

**DIAMOND FIELDS RESOURCES INC.**

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**TAKE NOTICE** that the Annual General Meeting (the "Meeting") of the Shareholders of Diamond Fields Resources Inc. (the "Company") will be held at 15th Floor, 125 Old Broad Street, London, EC2N 1AR, United Kingdom, on Monday, December 7, 2020, at 4.00 P.M. (London time) for the following purposes:

1. To receive the financial statements of the Company for the financial year ended December 31, 2019 and accompanying report of the auditor;
2. To set the number of Directors of the Company at seven;
3. To elect the Directors of the Company for the ensuing year;
4. To appoint Davidson & Company LLP as Auditors of the Company for the ensuing year and to authorize the Directors to fix their remuneration; and
5. To transact such other business as may properly be brought before the Meeting or any adjournment or adjournments thereof.

If you are a registered shareholder of the Company and unable to attend the Meeting in person, please complete, date and sign the accompanying form of proxy and deposit it with Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, Canada M5J 2Y1, or in accordance with the instructions provided in the attached Information Circular, by 8:00 a.m. (Pacific time) on December 3, 2020 or at least 48 hours (excluding Saturdays, Sundays and holidays) before the time that the Meeting is to be reconvened after any adjournment of the Meeting.

If you are a non-registered shareholder of the Company and received a voting instruction form from Computershare Investor Services Inc., please complete and return the form in accordance with the instructions provided in the Information Circular and on the voting instruction form.

If you are a non-registered shareholder of the Company and 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 security on your behalf (the "Intermediary"), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

**DUE TO THE ONGOING CONCERNS RELATED TO THE SPREAD OF THE CORONAVIRUS (COVID-19) AND IN ORDER TO PROTECT THE HEALTH AND SAFETY OF SHAREHOLDERS, EMPLOYEES, OTHER STAKEHOLDERS AND THE COMMUNITY, THE BOARD OF DIRECTORS AND MANAGEMENT REQUEST ALL SHAREHOLDERS TO VOTE BY PROXY AND NOT ATTEND THE MEETING IN PERSON.**

**DATED** at Vancouver, British Columbia, this 28<sup>th</sup> day of October, 2020.

**BY ORDER OF THE BOARD**

*"Sybrand Van Der Spuy"*

Sybrand Van Der Spuy  
Chief Executive Officer

**DIAMOND FIELDS RESOURCES INC.**

Lot 223, Le Mahe  
Beau Vallon, Mauritius  
50810

Telephone: (604) 283-7185 Facsimile: (604) 608-3453

**INFORMATION CIRCULAR**

(As at October 28, 2020, except as indicated)

**SOLICITATION OF PROXIES**

Diamond Fields Resources Inc. (the “Company”) is providing this information circular (“Information Circular”) and a form of proxy in connection with management’s solicitation of proxies for use at the annual general meeting (the “Meeting”) of the Company to be held on **Monday, December 7, 2020** and at any adjournments. Unless the context otherwise requires, when we refer in this Information Circular to the Company, its subsidiaries are also included. The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of solicitation.

**APPOINTMENT OF PROXYHOLDER**

The purpose of a proxy is to designate persons who will vote the proxy on a shareholder’s behalf in accordance with the instructions given by the shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or Directors of the Company (the “Management Proxyholders”).

**A shareholder has the right to appoint a person or company other than a Management Proxyholder, to represent the shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person’s name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a shareholder.**

**VOTING BY PROXY**

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting.** Shares represented by a properly executed proxy will be voted or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly.

**If a shareholder does not specify a choice and the shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.**

**The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting.** At the date of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

## **COMPLETION AND RETURN OF PROXY**

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, **Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1**, or by mail or by facsimile or hand delivered to **3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9** in accordance with the instructions set out in the form of proxy accompanying this Information Circular at least 48 hours before the time of the Meeting or any adjournment thereof, excluding Saturdays, Sundays and holidays, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

## **NOTICE-AND-ACCESS**

The Company is not sending this Information Circular to registered or beneficial shareholders using "notice-and-access" as defined under National Instrument 54-101 ("NI 54-101").

## **NON-REGISTERED HOLDERS**

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders because the common shares they own are not registered in their names but are instead registered in the names of a brokerage firm, bank or other intermediary or in the name of a clearing agency. Shareholders who do not hold their shares in their own name (referred to herein as "Beneficial Shareholders") should note that only registered shareholders (or duly appointed proxyholders) may complete a Proxy or vote at the Meeting in person.

This Information Circular and accompanying materials are being sent to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own ("Objecting Beneficial Owners", or "OBOs") and those who do not object to their identity being made known to the issuers of the securities they own ("Non-Objecting Beneficial Owners", or "NOBOs"). Subject to the provision of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of Reporting Issuers* ("NI 54-101"), issuers may request and obtain a list of their NOBOs from intermediaries via their transfer agents and use this NOBO list for distribution of proxy-related materials directly to NOBOs.

## **NON-OBJECTING BENEFICIAL OWNERS**

This year, the Company has decided to take advantage of those provisions of NI 54-101 that permit the Company to deliver proxy-related materials directly to its NOBOs who have not waived the right to receive them (and is not sending proxy-related materials using notice-and-access). These securityholder materials are being sent to both registered owners and non-registered owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. As a result, Canadian NOBOs can expect to receive a scannable Voting Instruction Form ("VIF") together with the Notice of Meeting, this Information Circular and related documents from our Transfer Agent, Computershare. These VIFs are to be completed and returned to Computershare in accordance with the instructions provided. NOBOs should carefully follow the instructions provided, including those regarding when and where to return the completed VIFs. NOBOs that wish to change their vote must in sufficient time in advance of the Meeting contact Computershare to arrange to change their vote.

Should a NOBO wish to attend and vote at the Meeting in person, the NOBO must insert the NOBO's name (or such other person as the NOBO wishes to attend and vote on the NOBO's behalf) in the blank space provided for that purpose on the VIF and return the completed VIF in line with the instructions provided or the NOBO must submit to the Company any other document in writing that requests that the

NOBO or a nominee of the NOBO be appointed as proxyholder. In such circumstances with respect to proxies held by management in respect of securities owned by the NOBO so requesting, the Company must arrange, without expense to the NOBO, to appoint the NOBO or a nominee of the NOBO as a proxyholder in respect of those securities. Under NI 54-101, if the Company appoints a NOBO or a nominee of the NOBO as a proxyholder as aforesaid, the NOBO or nominee of the NOBO, as applicable, must be given the authority to attend, vote and otherwise act for and on behalf of management in respect of all matters that may come before the Meeting and any adjournment or continuance thereof, unless corporate law does not permit the giving of that authority. Pursuant to NI 54-101, if the Company appoints a NOBO or its nominee as proxyholder as aforesaid the Company must deposit the proxy within the timeframe specified above for the deposit of proxies if the Company obtains the instructions at least one (1) business day before the termination of that time.

## **OBJECTING BENEFICIAL OWNERS**

In accordance with the requirements of NI 54-101, we have distributed copies of the Notice of Meeting, this Circular, and related documents (collectively, the "Meeting Materials") to the clearing agencies and intermediaries for onward distribution to OBOs. Intermediaries are required to forward the Meeting Materials to OBOs unless in the case of certain proxy-related materials the OBO has waived the right to receive them. Very often, intermediaries will use service companies such as Broadridge to forward the Meeting Materials to OBOs. Together with the Meeting Materials, intermediaries or their service companies should provide OBOs with a "request for voting instruction form" which, when properly completed and signed by such OBO and returned to the intermediary or its service company, will constitute voting instructions which the intermediary must follow. The purpose of this procedure is to permit OBOs to direct the voting of the common shares that they beneficially own. The Company does not intend to pay for an intermediary to deliver the Meeting Materials to OBOs and OBOs will not receive the Meeting Materials and voting instruction form unless their intermediary assumes the costs of delivery. Every intermediary has its own mailing procedures and provides its own return instructions to clients. OBOs should carefully follow the instructions of their intermediary, including those regarding when and where the completed request for voting instructions is to be delivered.

OBOs who wish to change their vote must in sufficient time in advance of the Meeting arrange for their respective intermediaries to change their vote.

Should an OBO wish to vote at the Meeting in person, the OBO must insert the OBO's name (or such other person as the OBO wishes to attend and vote on the OBO's behalf) in the blank space provided for that purpose on the request for voting instruction form and return the completed request for voting instruction form to the intermediary or its service provider or the OBO must submit, to their intermediary, any other document in writing that requests that the OBO or a nominee of the OBO be appointed as proxyholder. In such circumstances an intermediary who is the registered holder of, or holds a proxy in respect of, securities owned by an OBO is required under NI 54-101 to arrange, without expense to the OBO, to appoint the OBO or a nominee of the OBO as a proxyholder in respect of those securities. Under NI 54-101, if an intermediary appoints an OBO or the nominee of the OBO as a proxyholder as aforesaid, the OBO or nominee of the OBO, as applicable, must be given the authority to attend, vote and otherwise act for and on behalf of the intermediary, in respect of all matters that may come before the Meeting and any adjournment or continuance thereof, unless corporate law does not permit the giving of that authority. Pursuant to NI 54-101 an intermediary who appoints an OBO or its nominee as proxyholder as aforesaid is required under NI 54-101 to deposit the proxy within the timeframe specified above for the deposit of proxies if the intermediary obtains the instructions at least one (1) business day before the termination of that time.

## **REVOCABILITY OF PROXY**

Any registered shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a registered shareholder, his attorney authorized in writing or, if the registered shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in

writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, c/o Fasken Martineau DuMoulin LLP, Attention: Sam Li, Suite 2900, 550 Burrard Street, Vancouver, British Columbia, V6C 0A3 at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting. **Only registered shareholders have the right to revoke a proxy. Non-registered shareholders that wish to change their voting instructions must, in sufficient time in advance of the Meeting, contact Computershare or their Nominees to arrange to revoke the proxy on their behalf.**

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company has an authorized capital consisting of an unlimited number of common shares without par value (the “shares”), of which 68,895,662 shares are issued and outstanding as at the record date, being October 28, 2020. Persons who are registered shareholders at the close of business on the record date will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each share held. The Company has only one class of shares.

To the knowledge of the Directors and executive officers of the Company, no person or company beneficially owns, controls or directs, directly or indirectly, Shares carrying 10% or more of the voting rights attached to all Shares of the Company, except the following:

Name of Member	Type of Ownership	Number of Shares	Percentage of Issued and Outstanding Shares
Jean-Raymond Boule	Direct/Indirect	53,495,323 <sup>(1)</sup>	77.6%

- (1) Of these common shares, 12,300 are held directly, and 52,483,023 are held indirectly in the name of Spirit Resources SARL (**Spirit**), which is a private company controlled by Jean-Raymond Boule. Spirit also holds warrants to purchase a total of 10,666,667 common shares, exercisable at \$0.125 per share on or before September 22, 2021.

## ELECTION OF DIRECTORS

The number of directors for the Company is set by ordinary resolution of the shareholders of the Company. Management of the Company is seeking shareholder approval of an ordinary resolution determining the number of directors of the Company at seven (7) for the ensuing year.

The persons below are management’s nominees to the Board. Each director elected will hold office until the next annual general meeting or until his or her successor is duly elected or appointed unless his or her office is earlier vacated in accordance with the Articles of the Company or unless he or she becomes disqualified to act as a director.

<i>Name, Jurisdiction of Residence and Position</i>	<i>Principal Occupation or employment and, if not a previously elected Director, occupation during the past 5 years</i>	<i>Previous Service as a Director</i>	<i>Number of Common Shares beneficially owned, or controlled or directed, directly or indirectly<sup>(1)</sup></i>
<b>Sybrand Van Der Spuy</b> <i>CEO, President and Director</i> Pretoria, Gauteng, South Africa	Independent Business Consultant & Project Manager since 2011; Director of Raphael Fishing Company Ltd; Principal in Goodharbor Consulting (UAE).	Director since May 30, 2014	400,000
<b>Norman Roderic Baker</b> <i>Director</i> Wells, Somerset, England, United Kingdom	Consulting Geologist, self-employed for the past 25 years.	Director since November 21, 2002	19,200
<b>Al Gourley</b> <sup>(2) (3)</sup> <i>Non-Executive Chairman and Director</i> London, United Kingdom	Regional Managing Partner, Fasken Martineau LLP (London)	Director since November 7, 2016	2,550,000 <sup>(3)</sup>
<b>Francois Colette</b> <i>Director</i> Monaco	Technical Manager of the Gecamines Kolwezi Group; Engineer consultant for the Boule Mining Group;	Director since December 12, 2016	Nil
<b>Bertrand Boule</b> <sup>(2)</sup> <i>Director</i> Tamarin, Black River, Mauritius	International Stockbroker; Former administrator for De Beers in DRC & Angola and for independent diamond producers in Sierra Leone & Guinea Conakry; Director of various Investment Dealers in the EU; Principal of Investors Europe (Mauritius) Ltd.	Director since December 12, 2016	Nil
<b>Philip Murphy</b> <sup>(2)</sup> <i>Director</i> Bain Boeuf, Mauritius	Former CEO and director of TZ Minerals International Pty Ltd.; Former CEO and current director of World Titane Holdings Ltd.; Current CEO and director of Zirco Resources Ltd.	Director since April 25, 2018	Nil
<b>David Reading</b> <i>Director</i> Sevenoaks, Kent, United Kingdom	At present: Special advisor to Roscan Gold Corporation and consulting geologist for various groups; Jan 2018 – April 2020: Special advisor to Continental Gold, CEO and board on all geology and exploration work until sale to Zijin Mining Corporation; 2017: Consulting geologist for HPX and Cordoba Minerals; 2013 – 2017: NED of Cordoba Minerals; 2011-2016: CEO of Aureus Mining until sale to a Turkish Conglomerate.	Director since February 5, 2018	253,000

- (1) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at October 28, 2020, based upon information furnished to the Company by individual Directors. Unless otherwise indicated, such shares are held directly.
- (2) Member of the audit committee.
- (3) These shares are held indirectly through Albert C. Gourley Professional Corporation and include 500,000 shares purchased through a share issue completed by the Company after December 31, 2019, the date of the financial year end of the Company.

No proposed Director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Company acting solely in such capacity.

To the knowledge of the Company, no proposed director:

- (a) 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 chief executive officer (“CEO”) or chief financial officer (“CFO”) of any company (including the Company) that:
  - (i) was the subject, *while* the proposed Director was acting in the capacity as director, CEO or CFO of such company, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; and
  - (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued *after* the proposed Director ceased to be a director, CEO or CFO but which resulted from an event that occurred while the proposed Director was acting in the capacity as director, CEO or CFO of such company; or
- (b) 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
- (c) 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, 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 any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed Director.

None of the Company’s directors hold directorships in other reporting issuers.

## **EXECUTIVE COMPENSATION**

During the financial year ended December 31, 2019, the Company had two Named Executive Officers (“NEOs”) being, Sybrand Van Der Spuy, the President and Chief Executive Officer (“CEO”) and Jean

Lindberg Charles, the Chief Financial Officer (“CFO”) and Secretary of the Company.

“Named Executive Officer” means: (a) a CEO, (b) a CFO, (c) the most highly compensated executive officer of the Company, including any of its subsidiaries, other than the CEO and the CFO, including an individual performing functions similar to a CEO and CFO, at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V for that financial year; and (d) each individual who would be a NEO under (c) above but for the fact that the individual was neither an executive officer of the Company, or its subsidiaries, nor acting in similar capacity, at the end of the financial year.

### Director and NEO Compensation, Excluding Compensation Securities

Set out below is a summary of all compensation paid, payable, awarded, granted, given or otherwise provided, excluding compensation securities, during the Company’s two most recently completed financial years being the six month period ended December 2019 and the year ended June 2019 to the Company’s NEOs and directors, in any capacity, for services provided and for services to be provided, directly or indirectly, to the Company or any subsidiary thereof.

Table of compensation excluding compensation securities (stated in USD <sup>2,3</sup> or \$)							
Name and principal position	Year <sup>1</sup>	Salary, consulting fee retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Sybrand Van Der Spuy <i>President, CEO, Director</i>	Dec 2019	75,000	-	-	-	-	75,000
	Jun 2019	112,215	-	-	-	-	112,215
Jean Lindberg Charles <i>CFO, Secretary</i>	Dec 2019	77,250	-	-	-	-	77,250
	Jun 2019	98,000	-	-	-	-	98,000
Albert C Gourley <i>Director</i>	Dec 2019	-	-	-	-	-	-
	Jun 2019	-	-	-	-	-	-
Norman Roderic Baker <i>Director</i>	Dec 2019	-	-	-	-	-	-
	Jun 2019	-	-	-	-	-	-
Francois Colette <i>Director</i>	Dec 2019	-	-	-	-	-	-
	Jun 2019	-	-	-	-	-	-
Bertrand Boulle <i>Director</i>	Dec 2019	4,972	-	-	-	-	-
	Jun 2019	-	-	-	-	-	-
David Reading <i>Director</i>	Dec 2019	-	-	-	-	-	-
	Jun 2019	35,342	-	-	-	-	35,342
Philip Murphy <i>Director</i>	Dec 2019	-	-	-	-	-	-
	Jun 2019	-	-	-	-	-	-

<sup>1</sup>: The Company changed its financial year-end from June 30 to December 31 during the current period, and as such, has prepared a one off six-month reporting period ending December 31, 2019.

<sup>2</sup>: Amounts previously (June 2019) stated in CAD have been restated in USD.

<sup>3</sup>: Other than with respect to David Reading, all amounts reported in this table were awarded and payable in USD; however, certain amounts were paid in other currencies at the request of the applicable NEO or director. Such amounts payable in USD were converted into the applicable currency at the prevailing exchange rate at the time of the payment. With respect to David Reading, part of the consultancy fees for the previous reporting period (year ended June 2019) were awarded and paid in GBP and converted to the reporting currency at the average exchange rate during the month of the payment. Amounts awarded or paid in currencies other than the USD are as follows:

1. Sybrand Van Der Spuy, CEO – Consultancy Fees

Year ended - December 2019				
Month	Amount Reported USD	Currency & Amount Awarded	Currency paid	Exchange rate to USD 1
Nov-18				
Dec-18				
Jan-19				
Feb-19				
Mar-19				
Apr-19				
May-19				
Jun-19				
Jul-19	\$ 12,500	USD 12,500	NAD	14.64
Aug-19	\$ 12,500	USD 12,500	NAD	15.47
Sep-19	\$ 12,500	USD 12,500	NAD	14.79
Oct-19	\$ 12,500	USD 12,500	NAD	14.36
Nov-19	\$ 12,500	USD 12,500	NAD	14.54
Dec-19	\$ 12,500	USD 12,500	NAD	14.27
	<b>\$ 75,000</b>			

Year ended - June 2019			
Amount Reported USD	Currency & Amount Awarded	Currency paid	Exchange rate to USD 1
\$ 24,715	USD 24,715	NAD	14.32
\$ 12,500	USD 12,500	NAD	14.30
\$ 12,500	USD 12,500	NAD	13.87
\$ 12,500	USD 12,500	NAD	14.03
\$ 12,500	USD 12,500	NAD	14.50
\$ 12,500	USD 12,500	NAD	14.24
\$ 12,500	USD 12,500	NAD	14.43
\$ 12,500	USD 12,500	NAD	14.34
	<b>\$ 112,215</b>		

2. Bertrand Boule, Director – Consulting Fees

Year ended - December 2019				
Month	Amount USD	Currency & Amount Awarded	Currency paid	Exchange rate to USD 1
Dec-19	\$ 1,250	USD 1,250	EUR	0.89

Year ended - June 2019			
Amount USD	Currency & Amount Awarded	Currency paid	Exchange rate to USD 1
-			

3. David Reading, Director – Consulting Fees

Year ended - December 2019				
Month	Amount USD	Currency & Amount Awarded	Currency paid	Exchange rate to USD 1
Nov-18	-			

Year ended - June 2019			
Amount USD	Currency & Amount Awarded	Currency paid	Exchange rate to USD 1
\$ 5,342	GBP 4,000	GBP	0.75

The Company has no arrangements, standard or otherwise, pursuant to which Directors are compensated by the Company or its subsidiaries 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.

As disclosed under “Fixed Stock Option Plan” below, 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 is to assist the Company in compensating, attracting, retaining and motivating the Directors of the Company and to closely align the personal interests of such persons to that of the shareholders.

**Stock Options and Other Compensation**

No compensation securities were granted or issued by the Company to NEOs or directors during the most recently completed financial year.

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

No NEO or director exercised compensation securities were issued by the Company during the most recently completed financial year.

### ***Fixed Stock Option Plan***

At the fiscal year ended December 31, 2019, the Company had a Fixed Stock Option Plan (the “**Fixed Plan**”) that reserved 6,789,000 shares for issuance, being less than 10% of the Company’s 67,895,662 issued and outstanding shares as at that date. The Fixed Plan does not require shareholder approval, but was initially approved by shareholders on December 10, 2013 and last approved on December 12, 2016 to amend the Fixed Plan to increase the number of shares issuable under the Fixed Plan to 4,700,000 shares.

The material terms of the current Fixed Plan are as follows.

The maximum number of shares which may be issuable pursuant to options granted under the Fixed Plan is 6,789,000 common shares, or such additional amount as may be approved from time to time by the shareholders of the Company and the TSX-V.

The options may be exercised over periods of up to ten (10) years as determined by the Board of Directors of the Company. The exercise price of each option is determined in the discretion of the Board of Directors at the time of the granting of the option.

Any options granted at a discount to market or to Insiders (as defined in TSX-V Policies) are subject to the TSX-V Exchange Hold Period (as defined in TSX-V Policies).

The number of shares which may be reserved for issuance pursuant to options granted under the Fixed Plan to Insiders as a group, together with all of the Company's other previously established or proposed share compensation arrangements, in the aggregate, shall not at any time exceed 10% of the total number of issued and outstanding shares on a non-diluted basis.

The number of shares which may be issuable under the Fixed Plan, together with all of the Company's other previously established or proposed share compensation arrangements, within a one-year period:

- (a) to any one optionee shall not exceed 5% of the total number of issued and outstanding shares on the date of grant on a non-diluted basis;
- (b) to Insiders as a group shall not exceed 10% of the total number of issued and outstanding shares on the date of grant on a non-diluted basis;
- (c) to any one consultant, shall not exceed 2% of the total number of issued and outstanding shares on the date of grant on a non-diluted basis; and
- (d) to all Eligible Persons (defined in the Fixed Plan) who undertake Investor Relations Activities (as defined in TSX-V Policies) shall not exceed 2% in the aggregate of the total number of issued and outstanding shares on the date of grant on a non-diluted basis.

### **Options Repricing**

There was no repricing of stock options under the Company’s Fixed Plan or otherwise during the Company’s financial year ended December 31, 2019.

### **Pension Plan Benefits**

The Company has no pension plans (whether defined contribution or defined benefit) that provide for payments or benefits to any NEO at, following, or in connection with retirement.

### **Termination and Change of Control Benefits**

The Company and its subsidiaries have no employment contracts with any directors or NEOs.

Neither the Company, nor its subsidiaries, has a contract, agreement, plan or arrangement that provides for payments to a NEO following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company or its subsidiaries, or a change in responsibilities of a director or NEO following a change of control.

## **Compensation Discussion and Analysis**

The main objective of the Company's executive compensation program is to attract, retain, and engage high-quality, high-performance executives who have the experience and ability to successfully execute the Company's strategy and deliver value to our shareholders.

The objectives of the Company's executive compensation program are as follows:

- (i) compensate executives competitively for the leadership, skills, knowledge, and experience necessary to perform their duties;
- (ii) align the actions and economic interests of executives with the interests of shareholders; and
- (iii) encourage retention of executives.

The Company does not currently have a Compensation Committee. Rod Baker, Philip Murphy, David Reading, Francois Colette and Bertrand Boulle are considered by management to be independent members of the Board of Directors (the "**Independent Directors**"), and they annually review and set remuneration of executive officers. The Independent Directors determined that the executive compensation program should be comprised of the following elements:

- Management Fee – to compensate executives for the leadership, skills, knowledge and experience required to perform their duties; and
- Long-term Incentive Plan – to retain talented executives, reward them for their anticipated contribution to the long-term successful performance of the Company and align them with the interests of shareholders. The plan currently consists only of incentive stock options.

## **Process for Determining Executive Compensation**

To determine compensation payable, the Independent Directors consider an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Company. In setting the compensation, the Independent Directors annually review the performance of the CEO (or President) in light of the Company's objectives and consider other factors that may have impacted the success of the Company in achieving its objectives.

## **Compensation Policies and Risk Management**

The Board of Directors has not carried out a formal evaluation of the implications of the risks associated with the Company's compensation policies and practices. The Board of Directors generally reviews at least once annually the risks, if any, associated with the Company's compensation policies and practices at such time.

The Company has not retained a compensation consultant during or subsequent to the most recently completed financial year.

The Company does not use a specific peer or "benchmark group" to determine executive compensation levels. Total compensation for executive officers includes consulting fees and long-term incentive stock options.

## **Hedging of Economic Risks in the Company's Securities**

The Company has not adopted a policy forbidding directors and officers from purchasing financial instruments that are designed to hedge or offset a decrease in market value of the Company's securities granted as compensation or held, directly or indirectly, by directors or officers. The Company is not, however, aware of any directors or officers having entered into this type of transaction.

## **Option-based awards**

The Company's stock option plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Company. In determining the number of options to be granted to the executive officers, the Board of Directors takes into account the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding

options to ensure that such grants are in accordance with the policies of the TSX Venture Exchange, and closely aligns the interests of the executive officers with the interests of shareholders. The directors of the Company are also eligible to receive stock option grants under the Company's stock option plan, and the Company applies the same process for determining such awards to directors as with NEOs.

A summary of the significant terms of the Company's stock option plan is reported under the heading "Fixed Stock Option Plan" above.

The Company's Independent Directors have the responsibility to administer the compensation policies related to the executive management of the Company, including option-based awards.

### Securities Authorized for Issuance under Equity Compensation Plan

The following table sets forth the Company's compensation plans under which equity securities of the Company are authorized for issuance **as at the end of the most recently completed financial year** ended December 31, 2019.

<i>Plan Category</i>	<i>Number of securities to be issued upon exercise of outstanding options, warrants and rights</i> <i>(a)</i>	<i>Weighted-average exercise price of outstanding options, warrants and rights</i> <i>(b)</i>	<i>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</i> <i>(c)</i>
Equity compensation plans approved by security holders	5,150,000	0.145	1,639,000
Equity compensation plans not approved by security holders	N/A	N/A	N/A
<b>Total:</b>	<b>5,150,000</b>		<b>1,639,000</b>

(1) The Company had 5,200,000 stock options granted and outstanding as at June 30, 2019 and 50,000 stock options were expired / forfeited during the current year, so that as at December 31, 2019 a total of 5,150,000 options are outstanding, leaving a balance of 1,639,000 remaining available for future grants. Fixed Plans (less than 10%) do not require shareholder approval. The Fixed Plan does not require shareholder approval, but was initially approved by shareholders on December 10, 2013 and last approved on December 12, 2016 to amend the Fixed Plan to increase the number of shares issuable under the Fixed Plan to 4,700,000 shares.

### INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

Other than "routine indebtedness" as that term is defined in applicable securities legislation, there was no indebtedness outstanding of any current or former Director, executive officer or employee of the Company or any of its subsidiaries which is owing to the Company or any of its subsidiaries or to another entity which 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, entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a Director or executive officer of the Company, no proposed nominee for election as a Director of the Company and no associate of such persons:

- (i) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or any of its subsidiaries; or
- (ii) whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its

subsidiaries,

in relation to a securities purchase program or other program. Other than “routine indebtedness” as that term is defined in applicable securities legislation, there is no indebtedness of any Director, executive officer, proposed nominee for election as a Director or associate of them, to or guaranteed or supported by the Company or any of its subsidiaries either pursuant to an employee stock purchase program of the Company or otherwise, during the most recently completed financial year.

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

Other than as described in this Circular, no informed person or proposed director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year ended December 31, 2019 or in any proposed transaction which in either such case has materially affected or would materially affect the Company or any of its subsidiaries.

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

No person who has been a Director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee of management of the Company for election as a Director of the Company and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in any of the matters to be acted upon at the Meeting other than the election of Directors or the appointment of auditors.

### **APPOINTMENT OF AUDITOR**

Davidson & Company LLP, Chartered Professional Accountants, of Suite 1200, 609 Granville Street, Vancouver, British Columbia, V7Y 1G6, is the auditor of the Company. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the re-appointment of Davidson & Company LLP as the auditor of the Company, to hold office for the ensuing year at a remuneration to be fixed by the Directors. Davidson & Company LLP was first appointed as Auditor for the Company on February 21, 2014.

### **MANAGEMENT CONTRACTS**

No management functions of the Company or its subsidiaries are performed to any substantial degree by a person other than the Directors or executive officers of the Company or its subsidiaries.

### **CORPORATE GOVERNANCE DISCLOSURE**

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 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. National Instrument 58-101 *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices in Form 58-101F1, which disclosure is set out below.

### **Independence of Members of Board**

The Company's Board currently consists of seven (7) directors, five (5) of whom are currently considered

independent based upon the tests for independence set forth in NI 52-110, being Norman Roderic Baker, Francois Colette, Bertrand Boulle, David Reading and Philip Murphy. Sybrand Van Der Spuy is not independent as he is CEO/President of the Company. Al Gourley is not independent as he is a partner of Fasken Martineau LLP, which accepts advisory fees from the Company for providing legal advisory services to the Company.

### **Board Compensation**

The quantity and quality of the Board compensation is reviewed on an annual basis. At present, the Board is satisfied that the current Board compensation arrangements, which currently only include only incentive stock options, adequately reflect the responsibilities and risks involved in being an effective director of the Company.

### **Mandate of the Board**

The Board does not currently have a written mandate. The mandate of the Board, as prescribed by the *Business Corporations Act* (B.C.), (the “**Act**”) is to manage or supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company's affairs directly and through its committees. In fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Company's overall business strategies and its annual business plan; reviewing and approving the annual corporate budget and forecast; reviewing and approving significant capital investments outside the approved budget; reviewing major strategic initiatives to ensure that the Company's proposed actions accord with shareholder objectives; reviewing succession planning; assessing management's performance against approved business plans and industry standards; reviewing and approving the reports and other disclosure issued to shareholders; ensuring the effective operation of the Board; and safeguarding shareholders' equity interests through the optimum utilization of the Company's capital resources. The Board also takes responsibility for identifying the principal risks of the Company's business and for ensuring these risks are effectively monitored and mitigated to the extent reasonably practicable.

In keeping with its overall responsibility for the stewardship of the Company, the Board is responsible for the integrity of the Company's internal control and management information systems and for the Company's policies respecting corporate disclosure and communications.

Each member of the Board understands that he is entitled to seek the advice of an independent expert if he reasonably considers it warranted under the circumstances.

### **Management Supervision by Board**

The size of the Company is such that all the Company's operations are conducted by a small management team which is also represented on the Board. Assuming management's nominees for election at the Meeting are approved by shareholders, the Board considers that management will be effectively supervised by the Independent Directors, being Norman Roderic Baker, Francois Colette, Bertrand Boulle, David Reading and Philip Murphy, as they will be actively and regularly involved in reviewing the operations of the Company and will have regular and full access to management. The Independent Directors are able to meet at any time without any members of management being present. Further supervision is performed through the audit committee, which should be comprised of Independent Directors who meet with the Company's auditors without management being in attendance, although Al Gourley, who is not an Independent Director, is currently serving on the audit committee.

### **Participation of Directors in Other Reporting Issuers**

The participation of directors in other reporting issuers is described under the heading “Election of Directors” above.

### **Nomination and Assessment**

The Board determines new nominees to the Board. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members and the President and Chief Executive Officer. The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions.

The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on 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 current size of the Board is such that the entire Board takes responsibility for selecting new directors and assessing current directors. Proposed director's credentials are reviewed in advance of a Board Meeting with one or more members of the Board prior to the proposed director's nomination. The Board ensures an objective nomination process through the lead role taken by the Board's Independent Directors in recommending and assessing proposed nominees to the Board.

### **Orientation and Continuing Education**

New directors are provided with an information package about the Company and are briefed on strategic plans, short, medium and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing company policies.

The skills and knowledge of the Board of Directors as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, including geologists, a metallurgist, finance professionals, and a resource lawyer (who is also a former securities lawyer) having led several financial transactions for Canada and UK listed 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. Reference is made to the table under the heading "Election of Directors" for a description of the current principal occupations of the Company's Board.

### **Advance Notice Policy**

In order to encourage an objective nomination process, the Board has adopted a policy for the recruitment of new candidates to the Board (the "Advance Notice Policy"). The Advance Notice Policy's purpose is to provide shareholders, directors and management of the Company with a clear framework for nominating directors of the Company. The Advance Notice Policy establishes a deadline by which holders of record of Common Shares of the Company must submit director nominations to the Company prior to any annual general or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Company for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of Shareholders. Typically, the President and Chief Executive Officer, the Chair and the Board collaborate in the candidate selection process. When considering potential candidates for the Board, they take into consideration the areas of expertise in which the Board would realize added benefit through diversity of professional experience and knowledge, the appropriate size of the Board and the ratio of independent to non-independent directors. The Advance Notice Policy requires that nominations of persons for election to the Board may only be made:

- (a) by or at the direction of the Board, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act;
- (c) by any person (a "Nominating Shareholder"):

- (i) who, at the close of business on the date of the giving of the notice provided for in the Advance Notice Policy and at the close of business on the record date for notice of such meeting, is entered in the securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and
- (ii) who complies with the notice procedures set for in the Advance Notice Policy.

### **Expectations of Management**

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 and the CEO have not, to date, developed formal, documented position descriptions for the CEO defining the limits of management's responsibilities. The Board is currently of the view that the respective corporate governance roles of the Board and management, as represented by the CEO, are clear and that the limits to management's responsibility and authority are reasonably well defined. The Board is specifically responsible for approving long-term strategic plans and 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 is also responsible for senior executive recruitment and compensation.

Currently the Company has no written description for its committee Chair positions. There is an informal understanding as to what the roles and responsibilities of each position are, and the Board delineates those roles and responsibilities as it deems necessary at meetings of the Board.

The Board delegates to management, through the CEO, responsibility for meeting defined corporate objectives which the Board has developed and approved; 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; and recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans and annual operating plans.

### **Ethical Business Conduct**

During the financial year ended June 30, 2005, the Board adopted and implemented policies regarding Corporate Disclosure and Confidentiality of Information, Code of Integrity and Ethics, and Insider Trading, which the Company distributed to all of its directors, officers, employees, consultants and contractors. These policies remained in place as of the financial year ended December 31, 2019. The objectives of these policies are summarized as follows:

#### *Corporate Disclosure and Confidentiality of Information Policy:*

- to disclose information in a timely, consistent and appropriate manner;
- to protect against and prevent the improper use or disclosure of material and/or confidential information;
- to widely disseminate material information pursuant to all applicable legal requirements;
- to educate "team members" on the appropriate use and disclosure of material and/or confidential information; and
- to foster and facilitate compliance with applicable laws.

Management is responsible for determining whether or not information is material, and if so, the timely disclosure of such material information in accordance with securities laws and overseeing the disclosure controls, procedures, and practices of the Company. The CEO and CFO are primarily responsible for monitoring compliance, and for reporting to the Audit Committee on the results of any evaluation of the Policy.

*Code of Integrity and Ethics Policy:*

This policy states that all directors, officers, employees, consultants, and contractors of the Company must:

- adhere to applicable laws and regulations governing the Company's business conduct worldwide;
- be honest, fair and trustworthy in all relationships with the Company;
- avoid all conflicts of interest between work and personal affairs;
- foster an atmosphere in which fair employment practices extend to every member of the Company;
- strive to create a safe workplace and to protect the environment; and
- through leadership at all levels, sustain a culture where ethical conduct is recognized, valued and exemplified by all employees.

The Code of Integrity and Ethics Policy referred to above is available on SEDAR at [www.sedar.com](http://www.sedar.com).

**Insider Trading or Dealing & Stock Tipping Policy**

This Policy sets out procedures, guidelines and processes that should be utilized to assist employees, directors and officers in complying with insider trading restrictions. The Policy requests that all officers and directors of the Company refrain from trading in the Company's securities without first complying with a pre-clearance process. Every director and officer is requested to contact the Company's Secretary or CEO prior to trading in the Company's securities. The policy states that the Company may find it necessary from time to time to require compliance with the pre-clearance process from certain employees, consultants and contractors in addition to directors and officers.

**Committee Responsibilities and Activities**

The Board has determined that at this stage of the Company's development it is not necessary to have additional standing committees other than the Audit Committee.

**AUDIT COMMITTEE INFORMATION**

**The Audit Committee's Charter**

The text of the Audit Committee Charter is as follows:

*Mandate*

The primary function of the Committee is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements.
- Review and appraise the performance of the Company's external auditors.
- Provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.

*Composition*

The Committee shall be comprised of three directors as determined by the Board of Directors, the

majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company's Charter, the definition of "financially literate" is 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 presumably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

#### *Meetings*

The Committee meets at least quarterly, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least quarterly with the Chief Financial Officer (or individual acting in that capacity, if there is no such position) and the external auditors in separate sessions.

#### *Responsibilities and Duties*

To fulfill its responsibilities and duties, the Committee shall:

#### Documents/Reports Review

- (a) Review and update the Charter annually.
- (b) Review the Company's financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

#### External Auditors

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.
- (b) Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (g) Review with management and the external auditors the audit plan for the year-end

financial statements and intended template for such statements.

Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.
- (j) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

The Committee also reviews any related-party transactions.

**Relevant Education and Experience**

The educational background or experience of each of the following members of the Audit Committee has enabled each to perform his responsibilities as an Audit Committee member and has provided the member with an understanding of the accounting principles used by the Company to prepare its financial statements, including the ability to assess the general application of such accounting principles in connection with the accounting estimates, accruals and reserves. All members have 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 Company's financial statements, or have experience actively supervising one or more individuals engaged in such activities and all have an understanding of internal controls and financial reporting procedures. The following is a brief summary of some of the qualifications of each Audit Committee Member:

Composition, Education and Experience

The following were members of the Audit Committee during the current reporting year:

Albert C. Gourley	Not Independent	Financially literate <sup>(1)</sup>
Bertrand Boule	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
Philip Murphy	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>

(1) As defined by NI 52-110.

All members of the Audit Committee have a working familiarity with basic finance and accounting practices. For the purposes of the Company's Charter, the definition of "financially literate" is 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 presumably be expected to be raised by the Company's financial statements.

The Audit Committee members and chair are elected as described above under sub-heading "*The Audit Committee's Charter*", Mr. Boule is currently Chair of the Audit Committee. The experience and/or education of each member of the Audit Committee, all of whom understand the principles of estimates, accruals and reserves, as well as internal controls and financial reporting, is as follows:

*Albert C. Gourley*, BBA; LLB, Mr. Gourley is an experienced resource lawyer and has had long involvement in the mining business and as a Board member. He serves as the London, UK, Regional Managing Partner of Fasken Martineau LLP, a leading mining law firm, and is a globally recognized resource lawyer.

*Bertrand Boule*, BA Hons; MBA, Mr. Boule is working and has been working as a Regulated individual within Financial Markets over the last 20 years, during which period he has gained significant experience in internal and external auditing of the companies he has managed as Director, MLRO, Managing Director and Head of Compliance within the EU and in Mauritius.

*Philip Murphy*, GDE; MSC; Mr. Murphy has 30 years' experience in the mining and mineral sands sectors. He currently serves as a Director of World Titane Holdings Ltd. (WTH), and, CEO and Director of Zirco Resources Ltd. Prior to joining WTH, Mr. Murphy spent 17 years at TZMI, where he served as Principal Consultant, Executive Director and Managing Director.

### **Audit Committee Oversight**

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

### **Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on any of the following exemptions under NI 52-110: (i) exemption in section 2.4 (*De Minimis Non-audit Services*); (ii) exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*); (iii) exemption in subsection 6.1.1(5) (*Events Outside Control of Member*); (iv) exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*); or (v) an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. In respect of the most recently completed financial year, the Company is relying on the exemption set out in section 6.1 of NI 52-110 from the requirements of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*).

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

The Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading "External Auditors".

### **External Auditor Service Fees (By Category)**

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit fees are as follows:

<i>Financial Year Ending</i>	<i>Audit Fees</i>	<i>Audit-Related Fees</i>	<i>Tax Fees</i>	<i>All Other Fees</i>
December 31, 2019	\$24,000 <sup>(1)</sup>	Nil	\$9,000 <sup>(1)(2)</sup>	Nil
June 30, 2019	\$35,427	Nil	\$12,000 <sup>(2)</sup>	Nil

- (1) The “Audit Fees” (C\$24,000) and “Tax Fees” (C\$9,000) are the actual amount billed for the financial year, and differ from the provisional amount used on the financial statements.
- (2) “Tax Fees” are fees billed by the audit firm for professional services rendered in relation to tax compliance, tax advice and tax planning, which include the Company’s annual corporate tax and GST computation, as well as declaration for the Company.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Company at 2900-550 Burrard Street, Vancouver, British Columbia, Canada, V6C 0A3 to request copies of the Company’s financial statements and MD&A.

Financial information is provided in the Company’s comparative financial statements and MD&A for its most recently completed financial year which are filed on SEDAR.

### **OTHER MATTERS**

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

### **APPROVED BY THE BOARD OF DIRECTORS**

“Sybrand Van Der Spuy”  
Sybrand Van Der Spuy,  
President and CEO

“Jean Lindberg Charles”  
Jean Charles Lindberg,  
Secretary and CFO