote in all circumstances is:

<b>Name</b>	<b>Number of Common Shares Beneficially Owned, Controlled or Directed</b>	<b>Percentage of Outstanding Common Shares<sup>(1)</sup></b>
Lions Bay Capital Inc.	8,974,228 <sup>(2)</sup>	28.52%

(1) Based on 31,458,830 Shares issued and outstanding as of the Record Date.

(2) The total does not include 3,046,000 warrants convertible into Shares held by Lions Bay Capital Inc.

## **PART 3 – THE BUSINESS OF THE MEETING**

### **CONSOLIDATED FINANCIAL STATEMENTS**

The audited consolidated financial statements of the Company for the years ended July 31, 2019 and July 31, 2018, will be placed before you at the Meeting. These consolidated financial statements and management’s discussion and analysis are available for review on SEDAR. See Part 7 “OTHER INFORMATION – Additional Information” below.

### **ELECTION OF DIRECTORS**

#### *Nominees for Election*

The Board of the Company presently consists of three (3) directors. At the Meeting, it is proposed to maintain the number of directors elected at three (3) to hold office until the next annual general meeting or until their successors are duly elected or appointed. Management does not contemplate

that any of the following nominees will be unable to serve as a director but if that should occur for any reason prior to the Meeting, the persons named in the enclosed Proxy shall have the right to vote for another nominee in their discretion.

The following table and notes thereto state the names, provinces and countries of residence of all persons proposed to be nominated for election as directors, the date on which each of them first became a director of the Company, all positions and offices with the Company held by each of them, the principal occupation or employment of each of them, and the number of Shares of the Company beneficially owned, or controlled or directed, directly or indirectly, by each of them as at the Record Date. The biographical information set out below as to principal occupation of, and number of Shares owned by, each of the nominees, not being within the knowledge of the Company, has been furnished by the nominees.

Name, Province, Country of Residence and Position(s) with the Company	Principal Occupation, Business or Employment for Last Five Years <sup>(1)(2)</sup>	Periods during which Nominee has Served as a Director	Number of Voting Securities of the Company Beneficially Owned or Controlled or Directed, Directly or Indirectly <sup>(1)</sup>
<b>Ian Graham<sup>(3)</sup></b> British Columbia, Canada  <i>CEO, Corporate Secretary and Director</i>	Chief Executive Officer of the Company; President of nKwazi Resource Management Inc. since February 2009; President and CEO of Discovery Harbour Resources until January, 2014; commercial advisor, Western Potash until April, 2015; Director, Commerce Resources Corp. since October 19, 2009; Director & COO, CMC Metals Ltd. from June, 2016 to October 2017, Ind. Director Cache Exploration since May 2016.	March 6, 2015	702,021 <sup>(4)</sup>
<b>Bahay Ozcakmak<sup>(3)</sup></b> Australia  <i>Director</i>	Bahay has broad corporate experience ranging from business and corporate strategy development through to CEO and director level roles in the energy and mining sectors. Recent experience with resources companies have been focused on gold, copper, nickel, cobalt, lithium, potash and uranium projects. Bahay is currently a director of several private and public companies, including Activated Logic Pty Limited, Activated Water Technologies Pty Ltd, Consolidated Potash Corp Ltd and ASX listed, Parkway Minerals NL.	September 7, 2018	1,312,200 <sup>(5)</sup>

Name, Province, Country of Residence and Position(s) with the Company	Principal Occupation, Business or Employment for Last Five Years <sup>(1)(2)</sup>	Periods during which Nominee has Served as a Director	Number of Voting Securities of the Company Beneficially Owned or Controlled or Directed, Directly or Indirectly <sup>(1)</sup>
<b>Anthony Balic<sup>(3)</sup></b> British Columbia, Canada  <i>Director</i>	Anthony has worked with Canadian and US publicly listed resource companies in a range of senior roles during the past 10 years. He is the current CFO of Goldgroup Mining where he was part of the finance team which brought their Mexican mine into commercial production and is currently the CFO and a director of Lions Bay Capital Inc. which is a major shareholder of the Company.	September 7, 2018	356,000

- (1) Information as to principal occupation, not being within the knowledge of the Company, has been furnished by the respective directors individually.
- (2) Unless otherwise stated above, any nominee named above not elected at the last annual general meeting has held the principal occupation or employment indicated for at least five years.
- (3) Member of the Audit Committee.
- (4) Mr. Graham holds 406,700 Shares directly; 295,321 Shares held indirectly through nKwazi Resource Management Inc., a company wholly-owned by Mr. Graham; total shareholdings do not include: 400,000 stock options held directly exercisable into Shares; 380,000 warrants held directly exercisable into Shares; and 23,667 warrants held indirectly through nKwazi Resource Management Inc.
- (5) Mr. Ozcakmak holds 1,312,200 Shares directly; total shareholdings do not include: 450,000 stock options held directly exercisable into Shares; and 820,000 warrants held directly exercisable into Shares.
- (6) Mr. Balic holds 356,000 Shares directly; total shareholdings do not include: 310,000 stock options held directly exercisable into Shares.

The Company does not have an executive committee. Pursuant to the policies of the Exchange, the Company is required to have an audit committee whose members are indicated above. See also Part 5 "AUDIT COMMITTEE" below.

#### *Corporate Cease Trade Orders or Bankruptcy*

As at the date of this Information Circular, and within the last 10 years before the date of this Information Circular, no proposed director (or any of their personal holding companies) of the Company was a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days while that person was acting in the capacity as director, executive officer or chief financial officer; or
- (b) was the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation in each case for a period of 30 consecutive days, that was issued after the person ceased to be a director, chief

executive officer or chief financial officer in the company and which resulted from an event that occurred while that person was acting in the capacity as director, executive officer or chief financial officer; or

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

#### *Conflicts of Interest*

The directors of the Company are required by law to act honestly and in good faith with a view to the best interest of the Company and to disclose any interests which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Except as disclosed in this Information Circular, to the Company's knowledge, there are no known existing or potential conflicts of interest among the Company and its promoters, directors, officers or other members of management as a result of their outside business interests except that certain of the directors, officers, promoters and other members of management now or may in the future serve as directors, officers, promoters and members of management of other public companies, some of which are or may be involved in the exploration and development of natural resources, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of the Company and their duties as a director, officer, promoter or member of management of such other companies.

#### **APPOINTMENT OF THE AUDITOR**

At the Meeting, shareholders will be asked to pass an ordinary resolution to appoint Davidson & Company LLP, Chartered Professional Accountants, as auditors of the Company for the fiscal year ending July 31, 2020 and to authorize the directors of the Company to fix the remuneration to be paid to the auditors for the fiscal year ending July 31, 2020. An ordinary resolution needs to be passed by a simple majority of the votes cast by the shareholders present in person or represented by proxy and entitled to vote at the Meeting.

Davidson & Company LLP, Chartered Professional Accountants, were first appointed as auditors of the Company on November 30, 2017.

**Management recommends shareholders vote for the appointment of Davidson & Company LLP, Chartered Professional Accountants, as the Company's auditors for the Company's fiscal year ending July 31, 2020 and the authorization of the directors of the Company to fix the remuneration to be paid to the auditors for the fiscal year ending July 31, 2020.**

#### **ANNUAL RATIFICATION OF STOCK OPTION PLAN**

Policy 4.4 of the Exchange specifies that all listed issuers must implement a stock option plan. The Company's current stock option plan, which was adopted on February 24, 2015 (the "**Option Plan**"), is a "rolling" plan as characterized by Exchange policy pursuant to which the aggregate number of Shares reserved for issuance thereunder may not exceed, at the time of grant, in aggregate 10% of the Company's issued and outstanding Shares from time to time. Exchange policy requires that shareholder approval for "rolling" stock option plans must be obtained annually.

#### *Particulars of the Option Plan*

The following is a summary of the principal terms of the Option Plan.

1. The Board shall establish the exercise price at the time each stock option (an "Option") is granted, subject to the following conditions:
  - (a) if the Shares are listed on the Exchange, the exercise price will not be less than the minimum prevailing price permitted by Exchange policies;
  - (b) if the Shares are not listed, posted and trading on any stock exchange or bulletin board, then the exercise price will be determined by the Board at the time of granting;
  - (c) if an Option is granted within 90 days of a distribution by a prospectus by the Company, the exercise price will not be less than the price that is the greater of the minimum prevailing price permitted by Exchange policies and the per share price paid by public investors for Shares acquired under the distribution by the prospectus, with the 90 day period beginning on the date a final receipt is issued for the prospectus; and
  - (d) in all other cases, the exercise price shall be determined in accordance with the rules and regulations of any applicable regulatory bodies.
2. Upon expiry of an Option, or in the event an Option is otherwise terminated for any reason, without having been exercised in full, the number of Shares in respect of the expired or terminated Option shall again be available for a grant under the Option Plan.
3. No Option granted under the Option Plan may have an expiry date exceeding ten years from the date on which the Option is granted (unless automatically extended as a result of a blackout period as described below).
4. The expiry date of each Option will be automatically extended if the expiry date falls within a period during which the Company prohibits optionees from exercising their Options, provided that:

- (a) the blackout period has been formally imposed by the Company pursuant to its internal trading policies as a result of the bona fide existence of undisclosed Material Information (as defined in the policies of the Exchange). For greater certainty, in the absence of the Company formally imposing a blackout period, the expiry date of any Options will not be automatically extended in any circumstances;
  - (b) the blackout period expires upon the general disclosure of the undisclosed Material Information and the expiry date of the affected Options is extended to no later than ten (10) business days after the expiry of the blackout period; and
  - (c) the automatic extension will not be permitted where the optionee or the Company is subject to a cease trade order (or similar order under applicable securities laws) in respect of the Company's securities.
- 5. Options granted to any one individual in any 12 month period cannot exceed more than 5% of the issued Shares, unless the Company has obtained disinterested shareholder approval.
- 6. Options granted to any one consultant in any 12 month period cannot exceed more than 2% of the issued Shares, without the prior consent of the Exchange.
- 7. Options granted to all persons, in aggregate, conducting investor relations activities in any 12 month period cannot exceed more than 2% of the issued Shares, without the prior consent of the Exchange.
- 8. Options issued to optionees performing investor relations activities will vest in stages over 12 months with no more than one quarter of the Options vesting in any three month period.
- 9. If a director, employee or consultant of the Company is terminated for cause or if a director, employee, or consultant resigns or if a director refuses to stand for re-election, then any Options granted to the option holder will terminate immediately upon the option holder ceasing to be a director, employee, or consultant of the Company.
- 10. If an option holder ceases to be a director, employee or consultant of the Company (other than by reason of death, disability, termination of services for cause or if an optionee resigns), as the case may be, then any Options granted to the holder that had vested and was exercisable on the date of termination will expire on the earlier of the expiry date and the date that is one year following the date that the holder ceases to be a director, employee or consultant of the Company.
- 11. If an option holder dies, the holder's lawful personal representatives, heirs or executors may exercise any Option granted to the holder that had vested and was exercisable on the date of death until the earlier of the expiry date and one year after the date of death of the holder.
- 12. If an option holder ceases to be a director, employee or consultant of the Company as a

result of a disability, the holder may exercise any Option granted to the holder that had vested and was exercisable on the date of disability until the earlier of the expiry date and six months after the date of disability.

13. Options granted to directors, employees or consultants will vest when granted unless determined by the Board on a case by case basis, other than Options granted to consultants performing investor relations activities, which will vest in stages over 12 months with no more than one quarter of the Options vesting in any three month period.
14. The Option Plan will be administered by the Board who will have the full authority and sole discretion to grant Options under the Option Plan to any eligible party, including themselves.
15. Options granted under the Option Plan shall not be assignable or transferable by an option holder.
16. The Board may from time to time, subject to regulatory or shareholder approval, amend or revise the terms of the Option Plan. The Option Plan provides that other terms and conditions may be attached to a particular Option at the discretion of the Board.

Shareholders may review a copy of the Option Plan at the Company's office during normal business hours until the date of the Meeting and at the Meeting itself. Shareholders may also request a copy of the Option Plan by contacting the Company at the address or telephone number on the Notice of Meeting.

*Proposed Resolution and Board Recommendation*

The Option Plan complies with the current policies of the Exchange. The Option Plan is subject to Exchange acceptance. In order to obtain Exchange acceptance, the Exchange requires that Option Plan be approved by shareholders.

Accordingly, shareholders will be asked to consider and, if thought fit, pass the following ordinary resolution:

“BE IT RESOLVED, as an ordinary resolution of the shareholders of the Company, that:”

1. the Company’s stock option plan adopted February 24, 2015 (the “**Option Plan**”) be and is hereby ratified, confirmed, authorized and approved;
2. the reservation under the Option Plan of up to a maximum of 10% of the issued shares of the Company, on a rolling basis, as at the time of granting of the stock option pursuant to the Option Plan be and the same is hereby authorized and approved;
3. the Board is authorized to make such amendments to the Option Plan from time to time as the Board may, in its discretion, consider to be appropriate, provided that such amendments will be subject to the approval of all applicable regulatory authorities and in certain cases, in accordance with the terms of the Option Plan, the shareholders; and

4. any one director or officer of the Company be and is hereby authorized and directed, for and on behalf of the Company, to execute and deliver all such documents, agreements and instruments, and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such documents, agreements or instruments or the doing of any such act or thing.”

The Board unanimously recommends that shareholders vote in favour of ratifying and approving the Option Plan.

**Management of the Company recommends that shareholders vote in favour of the Plan Resolution at the Meeting. It is the intention of the shareholders named in the enclosed form of proxy, if not expressly directed otherwise in such form of proxy, to vote such proxy FOR the Plan Resolution.**

### **PART 3 – EXECUTIVE COMPENSATION**

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

#### **General**

For the purpose of this Statement of Executive Compensation:

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

“**NEO**” or “**named executive officer**” means:

- (a) each individual who served as chief executive officer (“**CEO**”) of the Company, or who performed functions similar to a CEO, during any part of the most recently completed financial year,
- (b) each individual who served as chief financial officer (“**CFO**”) of the Company, or who performed functions similar to a CFO, during any part of the most recently completed financial year,
- (c) the most highly compensated executive officer of the Company or any of its subsidiaries (if any) other than individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year, and
- (d) each individual who would be an NEO under paragraph (c) 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 the end of that financial year;

“**plan**” includes any plan, contract, authorization or arrangement, whether or not set out in any formal

document, where cash, compensation securities or any other property may be received, whether for one or more persons; and

“underlying securities” means any securities issuable on conversion, exchange or exercise of compensation securities.

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

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

Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Ian Graham <sup>(1)</sup> CEO and Director	2019	\$102,000	Nil	Nil	Nil	Nil	\$102,000
	2018	\$72,000	Nil	Nil	Nil	Nil	\$72,000
Bahay Ozcakmak <sup>(2)</sup> Director	2019	\$105,000	Nil	Nil	Nil	Nil	\$105,000
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Luis Zapata <sup>(3)</sup> Former Director	2019	\$45,000	Nil	Nil	Nil	Nil	\$45,000
	2018	\$30,000	Nil	Nil	Nil	Nil	\$30,000
Greg Hall <sup>(4)</sup> Former Director	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Fatih Akarsu <sup>(5)</sup> Director	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	\$11,500	Nil	Nil	Nil	Nil	\$11,500
Anthony Balic <sup>(6)</sup> Director and CFO	2019	\$60,000	Nil	Nil	Nil	Nil	\$60,000
	2018	\$60,000	Nil	Nil	Nil	Nil	\$60,000

<sup>(1)</sup> Mr. Graham was appointed as CEO on March 6, 2015 and appointed as a director on March 6, 2015.

<sup>(2)</sup> Mr. Ozcakmak was appointed as a director on September 7, 2018.

<sup>(3)</sup> Luis Zapata was appointed as a director on March 6, 2015 and resigned on December 23, 2019.

<sup>(4)</sup> Greg Hall was appointed as a director on September 22, 2016 and resigned on November 28, 2018.

<sup>(5)</sup> Fatih Akarsu was appointed as a director on June 28, 2017 and resigned on June 11, 2018.

<sup>(6)</sup> Anthony Balic was appointed as CFO on January 12, 2017. Mr. Balic was appointed as a director on September 7, 2018.

### Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each director and NEO by the Company or any subsidiary thereof in the year ended July 31, 2019 for services provided, or to be provided, directly or indirectly, to the Company or any subsidiary thereof:

Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities and Percentage of Class	Date of Issue or Grant	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant	Closing Price of Security or Underlying Security at Year End	Expiry Date
Ian Graham <sup>(1)</sup> CEO and Director	Stock Options	750,000	Feb 28, 2019	\$0.06	\$0.055	\$0.04	Feb 28, 2024
Bahay Ozcakmak <sup>(2)</sup> Director	Stock Options	750,000	Feb 28, 2019	\$0.06	\$0.055	\$0.04	Feb 28, 2024
Luis Zapata <sup>(3)</sup> Former Director	Stock Options	750,000	Feb 28, 2019	\$0.06	\$0.055	\$0.04	Feb 28, 2024
Greg Hall <sup>(4)</sup> Former Director	Stock Options	Nil	Nil	Nil	Nil	Nil	Nil
Fatih Akarsu <sup>(5)</sup> Director	Stock Options	Nil	Nil	Nil	Nil	Nil	Nil
Anthony Balic <sup>(6)</sup> Director and CFO	Stock Options	750,000	Feb 28, 2019	\$0.06	\$0.055	\$0.04	Feb 28, 2024

- (1) As at July 31, 2019, Mr. Graham held 820,000 stock options which stock options are exercisable at \$0.08 per share until expiry on July 13, 2023, 630,000 stock options which stock options are exercisable at \$0.06 per share until expiry on February 28, 2024.
- (2) As at July 31, 2019, Mr. Ozcakmak held 820,000 stock options which stock options are exercisable at \$0.08 per share until expiry on July 13, 2023, 750,000 stock options which stock options are exercisable at \$0.06 per share until expiry on February 28, 2024.
- (3) As at July 31, 2019, Mr. Zapata held 820,000 stock options which stock options are exercisable at \$0.08 per share until expiry on July 13, 2023, 750,000 stock options which stock options are exercisable at \$0.06 per share until expiry on February 28, 2024. Mr. Zapata resigned as a director on December 23, 2019 and all stock options held by Mr. Zapata will expire on the earlier of the expiry date and the date that is one year following the date that he resigned.
- (4) As at July 31, 2019, Mr. Hall held 820,000 stock options which stock options are exercisable at \$0.08 per share until expiry on July 13, 2023. Mr. Hall resigned as a director on November 28, 2018 and all stock options held by Mr. Hall will expire on the earlier of the expiry date and the date that is one year following the date that he resigned.
- (5) As at July 31, 2019, Mr. Akarsu held no stock options.
- (6) As at July 31, 2019, Mr. Balic held 820,000 stock options which stock options are exercisable at \$0.08 per share until expiry on July 13, 2023, 750,000 stock options which stock options are exercisable at \$0.06 per share until expiry on February 28, 2024.

### Exercise of Compensation Securities by Directors and NEOs

No director or NEO exercised any compensation securities, being solely comprised of stock options, during the year ended July 31, 2019.

### Stock Option Plans and Other Incentive Plans

The Company's current stock option plan (the "Plan") is a "rolling" stock option plan, whereby the aggregate number of Shares reserved for issuance, together with any other Shares reserved for issuance under any other plan or agreement of the Company, shall not exceed ten (10%) percent of the total number of issued Shares (calculated on a non-diluted basis) at the time an option is granted. The Plan provides that the Board may, from time to time, in its discretion, grant to directors, officers, employees,

consultants and other personnel of the Company and its subsidiaries or affiliates, options to purchase shares of the Company. As at the date hereof, there are 1,868,986 options outstanding under the Plan. The Plan was last approved by the shareholders of the Company on June 7, 2018.

A copy of the Plan is available for review on the Company's profile at [www.sedar.com](http://www.sedar.com) and at the office of the Company at Suite 1201 – 1166 Alberni Street, Vancouver, British Columbia, V6E 3Z3 or at the registered offices of the Company, at Suite 900 – 885 West Georgia Street, Vancouver, British Columbia V6C 3H1 during normal business hours up to and including the date of the Meeting. See Part 2 "THE BUSINESS OF THE MEETING - Annual Ratification of Stock Option Plan".

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

For the year ended July 31, 2019, other than described above, the Company does not have any employment, consulting or management agreements or arrangements with any of the Company's current NEOs or directors.

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

The Company's compensation program is intended to attract, motivate, reward and retain the management talent needed to achieve the Company's business objectives of improving overall corporate performance and creating long-term value for the Company's shareholders. The compensation program is intended to reward executive officers on the basis of individual performance and achievement of corporate objectives, including the advancement of the exploration and development goals of the Company. The Company's current compensation program is comprised of base salary or fees, short term incentives such as discretionary bonuses and long term incentives such as stock options.

The Board has not created or appointed a compensation committee given the Company's current size and stage of development. All tasks related to developing and monitoring the Company's approach to the compensation of the Company's NEOs and directors are performed by the members of the Board. The compensation of the NEOs, directors and the Company's employees or consultants, if any, is reviewed, recommended and approved by the Board without reference to any specific formula or criteria. NEOs that are also directors of the Company are involved in discussion relating to compensation, and disclose their interest in and abstain from voting on compensation decisions relating to them, as applicable, in accordance with the applicable corporate legislation.

### **Pension Plan Benefits**

The Company has no pension, defined benefit or defined contribution plans in place.

## **PART 4 – SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMEPENSATION PLANS**

The following table sets out equity compensation plan information as at the financial year ended July 31, 2019:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights <sup>(1)</sup>	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	8,719,930	\$0.09	4,402,692 <sup>(2)</sup>
Equity compensation plans not approved by security holders	Nil	Nil	Nil
<b>Total</b>	<b>8,719,930</b>	<b>\$0.09</b>	<b>4,402,692<sup>(2)</sup></b>

<sup>(1)</sup> The Company does not have any warrants or rights outstanding under any equity compensation plans.

<sup>(2)</sup> Based on the Company's issued and outstanding common shares of 131,226,222 as at July 31, 2019. As at January 31, 2020, there were 31,458,830 Shares outstanding and the Company could issue up to 3,145,883 options to acquire Shares on such date, all on a post-Consolidated basis.

## PART 5 – AUDIT COMMITTEE

National Instrument 52-110 Audit Committees (“NI 52-110”) requires the Company to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its external auditor as set forth below.

### 1. The Audit Committee Charter

The Company's audit committee is governed by an audit committee charter, the text of which is attached as Schedule “A” to this Information Circular.

### 2. Composition of Audit Committee

The current members of the audit committee are Ian Graham, Bahay Ozcakmak and Anthony Balic. Bahay Ozcakmak is considered “independent”. Ian Graham and Anthony Balic are not considered “independent” as they are officers of the Company. All of the members of the audit committee are considered “financially literate”.

The Company is aware that it is not compliant with NI 52-110 and the independence of the audit committee members. The Company is in the process of appointing an additional director to the board to meet the independency requirements of NI 52-110.

For the purposes of NI 52-110, a member of an audit committee is “independent” if the member has no direct or indirect material relationship with the Company which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment. 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.

### **3. Relevant Education and Experience**

All of the audit committee members are businessmen with experience in financial matters; each has an understanding of accounting principles used to prepare financial statements and varied experience as to general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavor.

*Ian Graham* is an accomplished mining professional with over 20 years of experience in the development and exploration of mineral deposits, mostly gained with the major mining companies Rio Tinto and Anglo American. Mr. Graham was formerly Chief Geologist of the Project Generation Group for Rio Tinto Exploration from March 2006 until January 2009, and also consulted to Western Potash Corp. as Evaluation and Project Development. Mr. Graham is a director at WPC Resources Inc., Commerce Resources Corp., CMC Metals Inc. and Cache Exploration Inc.

*Bahay Ozcakmak* has broad corporate experience ranging from business and corporate strategy development through to CEO and director level roles in the energy and mining sectors. Recent experience with resources companies have been focused on gold, copper, nickel, cobalt, lithium, potash and uranium projects. Bahay is currently a director of several private and public companies, including Activated Logic Pty Limited, Activated Water Technologies Pty Ltd, Consolidated Potash Corp Ltd and ASX listed, Parkway Minerals NL.

*Anthony Balic* has worked with Canadian and US publicly listed resource companies in a range of senior roles during the past 10 years. He is the current CFO of Goldgroup Mining where he was part of the finance team which brought their Mexican mine into commercial production and is currently the CFO and a director of Lions Bay Capital Inc. which is a major shareholder of the Company.

#### **Audit Committee Oversight**

Since the commencement of the Company's financial years ended July 31, 2019 and July 31, 2018, the Board has not failed to adopt a recommendation of the audit committee to nominate or compensate an external auditor.

### **4. Reliance on Certain Exemptions**

Since the commencement of the Company's financial years ended July 31, 2019 and July 31, 2018, the Company has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. 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 fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the financial year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

### **5. Pre-Approval Policies and Procedures**

The audit committee is authorized by the Board to review the performance of the Company's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company.

## 6. External Audit Service Fees (By Category)

In the following table, “audit fees” are fees billed by the Company’s external auditor for services provided in auditing the Company’s annual financial statements for the subject year. “Audit-related fees” are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company’s financial statements. “Tax fees” are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. “All other fees” are fees billed by the auditor for products and services not included in the foregoing categories.

The fees paid by the Company to its external auditors, Davidson & Company LLP, Chartered Professional Accountants for services rendered to the Company in each of the last two financial years, by category, are as follows:

Financial Year Ended July 31	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
2019	\$30,000	Nil	Nil	Nil
2018	\$25,500	Nil	Nil	Nil

## 7. Exemption

The Company is relying on the exemption provided by section 6.1 of NI 52-110, which provides that the Company, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

## PART 6 – CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Company. The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Company.

National Policy 58-201 *Corporate Governance Guidelines* (“**NP 58-201**”) 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.

National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) also requires the Company to disclose annually in its Information Circular certain information concerning its corporate governance practices. As a “venture company”, the Company is required to make such disclosure with reference to the requirements of Form 58-101F2, which disclosure is set forth below.

## **1. Board of Directors**

NP 58-201 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as “independent” directors under NI 52-110.

The Board is currently composed of three directors. The independent status of each individual director is reviewed annually by the Board. The Board considers a director to be independent if he has no direct or indirect material relationship with the Company which, in the view of the Board, could reasonably be perceived to materially interfere with the exercise of the director’s independent judgment. The Board has determined that Bahay Ozcakmak is independent.

## **2. Board Mandate**

The Board is responsible for the conduct of the Company’s affairs generally. The Board is responsible for reviewing and approving the Company’s operating plans and budgets as presented by management. The Board is responsible for identifying the principal risks of the Company’s business and for ensuring these risks are effectively monitored and mitigated to the extent practicable. Succession planning, including the recruitment, supervision, compensation and performance assessment of the Company’s senior management personnel also falls within the ambit of the Board’s responsibilities. The Board is responsible for ensuring effective communication by the Company with its shareholders and the public and for ensuring that the Company adheres to all regulatory requirements with respect to the timeliness and content of its disclosure. In keeping with its overall responsibility for the stewardship of the financial affairs of the Company, the Board created an Audit Committee which is responsible for the integrity of the Company’s internal control and management information systems.

The Board is responsible for approving annual operating plans recommended by management. Board consideration and approval is also required for all material contracts and business transactions and all debt and equity financing proposals.

The Board delegates to management responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company’s business in the ordinary course, managing the Company’s cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements.

The Board believes the Company is well served and the independence of the Board from management is not compromised. The Board does not have, and does not consider it necessary under the circumstances to have, any formal structures or procedures in place to ensure that the Board can function independently of management. The Board believes that its current composition is sufficient to ensure that the Board can function independently of management.

## **3. Position Descriptions**

The Chief Executive Officer and the Board have not, to date, developed a formal, documented position description for the Chief Executive Officer and to define the limit of management’s responsibilities. The Board is currently of the view that the respective corporate governance roles of the Board and management are clear and that the limits to management’s responsibility and authority are reasonably well-defined.

#### 4. Directorships

As of the date of this Information Circular, the directors of the Company are currently directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows.

Name of Director of the Company	Names of Other Reporting Issuers
Ian Graham	Cache Exploration Inc. <sup>(1)(2)</sup> Commerce Resources Corp. <sup>(1)</sup> Red Oak Mining Corp. <sup>(3)</sup> WPC Resources Inc. <sup>(1)</sup>
Bahay Ozcakmak	Parkway Minerals NL <sup>(2)(4)</sup>
Anthony Balic	Lions Bay Capital Inc. <sup>(1)</sup> RSI International Systems Inc. <sup>(1)</sup>

##### Notes

- <sup>(1)</sup> TSX Venture Exchange
- <sup>(2)</sup> Frankfurt
- <sup>(3)</sup> NEX
- <sup>(4)</sup> ASX

The above information has been provided by the directors and has not been independently verified by the Company.

#### 5. Orientation and Continuing Education

There is no formal orientation or training program for new members of the Board, and the Board considers this to be appropriate given the Company's size and current limited operations.

New directors are briefed on strategic plans, short, medium and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing policies and have the opportunity to become familiar with the Company by meeting with the other directors and with the executive officers. Orientation activities are tailored to the particular needs and experience of each director and the overall needs of the Board.

The skills and knowledge of the Board as a whole is such that the Board believes no formal continuing education process is currently required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. Board members have full access to the Company's records.

#### 6. Ethical Business Conduct

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives. The Board monitors the ethical conduct of the Company and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges but,

to date, the Board has not adopted a formal written code of business conduct and ethics.

The Board is of the view that the fiduciary duties placed on individual directors by the Company's governing corporate and securities legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decisions of the Board in which the director has an interest, are sufficient, at present, to ensure that the Board operates independently of management and in the best interests of the Company and its shareholders. In addition, the current limited size of the Company's operations and the small number of officers and consultants allow the independent members of the Board to monitor on an ongoing basis the activities of management and to ensure that the highest standard of ethical conduct is maintained. As the Company grows in size and scope, the Board anticipates that it will formulate and implement a formal code of business conduct and ethics.

## **7. Nomination of Directors**

Given its current size and stage of development, the Board has not appointed a nominating committee and these functions are currently performed by the Board as a whole. Nominees are generally the result of recruitment efforts by Board members and recommendations made by management and shareholders. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors.

## **8. Compensation**

At this time, the Company does not believe its size and limited scope of operations requires a formal compensation committee. The Board as a whole is responsible for determining all forms of compensation (including long-term incentive in the form of stock options) to be granted to the Company's executive officers and to the directors to ensure such arrangements reflect the responsibilities and risks associated with each position.

When determining the compensation of its executive officers in the future, the Board will consider: 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. In order to achieve these objectives, it is the Board's intention that compensation paid to its executive officers should consist of three components: i) base fee or salary; ii) discretionary annual bonus based on actual performance relative to pre-set annual operation targets; and iii) long-term incentive in the form of stock options. See Part 3 "EXECUTIVE COMPENSATION – Compensation Discussion and Analysis" above.

## **9. Other Board Committees**

At the present time, the Board has appointed only an audit committee.

### *Audit Committee*

The audit committee will meet with the Chief Executive Officer of the Company and the independent auditors to review and inquire into matters affecting financial reporting, the system of internal accounting and financial controls and procedures and the audit procedures and audit plans. The audit committee will also recommend to the Board the auditors to be appointed, subject to shareholder

approval. In addition, the audit committee will review and recommend to the Board for approval the annual financial statements and certain other documents required by regulatory authorities.

The chair of the Audit Committee will be generally responsible for overseeing the audit committee in its responsibilities as outlined in the Audit Committee Charter. The chair's duties and responsibilities will include presiding at each meeting of the audit committee, referring specific matters to the Board in the case of a deadlock on any matter or vote, receiving and responding to all requests for information from the Company or the independent auditors, leading the audit committee in discharging its tasks and reporting to the Board on the activities of the audit committee.

For further information regarding the mandate of the audit committee, its specific authority, duties and responsibilities, as well as the Audit Committee Charter, see Part 5 "AUDIT COMMITTEE" above.

As the Company grows, and its operations and management structure become more complex, the Board may find it appropriate to constitute formal standing committees, such as a Corporate Governance Committee, Compensation Committee and Nominating Committee, and to ensure that such committees are governed by written charters and are composed of at least a majority of independent directors.

## **10. Assessments**

The Board has not implemented a process for assessing its effectiveness. As a result of the Company's size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The Board plans to continue evaluating its own effectiveness on an ad hoc basis.

The Board also monitors but does not formally assess the performance or contribution of individual Board members or committee members.

## **PART 7 – OTHER INFORMATION**

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

#### *Aggregate Indebtedness*

No individual who is, or at any time during the most recently completed financial year of the Company was, a director or officer of the Company, no proposed nominee for election as a director of the Company, and no associate of any one of them is, or at any time since the beginning of the most recently completed financial year of the Company has been, indebted to the Company or any of its subsidiaries (other than in respect of amounts which would constitute routine indebtedness) or to another entity (where such indebtedness to such other entity is, or was at any time during the most recently completed financial year of the Company, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries).

#### Indebtedness of Directors and Executive Officers under Securities Purchase and Other Programs

As of the date hereof, there is no indebtedness owing to the Company, any of its subsidiaries or any other entity (where such indebtedness to such other entity is the subject of a guarantee, support

agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries) in connection with the purchase of securities or otherwise by any current or former executive officers, directors or employees of the Company or any of its subsidiaries.

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

Other than disclosed elsewhere in this Information Circular, no informed person (as defined below), proposed nominee for election as a director, or any associate or affiliate of any informed person or proposed nominee, has had a material interest, direct or indirect, in any transaction with the Company or any of its subsidiaries or in any proposed transaction since the beginning of the last completed financial year that has materially affected or would materially affect the Company or any of its subsidiaries.

For the above purposes, “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, or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company after having purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

#### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED ON AT THE MEETING**

None of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company’s last completed financial year, none of the other insiders of the Company and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting (other than the election of the directors and the appointment of auditors), save and except for the ratification and approval of the Option Plan as contemplated in Part 2 “THE BUSINESS OF THE MEETING – Annual Ratification of Stock Option Plan”.

#### **MANAGEMENT CONTRACTS**

The management functions of the Company are performed by its directors and executive officers and the Company has no management agreements or arrangements under which such management functions are performed by persons other than the directors and executive officers of the Company or private companies controlled by such directors and executive officers. See Part 3 “EXECUTIVE COMPENSATION” for details of the fees paid to the Company’s Named Executive Officers.

#### **OTHER MATTERS**

Management of the Company is not aware of any other matters to come before the Meeting other than as set forth in the Notice of Meeting that accompanies this Information Circular. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed Proxy to vote the Shares represented thereby in accordance with their best judgment on such matter.

## **ADDITIONAL INFORMATION**

Financial information about the Company is provided in its consolidated financial statements and Management's Discussion and Analysis for the financial years ended July 31, 2019 and July 31, 2018. You may obtain copies of such documents without charge upon request to us at Suite 1201, 1166 Alberni Street, Vancouver, British Columbia, V6E 3Z3, telephone (604) 671-1353. You may also access such documents, together with the Company's additional disclosure documents, through the Internet on the System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com).

## **BOARD APPROVAL**

The contents of this Information Circular have been approved and the delivery of it to each shareholder of the Company entitled thereto and to the appropriate regulatory agencies has been authorized by the Board of the Company.

DATED at Vancouver, British Columbia, as of the 4<sup>th</sup> day of February, 2020.

## **ON BEHALF OF THE BOARD**

### **FIDELITY MINERALS CORP.**

By: "Ian Graham"

Ian Graham, Chief Executive Officer and Director

## SCHEDULE A

### AUDIT COMMITTEE CHARTER

#### **Purpose of the Audit Committee**

The purpose of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of the Company is to assist the Board in fulfilling its responsibility for the oversight of the financial reporting process. The purpose of this Charter is to ensure that the Company maintains a strong, effective and independent audit committee, to enhance the quality of financial disclosure made by the Company and to foster increased investor confidence in both the Company and Canada’s capital markets. It is the intention of the Board that through the involvement of the Committee, the external audit will be conducted independently of the Company’s management to ensure that the independent auditors serve the interests of shareholders rather than the interests of management of the Company. The Committee’s primary duties and responsibilities are to:

- identify and monitor the management of the principal risks that could affect the reliability of financial reporting;
- monitor the integrity of the Company’s financial reporting process and system of internal control over financial reporting and accounting compliance;
- be directly responsible for overseeing the work of the external auditor including monitoring the independence and performance of the external auditor;
- be directly responsible for overseeing the internal review processes;
- monitor the Company’s compliance with applicable legal and regulatory requirements affecting financial reporting; and
- provide an avenue for effective communication among the audit committee, external auditor, management and the Board.

The Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the external auditor as well as anyone in the Company. The Committee has the authority to retain, at the Company’s expense, special legal, accounting, or other consultants or experts it deems necessary in the performance of its duties.

#### **Composition of the Audit Committee**

The Committee shall consist of at least three (3) directors appointed by the Board as provided for in the by-laws of the Company and may be removed by the Board in its discretion. Each member of the Committee must be an independent director and must be financially literate or become financially literate within a reasonable time after his or her appointment to the Committee. At least one (1) member of the Committee shall have accounting or related financial management expertise. The Committee shall establish procedures for quorum, notice and timing of meetings subject to the proviso that a quorum shall be no less than two (2) Committee members. While the Board may recommend a Chair for the Committee, the Committee shall have the discretion to appoint the Chair from amongst its members.

The Canadian Securities Administrators (“**CSA**”) state that an audit committee member is independent if he or she has no direct or indirect material relationship with the issuer; that is, a relationship that could, in the view of the Board, reasonably interfere with the exercise of the member’s independent judgment. The CSA notes that these relationships may include commercial,

charitable, industrial, banking, consulting, legal, accounting or familial relationships. The regulations also include a list of situations that are defined to be material relationships.

The Board shall determine, in its business judgment, whether an individual is financially literate based upon the regulatory definition of financial literacy, meaning 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. It is the view of the regulators that it is not necessary for a member to have a comprehensive knowledge of generally accepted accounting principles and generally accepted auditing standards to be considered financially literate.

Disclosure must be made in the Company's Information Circular ("IC") for its annual meeting or in the Company's Annual Information Form ("AIF") of the name of each Committee member and whether or not the member is independent and financially literate. It should also describe the education and experience of each member that is relevant to his or her responsibilities as a Committee member. If a member is not independent, the Company must explain why.

### **Meetings of the Audit Committee**

The Committee shall meet as often as is necessary but not less than twice annually, corresponding with the Company's financial reporting cycle. The Committee Chair will prepare an agenda in advance of each meeting. The Secretary will circulate the agenda and supporting materials sufficiently in advance of the meeting to allow members an appropriate period of time to prepare for the meeting. The Committee will generally invite members of management and invite the external auditor as appropriate. The Committee shall meet privately at least annually with management and the external auditor to discuss any matters that the Committee or each of these groups believes should be discussed. In addition, the Committee may consider in camera sessions at the beginning and/or conclusion of each meeting to discuss privately any matters of interest or concern to the members.

### **Responsibilities and Duties of the Audit Committee**

Management is responsible for adopting and applying sound accounting principles; for designing, implementing and maintaining effective processes related to internal control over financial reporting; and for preparing the annual and interim financial statements, management's discussion and analysis ("MD&A") and other continuous disclosure documents. The external auditor is responsible for conducting an independent audit and for forming an opinion on the annual financial statements. The Committee is responsible for overseeing these financial reporting processes.

Committee members should conduct themselves in an informed, vigilant and effective manner.

Members of the Committee should rely on information furnished to them by others only if they believe it to be reliable for the purpose of making their decisions. They should act in accordance with their own knowledge and training.

The Committee shall be responsible for the following specific matters:

1. Accounting policies
  - (a) Review all of the Company's critical accounting policies and all major issues regarding accounting

principles and financial statement presentations (including any significant changes in the Company's selection or application of accounting principles).

- (b) Review major changes in the Company's accounting policies and practices.
- (c) Review with the external auditor and management the extent to which changes or improvements in financial or accounting practices, as previously reported to the Committee, have been implemented.

## 2. Financial reporting process and financial statements

- (a) In consultation with management and the external auditor, inquire as to the integrity of the Company's financial reporting processes, both internal and external, and any major issues as to the adequacy of internal control.
- (b) Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas.
- (c) Review recent professional and regulatory pronouncements and understand their impact on the financial statements.
- (d) Review issues related to liquidity, capital resources and contingencies that could affect liquidity.
- (e) Review all plans for treasury operations including financial derivatives and hedging activities.
- (f) Review all material off-balance-sheet transactions, contingent liabilities and transactions with related parties.
- (g) Discuss with the external auditor the matters that auditing standards in Canada require to be communicated with the Committee.
- (h) Review and discuss with management the Company's quarterly and annual financial statements, MD&A, IC, AIF and annual and interim press releases before they are publicly disclosed by the Company and recommend their approval by the Board.
- (i) Periodically assess the adequacy of procedures in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements.
- (j) Consider reviewing other financial information provided to analysts and rating agencies.
- (k) Following completion of the annual audit, review with each of management and the external auditor any significant issues, concerns or difficulties encountered during the course of the audit including any major issues that arose during the course of the audit and, which have and audit judgments; and levels of misstatements identified during the audit, obtaining explanations from management and, where necessary, the external auditor, as to why certain misstatements might remain unadjusted.
- (l) Receive and review reports from other Board committees with regard to matters that could

affect financial reporting.

- (m) Oversee the resolution of disagreements between management and the external auditor regarding financial reporting.
- (n) Discuss with the external auditor the quality and not just the acceptability of the Company's accounting principles.
- (o) Regularly review with the external auditor any audit problems or difficulties and management's response.

3. External auditor

- (a) Be directly responsible for the selection, appointment, compensation, retention, termination and oversight of the work of the Company's external auditor, and in such regard recommend to the Board the nomination of the external auditor for approval by the shareholders. Monitor audit engagement partner rotation requirements.
- (b) Pre-approve all audit and non-audit services to be provided to the Company or its subsidiary entities by the external auditor including fees and terms. In this regard, establish which non-audit services the external auditor shall be prohibited from providing. In doing so, the Committee should consider:
  - (i) whether the skills and experience of the audit firm make it a suitable supplier of the non-audit services;
  - (ii) whether there are safeguards in place to help ensure that there is no threat to the external auditor's objectivity and independence in the conduct of the audit resulting from providing such services; and
  - (iii) the nature of the non-audit services, the related fee levels, and the fee levels individually and in aggregate relative to the audit fee.
- (c) The Committee satisfies the pre-approval requirement in subsection 3(b) if:
  - (i) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent (5%) of the total amount of fees paid by the Company and its subsidiary entities to the Company's external auditors during the fiscal year in which the services are provided;
  - (ii) the Company or the subsidiary entity of the Company, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
  - (iii) the services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee.
- (d) The Committee may delegate to one or more independent members of the Committee the authority to pre- approve non-audit services in satisfaction of the requirement in subsection 3(b).

- (e) The pre-approval of non-audit services by any member to whom authority has been delegated pursuant to subsection 3(d) must be presented to the Committee at its first scheduled meeting following such pre- approval.
- (f) The Committee satisfies the pre-approval requirement in subsection 3(b) if it adopts specific policies and procedures for the engagement of the non-audit services, if:
  - (i) the pre-approval policies and procedures are detailed as to the particular service; (ii) the Committee is informed of each non-audit service; and
  - (ii) the procedures do not include delegation of the Committee’s responsibilities to management.
- (g) Prior to commencement of the annual audit, review with the external auditor the proposed audit plan and scope of work.
- (h) Review the audit representation letters with particular attention to non-standard representations.
- (i) Review and monitor the content of the external auditor’s management letter, in order to assess whether it is based on a good understanding of the Company’s business and establish whether recommendations have been acted upon and, if not, the reasons they have not been acted upon.
- (j) Consider, assess and report to the Board with regard to the independence and performance of the external auditor, and for such purpose:
  - (i) Review the formal written statement and letter submitted by the external auditor that outlines all relationships between the external auditor and the Company, and its affiliates and associates.
  - (ii) Actively engage in a dialogue with the external auditor with respect to any disclosed relationships or services and their impact on the objectivity or independence of the external auditor.
  - (iii) Conduct a periodic evaluation (taking into account the opinions of management) of the external auditor’s qualifications, performance and independence, and present to the Board the Committee’s conclusion in such regard.
  - (iv) Consider obtaining and reviewing at least annually a report from the external auditor describing the firm’s quality control procedures and any material issues raised by the firm’s most recent review of internal quality control or by any governmental or professional inquiry or investigation.
- (k) Review and approve the Company’s hiring policies regarding partners, employees and former partners and employees of the present and former external auditors.

4. Internal controls and risk management

- (a) Receive and review the interim and annual CEO and CFO certifications filed with securities

regulatory authorities.

- (b) Receive and review reports from management and the external auditors with regard to the reliability and effective operation of the Company's accounting system and internal controls.

5. Internal review and legal compliance

- (a) Review and approve management's decisions related to the need for internal review.
- (b) Review the mandate, budget, plan, changes in plan, activities, organization structure and qualifications of the internal review function.
- (c) Review significant reports prepared as a result of the internal review together with management's response and follow-up to these reports.
- (d) On at least an annual basis, review with the Company's counsel any legal matters that could have a significant impact on the Company's financial statements, the Company's compliance with applicable laws and regulations, and any inquiries received from regulators or governmental agencies.

6. Additional responsibilities

- (a) Review and reassess the adequacy of the Committee's charter on an annual basis.
- (b) Determine that the IC or the AIF discloses the text of the Committee's charter, a description of any specific policies and procedures for the engagement of non-audit services, and the aggregate fees billed by the external auditor in each of the last two (2) years, by service fee category
- (c) Review the process for communicating the Company's Code of Business Conduct and Ethics and Whistleblower Policy to company personnel, and for monitoring compliance therewith.
- (d) Discuss guidelines and policies to govern the process by which risk assessment and risk management have been and are handled, even if the primary responsibility for risk assessment and management is assigned to another Board committee. The Company's major financial and business risks exposures and the steps management has taken to monitor and control such exposures should be discussed.
- (e) Establish procedures and policies for the following:
  - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
  - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- (f) Prepare and review with the Board an annual performance evaluation of the Committee, the Chair of the Committee and its individual members.
- (g) Review the appointments of the Company's Chief Financial Officer and any other key financial

executives involved in the financial reporting process.

- (h) Review financial and accounting personnel succession planning within the Company.
- (i) Periodically review a summary of all related party transactions and potential conflicts of interest.
- (j) Report regularly to the Board, including matters such as the quality or integrity of the Company's financial statements, and compliance with legal or regulatory requirements
- (k) Review expenses incurred by selected senior executives.
- (l) Conduct or authorize any review or investigation and consider any matters of the Company the Committee believes is within the scope of its responsibilities and establish procedures for such review or investigation as may be required.