



**O3 MINING INC.**

**NOTICE OF MEETING**

**and**

**MANAGEMENT INFORMATION CIRCULAR**

**for the**

**ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**to be held on**

**June 26, 2020**

**DATED as of May 14, 2020**



## O3 MINING INC.

### NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

Notice is hereby given that an annual and special meeting (the "**Meeting**") of the shareholders ("**Shareholders**") of O3 Mining Inc. (the "**Corporation**") will be held at the offices of 155 University Avenue, Suite 1440, Toronto, Ontario, Canada, M5H 3B7 on June 26, 2020 at 10:00 a.m. (Toronto time).

**To proactively deal with the unprecedented public health impact of corona virus disease 2019, also known as COVID-19, and to mitigate risks to the health and safety of our communities, shareholders, employees and other stakeholders, we are inviting Shareholders to participate in the Meeting by dialing in to our conference line at: 1-866-862-7608 (North America Toll Free) or 1-416-343-4287 (Outside North America), followed by the Conference ID 5834086. Participants should dial in 5-10 minutes prior to the scheduled start time and ask to join the call. Shareholders will have an equal opportunity to participate at the Meeting through this method regardless of their geographic location. In view of the current COVID-19 outbreak, we encourage shareholders to not attend the meeting in person, particularly if they are experiencing any of the described COVID-19 symptoms of fever, cough or difficulty breathing. We will also take additional precautionary measures in relation to the physical Meeting, limiting access to essential personnel, registered shareholders and proxy holders entitled to attend and vote at the Meeting. As always, we encourage shareholders to vote their shares prior to the meeting.**

The meeting is held for the following purposes:

1. to receive and consider the financial statements of the Corporation for the year ended December 31, 2019 and the report of the auditors thereon;
2. to appoint PricewaterhouseCoopers LLP, Chartered Accountants as the auditor of the Corporation for the ensuing year and to authorize the directors to fix their remuneration;
3. to consider, and if deemed advisable, to pass with or without variation, a special resolution to authorize the board of directors of the Corporation to set the number of directors from time to time within the minimum and maximum number of directors set forth in the articles of the Corporation, in accordance with Section 125(3) of the *Business Corporations Act* (Ontario), provided that the total number of directors so set may not exceed one-third of the number of directors elected at the previous annual general meeting of shareholders, as more particularly described in the accompanying Management Information Circular (the "**Circular**");
4. to elect the directors of the Corporation for the ensuing year;
5. to consider, and if deemed advisable, to pass with or without variation, an ordinary resolution to approve the Corporation's existing 10% rolling Stock Option Plan, as more particularly described in the Circular; and
6. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

The nature of the business to be transacted at the Meeting is described in further detail in the Circular.

The record date for the determination of Shareholders entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof is May 14, 2020 (the "**Record Date**"). Shareholders whose names have been entered in the register of shareholders at the close of business on the Record Date will be entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof.

**A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournments or postponements thereof in person are requested to complete, date, sign and return the accompanying form of proxy for use at the Meeting or any adjournments or postponements thereof.** To be effective, the enclosed form of proxy must be mailed, hand delivered, faxed or voted online or by telephone so as to reach or be deposited with Computershare Investor Services Inc. at 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, Canada, M5J 2Y1, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof.

DATED this 14<sup>th</sup> day of May, 2020.

**BY ORDER OF THE BOARD OF DIRECTORS OF  
O3 MINING INC.**

(signed) "*José Vizquerra Benavides*"

José Vizquerra Benavides  
President and Chief Executive Officer

## TABLE OF CONTENTS

<b>GENERAL INFORMATION RESPECTING THE MEETING</b> .....	<b>1</b>
Solicitation of Proxies .....	1
Voting of Proxies .....	2
Appointment of Proxies .....	2
Revocation of Proxies.....	2
Voting by Non-Registered Shareholders.....	3
<b>NOTICE-AND-ACCESS RULES</b> .....	<b>4</b>
<b>INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON</b> .....	<b>4</b>
<b>VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES</b> .....	<b>5</b>
<b>BUSINESS OF THE MEETING</b> .....	<b>6</b>
Financial Statements .....	6
Appointment of Auditor .....	6
Election of Directors .....	6
Approval of Existing 10% Rolling Stock Option Plan .....	9
Approval of Special Resolution Authorizing the Board to Fix the Number of Directors .....	10
Other Matters.....	11
<b>STATEMENT OF EXECUTIVE COMPENSATION</b> .....	<b>11</b>
Components of the Compensation Program .....	13
Summary Compensation Table Excluding Compensation Securities .....	16
Compensation Securities.....	17
Pension Plan Benefits .....	20
Termination and Change of Control Benefits .....	20
<b>SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS</b> .....	<b>21</b>
Stock Option Plan.....	21
Deferred Share Unit Plan .....	23
Restricted Share Unit Plan .....	26
Equity Compensation Plan Information .....	29
<b>STATEMENT OF CORPORATE GOVERNANCE</b> .....	<b>30</b>
Board of Directors.....	31
Board Mandate .....	32
Audit Committee .....	33
Nomination of Directors.....	33
Corporate Governance and Nomination Committee .....	33
Compensation Committee .....	35
Sustainable Development Committee .....	37
Position Descriptions .....	38
Business Conduct and Ethics Policy .....	42
Assessments .....	42
Corporate Disclosure Policy .....	43
Confidentiality and Insider Trading Policy .....	43
Board and Executive Officers .....	43
<b>INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS</b> .....	<b>43</b>
<b>INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS</b> .....	<b>43</b>
<b>ADDITIONAL INFORMATION</b> .....	<b>43</b>
<b>APPROVAL</b> .....	<b>44</b>

**SCHEDULE "A" STOCK OPTION PLAN ..... A-1**  
**SCHEDULE "B" BOARD CHARTER ..... B-1**

## GENERAL INFORMATION RESPECTING THE MEETING

*In this management information circular ("**Circular**") of O3 Mining Inc. (the "**Corporation**") dated May 14, 2020, unless otherwise stated: (i) references to the "Meeting" (as defined herein) include any adjournment(s) or postponement(s) thereof, (ii) references to "\$" refer to Canadian dollars, and (iii) the information contained herein is provided as of the date hereof.*

### **Solicitation of Proxies**

This Circular is furnished in connection with the solicitation of proxies by the management of the Corporation for use at the annual and special meeting (the "**Meeting**") of the shareholders of the Corporation (the "**Shareholders**") to be held at 10:00 a.m. (Toronto time) on June 26, 2020 at the offices of the Corporation, 155 University Avenue, Suite 1440, Toronto, Ontario, Canada, M5H 3B7, for the purposes set forth in the notice of meeting accompanying this Circular (the "**Notice**").

It is expected that the solicitation of proxies will be primarily by mail; however, proxies may also be solicited by the officers, directors and employees of the Corporation by telephone, telecopier or personally. These persons will receive no compensation for such solicitation other than their regular fees or salaries. The Corporation will bear all expenses in connection with the solicitation of proxies. In addition, the Corporation shall, upon request, reimburse brokerage firms and other custodians for their reasonable expenses in forwarding proxies and related material to beneficial owners of common shares of the Corporation ("**Common Shares**").

The board of directors of the Corporation (the "**Board**") has fixed the close of business on May 14, 2020 as the record date, being the date for the determination of the registered Shareholders entitled to receive notice of, and to vote at, the Meeting. All duly completed and executed proxies must be received by the Corporation's registrar and transfer agent, Computershare Investor Services Inc. at 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof.

You can vote your proxy (i) by mail, (ii) by hand delivery, (iii) by facsimile, or (iv) on the Internet, as follows:

#### ***By Mail and Hand Delivery***

You can complete, sign and date your form of proxy and return it in the envelope provided to the offices of Computershare Investor Services Inc. at:

Computershare Investor Services Inc.  
100 University Avenue, 8<sup>th</sup> Floor  
Toronto, Ontario, M5J 2Y1

#### ***By Facsimile***

You can complete, sign and date your form of proxy and return it by facsimile to Computershare Investor Services Inc. at: 1-888-453-0330.

#### ***By Telephone***

You can vote by calling Computershare Investor Services Inc. at: 1-866-732-VOTE (8683).

## ***On the Internet***

You can vote on the Internet by going to [www.investorvote.com](http://www.investorvote.com) and following the instructions on the screen, or scanning the QR code provided on your form of proxy. You will need your 15 digit control number which is noted on your form of proxy.

## **Voting of Proxies**

The Common Shares represented by the form of proxy (if same is properly executed and is received at the offices of Computershare Investor Services Inc. at the address provided herein, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournment(s) or postponement(s) thereof), will be voted at the Meeting, and, where a choice is specified in respect of any matter to be acted upon, will be voted or withheld from voting in accordance with the specification made on any ballot that may be called for. **In the absence of such specification, proxies in favour of management will be voted in favour of all resolutions described below. The form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting.** As of the date of this Circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters that are not now known to management should properly come before the Meeting, the form of proxy will be voted on such matters in accordance with the best judgment of the named proxies.

## **Appointment of Proxies**

The persons named in the form of proxy are officers and/or directors of the Corporation. **A Shareholder desiring to appoint some other person, who need not be a Shareholder, to represent him or her at the Meeting, may do so by inserting such person's name in the blank space provided in the form of proxy or by completing another proper form of proxy and, in either case, depositing the completed and executed proxy at the offices of Computershare Investor Services Inc., at the address provided herein, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournment(s) or postponement(s) thereof.**

A Shareholder forwarding the form of proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the Shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The Common Shares represented by the form of proxy submitted by a Shareholder will be voted in accordance with the directions, if any, given in the form of proxy.

To be valid, a form of proxy must be executed by a Shareholder or a Shareholder's attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney.

## **Revocation of Proxies**

A proxy given pursuant to this solicitation may be revoked at any time prior to its use. A Shareholder who has given a proxy may revoke the proxy by:

- (a) completing, signing and dating a proxy bearing a later date, and depositing it at the offices of Computershare Investor Services Inc. at 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1;
- (b) depositing an instrument in writing executed by the Shareholder or by the Shareholder's attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or by a duly authorized officer or attorney either with (i) Computershare Investor Services Inc. at 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1 at any time up to and including the last business day preceding the day of the Meeting or any

adjournment(s) or postponement(s) thereof, or (ii) the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof; or

- (c) in any other manner permitted by law.

Such instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to such proxy.

### **Voting by Non-Registered Shareholders**

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. Most Shareholders are "non-registered" Shareholders ("**Non-Registered Shareholders**") because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. Common Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary ("**Intermediary**") that the Non-Registered Shareholder deals with in respect of the Common Shares; or (ii) in the name of a clearing agency (such as The CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant. In accordance with applicable securities law requirements, the Corporation will have distributed copies of the Notice, this Circular, the form of proxy and a request card for interim and annual materials (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (a) be given a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company, will constitute voting instructions (often called a "**voting instruction form**") which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Non-Registered Shareholders and asks Non-Registered Shareholders to return the forms to Broadridge or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Additionally, the Corporation may utilize Broadridge's QuickVote™ service to assist eligible Shareholders with voting their shares directly over the phone. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of the Common Shares to be represented at the Meeting. Sometimes, instead of the one-page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for this form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or
- (b) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with

Computershare Investor Services Inc. at 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting, or any adjournment(s) or postponement(s) thereof (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the names of the persons named in the voting instruction form or form of proxy, as applicable, and insert the Non-Registered Shareholder's or such other person's name in the blank space provided. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the voting instruction form is to be delivered.**

A Non-Registered Shareholder may revoke a voting instruction form by following the instructions of their Intermediary as instructions and timing may vary with each Intermediary.

Management of the Corporation does intend to pay for Intermediaries to forward to Non-Registered Shareholders under National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") the proxy related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*.

### **NOTICE-AND-ACCESS RULES**

The Corporation has elected to use the notice-and-access provisions under National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**") and NI 54-101 (together with NI 51-102, the "**Notice-and-Access Provisions**") for the Meeting. The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that allows issuers to post electronic versions of proxy-related materials on-line, via the System for Electronic Document Analysis and Retrieval ("**SEDAR**") and one other website, rather than mailing paper copies of such materials to Shareholders.

Instead of receiving this Circular, Shareholders will receive a Notice of Meeting with the proxy or voting instruction form, as the case may be, along with instructions on how to access the Meeting materials online. The Corporation will send the Notice of Meeting and proxy form directly to registered Shareholders. The Corporation will pay for Intermediaries to deliver the Notice of Meeting, voting instruction form and other Meeting materials requested by Non-Registered Shareholders. The Circular and other relevant materials are available on the Corporation's website at [www.o3mining.ca](http://www.o3mining.ca), on SEDAR at [www.sedar.com](http://www.sedar.com) under the Corporation's profile.

The Corporation will not be using stratification as it relates to Notice-and-Access.

If you would like to receive a paper copy of the current Meeting materials by mail, you must request one by June 12, 2020, 2020 to ensure timely receipt, by contacting Computershare Investor Services Inc. by telephone at 1-866-962-0498 within North America or 514-982-8716 outside North America. There is no charge to you for requesting a copy.

To obtain paper copies of the materials after the Meeting date, please contact the Corporation as follows: by mail, O3 Mining Inc., 155 University Avenue, Suite 1440, Toronto, Ontario, M5H 3B7, Canada, or by telephone at 416-363-8653.

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

Other than as disclosed herein, no director or executive officer of the Corporation who has held such position at any time since the beginning of the Corporation's last financial year, each proposed nominee for election as a director of the Corporation, and associates or affiliates of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting, other than the election of directors and the appointment of auditors.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized share capital of the Corporation consists of an unlimited number of Common Shares. As of May 14, 2020, there are 47,045,498 Common Shares issued and outstanding.

Each Common Share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting. The record date for the determination of Shareholders entitled to receive notice of the Meeting has been fixed at May 14, 2020 (the "**Record Date**"). All holders of Common Shares of record at the close of business on the Record Date are entitled either to attend the Meeting and vote the Common Shares held by them in person or, provided a completed and executed proxy shall have been delivered to the Corporation's transfer agent, Computershare Investor Services Inc., within the time specified in the attached Notice, to have a proxy attend and vote the Common Shares in accordance with the Shareholder's instructions.

To the knowledge of the directors and executive officers of the Corporation, as of the date hereof, no person or company beneficially owns, controls or directs, directly or indirectly, voting securities of the Corporation carrying 10% or more of the voting rights attached to all outstanding Common Shares, other than as set out below:

Name of Shareholder	Number of Common Shares <sup>(1)</sup>	Percentage of Common Shares <sup>(1)</sup>
Osisko Mining Inc. <sup>(2)</sup>	18,733,424	40%

**Notes:**

- (1) The information as to Common Shares beneficially owned, controlled or directed, not being within the knowledge of the Corporation, has been obtained by the Corporation from publicly disclosed information and/or furnished by the Shareholder listed above.
- (2) Osisko Mining Inc. is a mining company of which Messrs. John Burzynski, José Vizquerra Benavides, Patrick F.N. Anderson, Keith McKay, Bernardo Alvarez Calderon and Amy Satov are directors.

## BUSINESS OF THE MEETING

### Financial Statements

The Shareholders will receive and consider the audited consolidated financial statements of the Corporation for the fiscal year ended December 31, 2019, together with the auditor's report thereon.

### Appointment of Auditor

The directors of the Corporation recommend, on the advice of the Audit Committee, that PricewaterhouseCoopers LLP, Chartered Professional Accountants ("**PwC**") be re-appointed as the auditor of the Corporation.

PwC were first appointed auditor of the Corporation on July 6, 2019, the day following the reverse takeover by Osisko Mining Inc. of Chantrell Ventures Corp, resulting in O3 Mining Inc., by way of a statutory plan of arrangement under Section 182 of the *Business Corporations Act* (Ontario) (the "**Arrangement**").

**Unless the Shareholder has specifically instructed in the form of proxy that the Common Shares represented by such proxy are to be withheld or voted otherwise, the persons named in the accompanying proxy will vote FOR the re-appointment of PwC as auditor of the Corporation to hold office until the next annual meeting of Shareholders or until a successor is appointed and to authorize the Board to fix the remuneration of the auditor.**

### Election of Directors

The Corporation's articles provide that the Board consist of a minimum of three (3) and a maximum of fifteen (15) directors. At the Meeting, the eight (8) persons named hereunder will be proposed for election as directors of the Corporation. Management does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the proxy to vote the proxy for the election of any other person or persons in place of any nominee or nominees unable to serve. Each director elected will hold office until the close of the next annual meeting of Shareholders, or until his or her successor is duly elected unless prior thereto he or she resigns or his or her office becomes vacant by reason of death or other cause.

### Nominees

The following table sets forth the name of all persons proposed to be nominated for election as directors, their place of residence, position held, and periods of service with, the Corporation, or any of its affiliates, their principal occupations and the number of securities they hold, either in the form of Common Shares, deferred share units ("**DSUs**"), restricted share units ("**RSUs**") options to purchase Common Shares ("**Options**"), and warrants to purchase Common Shares ("**Warrants**"), and beneficially owned, controlled or directed, directly or indirectly, by them as of the date hereof.

Shareholders have the option to: (i) vote for all of the directors of the Corporation listed in the table below; (ii) vote for some of the directors and withhold for others; or (iii) withhold for all of the directors. **Unless the Shareholder has specifically instructed in the form of proxy that the Common Shares represented by such proxy are to be withheld or voted otherwise, the persons named in the proxy will vote FOR the election of each of the proposed nominees set forth below as directors of the Corporation.**

Name, Province or State and Country of Residence	Director Since	Present Principal Occupation and Positions Held during the Preceding Five Years	Holdings <sup>(1)</sup>
John Burzynski <sup>(2)</sup> Ontario, Canada	July 5, 2019	President and CEO of Osisko Mining Inc. since August 2015; formerly Senior Vice President, New Business Development of	77,000 Common Shares <sup>(3)</sup> 125,000 Options

Name, Province or State and Country of Residence	Director Since	Present Principal Occupation and Positions Held during the Preceding Five Years	Holdings <sup>(1)</sup>
		Osisko Gold Royalties Ltd from June 2014 to August 2016.	25,700 Warrants
<b>José Vizquerra Benavides</b> <sup>(4)</sup> Ontario, Canada	July 5, 2019	President and CEO of O3 Mining Inc. since July 2019, Executive Vice President, Strategic Development of Osisko Mining Inc. from June 2016 to November 2019; formerly Senior Vice President and COO of Osisko Mining Inc. and, prior to that, President and CEO of Osisko Mining Inc.	2,783,800 Common Shares <sup>(5)</sup> 580,000 Options 150,000 RSUs 386,600 Warrants <sup>(5)</sup>
<b>Murray John</b> <sup>(4)(6)(7)</sup> Ontario, Canada	July 5, 2019	Retired. Up to December 2015 President and CEO of Dundee Resources Limited; Managing Director and Portfolio Manager, Goodman & Company, Investment Counsel Inc.; President and CEO, Corona Gold Corporation; President and CEO, Ryan Gold Corp.	120,000 Common Shares 100,000 Options
<b>Patrick F.N. Anderson</b> <sup>(6)</sup> Ontario, Canada	July 5, 2019	CEO, Dalradian Resources Inc. since October 2009.	100,000 Options
<b>Keith McKay</b> <sup>(7)</sup> Ontario, Canada	July 5, 2019	CFO, Dalradian Resources Inc. since June 2010.	1,288 Common Shares 100,000 Options 11,218 DSUs 1,288 Warrants
<b>Amy Satov</b> <sup>(2)(6)</sup> Québec, Canada	July 5, 2019	Senior Legal Counsel, Nuvei Technologies Corp. since April 2020, formerly CEO, BL Solutions Inc. from November 2019 to March 2020, formerly CEO of Litron Distributors Ltd. since 2014.	100,000 Options
<b>Bernardo Alvarez Calderon</b> <sup>(2)(4)</sup> Lima, Peru	July 5, 2019	President and CEO, Analytica Mineral Services since January 2005.	38,658 Common Shares 100,000 Options 5,609 DSUs 38,658 Warrants
<b>Elijah Tyshynski</b> <sup>(7)</sup> Ontario, Canada	July 5, 2019	Advisor of the Conceptium Group since 2019; formerly Senior Principal, Emerging Markets with Ontario Teachers' Pension Plan from September 2014 to February 2019.	100,000 Options 2,204 DSUs

**Notes:**

- (1) The information with respect to Common Shares beneficially owned, controlled or directed has been furnished by the respective individuals.
- (2) Member of the Compensation Committee. Ms. Satov is the Chair of the Compensation Committee.
- (3) Includes holdings of John Burzynski through 4191137 Canada Inc. and Archean Capital Corp.
- (4) Member of the Sustainable Development Committee. Mr. Alvarez Calderon is the Chair of the Sustainable Development Committee.
- (5) Includes holdings of José Vizquerra Benavides and Mercedes Vizquerra.
- (6) Member of the Corporate Governance and Nominating ("CG&N") Committee. Mr. John is the Chair of the CG&N Committee.
- (7) Member of the Audit Committee. Mr. McKay is the Chair of the Audit Committee.

As a group, the current and proposed directors beneficially own, control or direct, directly or indirectly, 3,020,746 Common Shares, representing approximately 6.42% of the issued and outstanding Common Shares as of the date hereof.

***Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions***

No individual set forth in the above table is, as at the date hereof, or was, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days and that was issued while such individual was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after such individual ceased to be a director, chief executive officer or chief financial officer, and which resulted from an event that occurred while such individual was acting in the capacity as director, chief executive officer or chief financial officer.

Other than as set out below, no individual set forth in the above table, nor any personal holding company of any such individual:

- (a) is, as of the date hereof, or has been within 10 years before the date hereof, a director or executive officer of any company (including the Corporation) that, while such individual was acting in that capacity, or within a year of such individual ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, 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
- (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, 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 such individual; or
- (c) has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Ms. Amy Satov, a director of the Corporation, was previously a director and CEO of Litron Distributors Ltd., which company was deemed bankrupt on March 15, 2019.

Mr. Murray John, a director of the Corporation, was previously a director of African Minerals Limited, a company incorporated under the laws of Bermuda and listed on the London Stock Exchange (prior to its delisting on April 7, 2015). On March 26, 2015, Deloitte LLP was appointed to act as the insolvency administrator for African Minerals Limited. The affairs, business and property of African Minerals Limited continue to be managed by Deloitte LLP, as administrator.

Certain of the officers and directors of the Corporation also serve as directors and/or officers of other companies involved in the mineral exploration and development business, and consequently there exists the possibility for such officers or directors to be in a position of conflict. Any decision made by any such

officers or directors involving the Corporation will be made in accordance with their duties and obligations under the laws of the Province of Ontario and Canada.

### **Approval of Existing 10% Rolling Stock Option Plan**

The Corporation's rolling Stock Option Plan (the "**Option Plan**") was approved by the Shareholders on June 28, 2019.

A summary of each of the Option Plan, the Restricted Share Unit Plan (the "**RSU Plan**") and the Deferred Share Unit Plan (the "**DSU Plan**"), (collectively, the "**Equity Compensation Plans**") is included below under the heading "*Securities Authorized for Issuance Under Equity Compensation Plans*".

Section 3.9(c) of the TSX Venture Corporate Finance Manual provides that rolling stock option plans must receive shareholder approval yearly, at the Corporation's annual general meeting. Each of the Equity Compensation Plans is "rolling plan". The aggregate number of issuances under the Equity Compensation Plans shall not exceed 10% of the number of Common Shares then issued and outstanding. The full text of the Option Plan is attached hereto as Schedule "A" to this Circular.

As at the date of this Circular, 47,045,498 Common Shares are outstanding, meaning the maximum aggregate number of Common Shares reserved by the Corporation for issuance and which may be purchased upon the exercise of all compensation securities pursuant to the Equity Compensation Plans shall not exceed 4,704,549. As at the date of this Circular, 4,017,499 Options, 490,000 RSUs and 19,031 DSUs were outstanding, representing approximately 9.62% of the issued and outstanding Common Shares, with a total of 545,519 compensation securities available for issuance under the Equity Compensation Plans.

At the Meeting, the Shareholders will be asked to consider, and if deemed advisable, to pass, with or without variation, a resolution ratifying the Option Plan (the "**Stock Option Resolution**"), and the options and other entitlements thereunder.

The text of the Stock Option Resolution to be submitted to Shareholders at the Meeting is set forth below:

**"NOW THEREFORE BE IT RESOLVED THAT:**

- (a) the Corporation's 10% rolling Stock Option Plan, attached as Schedule "A" to the Corporation's management information circular dated May 14, 2020 be and is hereby ratified, confirmed and approved; and
- (b) all options under the Stock Option Plan are hereby ratified, confirmed and approved."

The Board recommends that Shareholders vote **FOR** the Stock Option Resolution. To be effective, the Stock Option Resolution must be approved by not less than a majority of the votes cast by the holders of Common Shares present in person or represented by proxy, at the Meeting. The nominees named in the accompanying form of proxy will vote the shares represented thereby **FOR** such resolution, unless the Shareholder has given contrary instructions in such form of proxy.

If approval of the Stock Option Resolution is obtained at the Meeting, the Corporation will not be required to seek further approval of the grant of Options and entitlements under the Option Plan until the Corporation's next annual shareholders' meeting. If approval of the Stock Option Resolution is not obtained at the Meeting, then any Options and entitlements that have not been allocated under the Option Plan as of June 26, 2020 and any Options that are outstanding as of June 26, 2020 and are subsequently cancelled, terminated or exercised will not be available for a new grant of Options. Previously allocated Options will continue to be unaffected by the approval or disapproval of the resolution.

## **Approval of Special Resolution Authorizing the Board to Fix the Number of Directors**

Pursuant to Section 125(3) of the *Business Corporations Act* (Ontario) (the "**OBCA**"), if the articles of a company provide for a minimum and maximum number of directors, the directors may, if a special resolution of shareholders so provides, determine the size of the board of directors from time to time. In addition, Section 124(2) of the OBCA also provides that where a special resolution empowers directors to determine the size of the board of directors in accordance with Section 125(3) of the OBCA, the directors may appoint one or more directors between annual meetings to hold office for a term expiring not later than the close of the next annual meeting of shareholders, provided that the total number of directors so set may not exceed one-third ( $\frac{1}{3}$ ) of the number of directors elected at the previous annual meeting of shareholders.

From time to time, the Board may identify an individual who could make valuable contributions to the Corporation as a director. Following the Meeting, the Board wishes to have the ability to invite such an individual to join the Board between shareholders' meetings, without the need to create a vacancy, as this may restrict the Corporation's ability to enhance the Board at the earliest opportunity.

By adopting the proposed special resolution set forth below, it will be possible to more quickly take advantage of opportunities to augment the Board. At the same time, given the limitation on the number of directors who can be added between meetings and the expiry of the term of such directors at the next annual meeting, Shareholders maintain their control over the composition of the Board.

At the Meeting, the Shareholders will be asked to consider, and if deemed advisable, to pass, a resolution authorizing the board to determine the number of directors on the Board from time to time within the minimum and maximum number set in the articles of the Corporation, by resolution of directors, subject to the limits set out in the OBCA (the "**Board Size Resolution**").

The text of the Board Size Resolution to be submitted to Shareholders at the Meeting is set forth below:

### **"NOW THEREFORE BE IT RESOLVED BY SPECIAL RESOLUTION THAT:**

- (a) the directors of the Corporation are empowered and authorized to determine the number of directors of the Corporation, from time to time, within the minimum and maximum numbers set out in the articles of the Corporation, by a resolution of the directors, subject to the limitations set out in the *Business Corporations Act* (Ontario);
- (b) any one director or officer of the Corporation is hereby authorized, instructed and empowered, acting for, in the name of, and on behalf of the Corporation, to do or to cause all such other acts and things in the opinion of such director or officer of the Corporation as may be necessary or desirable in order to fulfill the intent of this foregoing resolution; and
- (c) notwithstanding that this resolution has been duly passed by the shareholders, the Board is hereby authorized and empowered, if it decides not to proceed with this resolution, to revoke this resolution in whole or in part at any time prior to it being given effect without further notice to, or approval of, the shareholders."

The Board has reviewed the Board Size Resolution and concluded that it is fair and reasonable to the Shareholders and in the best interests of the Corporation.

The Board recommends that Shareholders vote **FOR** the Board Size Resolution. To be effective, the Board Size Resolution must be approved by not less than two-thirds of the votes cast by the holders of Common Shares present in person or represented by proxy, at the Meeting. The nominees named in the accompanying form of proxy will vote the shares represented thereby **FOR** such resolution, unless the Shareholder has given contrary instructions in such form of proxy.

## Other Matters

Management of the Corporation knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice. However, if any other matter properly comes before the Meeting, the form of proxy furnished by the Corporation will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

## STATEMENT OF EXECUTIVE COMPENSATION

The purpose of this Statement of Executive Compensation is to provide information about the Corporation's compensation philosophy, objectives, and processes and to discuss compensation decisions relating to the Corporation's directors as well as Chief Executive Officer, Chief Financial Officer, and, if applicable, its three most highly compensated individuals acting as, or in a like capacity as, executive officers of the Corporation whose total compensation for the most recently completed financial year was individually equal to more than \$150,000 (the "**NEOs**" or "**Named Executive Officers**"), during the Corporation's most recently completed financial year, being 2019 Financial Year.

On July 5, 2019, the Corporation (formerly known as Chantrell Ventures Corp. ("**Chantrell**")) and Osisko Mining Inc. completed their spin-out transaction, which resulted in, among other things, Osisko Mining Inc. transferring certain of its non-core assets to Chantrell in exchange for common shares of Chantrell by way of a statutory plan of arrangement under Section 182 of the *Business Corporations Act* (Ontario). In connection with the Arrangement, all the directors and officers of the Corporation resigned and the board and management of the Corporation were reconstituted on July 5, 2019. The NEOs of the Corporation during the 2019 Financial Year includes both pre-Arrangement and post-Arrangement executive officers:

- José Vizquerra Benavides, the President and Chief Executive Officer of the Corporation since July 5, 2019;
- Blair Zaritsky, the Chief Financial Officer of the Corporation since July 5, 2019;
- Louis Gariepy, the Vice President, Exploration since November 11, 2019; and
- Paul Parisotto, the former President, Chief Executive Officer and Chief Financial Officer of the Corporation from January 1, 2019 to July 5, 2019.

The Board determines the level of compensation for directors, based on recommendations from the compensation committee (the "**Compensation Committee**"). The Board is responsible for reviewing the compensation of members of the Board to ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective director. The Board has established a cash compensation program for its non-executive directors with respect to general directors' duties, meeting attendance or for additional service on Board committees. Non-executive directors are eligible to participate in certain of the Corporation's share incentive plans, being the Option Plan (as defined below), and the DSU Plan (as defined below). Directors' fees are reviewed periodically and may be changed from time to time. Non-executive directors may elect to receive their respective directors' fees in the form of cash, DSUs or a combination thereof.

During the twelve month period after giving effect to the Arrangement on July 5, 2019, the directors of the Corporation are only expected to receive DSUs for services rendered in their capacity as directors, and for committee participation, involvement in special assignments or for services as consultants or experts.

### **Compensation Committee**

The Compensation Committee is appointed by the Board to assist in fulfilling its corporate governance responsibilities under applicable laws, to assist the Board in setting director and senior executive compensation, and to develop and submit to the Board recommendations with respect to other employee benefits as the Compensation Committee sees fit.

The Compensation Committee is currently comprised of Amy Satov (Chair), Bernardo Alvarez Calderon, and John Burzynski. Ms. Satov and Mr. Alvarez Calderon are independent within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101").

### ***Compensation Process***

The Board relies on the knowledge and experience of the members of the Compensation Committee to set, review and recommend appropriate levels of compensation for senior officers. The Compensation Committee adopted a compensation process whereby it will review annually the total remuneration (including benefits) and the main components thereof for the officers and directors, and may compare such remuneration with that of peers in the same industry, and review periodically the Equity Compensation Plans and consider these in light of new trends and practices of peers in the same industry. The Compensation Committee's recommendations regarding director and officer compensation are presented to the Board for its consideration and approval. The Board is responsible for reviewing the compensation of members of senior management to ensure that they are competitive within the industry and that the form of compensation aligns the interests of each such individual with those of the Corporation.

### ***Compensation Program***

#### *Principles/Objectives of the Compensation Program*

The primary goal of the Corporation's executive compensation program is to attract, motivate and retain top quality individuals at the executive level. The program is designed to ensure that the compensation provided to the Corporation's senior officers is determined with regard to the Corporation's business strategy and objectives and financial resources, and with the view of aligning the financial interests of the senior officers with those of the Shareholders. The Compensation Committee has focused on ensuring that the members of the senior management team successfully create significant value for the Corporation given their knowledge of the industry, their past execution track record and their demonstrated ability to work as part of a team in an entrepreneurial culture.

In the performance of its duties, the Compensation Committee is guided by the following principles:

- establishing sound corporate governance practices that are in the interests of Shareholders and that contribute to effective and efficient decision-making;
- offering competitive compensation to attract, retain and motivate the very best qualified executives in order for the Corporation to meet its goals; and
- acting in the interests of the Corporation and the Shareholders by being fiscally responsible.

The Compensation Committee recognizes the positive benefits of having an entrepreneurial senior executive team. Since the Arrangement, the senior executive team was responsible for the successful completion of equity financings in the aggregate amount of over \$10 million, which has provided the Corporation with the funding necessary to execute its business objectives.

## Components of the Compensation Program

The compensation program consists of the four following distinct elements aimed at aligning the interests of the senior executives with those of the Shareholders:

Components of Compensation	As % of Total Compensation	
	First Year	Target
Base salary	25 to 28	25
Annual incentive (bonus) compensation	25 to 28	25
Long-term incentive compensation	44 to 50	50
Perquisites and personal benefits	< 1	< 1

### **Base Salary**

The Corporation provides senior officers with base salaries that represent their minimum compensation for services rendered, or expected to be rendered. NEOs' base compensation depends on the scope of their experience, responsibilities, leadership skills, performance, length of service, general industry trends and practices, competitiveness, and the Corporation's existing financial resources. Base salaries are reviewed annually by the Compensation Committee.

Base salary is a fixed element of compensation that is payable to each NEO for performing the specific duties of the position. The amount of base salary is determined through negotiation of employment terms with each NEO and is determined on an individual basis. While base salary is intended to fit into the Corporation's overall compensation objectives by serving to attract and retain talented executive officers, the Corporation's financial position, ability to pay, and the level of executive fees generally known to be paid by other companies in the industry and assessed as reasonable by the Board also impacts the level of base salary.

The following sets out the annualized base salary of each of the NEOs during the 2019 Financial Year.

Named Executive Officer	Annual Base Salary
José Vizquerra Benavides, President and Chief Executive Officer	\$500,000 <sup>(1)</sup>
Blair Zaritsky, Chief Financial Officer	\$80,000 <sup>(2)</sup>
Louis Gariepy, VP Exploration	\$200,000 <sup>(3)</sup>
Paul Parisotto, former President, Chief Executive Officer and Chief Financial Officer	60,000 <sup>(4)</sup>

#### **Notes:**

- (1) Mr. Vizquerra became President and Chief Executive Officer of the Corporation on July 5, 2019. His 12-month compensation plan as Chief Executive Officer from July 5, 2019, the date of the Arrangement, includes \$500,000 base salary, \$100,000 Option-based awards, \$100,000 Share-based awards and annual incentive (bonus) of 100% of his annual base salary.
- (2) Mr. Zaritsky became Chief Financial Officer of the Corporation on July 5, 2019. His 12-month compensation plan from July 5, 2019, the date of the Arrangement, includes \$80,000 base salary, \$75,000 Option-based awards, \$75,000 Share-based awards and annual incentive (bonus) of 100% of his annual salary. Pursuant to an agreement between the Corporation and Osisko Mining Inc. (where Mr. Zaritsky is the CFO), 25% of Mr. Zaritsky's annual base salary is charged back to the Corporation.
- (3) Mr. Gariepy became Vice President of Exploration of the Corporation on November 11, 2019. His 12-month compensation plan from November 1, 2019 includes \$200,000 base salary, 100,000 Option-based awards, 50,000 Share-based awards and annual incentive (bonus) of 50% of his annual base salary.
- (4) Mr. Parisotto ceased to be President, Chief Executive Officer and Chief Financial Officer on July 5, 2019.

### **Annual Incentive (Bonus) Compensation**

The annual incentive program for the NEOs is based on their performance as a team against corporate objectives approved by the Board. Bonuses are approved by the Board, at its sole discretion, based on the recommendation of the Compensation Committee. The target for annual incentive compensation for NEOs has been established at 100% of their respective base salary. The basis for bonus compensation is more subjective than based on objective, identifiable measures.

As part of its duties and responsibilities and in conjunction with year-end assessments, the Compensation Committee reviews the realization of the Corporation's objectives and thereafter meets with management for discussion and consideration of each element contained in the corporate objectives.

### ***Long-Term Incentive Compensation***

The Option Plan, RSU Plan, and the DSU Plan are considered long-term incentive plans of the Corporation. The Corporation's long-term compensation program ensures the alignment of the NEOs with the Shareholders and other stakeholders in the value creation process. The long-term compensation program provides an effective retention measure for key senior executives.

#### *Option Plan*

On June 28, 2019, the Shareholders approved the amended the option plan (the "**Option Plan**") which is designed to advance the interests of the Corporation by, among other things, encouraging stock ownership by certain eligible individuals, including employees, officers, and consultants of the Corporation. The Option Plan is administered by the Board or a duly appointed committee of the Board, consisting of not less than three directors, all of whom are independent. The Option Plan is as an integral component of the Corporation's executive compensation arrangements. In general, Options are granted, at the discretion of the Board, and have in prior years generally vested in three equal tranches: one-third on the date of grant, one-third on the first anniversary of the date of grant, and one-third second anniversary of the date of grant.

The Board believes that the grant of Options to senior officers serves to align their interests with those of the Shareholders and motivate the achievement of the Corporation's long-term strategic objectives, which will benefit Shareholders. Options may be awarded by the Board to directors, officers, employees and consultants of the Corporation, on the basis of the recommendation of the Compensation Committee. Option grants are based on a number of factors, including the individual's level of responsibility and their contribution towards the Corporation's goals and objectives. In addition, Options may be granted in recognition of the achievement of a particular goal or extraordinary service. The Board considers, among other things, prior Option grants and the overall number of Options that are outstanding relative to the number of outstanding Common Shares in determining whether to grant any additional Options, and the size of such grants. The Corporation intends to depart from the practice of granting Options to non-executive directors.

A summary of the principal terms of the Option Plan are more particularly described under the heading "Securities Authorized for Issuance Under Equity Compensation Plans" below.

#### *DSU Plan*

On June 28, 2019, the Shareholders approved and adopted the DSU Plan. The DSU Plan has been established to enhance the Corporation's ability to attract and retain talented individuals to serve as members of the Board and to increase the proprietary interests of non-executive directors in the Corporation and to align the interests of non-executive directors with the interests of Shareholders generally. The DSU Plan is administered by the Board or a duly appointed committee of the Board, consisting of not less than three directors, all of whom are independent. In general, DSUs are granted at the discretion of the Board and are settled upon the termination of the mandate of the non-executive director as a member of the Board for any reason, including resignation or death.

During the twelve month period after giving effect to the Arrangement on July 5, 2019, the directors of the Corporation are only expected to receive DSUs for their services in their capacity as directors, and for committee participation, involvement in special assignments or for services as consultants or experts.

A summary of the principal terms of the DSU Plan are more specifically described under the heading "Securities Authorized for Issuance Under Equity Compensation Plans" below.

## *RSU Plan*

On June 28, 2019, the Shareholders approved and adopted the RSU Plan. The purpose of the RSU Plan is to assist the Corporation in attracting, retaining individuals with experience and ability, to allow certain employees to participate in the long-term success of the Corporation and to promote a greater alignment of interests between the employees designated as participants under the RSU Plan and those of Shareholders. RSUs generally vest in their entirety over three years.

A summary of the principal terms of the RSU Plan are more specifically described under the heading "*Securities Authorized for Issuance Under Equity Compensation Plans*" below.

### ***Perquisites and Personal Benefits***

The Corporation also provides basic perquisites and personal benefits to certain of its NEOs. These perquisites and personal benefits are determined through negotiation of an executive employment agreement with each NEO. While perquisites and personal benefits are intended to fit the Corporation's overall compensation objectives by serving to attract and retain talented executive officers, the size of the Corporation and the nature and stage of its business also impacts the level of perquisites and benefits. Currently a benefit program with life insurance and health benefits is offered to all NEOs.

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

For a description of the termination and change of control benefits provided by the Corporation to the NEOs, please see "*Statement of Executive Compensation – Termination and Change of Control Benefits*" below.

### ***Compensation Risk Considerations***

The Compensation Committee structures the components of the compensation program in order to generate adequate incentives to increase shareholder value in the long term while maintaining a balance to limit excessive risk taking.

As part of measures in place to mitigate risk related to compensation structure, the Compensation Committee establishes the total compensation of the NEOs based on a balanced approach between fixed and variable compensation components. The use of multiple components limits the risks associated with having the focus on one specific component and provides flexibility to compensate short to medium term goals and long-term objectives in order to maximize shareholder value.

In respect of the 2019 Financial Year, the fixed component of the NEOs' compensation composed of the base salary which is aimed to represent approximately a third of total compensation. The components forming the remaining two thirds aim at rewarding short to long-term objectives and are composed of (i) an annual incentive (bonus) compensation (100% performance based, determined on a yearly basis), and (ii) long-term incentive compensation in the form of Options and RSU grants.

The annual incentive compensation is based a discussion and negotiation between the NEO and the Board, and on more subjective than objective, identifiable measures, with no consideration given to a peer group.

In respect of the 2019 Financial Year, long-term compensation was comprised of Option awards and RSU awards. The Compensation Committee considers that the granting and vesting policies provide sufficient incentives to motivate NEOs in the long term to increase the overall value of the Corporation and thereby provide an adequate alignment of their interest with those of the Shareholders.

The Corporation has not adopted any retirement plan or pension plan for its directors and officers.

Based on the review performed in the last financial year, no risks associated with the Corporation's compensation policies and practices that are reasonably likely to have a material adverse effect on the Corporation were identified. The Compensation Committee considers that the procedures and guidelines

currently in place to mitigate key risks relating to compensation are adequately managed and do not encourage excessive risk-taking that would be reasonably likely to have a material adverse effect on the Corporation. The Compensation Committee will continue to monitor and review the Corporation's compensation policies and practices annually to ensure that no component of the NEOs' compensation constitutes a risk.

The Corporation has a policy that restricts directors and NEOs from purchasing the Corporation's financial instruments in an amount greater than \$150,000, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge against or offset a decrease in market value of equity. To the knowledge of the Corporation, as of the date of hereof, no director or NEO of the Corporation has participated in the purchase of such financial instruments.

### Summary Compensation Table Excluding Compensation Securities

The following table sets forth all compensation of directors and NEOs in respect of the financial years ended December 31, 2019 and December 31, 2018.

Table of Compensation Excluding Compensation Securities							
Name and Position <sup>(1)</sup>	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all other compensation <sup>(7)</sup> (\$)	Total Compensation (\$)
<b>José Vizquerra Benavides</b> <i>President &amp; Chief Executive Officer<sup>(4)(5)</sup></i>	2019	83,333	58,333	Nil	Nil	Nil	141,666
	2018	Nil	Nil	Nil	Nil	Nil	Nil
<b>Blair Zaritsky</b> <i>Chief Financial Officer<sup>(6)</sup></i>	2019	40,000 <sup>1</sup>	40,221	Nil	Nil	Nil	80,221
	2018	Nil	Nil	Nil	Nil	Nil	Nil
<b>Louis Gariepy<sup>(3)</sup></b> <i>Vice President Exploration</i>	2019	33,333	11,667	Nil	Nil	Nil	45,000
	2018	Nil	Nil	Nil	Nil	Nil	Nil
<b>John Burzynski</b> <i>Director</i>	2019	Nil	Nil	15,625	Nil	Nil	15,625
	2018	Nil	Nil	Nil	Nil	Nil	Nil
<b>Patrick F.N. Anderson</b> <i>Director<sup>(4)</sup></i>	2019	Nil	Nil	11,875	Nil	Nil	11,875
	2018	Nil	Nil	Nil	Nil	Nil	Nil
<b>Keith McKay</b> <i>Director<sup>(4)</sup></i>	2019	Nil	Nil	15,000	Nil	Nil	15,000
	2018	Nil	Nil	Nil	Nil	Nil	Nil
<b>Bernardo Alvarez Calderon</b> <i>Director<sup>(4)</sup></i>	2019	Nil	Nil	15,625	Nil	Nil	15,625
	2018	Nil	Nil	Nil	Nil	Nil	Nil
<b>Murray John</b> <i>Director</i>	2019	Nil	Nil	18,750	Nil	Nil	18,750
	2018	Nil	Nil	Nil	Nil	Nil	Nil
<b>Amy Satov</b> <i>Director<sup>(4)</sup></i>	2019	Nil	Nil	15,625	Nil	Nil	15,625

Table of Compensation Excluding Compensation Securities							
Name and Position <sup>(1)</sup>	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all other compensation <sup>(7)</sup> (\$)	Total Compensation (\$)
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Elijah Tyshynski <i>Director</i>	2019	Nil	Nil	11,875	Nil	Nil	11,875
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Paul Parisotto <sup>(2)</sup> <i>Former President, Chief Executive Officer, Chief Financial Officer, Director</i>	2019	35,000	Nil	Nil	Nil	100,712	135,712
	2018	60,000	Nil	Nil	Nil	Nil	60,000
Lorie Waisberg <sup>(2)</sup> <i>Former Director</i>	2019	Nil	Nil	Nil	Nil	18,249	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Darren Blasutti <sup>(2)</sup> <i>Former Director</i>	2019	Nil	Nil	Nil	Nil	18,249	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

- (1) On July 5, 2019, the Corporation (formerly known as Chantrell Ventures Corp.) and Osisko Mining Inc. completed their spin-out transaction, which resulted in, among other things, Osisko Mining Inc. transferring certain of its non-core assets to Chantrell in exchange for common shares of Chantrell by way of a statutory plan of arrangement under Section 182 of the *Business Corporations Act* (Ontario). In connection with the Arrangement, all the directors and officers of the Corporation resigned and the board and management of the Corporation were reconstituted on July 5, 2019.
- (2) Mr. Parisotto ceased to be a director, President, Chief Executive Officer and Chief Financial Officer and Messrs. Blasutti and Waisberg ceased to be directors of the Corporation on July 5, 2019. Mr. Parisotto was paid a consulting fee of \$5,000 per month.
- (3) Mr. Gariepy became the Vice President, Exploration of the Corporation on November 11, 2019.
- (4) Messrs. Vizquerra, Anderson, McKay, Alvarez Calderon and Ms. Satov are also compensated as directors of Osisko Mining Inc. The compensation in this table only relates to compensation provided in their capacities with the Corporation.
- (5) Mr. Vizquerra was previously the Executive Vice-President, Strategic Development of Osisko Mining Inc. Following the formation of O3 Mining pursuant to a spin out transaction, he became a full time executive director of the Corporation starting July 5, 2019. He ceased to be an executive of Osisko Mining Inc. on November 1, 2019, but continued to serve a director of Osisko Mining Inc. The compensation in this table only relates to compensation provided to Mr. Vizquerra only in his capacity with the Corporation.
- (6) Mr. Zaritsky is also the Chief Financial Officer at Osisko Mining Inc. The compensation in this table only relates to the compensation provided to Mr. Zaritsky in his capacity with the Corporation.
- (7) Represents the value paid to certain officers and directors of Chantrell Ventures Corp. for their stock options that were cancelled upon the completion of the spin-out transaction.

**Compensation Securities**

The following table provides information regarding all compensation securities granted or issued to each director and NEO as of December 31, 2019.

Compensation Securities							
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
José Vizquerra Benavides <sup>(4)(5)</sup> <i>President &amp; Chief Executive Officer</i>	Options	400,000 <sup>(1)</sup>	August 13, 2019	3.07	3.12	2.85	August 13, 2024
	RSUs	100,000 <sup>(3)</sup>	August 13, 2019	3.07	3.12	2.85	August 13, 2022

Compensation Securities							
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
<b>Blair Zaritsky</b> <sup>(6)</sup> <i>Chief Financial Officer</i>	Options	300,000 <sup>(1)</sup>	August 13, 2019	3.07	3.12	2.85	August 13, 2024
	RSUs	75,000 <sup>(3)</sup>	August 13, 2019	3.07	3.12	2.85	August 13, 2022
<b>Louis Gariepy</b> <i>Vice President, Exploration</i>	Options	100,000	November 8, 2019	2.44	2.44	2.85	November 8, 2024
<b>John Burzynski</b> <i>Director</i>	Options	75,000 <sup>(1)</sup>	August 13, 2019	3.07	3.12	2.85	August 13, 2024
<b>Patrick F.N. Anderson</b> <sup>(4)</sup> <i>Director</i>	Options	60,000 <sup>(1)</sup>	August 13, 2019	3.07	3.12	2.85	August 13, 2024
<b>Keith McKay</b> <sup>(4)</sup> <i>Director</i>	Options	60,000 <sup>(1)</sup>	August 13, 2019	3.07	3.12	2.85	August 13, 2024
<b>Bernardo Alvarez Calderon</b> <sup>(4)</sup> <i>Director</i>	Options	60,000 <sup>(1)</sup>	August 13, 2019	3.07	3.12	2.85	August 13, 2024
<b>Murray John</b> <i>Director</i>	Options	60,000 <sup>(1)</sup>	August 13, 2019	3.07	3.12	2.85	August 13, 2024
<b>Amy Satov</b> <sup>(4)</sup> <i>Director</i>	Options	60,000 <sup>(1)</sup>	August 13, 2019	3.07	3.12	2.85	August 13, 2024
<b>Elijah Tyshynski</b> <i>Director</i>	Options	60,000 <sup>(1)</sup>	August 13, 2019	3.07	3.12	2.85	August 13, 2024
<b>Paul Parisotto</b> <sup>(2)</sup> <i>Former President, Chief Executive Officer, Chief Financial Officer, Director</i>	Options	N/A	N/A	N/A	N/A	2.85	N/A
<b>Lorie Waisberg</b> <sup>(2)</sup> <i>Former Director</i>	Options	N/A	N/A	N/A	N/A	2.85	N/A
<b>Darren Blasutti</b> <sup>(2)</sup> <i>Former Director</i>	Options	N/A	N/A	N/A	N/A	2.85	N/A

**Notes:**

- (1) On August 13, 2019, the Corporation granted the following Options: 60,000 to Patrick F.N. Anderson, 75,000 to John Burzynski, 60,000 to Bernardo Alvarez Calderon, 60,000 to Keith McKay, 60,000 to Murray John, 60,000 to Amy Satov, 60,000 to Elijah Tyshynski and 400,000 to José Vizquerra Benavides. These Options have an exercise price of \$3.07 per Common Share, have a five-year term with an expiry date August 13, 2024, and vest annually in equal thirds on date of grant and first and second anniversaries from the date of grant. The fair value of these Options at \$1.66 per Option, as at the date of grant, was estimated using the Black-Scholes option pricing model with the following assumptions: five year expected term; 78.0% volatility; risk-free interest rate of 1.34% per annum; and a dividend yield of 0%.
- (2) Mr. Parisotto ceased to be a director, President, Chief Executive Officer and Chief Financial Officer and Messrs. Blasutti and Waisberg ceased to be directors of the Corporation on July 5, 2019.
- (3) On August 13, 2019, the Corporation granted 390,000 RSUs to management, including 100,000 to José Vizquerra Benavides and 75,000 to Blair Zaritsky. The RSUs have been fair valued at \$3.07 at the Corporation's closing share price on the date of grant and vest on the third anniversary date from the date of grant.
- (4) Messrs. Vizquerra, Anderson, McKay, Alvarez Calderon and Ms. Satov are also compensated as directors of Osisko Mining Inc. The compensation in this table only relates to compensation securities provided in their capacities with the Corporation.
- (5) Mr. Vizquerra was previously the Executive Vice-President, Strategic Development of Osisko Mining Inc. until November 1, 2019. Following the formation of O3 Mining pursuant to a spin out transaction, he became executive director of the Corporation starting July 5, 2019. He ceased to be an executive of Osisko Mining Inc. on November 1, 2019, but continued to serve a director of Osisko Mining Inc. The compensation in this table only relates to compensation securities provided to Mr. Vizquerra only in his capacity with the Corporation.
- (6) Mr. Zaritsky is also the Chief Financial Officer at Osisko Mining Inc. The compensation in this table only relates to the compensation securities provided to Mr. Zaritsky in his capacity with the Corporation.

The following table sets forth each exercise of compensation securities by all the directors and NEOs of the Corporation during the year ended December 31, 2019.

Exercise of Compensation Securities by Directors and NEOs							
Name and Position	Type of Compensation Security	Number of underlying securities exercised	Exercise Price per security (\$)	Date of Exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
<b>José Vizquerra Benavides</b> <i>President &amp; Chief Executive Officer<sup>(1)(2)</sup></i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Blair Zaritsky</b> <i>Chief Financial Officer<sup>(3)</sup></i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Louis Garipey</b> <i>Vice President Exploration</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>John Burzynski</b> <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Patrick F.N. Anderson</b> <i>Director<sup>(1)</sup></i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Keith McKay</b> <i>Director<sup>(1)</sup></i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Bernardo Alvarez Calderon</b> <i>Director<sup>(1)</sup></i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Murray John</b> <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Amy Satov</b> <i>Director<sup>(1)</sup></i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Elijah Tyshynski</b> <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Paul Parisotto<sup>(4)</sup></b> <i>Former President, Chief Executive Officer, Chief Financial Officer, Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Lorie Waisberg<sup>(4)</sup></b> <i>Former Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Darren Blasutti<sup>(4)</sup></b> <i>Former Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Notes:**

- (1) Messrs. Vizquerra, Anderson, McKay, Alvarez Calderon and Ms. Satov are also compensated as directors of Osisko Mining Inc. The compensation in this table only relates to compensation securities provided in their capacities with the Corporation.
- (2) Mr. Vizquerra was previously the Executive Vice-President, Strategic Development of Osisko Mining Inc. Following the formation of O3 Mining pursuant to a spin out transaction, he became executive director of the Corporation starting July 5, 2019. He ceased to be an executive of Osisko Mining Inc. on November 1, 2019, but continued to serve a director of Osisko Mining Inc. The compensation in this table only relates to compensation securities provided to Mr. Vizquerra only in his capacity with the Corporation.
- (3) Mr. Zaritsky is also the Chief Financial Officer at Osisko Mining Inc. The compensation in this table only relates to the compensation securities provided to Mr. Zaritsky in his capacity with the Corporation.

- (4) Mr. Parisotto ceased to be a director, President, Chief Executive Officer and Chief Financial Officer and Messrs. Blasutti and Waisberg ceased to be directors of the Corporation on July 5, 2019.

### **Pension Plan Benefits**

As at the date of this Circular, the Corporation does not have any pension plans.

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

For the purpose of this section, a "**Change of Control**" means the occurrence of any one or more of the following events: (i) the Corporation is not the surviving entity in a merger, amalgamation or other reorganization (or survives only as a subsidiary of an entity other than a previously wholly-owned subsidiary of the Corporation); (ii) the Corporation sells all or substantially all of its assets to any other person or entity (other than a wholly-owned subsidiary of the Corporation); (iii) the Corporation is to be dissolved and liquidated; (iv) any person, entity or group of persons, or entities acting jointly or in concert acquires or gains ownership or control (including, without limitation, the power to vote) over more than 30% of the Corporation's outstanding voting securities; or (v) as a result of or in connection with (A) the contested election of directors or (B) a transaction referred to above whereby the persons who were directors of the Corporation before such election or transaction shall cease to constitute a majority of the Board.

#### *José Vizquerra Benavides*

Pursuant to an employment agreement between the Corporation and José Vizquerra Benavides dated November 1, 2019, in the event that Mr. Vizquerra's employment is terminated by the Corporation without cause, the Corporation shall pay Mr. Vizquerra a lump sum amount equal to: (i) any amounts which may be due and remaining unpaid at the time of termination properly accrued to the termination date; and (ii) a payment equal to twenty-four (24) months of annual salary and a payment of the average annualized bonus paid or declared in the last two years, in lieu of notice. The Corporation shall also continue all of Mr. Vizquerra's benefits for a corresponding period of two (2) years from the cessation of his employment (the "**Extended Benefit Period**"). In addition to Options already vested, as applicable, Mr. Vizquerra shall be entitled to exercise Options vesting during the Extended Benefit Period pursuant to the provisions of the Option Plan. In addition to the payment referred to above, Mr. Vizquerra will be entitled to a bonus payment that is pro-rated for the year in which the termination occurred. If the termination of the employment of Mr. Vizquerra is initiated by the Corporation for any reason (other than for cause, but including by way of constructive dismissal) within twenty-four (24) months of the completion of a Change of Control, Mr. Vizquerra shall be deemed to have been terminated without cause under his employment agreement. Mr. Vizquerra shall receive a lump sum payment amounting to: (i) any amounts which may be due and remaining unpaid at the time of termination properly accrued to the termination date; and (ii) a payment equal to twenty-four (24) months of annual salary and a payment of the average annualized bonus paid or declared in the last two years, in lieu of notice. The Corporation shall also continue all of Mr. Vizquerra's benefits for a corresponding period of two (2) years from the cessation of his employment. In addition to Options already vested, as applicable, Mr. Vizquerra shall be entitled to exercise Options vesting during the Extended Benefit Period pursuant to the provisions of the Option Plan. In addition to the payment referred to above, Mr. Vizquerra will be entitled to a bonus payment that is pro-rated for the year in which the termination occurred. Any cash amounts due and owing to Mr. Vizquerra shall be paid within thirty (30) days of the cessation of his employment. Mr. Vizquerra shall have no obligation to mitigate his damages with respect to these payments and benefits. Under both termination without cause or pursuant to a Change of Control, Mr. Vizquerra is entitled to be reimbursed for "out placement" expenses up to a maximum of \$25,000 for appropriate invoices within a maximum of two (2) years of the employment termination date.

#### *Louis Gariepy*

Pursuant to an employment agreement between the Corporation and Louis Gariepy dated November 1, 2019, in the event that Mr. Gariepy's employment is terminated by the Corporation without cause, the Corporation shall pay Mr. Gariepy a lump sum amount equal to: (i) any amounts which may be due and remaining unpaid at the time of termination properly accrued to the termination date; and (ii) a payment equal to twelve (12) months of base salary and a payment of the average annualized bonus paid or declared

in the last one (1) year, in lieu of notice. The Corporation shall also continue all of Mr. Vizquerra's benefits for a corresponding period of one (1) year from the cessation of his employment (the "**Extended Benefit Period**"). In addition to Options already vested, as applicable, Mr. Gariepy shall be entitled to exercise Options vesting during the Extended Benefit Period pursuant to the provisions of the Option Plan. In addition to the payment referred to above, Mr. Gariepy will be entitled to a bonus payment that is pro-rated for the year in which the termination occurred. If the termination of the employment of Mr. Gariepy is initiated by the Corporation for any reason (other than for cause, but including by way of constructive dismissal) within twelve (12) months of the completion of a Change of Control, Mr. Gariepy shall be deemed to have been terminated without cause under his employment agreement. Mr. Gariepy shall receive a lump sum payment amounting to: (i) any amounts which may be due and remaining unpaid at the time of termination properly accrued to the termination date; and (ii) a payment equal to twelve (12) months of base salary and a payment of the average annualized bonus paid or declared in the last one (1) year, in lieu of notice. The Corporation shall also continue all of Mr. Vizquerra's benefits for a corresponding period of one (1) year from the cessation of his employment. In addition to Options already vested, as applicable, Mr. Gariepy shall be entitled to exercise Options vesting during the Extended Benefit Period pursuant to the provisions of the Option Plan. In addition to the payment referred to above, Mr. Gariepy will be entitled to a bonus payment that is pro-rated for the year in which the termination occurred. Mr. Gariepy shall have no obligation to mitigate his damages with respect to these payments and benefits. Under both termination without cause or pursuant to a Change of Control, Mr. Gariepy is entitled to be reimbursed for "out placement" expenses up to a maximum of \$25,000 for appropriate invoices within a maximum of two (2) years of the employment termination date.

The following shows the estimated incremental payments that would be payable to each of the NEOs of the Corporation in the event of a Change of Control or termination without cause of such NEOs on December 31, 2019.

Name	Estimated Change of Control Payment	Estimated Termination Without Cause Payment
<b>José Vizquerra Benavides</b>		
Base Salary	\$1,000,000	\$1,000,000
Average Annualized Bonus	\$700,000	\$700,000
<b>Louis Gariepy</b>		
Base Salary	\$200,000	\$200,000
Average Annualized Bonus	\$140,000	\$140,000

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

### Stock Option Plan

The Option Plan is a rolling stock option plan, under which 10% of the outstanding Common Shares at any given time are available for issuance. The purpose of the Option Plan is to attract, retain and motivate persons as directors, officers, employees and consultants of the Corporation and any subsidiaries (hereinafter "**Optionees**"), and to advance the interests of the Corporation by providing such persons with the opportunity, through Options, to acquire an increased proprietary interest in the Corporation.

The following information is intended to be a brief description and summary of the material features of the Option Plan, which is qualified in its entirety by reference to the text of the Option Plan, a copy of which is attached as Schedule "A" to this Circular.

The maximum aggregate number of Common Shares reserved by the Corporation for issuance and which may be purchased upon the exercise of all Options shall not exceed 10% of the issued and outstanding Common Shares (on a non-diluted basis). As a result, should the Corporation issue additional Common Shares in the future, the number of Common Shares issuable under the Option Plan will increase accordingly. The Option Plan is considered an "evergreen" plan, since the Common Shares covered by Options which have been exercised shall be available for subsequent grants under the Option Plan, and the number of Options available to grant increases as the number of issued and outstanding Common Shares increases.

1. Options may be granted by the Corporation pursuant to the recommendations of the Board from time to time, provided and to the extent that such decisions are approved by the Board. Subject to the provisions of the Option Plan, the number of Common Shares subject to each Option, the Price (as defined in the Option Plan), the expiration date of each Option, the extent to which each Option is exercisable from time to time during the term thereof, and other terms and conditions relating to each such Option, shall be determined by the Board. At no time shall the period during which an Option is exercisable exceed five years, and the Price shall in no circumstances be lower than the market price (being the closing price of the shares of the Corporation on the TSXV) of the Common Shares. Options cannot be assigned or transferred.
2. The maximum number of Common Shares which may be issued to any one Optionee under the Option Plan together with any Share Compensation Arrangement (as defined in the Option Plan) in any 12 month period shall not exceed 5% of the number of Common Shares outstanding (on a non-diluted basis) from time to time, unless disinterested Shareholder approval is obtained pursuant to the requirements of the TSXV Corporate Finance Manual, and if applicable, the NEX policies. In addition, the participation of non-employee directors in the Option Plan shall be subject to the following limitations: (i) grants to any individual non-employee director of the Corporation under the Option Plan, when combined with grants under all of the other security-based compensation arrangements of the Corporation, shall not exceed \$150,000 annually, with no more than \$100,000 in grant date value provided in the form of Options under the Option Plan; and (b) the aggregate number of shares made available for issuance from treasury to all non-employee directors under the Option Plan, when combined with grants under all other security-based compensation arrangements of the Common Shares, shall not exceed one percent (1%) of the total issued and outstanding shares of the Corporation.
3. The maximum number of Common Shares which may be issuable to all Insiders (as defined in the Option Plan) at any time under the Option Plan together with any other Share Compensation Arrangement shall not exceed 10% of the Common Shares outstanding (on a non-diluted basis) from time to time. The number of Common Shares issued to Insiders within any one year period pursuant to all of the Corporation's Share Compensation Arrangements shall not exceed 10% of the number of outstanding Common Shares on a non-diluted basis.
4. Options granted to any director, officer, employee or consultant must expire within 90 days after such person ceases to be in at least one of those categories (or within 30 days for an investor relations employee), or such longer period as may be determined by the Board or reduced in accordance with any agreement pursuant to which the Option is granted, provided that such extension shall not be granted beyond the original expiry date of the Option. Options shall not be affected by any change of employment or status of the Optionee where the Optionee remains eligible for participation in the Option Plan.
5. In the event of certain transactions affecting the ownership or assets of the Corporation, Optionees may, upon notice from the Corporation and as allowed by the Board, be entitled to exercise their Options to the full amount of the Common Shares remaining at that time during the period provided by the notice (but in no event later than the expiry date of the Option).
6. In the event that no specific determination is made by the Board, any Options granted shall vest on the date of the grant, subject to limited exceptions.
7. The Board may from time to time amend, suspend or terminate (or re-instate) the Option Plan, and without Shareholder approval; provided however, that no such amendment may materially and adversely affect any Option previously granted to an Optionee without the consent of the Optionee, except to the extent required by law. Any such amendment shall be subject to the receipt of requisite regulatory approval including, without limitation, the approval of any stock exchange upon which the shares may trade from time to time; provided, however, that no such amendment may: (i) increase the maximum number of Common Shares that may be optioned under the Option Plan; (ii) change the manner of determining the minimum Price; (iii) effect a reduction in the exercise price or extension of the term of any Options; (iv) remove or exceed the insider participation limit

prescribed by the TSXV Corporate Finance Manual; (v) broaden the definition of "Eligible Person" under the Option Plan; (vi) broaden or increase the annual participation limit of any non-employee director of the Corporation under the Option Plan; (vii) permit an Optionee to transfer Options to another person that is not under such optionee's ownership or control; or (viii) modify this amendment provision, unless Shareholder and regulatory approval is obtained. Any amendments to the terms of an Option under the Option Plan shall also require regulatory approval, including without limitation, the approval of any stock exchange upon which the shares may trade from time to time. For greater certainty, the board of directors may make the following amendments without seeking the approval of the Shareholders:

- (a) amendments to the Option Plan to rectify typographical errors and/or to include clarifying provisions for greater certainty;
  - (b) amendments to the vesting provisions of a security or the Option Plan, subject to prior written approval of the TSXV, if applicable;
  - (c) amendments to the termination provisions of a security or the Option Plan which does not entail an extension beyond the original expiry date thereof, subject to prior written approval of the TSXV, if applicable;
  - (d) amendments necessary as a result of changes in securities laws and other laws applicable to the Corporation;
  - (e) if the Corporation becomes listed or quoted on a stock exchange or stock market senior to TSXV, it may make such amendments as may be required by the policies of such senior stock exchange or stock market;
  - (f) amendments to the exercise price (so long as any reduction does not cause the exercise price to go below the market price of the Common Shares (as defined in the Option Plan), unless such amendment would benefit "insiders" as defined in the *Securities Act* (Ontario));
  - (g) the inclusion of cashless exercise provisions in the Option Plan or in any option granted thereunder, which provide for a full deduction of the number of underlying securities from the Option Plan reserve; and
  - (h) amendments that reduce, and do not increase, the benefits of this Option Plan to services providers.
8. If an Option expiration date falls within the blackout period described in the Option Plan, then the expiry date shall be the date which is tenth business day following the conclusion of the blackout period.

As of December 31, 2019, there were 2,847,499 Options issued and outstanding. As of the date of this Circular, there were 4,017,499 Options issued and outstanding.

### **Deferred Share Unit Plan**

On June 28, 2019, the Corporation's Shareholders approved and adopted the DSU Plan. The purpose of the DSU Plan is to advance the interests of the Corporation and its subsidiaries by: (i) increasing the proprietary interests of non-executive directors in the Corporation; (ii) aligning the interests of non-executive directors with the interests of the Shareholders generally; and (iii) furnishing non-executive directors with additional incentive in their efforts on behalf of the Corporation.

The following is a summary of the principal terms of the DSU Plan, which is qualified in its entirety by reference to the text of the DSU Plan, a copy of which may be found on SEDAR ([www.sedar.com](http://www.sedar.com)) under the Corporation's issuer profile.

1. The maximum number of Common Shares made available for issuance from treasury under the DSU Plan, subject to certain adjustments described in the DSU Plan, shall not exceed 3,500,000 Common Shares (representing approximately 7.44% of the total issued and outstanding Common Shares as of the date of this Circular, calculated on an undiluted basis), provided, however, that the number of Common Shares reserved for issuance from treasury under the DSU Plan and pursuant to all other security-based compensation arrangements of the Corporation and its subsidiaries shall, in the aggregate, not exceed 10% of the number of Common Shares then issued and outstanding.
2. Non-executive members of the Board who are designated by the Board (or such other committee of the directors appointed to administer the DSU Plan) may participate in the DSU Plan ("**DSUP Participants**"). DSUP Participants may be granted DSUs, represented by a notional bookkeeping entry on the books of the Corporation with each DSU having a value equal, on any particular date, equal to the volume weighted average trading price of the Common Shares for the five (5) consecutive trading days prior to such date ("**Market Value**").
3. In addition, DSUP Participants may elect to receive DSUs *in lieu* of cash remuneration in respect of his or her annual board retainer, committee retainer and/or meeting fees (or any portion thereof), by delivering an Allocation Notice (as defined in the DSU Plan) to the Corporation. The number of DSUs to be credited to DSUP Participants *in lieu* of cash remuneration shall be determined on a quarterly basis, as of the final day of any quarterly period, calculated as the quotient obtained when (i) the aggregate value of the cash remuneration that would have been paid to such DSUP Participant, is divided by (ii) the Market Value of the Common Shares as of the last day of such quarterly period.
4. The grant of DSUs under the DSU Plan is subject to a number of restrictions:
  - (a) the aggregate number of Common Shares issuable at any time to Insiders (as defined in the DSU Plan) under the DSU Plan and all other security-based compensation arrangements of the Corporation and its subsidiaries shall not, in the aggregate, exceed 10% of the issued and outstanding Common Shares, calculated on a non-diluted basis;
  - (b) within any twelve (12) month period, the Corporation shall not issue to Insiders under the DSU Plan and all other security-based compensation arrangements of the Corporation and its subsidiaries, in the aggregate, a number of Common Shares exceeding 10% of the issued and outstanding Common Shares, calculated on a non-diluted basis;
  - (c) within any twelve (12) month period, the Corporation shall not issue to any one person (and companies wholly-owned by that person) under the DSU Plan and all other security-based compensation arrangement of the Corporation and its subsidiaries, in aggregate, the number of shares exceeding five percent (5%) of the issued and outstanding Common Shares, calculated on a non-diluted basis;
  - (d) the aggregate number of Common Shares made available for issuance from treasury to all non-employee directors of the Corporation under the DSU Plan (alone or when combined with all of the other security-based compensation arrangements of the Corporation and its subsidiaries) shall not exceed 1% of the Corporation's total issued and outstanding Common Shares; and
  - (e) the value of Common Shares associated with grants to any individual non-employee director of the Corporation under the DSU Plan (alone or when combined with grants under all of the other security-based compensation arrangements of the Corporation and its subsidiaries) shall not exceed \$150,000 annually.
  - (f) The Board (or such other committee of the directors appointed to administer the DSU Plan) shall determine, at its sole discretion, the size of grants in respect of any DSUP Participant.

5. Whenever cash or other dividends are paid on Common Shares, additional DSUs will be automatically granted to each DSUP Participant who holds DSUs on the record date for such dividends. The number of such DSUs to be credited to such DSUP Participant as of the date on which the dividend is paid on the Common Shares shall be an amount equal to the quotient obtained when (i) the aggregate value of the cash or other dividends that would have been paid to such DSUP Participant if the DSUP Participant's DSUs as of the record date for the dividend had been Common Shares, is divided by (ii) the Market Value of the Common Shares as of the date on which the dividend is paid on the Common Shares.
6. DSUs shall be adjusted (at the Board's sole discretion) to reflect changes affecting the Corporation as a result of any stock dividend, stock split, combination or exchange of shares, merger, consolidation, recapitalization, amalgamation, plan of arrangement, reorganization, spin-off or other distribution (other than normal cash dividends) of the Corporation's assets to Shareholders or any other change affecting the Common Shares.
7. A DSUP Participant may select a date to receive settlement for his or her DSUs on any date following his or her termination, but no later than December 15 of the calendar year following such Termination (as defined in the DSU Plan) (the "Settlement Date"), by completing and delivering a "Redemption Notice" to the Corporation upon a minimum notice of five (5) business days from the proposed Settlement Date.
8. On the Settlement Date, the DSUP Participant (or his or her successor) shall be entitled to receive, in accordance with the prior election of such DSUP Participant, either: (i) one (1) Common Share for each DSU credited to the DSUP Participant's account on the Settlement Date, (ii) a lump sum cash payment equal to the Market Value on the Settlement Date of one (1) Common Share for each DSU credited to the DSUP Participant's account on the Settlement Date, or (iii) any combination of the foregoing (subject to the discretion Board (or such other committee of directors appointed to administer the DSU Plan) to settle by alternative form provided for under the DSU Plan).
9. The Corporation will deduct or withhold from any payment or settlement in Common Shares, for the benefit of a DSUP Participant, any amount required in order to comply with the applicable provisions of any federal or provincial law relating to the withholding of tax or the making of any other source deductions, including on the amount, if any, included in income of a DSUP Participant. The obligation of the Corporation to deliver payment or Common Shares in settlement of DSUs, for the benefit of a DSUP Participant, is conditional upon the DSUP Participant paying such amount as may be requested for the purpose of satisfying any liability in respect of such withholding.
10. Upon a Change of Control (as defined in the DSU Plan), all outstanding DSUs will remain outstanding, unless the DSUP Participant's Board mandate is terminated as a result of the Change of Control.
11. DSUP Participants have no claim or right to any Common Shares pursuant to the DSU Plan. DSUs shall not be considered Common Shares nor shall they entitle any DSUP Participant to exercise voting rights or any other rights attaching to the ownership or control of Common Shares.
12. The Board (or such other committee of the directors appointed to administer the DSU Plan) may from time to time amend, suspend or terminate (and re-instate) the DSU Plan in whole or in part or amend the terms of DSUs credited in accordance with the DSU Plan, without approval of the Shareholders, but subject to the receipt of all required regulatory approvals including, without limitation, the approval of the TSXV. If any such amendment, suspension or termination will materially or adversely affect the rights of a DSUP Participant with respect to DSUs credited to such DSUP Participant, then the written consent of such DSUP Participant to such amendment, suspension or termination shall be obtained. However, a DSUP Participant's written consent to an amendment, suspension or termination materially or adversely affecting his or her rights with respect to any credited DSUs will not be required if such amendment, suspension or termination is required in order to comply with applicable laws, regulations, rules, orders of government or

regulatory authorities or the requirements of any stock exchange on which shares of the Corporation are listed.

13. The Board has broad discretion to amend the DSU Plan without seeking the approval of Shareholders. However, the Corporation may not make the following amendments to the DSU Plan without the approval of Shareholders: (i) an amendment to remove or exceed the insider participation limit prescribed by the TSXV Corporate Finance Manual; (ii) an amendment to increase the maximum number of Common Shares made available for issuance from treasury under the DSU Plan; (iii) an amendment to modify the definition of "Eligible Director" in the DSU Plan; or (iv) an amendment to the amending provision within the DSU Plan.
14. If the Board (or such other committee of the directors appointed to administer the DSU Plan) terminates the DSU Plan, DSUs previously credited to DSUP Participants will remain outstanding and in effect and be settled in due course in accordance with the terms of the DSU Plan on the Settlement Date.
15. Except as otherwise may be expressly provided for under the DSU Plan or pursuant to a will or by the laws of descent and distribution, no right or interest of a DSUP Participant under the DSU Plan is assignable or transferable.
16. All DSUs granted under the DSU Plan shall be and remain subject to any incentive compensation clawback or recoupment policy currently in effect or as may be adopted by the Board (or a committee of the Board) and, in each case, as may be amended from time to time.

As at December 31, 2019, Nil DSUs were outstanding under the DSU Plan. As of the date of this Circular, there are 19,031 DSUs issued and outstanding under the DSU Plan.

### **Restricted Share Unit Plan**

On June 28, 2017, the Corporation's Shareholders adopted the RSU Plan. The purpose of the RSU Plan is to advance the interests of the Corporation and its subsidiaries by: (i) assisting the Corporation and its subsidiaries in attracting and retaining executive officers and key employees with experience and ability, (ii) allowing certain executive officers, key employees and consultants of the Corporation and its subsidiaries to participate in the long term success of the Corporation, and (iii) promoting a greater alignment of interests between the executive officers, consultants and key employees designated under the RSU Plan and the Shareholders.

The following is a summary of the principal terms of the RSU Plan, which is qualified in its entirety by reference to the text of the RSU Plan, a copy of which may be found on SEDAR ([www.sedar.com](http://www.sedar.com)) under the Corporation's issuer profile.

1. The maximum number of Common Shares made available for issuance from treasury under the RSU Plan, subject to certain adjustments described in the RSU Plan, shall not exceed 3,500,000 Common Shares (representing approximately 7.44% of the total issued and outstanding Common Shares as of the date of this Circular, calculated on an undiluted basis), provided, however, that the number of Common Shares reserved for issuance from treasury under the RSU Plan and pursuant to all other security-based compensation arrangements of the Corporation and its subsidiaries shall, in the aggregate, not exceed 10% of the number of Common Shares then issued and outstanding.
2. The Board (or such other committee of the directors appointed to administer the RSU Plan), upon recommendation from the President and/or Chief Executive Officer, from time to time in their sole discretion designates the executives and key employees entitled to participate in the RSU Plan ("**RSUP Participants**"). RSUs are granted to RSUP Participants at the discretion of the Compensation Committee.
3. The grant of RSUs under the RSU Plan is subject to a number of restrictions:

- (a) the aggregate number of Common Shares issuable at any time to Insiders (as defined in the RSU Plan) under the RSU Plan and all other security-based compensation arrangements of the Corporation and its subsidiaries shall not, in the aggregate, exceed 10% of the issued and outstanding Common Shares, calculated on a non-diluted basis;
  - (b) within any twelve (12) month period, the Corporation shall not issue to Insiders under the RSU Plan and all other security-based compensation arrangements of the Corporation and its subsidiaries, in the aggregate, a number of Common Shares exceeding 10% of the issued and outstanding Common Shares, calculated on a non-diluted basis;
  - (c) within any twelve (12) month period, the Corporation shall not issue to any one person (and companies wholly-owned by that person) under the RSU Plan and all other security-based arrangements of the Corporation and its subsidiaries, in the aggregate, a number of Common Shares exceeding five percent (5%) of the issued and outstanding Common Shares, calculated on a non-diluted basis;
  - (d) within any twelve (12) month period, the Corporation shall not issue to a consultant under the RSU Plan and all other security-based arrangements of the Corporation and its subsidiaries, in the aggregate, a number of Common Shares exceeding two percent (2%) of the issued and outstanding Common Shares, calculated on a non-diluted basis;
  - (e) within any twelve (12) month period, the Corporation shall not issue to any person retained to provide investor relations activities, under the RSU Plan and all other security-based arrangements of the Corporation and its subsidiaries, in the aggregate, a number of Common Shares exceeding two percent (2%) of the issued and outstanding Common Shares, calculated on a non-diluted basis;
  - (f) the aggregate number of Common Shares made available for issuance from treasury to all non-employee directors of the Corporation under the RSU Plan (alone or when combined with all of the other security-based compensation arrangements of the Corporation and its subsidiaries) shall not exceed 1% of the Corporation's total issued and outstanding Common Shares; and
  - (g) the value of Common Shares associated with grants to any individual non-employee director of the Corporation under the RSU Plan (alone or when combined with grants under all of the other security-based compensation arrangements of the Corporation and its subsidiaries) shall not exceed \$150,000 annually.
4. Whenever cash or other dividends are paid on Common Shares, additional RSUs will be automatically granted to each RSUP Participant who holds RSUs on the record date for such dividends. The number of such RSUs (rounded to the nearest whole RSU) to be credited to such RSUP Participant as of the date on which the dividend is paid on the Common Shares shall be an amount equal to the quotient obtained when (i) the aggregate value of the cash or other dividends that would have been paid to such RSUP Participant if his or her RSUs as of the record date for the dividend had been Common Shares, is divided by (ii) the Market Value (as defined in the RSU Plan) of the Common Shares as of the date on which the dividend is paid on the Common Shares. RSUs granted to a RSUP Participant by reason of cash or other dividends paid on Common Shares are subject to the same vesting conditions (time and performance, as applicable) as the RSUs to which they relate.
7. Vesting and settlement provisions under the RSU Plan are as follows:
- (a) Subject to the discretion of the Board (or such other committee of the directors appointed to administer the RSU Plan), RSUs will vest in their entirety over three years (one-third on each of the first, second and third anniversary of the date a RSU is awarded).

- (b) The RSUs may vest according to time and/or performance vesting conditions. The RSUs that are subject to the time vesting condition shall be deemed to have been 100% satisfied if the RSUP Participant is employed by the Corporation and/or a subsidiary on the date specified in the RSU Award Agreement (as defined in the RSU Plan). The RSUs that are subject to the performance vesting condition(s) (as applicable) shall also vest on the date specified in the RSU Award Agreement, provided that such number of vested RSUs shall be multiplied by the performance percentage determined by the Board (or such other committee of the directors appointed to administer the RSU Plan), all in accordance with the RSU Award Agreement.
  - (c) Within ten (10) days from the vesting date, the RSUP Participant (or his or her successor) shall be entitled to receive, in accordance with the prior election of such RSUP Participant, either: (i) one (1) Common Share for each RSU credited to the RSUP Participant's account on the Settlement Date, (ii) a lump sum cash payment equal to the Market Value on the Settlement Date of one (1) Common Share for each RSU credited to the RSUP Participant's account on the Settlement Date, or (iii) any combination of the foregoing (subject to the discretion Board (or such other committee of directors appointed to administer the RSU Plan) to settle by alternative form provided for under the RSU Plan).
  - (d) Upon a Change of Control (as defined in the RSU Plan), all outstanding RSUs shall vest immediately, irrespective of any performance vesting conditions.
8. RSUs will be adjusted to reflect changes affecting the Common Shares as a result of any stock dividend, stock split, combination or exchange of shares, merger, consolidation, recapitalization, amalgamation, plan of arrangement, reorganization, spin off or other distribution (other than normal cash dividends) of the Corporation's assets to Shareholders or any other change affecting the Common Shares.
9. If a RSUP Participant ceases to be an employee as a result of termination for cause, or as a result of a voluntary termination, all of the RSUP Participant's outstanding RSUs will be terminated.
10. If a RSUP Participant ceases to be an employee of the Corporation or a subsidiary as a result of death, termination not for cause, retirement or long-term disability, the time vesting component of RSUs will be subject to the following considerations:
- (a) In the event the RSUP Participant is not entitled to a Benefits Extension Period (as defined in the RSU Plan), then the time vesting component of each RSU grant will be *pro-rated* based on the number of days actually worked from the date of grant of such RSUs until the date of death, termination not for cause, retirement or long-term disability, over the number of days in the original vesting schedule in relation to such RSU grant.
  - (b) In the event the RSUP Participant is entitled to a Benefits Extension Period, then the time vesting component of each RSU grant will be *pro-rated* based on the sum of (i) the number of days actually worked from the date of grant up until the date of death, termination not for cause, retirement or long-term disability, and (ii) the number of days included in the Benefits Extension Period, over the number of days in the original vesting schedule in relation to such grant.
11. If a RSUP Participant ceases to be an employee of the Corporation or a subsidiary as a result of death, termination not for cause, retirement or long-term disability, the performance vesting component of RSUs will be subject to the following considerations:
- (a) In the event the RSUP Participant is not entitled to a Benefits Extension Period, then the performance vesting component of each RSU grant will be *pro-rated* based on the number of days actually worked from the date of grant until the date of death, termination not for cause, retirement or long-term disability, over the number of days in the original vesting schedule in relation to such grant; the number of vested RSUs resulting from such *pro-*

*rated* calculation will be multiplied by the performance percentage determined by the Committee.

- (b) In the event the RSUP Participant is entitled to a Benefits Extension Period, then the performance vesting component of each RSU grant will be *pro-rated* based on the sum of (i) the number of days actually worked from the date of grant up until the date of death, termination not for cause, retirement or long-term disability, and (ii) the number of days included in the Benefits Extension Period, over the number of days of the original vesting schedule set forth in relation to such grant.
12. A voluntary resignation will be considered as retirement if the RSUP Participant has reached normal retirement age under the Corporation's benefit plans or policies, unless the Committee decides otherwise at its sole discretion.
13. The Committee may from time to time amend, suspend or terminate (and re-instate) the RSU Plan in whole or in part or amend the terms of RSUs credited in accordance with the RSU Plan, without approval of the Shareholders, but subject to the receipt of all required regulatory approvals including, without limitation, the approval of the TSXV. If any such amendment, suspension or termination will materially or adversely affect the rights of a RSUP Participant with respect to RSUs credited to such RSUP Participant, then the written consent of such RSUP Participant to such amendment, suspension or termination shall be obtained. However, a RSUP Participant's written consent to an amendment, suspension or termination materially or adversely affecting his or her rights with respect to any credited RSUs will not be required if such amendment, suspension or termination is required in order to comply with applicable laws, regulations, rules, orders of government or regulatory authorities or the requirements of any stock exchange on which shares of the Corporation are listed.
14. If the Board (or such other committee of directors appointed to administer the RSU Plan) terminates the RSU Plan, RSUs previously credited to RSUP Participants will remain outstanding and in effect and be settled in due course in accordance with the terms of the RSU Plan.
15. Except as otherwise may be expressly provided for under the RSU Plan or pursuant to a will or by the laws of descent and distribution, no right or interest of a RSUP Participant under the RSU Plan is assignable or transferable.

As of December 31, 2019, there were 390,000 RSUs issued and outstanding under the RSU Plan. As of the date of this Circular, there are 490,000 RSUs issued and outstanding under the RSU Plan.

### Equity Compensation Plan Information

The following table provides details, as of December 31, 2019, aggregated information for the Corporation's Equity Compensation Plans under which equity securities of the Corporation are authorized for issuance from treasury. As of December 31, 2019, there were 46,927,215 Common Shares issued and outstanding. The total number of Common Shares made available for issuance from treasury under all share-based compensation arrangements of the Corporation shall not exceed 10% of the number of Common Shares then issued and outstanding.

Option Plan Category	Number of Common Shares to be issued upon exercise of outstanding Options, Warrants and rights (a)	Weighted-average exercise price of outstanding Options, Warrants and rights (b)	Number of Common Shares remaining available for future issuance under Equity Compensation Plans (excluding securities reflected in column (a)) <sup>(1)</sup>
Equity compensation plans approved by securityholders			
Option Plan <sup>(2)</sup>	2,847,499	\$3.01	

Option Plan Category	Number of Common Shares to be issued upon exercise of outstanding Options, Warrants and rights (a)	Weighted-average exercise price of outstanding Options, Warrants and rights (b)	Number of Common Shares remaining available for future issuance under Equity Compensation Plans (excluding securities reflected in column (a)) <sup>(1)</sup>
RSU Plan <sup>(4)</sup>	390,000	N/A	
DSU Plan <sup>(5)</sup>	Nil	N/A	
Equity compensation plans not approved by securityholders <sup>(3)</sup>	N/A	N/A	N/A
<b>Total</b>	<b>3,237,499</b>	<b>\$3.01</b>	<b>1,455,222</b>

**Notes:**

- (1) Based on a total of 4,692,721 Common Shares issuable pursuant to all share-based compensation arrangements representing 10% of the Corporation's issued and outstanding share capital of 46,927,215 Common Shares as at December 31, 2019.
- (2) Stock option plans and other security-based compensation arrangements which have been adopted prior to an issuer listing on TSXV and are in effect upon listing on the TSXV must be in compliance with TSXV requirements. However, such arrangements do not need to be approved by the security holders at the time of listing on the TSXV. According to Policy 4.4 of the TSXV Corporate Finance Manual, listed issuers must obtain security holder approval yearly at the Corporation's annual general meeting for rolling stock option plans in order to continue to grant awards.
- (3) There are no equity compensation plans of the Corporation that have not been approved by Shareholders.
- (4) The maximum number of Common Shares issuable from treasury under the RSU Plan shall not exceed 3.5 million Common Shares. Pursuant to the terms of the RSU Plan, settlement of RSUs can be made in the form of Common Shares, cash or a combination thereof. The weighted average exercise price for RSUs is not applicable, given that the RSU settlement date is based on the volume weighted average price of the Common Shares traded on the TSXV for the five consecutive trading days prior to such date.
- (5) The maximum number of Common Shares issuable from treasury under the DSU Plan shall not exceed 3.5 million Common Shares. Pursuant to the terms of the DSU Plan, settlement of DSUs can be made in the form of Common Shares, cash or a combination thereof.

As at December 31, 2019, the Corporation had 2,847,499 Options outstanding representing approximately 6.01% of the issued and outstanding Common Shares then outstanding. As at December 31, 2019, the Corporation had 390,000 RSUs outstanding representing approximately 0.83% of the issued and outstanding Common Shares then outstanding. As at December 31, 2019, the Corporation had Nil DSUs outstanding.

The annual burn rate of the Option Plan was 6.08 % for the 2019 Financial Year. The annual burn rate of the RSU Plan was 0.83 % for the 2019 Financial Year. The Option Plan, RSU Plan and DSU Plan were established in 2019 and no awards were DSU Plan for the 2019 Financial Year. The annual burn rate is calculated by dividing the number of Options, RSUs or DSUs granted during the applicable fiscal year by the weighted average number of Common Shares outstanding for the applicable fiscal year.

## STATEMENT OF CORPORATE GOVERNANCE

The Corporation and its Board consider good corporate governance to be central to the effective and efficient operation of the Corporation in order that the Corporation may achieve its goals of enhancing shareholder value over the long term by conducting its business activities in a valuable, ethical and transparent manner. The Board is committed to a high standard of corporate governance practices and believes that this commitment is not only in the best interest of the Shareholders, but that it also promotes successful decision making at the Board level. The Board has adopted a Business Conduct and Ethics Policy to encourage and promote a culture of ethical business conduct amongst the directors, officers, employees and consultants of the Corporation. The Business Conduct and Ethics Policy is available on the Corporation's website at [www.o3mining.ca](http://www.o3mining.ca).

The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations, and advocating awareness of the guidelines and policies detailed in the Business Conduct and Ethics Policy. Through its meetings with management and other informal discussions with management, the Board believes the Corporation's management team

likewise promotes and encourages a culture of ethical business conduct throughout the Corporation's operations, and the management team is expected to monitor the activities of the Corporation's employees, consultants and agents in that regard.

The Corporation is pleased to provide, in this Circular, an overview of its corporate governance practices, as assessed in the context of NI 58-101, National Policy 58-201 – Corporate Governance Guidelines ("**NP 58-201**") and National Instrument 52-110 – Audit Committees and Companion Policy ("**NI 52-110**").

## Board of Directors

The Board believes that it functions independently of management and reviews its procedures on an ongoing basis to ensure that it is functioning independently of management. The Board meets without management present, as circumstances require. When conflicts arise, interested parties are precluded from voting on matters in which they may have an interest. In light of the suggestions contained in NP 58-201, the Board convenes meetings, as deemed necessary, of the independent directors, at which non-independent directors and members of management are not in attendance. The Board discharges its responsibilities directly and through the committees of the Board:

- the Audit Committee, comprised of three independent Board members;
- the Corporate Governance and Nominating Committee (the "**CG&N Committee**"), comprised of three independent Board members;
- the Compensation Committee, comprised of three Board members two of whom are independent; and
- the Sustainable Development Committee, comprised of three Board members two of whom are independent.

Each committee of the Board operates under a formal charter or mandate which is reviewed, and updated as necessary, on an annual or more frequent basis if necessary. In fulfilling its responsibilities, the Board delegates day-to-day authority to management of the Corporation, while reserving the ability to review management decisions and exercise final judgement on any matter. In accordance with applicable legal requirements and historical practice, all matters of a material nature are presented by management to the Board for approval.

The Board is currently comprised of eight directors, 75% of which are independent, effective as of the date of this Circular. NI 58-101 defines an "independent director" as a director who has no direct or indirect "material relationship" with the issuer. A "material relationship" is as a relationship which could be, in the view of the board of directors of a company, reasonably expected to interfere with the exercise of a member's independent judgment. Each of Bernardo Alvarez Calderon, Patrick Anderson, Murray John, Keith McKay, Amy Satov and Elijah Tyshynski are considered to be independent within the meaning of NI 58-101. José Vizquerra Benavides and John Burzynski are not independent as they are officers of the Corporation and/or officers of the parent of the Corporation within the last three years.

## Other Public Company Directorships

The following members of the Board currently hold directorships with other reporting issuers as set forth below.

Name of Director	Name of Reporting Issuers	Markets
John Burzynski	Osisko Gold Royalties Ltd. Osisko Metals Incorporated Osisko Mining Inc. Major Drilling Group International Inc.	TSX TSX-V TSX TSX
José Vizquerra Benavides	Osisko Mining Inc.	TSX

Name of Director	Name of Reporting Issuers	Markets
	Sierra Metals Inc.	TSX
Patrick F.N. Anderson	Osisko Mining Inc. Strongbow Exploration Inc.	TSX TSX-V
Amy Satov	Osisko Mining Inc. Osisko Metals Incorporated	TSX TSX-V
Keith McKay	Osisko Mining Inc.	TSX
Bernardo Alvarez Calderon	Osisko Mining Inc.	TSX
Murray John	Discovery Metals Corp. Osisko Gold Royalties Ltd.	TSX-V TSX

## Board Mandate

The Board's primary responsibility is to develop and adapt the strategic direction of the Corporation and to, at least annually, review and approve a strategic plan as developed and proposed by management, which takes into account the business opportunities and risks of the Corporation. The Board is responsible for reviewing and approving the Corporation's financial objectives, plans and actions, including significant capital allocations and expenditures. The Board is also responsible for, among other things: (i) monitoring corporate performance against the strategic and business plans; (ii) identifying principal business risks and implementing appropriate systems to manage such risks; (iii) monitoring and ensuring internal control and procedures; (iv) ensuring appropriate standards of corporate conduct; (v) reviewing and approving financial statements and management's discussion and analysis; (vi) reviewing compensation of the members of the Board; (vii) reviewing and approving material transactions and annual budgets; (viii) developing the Corporation's approach to corporate governance; and (ix) assessing its own effectiveness in fulfilling its mandate. The full text of the Board charter is attached hereto as Schedule "B" to this Circular.

## Lead Director Mandate

The Lead Director will:

- (a) in conjunction with the Chair of the Corporate Governance and Nominating Committee, provide leadership to ensure that the Board functions independently of management of the Corporation;
- (b) chair meetings of independent directors or non-management directors held following Board meetings;
- (c) in the absence of the Chairman, act as chair of meetings of the Board;
- (d) recommend, where necessary, the holding of special meetings of the Board;
- (e) review with the Chairman and the CEO items of importance for consideration by Board;
- (f) consult and meet with any or all of the Corporation's independent directors, at the discretion of either party and with or without the attendance of the Chairman, and represent such directors in discussions with management of the Corporation concerning corporate governance issues and other matters;
- (g) together with the Chairman, ensure that all business required to come before the Board is brought before the Board, such that the Board is able to carry out all of its duties to supervise the management of the business and affairs of the Corporation, and together with the Chairman and the CEO, formulate an agenda for each Board meeting;
- (h) together with the Chairman and the Chair of the Corporate Governance and Nominating Committee, ensure that the Board, committees of the Board, individual directors and senior

management of the Corporation understand and discharge their duties and obligations under the approach to corporate governance adopted by the Board from time to time;

- (i) mentor and counsel new members of the Board to assist them in becoming active and effective directors;
- (j) facilitate the process of conducting director evaluations;
- (k) promote best practices and high standards of corporate governance; and
- (l) perform such other duties and responsibilities as may be delegated to the Lead Director by the Board from time to time.

### **Audit Committee**

The Audit Committee is comprised of Keith McKay (Chair), Elijah Tyshynski, and Murray John. All members of the Audit Committee are independent. A copy of the charter of the Audit Committee is available on the Corporation's website at [www.o3mining.ca](http://www.o3mining.ca).

### **Nomination of Directors**

The Board, the CG&N Committee and the individual directors hold the responsibility for the nomination and assessment of new directors. The Board seeks to achieve a balance of knowledge, experience and capability among the members of the Board. When presenting Shareholders with a slate of nominees for election, the Board considers the following:

- the competencies and skills necessary for the Board as a whole to possess;
- the competencies and skills necessary for each individual director to possess;
- competencies and skills which each new nominee to the Board is expected to bring; and
- whether the proposed nominees to the Board will be able to devote sufficient time and resources to the Corporation.

The Board also recommends the number of directors on the Board to Shareholders for approval, subject to compliance with the requirements of the OBCA and the Corporation's articles and by-laws. Between annual Shareholder meetings, the Board may appoint directors to serve until the next annual Shareholder meeting, subject to compliance with the requirements of the OBCA. Individual directors are responsible for assisting the Board in identifying and recommending new nominees for election to the Board, as needed or appropriate.

The Board will periodically assess the appropriate number of directors on the Board and whether any vacancies on the Board are expected due to retirement or otherwise. If vacancies are anticipated, or otherwise arise, or the size of the Board is expanded, the Board will consider various potential candidates for director. Candidates may come to the attention of the Board through current directors or management, Shareholders or other persons. These candidates will be evaluated at a regular or special meeting of the Board, and may be considered at any point during the year.

### **Corporate Governance and Nomination Committee**

The CG&N Committee assists the Board with respect to corporate governance and director nomination matters. The CG&N Committee is currently comprised of Murray John (Chair), Patrick Anderson, and Amy Satov. All members of the CG&N Committee are independent.

The CG&N Committee's responsibilities include:

- (a) recommending suitable candidates for nominees for election or appointment as directors and specifying the criteria governing the overall composition of the Board and governing the desirable individual characteristics for directors, form the basis of each recommendation;
- (b) maintaining an overview of the entire membership of the Board ensuring that qualifications required under any applicable laws are maintained and advising the Chairman on the disposition of a tender of resignation which a director is expected to offer:
  - 1. when such director does not meet the eligibility rules under the conflict of interest guidelines; or
  - 2. when the credentials underlying the appointment of such director change;
- (c) reviewing annually the credentials of nominees for re-election to be named for re-election considering: (i) an evaluation of the effectiveness of the Board and the performance of each director; (ii) the continuing validity of the credentials underlying the appointment of each director; and (iii) continuing compliance with the eligibility rules under the conflict of interest guidelines;
- (d) whenever considered appropriate, directing the Chairman and/or Lead Director, if any, to advise each candidate prior to the appointment of the credentials underlying the recommendation of the candidate's appointment;
- (e) recommending to the Board at the annual meeting of the Directors, the allocation of Board members to each of the Board committees and, where a vacancy occurs at any time in the membership of any Board committee, recommend to the Board a member to fill such vacancy;
- (f) having sole authority to retain and terminate any search firm to be used to identify director candidates, including sole authority to approve fees and other terms of the retention;
- (g) annually assessing the performance of the Board, its committees and Board members and making recommendations to the Board; and
- (h) monitoring on a continuing basis and, whenever considered appropriate, making recommendations to the Board concerning the corporate governance of the Corporation, including: (i) reviewing at least annually the corporate governance practices and recommend appropriate policies, practices and procedures; (ii) reviewing at least annually the adequacy and effectiveness of the Board of Directors' governance policies and make appropriate recommendations for their improvement; (iii) reviewing the corporate governance sections of the Corporation's management information circular distributed to shareholders, including the statement of corporate governance practices; and (iv) assessing shareholder proposals as necessary for inclusion in the Corporation's management information circular, and making appropriate recommendations to the Board.

The CG&N Committee's responsibilities also include:

- (i) unless otherwise delegated to another committee by the Board, approving all transactions involving the Corporation and "related parties" as that term is defined in Multilateral Instrument 61-101 – *Protection of Minority Securityholders in Special Transactions* (collectively, "**Related Party Transactions**");

- (j) unless otherwise delegated to another committee by the Board, monitoring any Related Party Transactions and report to the Board on a regular basis regarding the nature and extent of the Related Party Transactions;
- (k) establishing guidelines and parameters within which the Corporation and its subsidiaries shall be entitled to engage in Related Party Transactions without specific prior approval of the CG&N Committee;
- (l) implementing structures from time to time to ensure that the directors can function independently of management;
- (m) providing an appropriate orientation program for new directors and continuing education opportunities to existing directors so that individual directors can maintain and enhance their abilities and ensure that their knowledge of the business of the Corporation remains current;
- (n) responding to requests by, and if appropriate, authorizing, individual directors to engage outside advisors at the expense of the Corporation;
- (o) implementing a process for assessing the effectiveness of the Board as a whole, the committees of the directors and individual directors based upon: (i) for directors and committee members, the mandate of the Board and charters of the appropriate committees, respectively; and (ii) for individual directors, their respective position descriptions (if any) as well as the skills and competencies which directors are expected to bring to the Board;
- (p) considering on a regular basis the number of directors of the Corporation, having in mind the competencies required on the Board as a whole;
- (q) overseeing and monitoring any litigation, claim, or regulatory investigation or proceeding involving the Corporation;
- (r) developing an annual work plan that ensures that the CG&N Committee carries out its responsibilities.
- (s) implementing, as well as periodically reviewing, assessing and updating, the Corporation's policies and procedures, as established and amended from time to time, including: (i) the Corporate Disclosure Policy, Confidentiality and Insider Trading Policy, Whistleblower Policy and Anti-Bribery and Anti-Corruption Policy; and (ii) periodically evaluating the effectiveness of the Corporation's disclosure controls and procedures, including but not limited to, assessing the adequacy of the controls and procedures in place.

### **Compensation Committee**

The Compensation Committee reviews the compensation of the directors and senior officers. Further details on director and executive compensation can be found under the heading "*Statement of Executive Compensation*". The Compensation Committee reviews and makes recommendations to the Board regarding the granting of awards pursuant to any of the Corporation's compensation plans to directors and senior officers, compensation for senior officers, including the CEO and directors' fees, if any, from time to time. The Compensation Committee is currently comprised of Amy Satov (Chair), John Burzynski and Bernardo Alvarez Calderon. Amy Satov and Bernardo Alvarez Calderon are independent within the meaning of NI 58-101 and all of whom the Board believes have direct and indirect expertise, experience and education relevant to their role as members thereof.

The Compensation Committee's responsibilities are as follows:

- (a) annually reviewing, approving and recommending to the Board for approval the remuneration of the senior executives of the Corporation, namely, any executives in the offices of Chief Executive Officer, President, Vice-Presidents, Chief Financial Officer and any senior executives of the Corporation having comparable positions as may be specified by the Board (collectively, the "**Senior Executives**");
- (b) reviewing the Chief Executive Officer's goals and objectives for the upcoming year and to provide an appraisal of the Chief Executive Officer's performance at the end of the year;
- (c) reviewing, with the Chief Executive Officer, the goals and objectives of other Senior Executives and their compensation and performance;
- (d) reviewing and recommending to the Board for approval employment offers for Chief Executive Officer or any senior executive employment offer, or any offer that contains special terms including, but not limited to, any retiring or other allowance agreements, equity based compensation and any proposed change of control provisions;
- (e) at its discretion, to propose to the Board the engagement of, and manage and supervise compensation consultants to assist in the evaluation of Senior Executives' and Directors' compensation, including fees and other terms of retention;
- (f) reviewing and recommending to the Board for its approval the remuneration and other incentive plans of directors. The Compensation Committee seeks to ensure that such compensation and benefits reflect the responsibilities and risks involved in being a director of the Corporation and align the interests of the directors with the best interests of the Corporation;
- (g) reviewing on an annual basis the remuneration policies of the Corporation, including the total remuneration (including benefits) and the main components thereof for the directors and Senior Executives, and to compare such remuneration policies with the remuneration practices of peers in the same industry. The Compensation Committee may employ independent experts periodically as determined necessary to review remuneration policies for directors and Senior Executives;
- (h) reviewing periodically bonus plans and the Option Plan and consider these in light of new trends and practices of peers in the same industry;
- (i) reviewing and recommending to the Board for its approval the disclosure required in any management information circular of the Corporation in respect of executive compensation;
- (j) subject to the powers of the Board, shareholder approval of all share compensation plans and receipt of all necessary regulatory approvals, determining those directors, officers, employees and consultants of the Corporation who will participate in long term incentive plans; determining the number of shares of the Corporation allocated to each participant under such plan; determining the time or times when ownership of such shares will vest for each participant; and administering all matters relating to any long term incentive plan and any employee bonus plan to which the Compensation Committee has been delegated authority pursuant to the terms of such plans or any resolutions passed by the Board;
- (k) making recommendations annually regarding the Chief Executives' and senior executives' entitlement to be paid a bonus under any employment bonus plan;
- (l) reporting regularly to the Board in relation to any matters arising from its review of compensation practices of the Corporation;

- (m) reviewing and assessing its mandate and recommend any proposed changes to the Board on an annual basis; and
- (n) evaluating the function of the Committee on an annual basis.

For additional information, please also see "*Statement of Executive Compensation*".

### **Sustainable Development Committee**

In addition to the Audit Committee, the CG&N Committee and the Compensation Committee, the Board also has a Sustainable Development Committee. The Sustainable Development Committee is comprised of Bernardo Alvarez Calderon (Chair), Murray John, and José Vizquerra Benavides.

The Sustainable Development Committee is tasked with the following responsibilities:

- (a) reviewing and discussing with management the safety, health, environment and sustainability policies of the Corporation and, where appropriate, recommend revisions to those policies to the Board;
- (b) receiving and reviewing updates from management regarding the safety, health, environment and sustainability performance of the Corporation on behalf of the Board, to ensure that management is taking appropriate measures to comply with relevant laws and regulations concerning the Corporation's safety, health, environment and sustainability policies;
- (c) reviewing and reporting to the Board on the results of any material safety, health, environment or sustainability incident at any of the Corporation's operations;
- (d) reviewing and reporting to the Board on the results of any health, safety, environment and sustainability audits performed at any of the Corporation's operations;
- (e) reviewing management's response to all health, safety, environment and sustainability audits and material incidents;
- (f) investigating, or causing to be investigated, material negative safety, health, environment or sustainability performance;
- (g) using the committee's best efforts to make annual visits by at least one member of the Sustainable Development Committee, to each of the Corporation's material projects, in order to review relevant safety, health, environment and sustainability objectives, procedures and performance;
- (h) periodically reviewing and reporting to the Board on the sufficiency of the resources available for carrying out the Corporation's health, safety, environment and sustainability responsibilities and obligations;
- (i) periodically reviewing and reporting to the Board on the safety, health, environment and sustainability risks associated with the Corporation's operations, and the procedures and plans designed to manage and mitigate those risks;
- (j) periodically reviewing management's assessment of trends and the impact of proposed laws, regulations and voluntary codes or initiatives affecting safety, health, environment and sustainability matters; and
- (k) periodically reviewing management's plans and actions with respect to sustainable development and support for communities within the area of the Corporation's operations.

The Sustainable Development Committee's responsibilities with respect to corporate social responsibility matters include:

- (l) ensuring management develops, adopts and implements social policies, programs, procedures and activities in communities where the Corporation conducts its business that are based consistent with industry best practice and are based on the Corporation's desire to be an industry leader;
- (m) receiving reports from management on the Corporation's corporate social responsibility programs, including significant sustainable development, community relations and security policies and procedures;
- (n) satisfying itself that management of the Corporation monitors trends and reviews current and emerging issues in the corporate social responsibility field and evaluates the impact on the Corporation; and
- (o) receiving reports from management on the Corporation's corporate social responsibility performance to assess the effectiveness of the corporate social responsibility program.

The Sustainable Development Committee is also responsible for certain human resources matters including overseeing the implementation of the Corporation's recruitment and retention objectives and corporate culture strategies.

## **Position Descriptions**

### ***Chairman of the Board***

John Burzynski currently acts as the Chairman of the Board. The Board has developed and adopted a written position description for the Chairman of the Board, which is described within the Board mandate. Pursuant to the written description, the Chairman is responsible for, among other things:

- (a) chair all meetings of the Board in a manner that promotes meaningful discussion.
- (b) Provide leadership to the Board to enhance the Board's effectiveness, including:
  - (i) ensure that the responsibilities of the Board are well understood by both management and the Board;
  - (ii) ensure that the Board works as a cohesive team with open communication;
  - (iii) ensure that the resources available to the Board (in particular timely and relevant information) are adequate to support its work;
  - (iv) together with the Corporate Governance and Compensation Committee, ensure that a process is in place by which the effectiveness of the Board and its committees (including size and composition) is assessed at least annually; and
  - (v) together with the Corporate Governance and Compensation Committee, ensure that a process is in place by which the contribution of each individual director to the effectiveness of the Board is assessed at least annually.

- (c) Manage the Board, including:
- (i) prepare the agenda of the Board meetings and ensure pre-meeting material is distributed in a timely manner and is appropriate in terms of relevance, efficient format and detail;
  - (ii) adopt procedures to ensure that the Board can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings;
  - (iii) ensure meetings are appropriate in terms of frequency, length and content;
  - (iv) ensure that, where functions are delegated to appropriate committees, the functions are carried out and results are reported to the Board;
  - (v) ensure that a succession planning process is in place to appoint senior members of management and directors when necessary;
  - (vi) ensure procedures are established to identify, assess and recommend new nominees for appointment to the Board and its committees; and
  - (vii) together with any special committee appointed for such purpose, approach potential candidates once potential candidates are identified, to explore their interest in joining the Board and proposing new nominees for appointment to the Board and its committees.
- (d) If the Chairman is an independent director, the Chairman will:
- (i) in conjunction with the chair of the Corporate Governance & Nominating Committee, provide leadership to ensure that the Board functions independently of management of the Corporation;
  - (ii) chair meetings of independent directors or non-management directors held following Board meetings;
  - (iii) recommend, where necessary, the holding of special meetings of the Board;
  - (iv) review items of importance for consideration by Board with the CEO;
  - (v) consult and meet with any or all of the Corporation's independent directors, at the discretion of either party and represent such directors in discussions with management of the Corporation concerning corporate governance issues and other matters;
  - (vi) ensure that all business required to come before the Board is brought before the Board, such that the Board is able to carry out all of its duties to supervise the management of the business and affairs of the Corporation, and together with the CEO, formulate an agenda for each Board meeting;
  - (vii) together with the chair of the Corporate Governance & Nominating Committee, ensure that the Board, committees of the Board, individual directors and senior management of the Corporation understand and discharge their duties and

obligations under the approach to corporate governance adopted by the Board from time to time;

- (viii) mentor and counsel new members of the Board to assist them in becoming active and effective directors;
  - (ix) facilitate the process of conducting director evaluations; and
  - (x) promote best practices and high standards of corporate governance.
- (e) Act as liaison between the Board and management to ensure that relationships between the Board and management are conducted in a professional and constructive manner. This involves working with the Corporate Governance & Nominating Committee to ensure that the Corporation is building a healthy governance culture.
- (f) At the request of the Board, represent the Corporation to external groups such as shareholders and other stakeholders, including community groups and governments.

### ***Chief Executive Officer***

The Chief Executive Officer of the Corporation is currently José Vizquerra Benavides. The Board has developed and adopted a role statement for the Chief Executive Officer. The Chief Executive Officer's primary role is to take overall supervisory and managerial responsibility for the day to day operations of the Corporation's business and manage the Corporation to achieve the goals and objectives determined by the Board, as developed in the Corporation's strategic plan. The Chief Executive Officer's responsibilities include, but are not limited to:

- (a) co-ordinate the preparation of an annual business plan or strategic plan;
- (b) maintain and develop with the Board strategic plans for the Corporation and implement such plans to the best abilities of the Corporation;
- (c) provide high-level policy options, orientations and discussions for consideration by the Board;
- (d) provide support, co-ordination and guidance to various responsible officers and managers of the Corporation;
- (e) implement, oversee and guide the investor relations program for the Corporation, which shall, among other things, ensure communications between the Corporation and major stakeholders, including and most importantly the Corporation's shareholders, are managed in an optimum way and are done in accordance with applicable securities laws;
- (f) provide timely strategic, operational and reporting information to the Board and implement its decisions in accordance with good governance, with the Corporation's policies and procedures, and within budget;
- (g) take primary responsibility for the administration of all of the Corporation's subareas and administrative practices;
- (h) together with any special committee appointed for such purpose, maintain existing and develop new strategic alliances and consider possible merger or acquisition transactions with other mining companies which will be constructive for the Corporation's business and will help enhance shareholder value;

- (i) ensure appropriate governance skills development and resources are made available to the Board;
- (j) implement workplace policies and procedures that ensure compliance with the provisions of this Manual by all the Corporation's officers, directors, employees, customers and contractors;
- (k) provide quality leadership to the Corporation's staff and ensure that the Corporation's human resources are managed properly;
- (l) develop and maintain the Corporation's goal to operate to the highest standards of the industry;
- (m) act as an entrepreneur and innovator within the strategic goals of the Corporation; and
- (n) provide a culture of high ethics throughout the organization.

#### ***Chairmen of the Board's Committees***

The Board has developed and adopted a written position description for the Chairman of each of the Audit Committee, the CG&N Committee, the Compensation Committee and the Sustainable Development Committee that delineate the role and responsibility of each Chairman and outline specific tasks, duties and responsibilities of the respective Chairman and committee in accordance with the recommendations set forth in NP 58-201.

#### ***Chairman of the Audit Committee***

The Chairman of the Audit Committee is currently Keith McKay. The following are the primary responsibilities of the Chairman of the Audit Committee: (i) chairing all meetings of the committee in a manner that promotes meaningful discussion; (ii) ensuring adherence to the Audit Committee's charter and that the adequacy of the Audit Committee's charter is reviewed annually; (iii) providing leadership to the committee to enhance its effectiveness; (iv) ensuring that procedures as determined by the committee are in place for dealing with complaints received by the Corporation regarding accounting, internal controls and auditing matters, and for employees to submit confidential anonymous concerns; (v) managing the committee; and (vi) performing such other duties as may be delegated from time to time to the Chairman by the Board.

#### ***Chairman of the Corporate Governance and Nominating Committee***

The Chairman of the CG&N Committee is currently Murray John. The following are the primary responsibilities of the Chairman of the CG&N Committee: (i) scheduling, setting the agenda and chairing all meetings of the committee in a manner that promotes meaningful discussion; (ii) retaining, in consultation with the Chairman of the Board or Lead Director, as appropriate, expert consultants on behalf of the Committee, as needed; (ii) ensuring that committee members are receiving written information and are exposed to presentations from management consistent with fulfilling the mandate of the committee; (iv) communicate with appropriate members of management in fulfilling the mandate of the committee; and (v) annually overseeing the assessment of the performance of the committee.

#### ***Chairman of the Compensation Committee***

The Chairman of the Compensation Committee is currently Amy Satov. The following are the primary responsibilities of the Chairman of the Compensation Committee: (i) scheduling, setting the agenda and chairing all meetings of the committee in a manner that promotes meaningful discussion; (ii) retaining, in consultation with the Chairman of the Board or Lead Director, as appropriate, expert consultants on behalf of the Committee, as needed; (ii) ensuring that committee members are receiving written information and are exposed to presentations from management consistent with fulfilling the mandate of the committee; (iv)

communicate with appropriate members of management in fulfilling the mandate of the committee; and (v) annually overseeing the assessment of the performance of the committee.

#### *Chairman of the Sustainable Development Committee*

The Chairman of the Sustainable Development Committee is currently Bernardo Alvarez Calderon. The following are the primary responsibilities of the Chairman of the Sustainable Development Committee: (i) scheduling, setting the agenda and chairing all meetings of the committee in a manner that promotes meaningful discussion; (ii) retaining, in consultation with the Chairman of the Board or Lead Director, as appropriate, expert consultants on behalf of the Committee, as needed; (ii) ensuring that committee members are receiving written information and are exposed to presentations from management consistent with fulfilling the mandate of the committee; (iv) communicate with appropriate members of management in fulfilling the mandate of the committee; and (v) annually overseeing the assessment of the performance of the committee.

#### *Orientation and Continuing Education*

The Board, together with the CG&N Committee, is responsible for providing a comprehensive orientation and education program for new directors that deals with the role of the Board and its committees; the nature and operation of the business of the Corporation; and the contribution that individual directors are expected to make to the Board in terms of both time and resource commitments.

The Corporation is committed to a continuing education program for all directors.

The Sustainable Development Committee mandate stipulates that directors who are members of the Sustainable Development Committee make best efforts to make annual visits to the Corporation's material projects by at least one member of the Sustainable Development Committee.

In addition, in the event of significant regulatory or other industry developments that may affect the Corporation, the Corporation, in conjunction with the CG&N Committee, will arrange for an appropriate member of management, the independent auditor, outside legal counsel and/or other experts, as deemed appropriate, to present an overview of the changes to the Board and the ways in which they may impact the Corporation, Shareholders and/or the Board.

Directors may also participate in seminars and educational programs at the expense of the Corporation which can enhance their abilities to fulfill their roles as Board or committee members.

#### **Business Conduct and Ethics Policy**

The Board is responsible for ensuring compliance with the Business Conduct and Ethics Policy, and there have been no departures from the policy since its adoption on July 5, 2019.

To ensure the directors exercise independent judgment in considering transactions and agreements in which a director or officer has a material interest, all such matters are considered and approved by the independent directors. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke such a conflict.

The Corporation believes that it has adopted corporate governance procedures and policies which encourage ethical behavior by the Corporation's directors, officers and employees.

#### **Assessments**

The CG&N Committee has a mandate and responsibility to annually assess the performance of the Board, its committees and individual Board members and make recommendations to the Board, which will be reported for the year ended 2020. Assessment of individual board member effectiveness is the principal

criteria for board member retention and as a result, the Corporation does not have a formal term limit retirement age for directors.

### **Corporate Disclosure Policy**

The Board has adopted a Corporate Disclosure Policy (the "**Disclosure Policy**") that was designed to formalize the Corporation's policies and procedures relating to the dissemination of material information. The Disclosure Policy extends to all employees, directors, officers, and consultants, where applicable. A copy of the Disclosure Policy is available on the Corporation's website ([www.o3mining.ca](http://www.o3mining.ca)).

### **Confidentiality and Insider Trading Policy**

The Board has adopted a Confidentiality and Insider Trading Policy that was designed to prevent improper insider trading and the improper communication of undisclosed material information regarding the Corporation and to ensure that directors, officers, employees and persons or companies related to or controlled by them act, and are perceived to act, in accordance with applicable laws and the highest ethical standards and professional behavior. A copy of the Confidentiality and Insider Trading Policy is available on the Corporation's website ([www.o3mining.ca](http://www.o3mining.ca)).

### **Board and Executive Officers**

The Board is comprised of eight (8) directors, six (6) of whom are considered independent at this time. For more information refer to the section "*Statement of Corporate Governance – Board of Directors*". The members of the Board have diverse backgrounds and expertise, and were selected on the belief that the Corporation and its stakeholders would benefit materially from such a broad range of talent and experience. As the need for new directors or executive officers arises, the Board and the CG&N Committee assess candidates on the basis of knowledge, industry experience, financial literacy, professional ethics and business acumen, among other factors. The Board and the CG&N Committee recognize the potential benefits from new perspectives that could manifest through greater gender diversity and recognizes that diversity can enhance culture and create value for the Corporation and its stakeholders. While the Corporation has not set a target with respect to the appointment of female executive officers, the Corporation is committed to providing an environment in which all employees and directors are treated with fairness and respect, and have equal access to opportunities for advancement based on skills and aptitude.

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

No director, executive officer, or employee of the Corporation or any of its subsidiaries, former director, executive officer, or employee of the Corporation or any of its subsidiaries, proposed nominee for election as director of the Corporation, or any associate of any of the foregoing, (i) has been or is indebted to the Corporation or any of its subsidiaries, at any time during its last completed fiscal year, or (ii) has had any indebtedness to another entity at any time during its last completed fiscal year which has been the subject of a guarantee, support agreement, letter of credit, or other similar arrangement provided by the Corporation or any of its subsidiaries.

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

To the knowledge of the Corporation, after reasonable enquiry, other than as disclosed herein, no informed person of the Corporation, any proposed nominee for election as a director, or any associate or affiliate of any informed person, or proposed nominee for election as a director has or had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Corporation or its subsidiaries since the commencement of the Corporation's most recently completed fiscal year.

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation may be found on SEDAR ([www.sedar.com](http://www.sedar.com)) under the Corporation's issuer profile. Inquiries including requests for copies of the Corporation's financial statements

and management's discussion and analysis may be directed to the Corporation at 155 University Avenue, Suite 1440, Toronto, Ontario, Canada, M5H 3B7, Attention: José Vizquerra Benavides, President and Chief Executive Officer. Additional financial information is provided in the Corporation's financial statements and management's discussion and analysis for the year ended December 31, 2019, which are also available on SEDAR ([www.sedar.com](http://www.sedar.com)) under the Corporation's issuer profile.

### **APPROVAL**

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

### **BY ORDER OF THE BOARD OF DIRECTORS**

(signed) "*José Vizquerra Benavides*"

José Vizquerra Benavides  
President, Chief Executive Officer and Director

**SCHEDULE "A"**  
**STOCK OPTION PLAN**

**Section 1 Purpose**

The purpose of this stock option plan (this "**Option Plan**") is to authorize the grant to service providers for O3 Mining Inc. (the "**Corporation**") of options to purchase common shares ("**shares**") of the Corporation's capital and thus benefit the Corporation by enabling it to attract, retain and motivate service providers by providing them with the opportunity, through share options, to acquire an increased proprietary interest in the Corporation.

**Section 2 Administration**

This Option Plan shall be administered by the board of directors of the Corporation or a committee established by the board of directors for that purpose (the "**Committee**"). Subject to approval of the granting of options by the board of directors or Committee, as applicable, the Corporation shall grant options under this Option Plan.

**Section 3 Shares Subject to this Option Plan**

Subject to adjustment under the provisions of Section 11 hereof, the aggregate number of shares of the Corporation which may be issued and sold under this Option Plan and pursuant to all other Security Based Compensation Arrangements (as defined herein), will not exceed 10% of the total number of issued and outstanding shares of the Corporation from time to time, unless this Option Plan is amended pursuant to the requirements of the TSXV Corporate Finance Manual and, if applicable, the NEX Policies. The Corporation shall not, upon the exercise of any option, be required to issue or deliver any shares prior to (a) the admission of such shares to listing on any stock exchange on which the Corporation's shares may then be listed, and (b) the completion of such registration or other qualification of such shares under any law, rules or regulation as the Corporation shall determine to be necessary or advisable. If any shares cannot be issued to any optionee for whatever reason, the obligation of the Corporation to issue such shares shall terminate and any option exercise price paid to the Corporation shall be returned to the optionee. Any increase in the issued and outstanding shares will result in an increase in the available number of shares issuable under this Option Plan, and any exercises of options will make new grants available under this Option Plan effectively resulting in a re-loading of the number of options available to grant under this Option Plan.

The maximum number of shares which may be issued to any one optionee under this Option Plan together with any Share Compensation Arrangement in any 12 month period shall not exceed 5% of the number of shares outstanding (on a non-diluted basis) from time to time, unless disinterested shareholder approval is obtained pursuant to the policies of the TSX Venture Exchange ("**TSXV**") or any stock exchange or regulatory authority having jurisdiction over the securities of the Corporation.

The maximum number of shares which may be issuable to all Insiders (as defined herein) at any time under this Option Plan together with any other Share Compensation Arrangement shall not exceed 10% of the shares outstanding (on a non-diluted basis) from time to time. The number of shares issued to Insiders within any one year period pursuant to all of the Corporation's Security Based Compensation Arrangements shall not exceed 10% of the number of outstanding shares on a non-diluted basis.

The maximum number of shares which may be issuable to any one Consultant (as defined herein) within any one year period under this Option Plan together with any other Share Compensation Arrangement shall not exceed 2% of the shares outstanding on a non-diluted basis.

The maximum number of shares which may be issuable to all Investor Relations Employee (as defined herein) within any one year period, under this Option Plan together with any other Share Compensation Arrangement shall not exceed 2% of the shares outstanding on a non-diluted basis.

No options can be granted under the Option Plan if the Corporation is on notice from the TSXV to transfer its listed shares to the NEX (as defined herein) or while the Corporation's shares trade on the NEX.

For the purpose of this Option Plan, "**Insider**" shall have the meaning ascribed to such term in the TSXV Corporate Finance Manual. For the purposes of this Option Plan, "**NEX**" means separate board of the TSXV for companies previously listed on the TSXV or the Toronto Stock Exchange which have failed to maintain compliance with the ongoing financial listing standards of those markets. For the purposes of this Option Plan "**NEX Policies**" means the rules and policies of the NEX as amended from time to time. For the purposes of this Option Plan, "**Security Based Compensation Arrangements**" means a stock option, stock option plan, restricted share unit plan, deferred share unit plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of shares to one or more service providers for the Corporation, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise and any other equity-based compensation plan in effect from time to time. For the purposes of this Option Plan "**TSXV Corporate Finance Manual**" means the rules and policies of the TSXV as amended from time to time.

#### **Section 4 Eligibility**

Options shall be granted only to service providers for the Corporation. The term "**service providers**" for the Corporation means: (a) any full or part-time employee ("**Employee**") or officer, or insider of the Corporation or any of its subsidiaries; (b) any other person employed by a company or individual providing management services to the Corporation ("**Management Company Employee**"); (c) any other person or company engaged to provide ongoing consulting services for the Corporation or any entity controlled by the Corporation ("**Consultant**"); (d) any individual engaged to provide services that promote the purchase or sale of the issued securities ("**Investor Relations Employee**"); and (e) also includes a corporation, 100% of the share capital of which is beneficially owned by one or more service providers (any person in (a) (b), (c), (d) or (e) hereinafter referred to as an "**Eligible Person**"); and (f) any registered retirement savings plan established by such Eligible Person, or any corporation controlled by such Eligible Person, the issued and outstanding voting shares of which are, and will continue to be, beneficially owned, directly or indirectly, by such Eligible Person and/or the spouse, children and/or grandchildren of such Eligible Person.

For stock options to Employees, Consultants or Management Company Employees, the Corporation must represent that the optionee is a bona fide Employee, Consultant or Management Company Employee as the case may be. The terms "insider", "controlled" and "subsidiaries" shall have the meanings ascribed thereto in the *Securities Act* (Ontario) from time to time. Subject to the foregoing, the board of directors or Committee, as applicable, shall have full and final authority to determine the persons who are to be granted options under this Option Plan and the number of shares subject to each option. In addition, the participation of non-employee directors in this Option Plan shall be subject to the following limitations: (a) grants to any individual non-employee director of the Corporation under this Option Plan, when combined with grants under all of the other security-based compensation arrangements of the Corporation, shall not exceed \$150,000 annually, with no more than \$100,000 in grant date value provided in the form of options under this Option Plan; and (b) the aggregate number of shares made available for issuance from treasury to all non-employee directors under this Option Plan, when combined with grants under all other security-based compensation arrangements of the shares, shall not exceed one percent (1%) of the total issued and outstanding shares of the Corporation.

#### **Section 5 Price**

The purchase price (the "**Price**") for the shares of the Corporation under each option shall be determined by the board of directors or Committee, as applicable, on the basis of the market price at the time the option is granted, where "**market price**" shall mean the closing price of the shares of the Corporation on the TSXV or another stock exchange or dealing network where the majority of the trading volume or value of the

shares occurs, on the date immediately preceding the date of the option grant in question, subject to applicable laws and regulations, and where there is no such closing price or trade on the prior trading day, "market price" shall mean the average of the most recent bid and ask of the shares of the Corporation on any stock exchange on which the shares are listed or dealing network on which the shares of the Corporation trade.

In the event the shares are listed on the TSXV, in no event shall the Price be less than the Discounted Market Price, provided that (except for the exception outlined below) if options are granted within 90 days of a distribution of shares (or shares and other securities) of the Corporation by way of a prospectus, the minimum Price of those options will be the greater of the Discounted Market Price and the per share price paid by the public investors for shares acquired under the distribution. The 90 day period shall be calculated from the date a final receipt is issued for the prospectus unless the prospectus qualifies the distribution of shares underlying special warrants, in which case the 90 day period shall be calculated from the date of closing of the private placement of special warrants. Notwithstanding the foregoing, in certain circumstances, such as when an option is offered to an individual as an inducement to secure employment, the Price may be otherwise determined but only with the prior consent of the TSXV.

For the purposes of this Option Plan, "**Discounted Market Price**" means the market price less the following maximum discounts based on closing price (and subject, notwithstanding the application of any such maximum discount, to a minimum price per share of \$0.05):

Closing Price	Discount
Up to \$0.50	25%
\$0.51 to \$2.00	20%
Above \$2.00	15%

## **Section 6      Period of Option and Rights to Exercise**

Subject to the provisions of this Section 6 and Sections 7, 8, 9 and 16 below, options will be exercisable in whole or in part, and from time to time, during the currency thereof. Options shall not be granted for a term exceeding the later of (i) ten years following the date of grant thereof; and (ii) the date which is the tenth business day following the conclusion of a self-imposed blackout period of the Corporation which is in effect on the date which is ten years following the date of grant thereof. The shares to be purchased upon each exercise of any option (the "**optioned shares**") shall be paid for in full at the time of such exercise. Except as provided in Sections 7, 8, 9 and 17 below, no option which is held by a service provider may be exercised unless the optionee is then a service provider for the Corporation.

## **Section 7      Cessation of Provision of Services**

Subject to Section 9 below, if any optionee who is a service provider shall cease to be a service provider for the Corporation for any reason (except as otherwise provided in Sections 8 or 9 below) (whether or not for cause) the optionee may, but only within the period of ninety days, or thirty days if the service provider is an Investor Relations Employee, next succeeding such cessation and in no event after the expiry date of the optionee's option, exercise the optionee's options which have vested as of the date of such cessation, unless such period is extended as provided in Section 9 below or reduced in accordance with any agreement pursuant to which the option is granted. For greater certainty, no options shall vest following the date upon which an optionee who is a service provider shall cease to be a service provider of the Corporation for any reason, unless otherwise approved by the board of directors.

## **Section 8      Death of Optionee**

Subject to Section 9 below, in the event of the death of an optionee during the currency of the optionee's option, the option theretofore granted to the optionee shall be exercisable within, but only within, the period of one year next succeeding the optionee's death and in no event after the expiry date of the option. Before expiry of an option under this Section 8, the board of directors or Committee, as applicable, shall notify the optionee's representative in writing of such expiry.

## **Section 9      Extension of Option**

- (a) In addition to the provisions of Sections 7 and 8, the board of directors or Committee, as applicable, may extend the period of time within which an option held by a deceased optionee may be exercised or within which an option may be exercised by an optionee who has ceased to be a service provider for the Corporation, but such an extension shall not be granted beyond the original expiry date of the option. Any extensions of options granted under this Option Plan are subject to applicable regulatory approval.
- (b) Subject to the approval of the TSXV, if required, the board of directors shall have the right to adjust the exercise period of any portion of any option which remains unvested.

## **Section 10     Non-Assignability and Non-Transferability of Option**

An option granted under this Option Plan shall be non-assignable and non-transferable by an optionee otherwise than by will or by the laws of descent and distribution, and such option shall be exercisable, during an optionee's lifetime, only by the optionee.

## **Section 11     Adjustments in Shares Subject to Plan**

The aggregate number and kind of shares available under this Option Plan shall be appropriately adjusted in the event of a reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, rights offering or any other change in the corporate structure or shares of the Corporation. The options granted under this Option Plan may contain such provisions as the board of directors, or Committee, as applicable, may determine with respect to adjustments to be made in the number and kind of shares covered by such options and in the option price in the event of any such change. If there is a reduction in the exercise price or an extension of the term of the options of an insider of the Corporation under any circumstances, the Corporation will be required to obtain approval from disinterested shareholders.

## **Section 12     Amendment and Termination of this Stock Option Plan**

- (a) The board of directors or Committee may from time to time amend, suspend or terminate (or re-instate) this Option Plan in whole or in part, and without shareholder approval; provided however, that no such amendment may materially and adversely affect any option previously granted to an optionee without the consent of the optionee, except to the extent required by law. Any such amendment shall be subject to the receipt of requisite regulatory approval including, without limitation, the approval of any stock exchange upon which the shares may trade from time to time; provided, however, that no such amendment may: (i) increase the maximum number of shares that may be optioned under this Option Plan; (ii) change the manner of determining the minimum Price; or (iii) effect a reduction in the exercise price or extension of the term of any options; (iv) remove or exceed the insider participation limit prescribed by the TSXV Corporate Finance Manual; (v) broaden the definition of Eligible Person under this Option Plan; (vi) broaden or increase the annual participation limit of any non-employee director of the Corporation under this Option Plan; (vii) permit an optionee to transfer options granted under this Option Plan to another person that is not under such optionee's ownership or control; or (viii) modify this amendment

provision, unless shareholder and regulatory approval is obtained. Any amendments to the terms of an option under this Option Plan shall also require regulatory approval, including without limitation, the approval of any stock exchange upon which the shares may trade from time to time.

- (b) For greater certainty, the board of directors or Committee may make the following amendments without seeking the approval of the shareholders of the Corporation:
  - (i) amendments to this Option Plan to rectify typographical errors and/or to include clarifying provisions for greater certainty;
  - (ii) amendments to the vesting provisions of a security or this Option Plan, subject to prior written approval of the TSXV, if applicable;
  - (iii) amendments to the termination provisions of a security or this Option Plan which does not entail an extension beyond the original expiry date thereof, subject to prior written approval of the TSXV, if applicable;
  - (iv) amendments necessary as a result of changes in securities laws and other laws applicable to the Corporation;
  - (v) if the Corporation becomes listed or quoted on a stock exchange or stock market senior to the TSXV, it may make such amendments as may be required by the policies of such senior stock exchange or stock market;
  - (vi) amendments to the exercise price (so long as any reduction does not cause the exercise price to go below the current "market price" as defined in Section 5 hereof) unless such amendment would benefit "insiders" as defined in the *Securities Act* (Ontario); and
  - (vii) amendments that reduce, and do not increase, the benefits of this Option Plan to service providers.
- (c) Subject to this Section 12 and the rules of the TSXV, the exercise price of an option may be amended only if at least six (6) months have elapsed since the later of the date of commencement of the term of the option, the date the shares commenced trading on the TSXV, and the date of the last amendment of the exercise price.
- (d) An option must be outstanding for at least one year before the Corporation may extend its term, subject to the limits contained in Section 6.
- (e) Any proposed amendment to the terms of an option is subject to the rules of the TSXV.

### **Section 13 Terms or Amendments Requiring Disinterested Shareholder Approval**

The Corporation shall obtain disinterested shareholder approval prior to any of the following actions becoming effective:

- (a) the Option Plan, together with all of the Corporation's other Security Based Compensation Arrangements, could result at any time in:
  - (i) the number of shares reserved for issuance under options granted to Insiders exceeding 10% of the outstanding shares;

- (ii) the grant to Insiders within a twelve-month period of a number of options exceeding 10% of the outstanding shares; and
  - (iii) the issuance to any one service provider, within a 12-month period, of a number of shares exceeding 5% of outstanding shares; or
- (b) any reduction in the exercise price of an option previously granted to Insiders.

#### **Section 14 Effective Date of the Plan**

This Option Plan becomes effective on the date of its approval by the shareholders of the Corporation.

#### **Section 15 Evidence of Options**

Each option granted under this Option Plan shall be embodied in a written option agreement between the Corporation and the optionee which shall give effect to the provisions of this Option Plan.

#### **Section 16 Exercise of Option**

Subject to the provisions of this Option Plan and the particular option, an option may be exercised from time to time by delivering to the Corporation at its registered office a written notice of exercise specifying the number of shares with respect to which the option is being exercised and accompanied by payment in cash or certified cheque for the full amount of the purchase price of the shares then being purchased.

Upon receipt of a certificate of an authorized officer directing the issue of shares purchased under this Option Plan, the transfer agent is authorized and directed to issue and countersign share certificates for the optioned shares in the name of such optionee or the optionee's legal personal representative or as may be directed in writing by the optionee's legal personal representative. Such certificate issued will bear a legend stipulating any resale restrictions required under applicable securities laws. Further, if the Corporation is a Tier 2 or NEX Issuer, or the exercise price is set below the then current market price of the shares on the TSXV, the certificate will also bear a legend stipulating that the option shares are subject to a four-month TSXV hold period commencing on the date of the grant of the option.

Notwithstanding any other provision herein, no options may be exercised during any self-imposed blackout period of the Corporation. In the event that the expiry date of an option falls within any such self-imposed blackout period, such expiry date shall be the date which is the tenth business day following the conclusion of such blackout period of the Corporation.

#### **Section 17 Vesting Restrictions**

Options issued under this Option Plan may vest at the discretion of the board of directors or Committee, as applicable, provided that the number of shares which may be acquired pursuant to this Option Plan shall not exceed a specified number or percentage during the term of the option, other than in respect of any particular options granted to an Investor Relations Employee, which will vest in stages over twelve months with no more than one quarter (1/4) of such option vesting in any three month period.

#### **Section 18 Notice of Sale of all or Substantially all Shares or Assets**

If at any time when an option granted under this Option Plan remains unexercised with respect to any optioned shares:

- (a) the Corporation seeks approval from its shareholders for a transaction which, if completed, would constitute an Acceleration Event; or

- (b) a third party makes a *bona fide* formal offer or proposal to the Corporation or its shareholders which, if accepted, would constitute an Acceleration Event;

the Corporation shall, subject to TSXV approval, if required, notify the optionee in writing of such transaction, offer or proposal as soon as practicable and, provided that the board of directors or Committee, as applicable, has determined that no adjustment shall be made pursuant to Section 11 hereof, (i) the board of directors or Committee, as applicable, may permit the optionee to exercise the option granted under this Option Plan, as to all or any of the optioned shares in respect of which such option has not previously been exercised (regardless of any vesting restrictions), during the period specified in the notice (but in no event later than the expiry date of the option), so that the optionee may participate in such transaction, offer or proposal; and (ii) the board of directors or Committee, as applicable, may require the acceleration of the time for the exercise of the said option and of the time for the fulfilment of any conditions or restrictions on such exercise.

For these purposes, an Acceleration Event means the occurrence of any one or more of the following events:

- (a) the Corporation is not the surviving entity in a merger, amalgamation or other reorganization (or survives only as a subsidiary of an entity other than a previously wholly-owned subsidiary of the Corporation);
- (b) the Corporation sells all or substantially all of its assets to any other person or entity (other than a wholly-owned subsidiary of the Corporation);
- (c) the Corporation is to be dissolved and liquidated;
- (d) any person, entity or group of persons, or entities acting jointly or in concert acquires or gains ownership or control (including, without limitation, the power to vote) more than 30% of the Corporation's outstanding voting securities; or
- (e) as a result of or in connection with (A) the contested election of directors or (B) a transaction referred to above whereby the persons who were directors of the Corporation before such election or transaction shall cease to constitute a majority of the board of directors of the Corporation.

#### **Section 19 Rights Prior to Exercise**

An optionee shall have no rights whatsoever as a shareholder in respect of any of the optioned shares (including any right to receive dividends or other distributions therefrom or thereon) other than in respect of optioned shares in respect of which the optionee shall have exercised the option to purchase hereunder and which the optionee shall have actually taken up and paid for.

#### **Section 20 Governing Law**

This Option Plan shall be construed in accordance with and be governed by the laws of the Province of Ontario and shall be deemed to have been made in said Province, and shall be in accordance with all applicable securities laws.

#### **Section 21 Expiry of Option**

On the expiry date of any option granted under this Option Plan, and subject to any extension of such expiry date permitted in accordance with this Option Plan, such option hereby granted shall forthwith expire and terminate and be of no further force or effect whatsoever as to such of the optioned shares in respect of which the option has not been exercised.

## **Section 22      Options not Exercised**

In the event an option granted under the Option Plan expires unexercised or is terminated by reason of dismissal of the optionee for cause or is otherwise lawfully cancelled prior to exercise of the option, the option shares that were issuable thereunder will be returned to the Option Plan and will be eligible for reissuance.

***Adopted by the Shareholders of O3 Mining Inc. on June 28, 2019.***

***Adopted by the Board of Directors of O3 Mining Inc. on July 5, 2019.***

## **SCHEDULE "B"**

### **BOARD CHARTER**

The term "**Corporation**" herein shall refer to O3 Mining Inc. and the term "**Board**" shall refer to the Board of Directors of the Corporation.

#### **1. GENERAL**

The Board assumes responsibility for the stewardship of the Corporation.

Although Directors may be nominated by certain persons to bring special expertise or a point of view to Board deliberations, they are not chosen to represent a particular constituency. The best interests of the Corporation must be paramount at all times.

#### **2. RESPONSIBILITIES**

As an integral part of that stewardship responsibility, the Board is responsible for the following matters (either itself, or through duly appointed and constituted committees of the Board in accordance with applicable laws):

- (a) The Board has primary responsibility for the development and adoption of the strategic direction of the Corporation. The Board contributes to the development of strategic direction by approving, at least annually, a strategic plan developed and proposed by management. The plan will take into account the business opportunities and business risks of the Corporation. The Board reviews with management from time to time the strategic planning environment, the emergence of new opportunities, trends and risks and the implications of these developments for the strategic direction of the Corporation. The Board reviews and approves the Corporation's financial objectives, plans and actions, including significant capital allocations and expenditures.
- (b) The Board monitors corporate performance against the strategic and business plans, including assessing operating results to evaluate whether the business is being properly managed.
- (c) The Board identifies the principal business risks of the Corporation and ensures that there are appropriate systems put in place to manage these risks.
- (d) The Board monitors and ensures the integrity of the internal controls and procedures (including adequate management information systems) and financial reporting procedures of the Corporation.
- (e) The Board is responsible for ensuring appropriate standards of corporate conduct including, adopting a corporate conduct and ethics policy for all employees and senior management, and monitoring compliance with such policy, if appropriate.
- (f) The Board is responsible for the review and approval of annual financial statements, management's discussion and analysis related to such financial statements, and forecasts.
- (g) The Board is responsible for reviewing the compensation of members of the Board to ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective director and for reviewing the compensation of members of the senior

management team to ensure that they are competitive within the industry and that the form of compensation aligns the interests of each such individual with those of the Corporation.

- (h) The Board reviews and approves material transactions not in the ordinary course of business.
- (i) The Board reviews and approves the budget on an annual basis, including the spending limits and authorizations, as recommended by the Audit Committee.
- (j) The Board ensures that appropriate succession planning is in place, including the appointment, training and monitoring of senior management and members of the Board.
- (k) The Board is responsible for assessing its own effectiveness in fulfilling its mandate and evaluating the relevant disclosed relationships of each independent director and shall make an affirmative determination that such relationships do not preclude a determination that the director is independent.
- (l) The Board approves a disclosure policy that includes a framework for investor relations and a public disclosure policy.
- (m) The Board is responsible for satisfying itself as to the integrity of the Chief Executive Officer (the "**CEO**") and other senior officers and that the CEO and other senior officers create a culture of integrity throughout the organization. The Board is responsible for developing and approving goals and objectives, which the CEO is responsible for meeting.
- (n) The Board is responsible for developing the Corporation's approach to corporate governance principles and guidelines that are specifically applicable to the Corporation.
- (o) The Board is responsible for performing such other functions as prescribed by law or assigned to the Board in the Corporation's governing documents.

### **3. COMPOSITION AND OPERATION OF THE BOARD**

#### **3.1 Election of Directors**

- (a) The directors of the Corporation are elected each year by the shareholders at the annual meeting of shareholders. The Board will determine a slate of nominees to be put to the shareholders for election based upon the following considerations and such other factors the Board considers relevant:
  - (i) the competencies and skills which the Board as a whole should possess;
  - (ii) the competencies and skills which each existing director possesses; and
  - (iii) the appropriate size of the Board to facilitate effective decision-making.
- (b) Any shareholder may propose a nominee for election to the Board either by means of a shareholder proposal upon compliance with the requirements of the *Business Corporations Act* (Ontario) ("**OBCA**") and the Corporation's by-laws or at the annual meeting in compliance with the requirements of the OBCA and the Corporation's by-laws.

- (c) The Board also recommends the number of directors on the Board to shareholders for approval, subject to compliance with the requirements of the OBCA and the Corporation's by-laws.
- (d) Between annual meetings, the Board may appoint directors to serve until the next annual meeting, subject to compliance with the requirements of the OBCA.
- (e) Individual Board members are responsible for assisting the Board in identifying and recommending new nominees for election to the Board, as needed or appropriate.

### **3.2 Nomination of Directors**

The Board, the Corporate Governance & Nominating Committee and the individual directors from time to time, will identify and recommend new nominees as directors of the Corporation, based upon the following considerations:

- (a) the competencies and skills necessary for the Board as a whole to possess;
- (b) the competencies and skills necessary for each individual director to possess;
- (c) competencies and skills which each new nominee to the Board is expected to bring; and
- (d) whether the proposed nominees to the Board will be able to devote sufficient time and resources to the Corporation.

### **3.3 Director Orientation and Continuing Education**

The Board, together with the Corporate Governance & Nominating Committee is responsible for providing a comprehensive orientation and education program for new directors which deals with the following matters and such other matters the Board considers relevant:

- (a) the role of the Board and its committees;
- (b) the nature and operation of the business of the Corporation; and
- (c) the contribution individual directors are expected to make to the Board in terms of both time and resource commitments.

In addition, the Board together with the Corporate Governance & Nominating Committee is also responsible for providing continuing education opportunities to existing directors so that individual directors can maintain and enhance their abilities and ensure that their knowledge of the business of the Corporation remains current, at the request of any individual director.

### **3.4 Meetings**

The Board has at least four scheduled meetings a year. The Board is responsible for its agenda. Prior to each Board meeting, a Board member shall circulate an agenda to the Board. Materials for each meeting will be distributed to directors in advance of the meetings. Directors are expected to make reasonable efforts to attend all meetings of the Board held in a given year, and are expected to make reasonable efforts to adequately review meeting materials in advance of all such meetings.

The independent directors or non-management directors shall meet at the end of each Board meeting without management and non-independent directors present. The chairman (the "**Chair**" or "**Chairman**") of the Board shall chair these meetings, unless the Chairman of the Board is not an independent director, in

which case the Lead Director shall chair these meetings. If a Lead Director has not been appointed, or is not independent, the independent directors shall appoint a chairman to chair these meetings. The independent directors shall appoint a person to maintain minutes of the meetings or, if no person is so appointed, the chair of the meeting shall maintain minutes of the meeting.

### **3.5 Committees of the Board**

The Board has established the following standing committees to assist the Board in discharging its responsibilities: the Audit Committee, the Corporate Governance & Nominating Committee and the Compensation Committee. Special committees are established from time to time to assist the Board in connection with specific matters. The Board will appoint the members of each committee and may appoint the chair of each committee annually following the Corporation's annual meeting of shareholders. The chair of each committee reports to the Board following meetings of the committee. The terms of reference of each standing committee are reviewed annually by the Board.

### **3.6 Evaluation, Compensation and Access to Independent Advisors**

The Corporate Governance & Nominating Committee performs an annual evaluation of the effectiveness of the Board as a whole and each committee of the Board.

The Compensation Committee recommends to the Board the compensation and benefits for non-management directors. The Committee seeks to ensure that such compensation and benefits reflect the responsibilities and risks involved in being a director of the Corporation and align the interests of the directors with the best interests of the Corporation.

The Board may at any time retain outside financial, legal or other advisors at the expense of the Corporation. Any director may, subject to the approval of the Corporate Governance & Nominating Committee, retain an outside advisor at the expense of the Corporation.

## **4. CHAIRMAN OF THE BOARD OF DIRECTORS**

- (a) The Chairman of the Board shall be a director who is designated by the full Board to act as the leader of the Board.
- (b) The Chairman will be selected amongst the directors of the Corporation who have a sufficient level of experience with corporate governance issues to ensure the leadership and effectiveness of the Board.
- (c) The Chairman will be selected annually at the first meeting of the Board following the annual general meeting of shareholders.

### **4.1 Responsibilities**

The Chairman shall have the following responsibilities. The Chairman may, where appropriate, delegate to or share with the Corporate Governance and Compensation Committee and/or any other independent committee of the Board, certain of these responsibilities:

- (a) chair all meetings of the Board in a manner that promotes meaningful discussion.
- (b) Provide leadership to the Board to enhance the Board's effectiveness, including:
  - (i) ensure that the responsibilities of the Board are well understood by both management and the Board;

- (ii) ensure that the Board works as a cohesive team with open communication;
  - (iii) ensure that the resources available to the Board (in particular timely and relevant information) are adequate to support its work;
  - (iv) together with the Corporate Governance and Compensation Committee, ensure that a process is in place by which the effectiveness of the Board and its committees (including size and composition) is assessed at least annually; and
  - (v) together with the Corporate Governance and Compensation Committee, ensure that a process is in place by which the contribution of each individual director to the effectiveness of the Board is assessed at least annually.
- (c) Manage the Board, including:
- (i) prepare the agenda of the Board meetings and ensure pre-meeting material is distributed in a timely manner and is appropriate in terms of relevance, efficient format and detail;
  - (ii) adopt procedures to ensure that the Board can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings;
  - (iii) ensure meetings are appropriate in terms of frequency, length and content;
  - (iv) ensure that, where functions are delegated to appropriate committees, the functions are carried out and results are reported to the Board;
  - (v) ensure that a succession planning process is in place to appoint senior members of management and directors when necessary;
  - (vi) ensure procedures are established to identify, assess and recommend new nominees for appointment to the Board and its committees; and
  - (vii) together with any special committee appointed for such purpose, approach potential candidates once potential candidates are identified, to explore their interest in joining the Board and proposing new nominees for appointment to the Board and its committees.
- (d) If the Chairman is an independent director, the Chairman will:
- (i) in conjunction with the chair of the Corporate Governance & Nominating Committee, provide leadership to ensure that the Board functions independently of management of the Corporation;
  - (ii) chair meetings of independent directors or non-management directors held following Board meetings;
  - (iii) recommend, where necessary, the holding of special meetings of the Board;
  - (iv) review items of importance for consideration by Board with the CEO;

- (v) consult and meet with any or all of the Corporation's independent directors, at the discretion of either party and represent such directors in discussions with management of the Corporation concerning corporate governance issues and other matters;
  - (vi) ensure that all business required to come before the Board is brought before the Board, such that the Board is able to carry out all of its duties to supervise the management of the business and affairs of the Corporation, and together with the CEO, formulate an agenda for each Board meeting;
  - (vii) together with the chair of the Corporate Governance & Nominating Committee, ensure that the Board, committees of the Board, individual directors and senior management of the Corporation understand and discharge their duties and obligations under the approach to corporate governance adopted by the Board from time to time;
  - (viii) mentor and counsel new members of the Board to assist them in becoming active and effective directors;
  - (ix) facilitate the process of conducting director evaluations; and
  - (x) promote best practices and high standards of corporate governance.
- (e) Act as liaison between the Board and management to ensure that relationships between the Board and management are conducted in a professional and constructive manner. This involves working with the Corporate Governance & Nominating Committee to ensure that the Corporation is building a healthy governance culture.
  - (f) At the request of the Board, represent the Corporation to external groups such as shareholders and other stakeholders, including community groups and governments.

## **5. LEAD DIRECTOR**

- (a) The Board will appoint a Lead Director in circumstances in which the Chairman of the Board is not considered independent under applicable securities laws, in order to provide independent leadership to the Board and for the other purposes set forth below.
- (b) When the Chair is independent, the Board may in its sole discretion designate from time to time a Lead Director who is not independent to assist the Board in its functioning.
- (c) The Corporate Governance & Nominating Committee will recommend a candidate for the position of Lead Director from among the independent members of the Board. The Board will be responsible for appointing the Lead Director.
- (d) The Lead Director will hold office at the pleasure of the Board, until a successor has been duly elected or appointed or until the Lead Director resigns or is otherwise removed from the office by the Board.
- (e) The Lead Director will provide independent leadership to the Board and will facilitate the functioning of the Board independently of the Corporation's management. Together with the chair of the Corporate Governance & Nominating Committee, the Lead Director will be responsible for the corporate governance practices of the Corporation.

- (f) The Lead Director will:
- (i) in conjunction with the chair of the Corporate Governance & Nominating Committee, provide leadership to ensure that the Board functions independently of management of the Corporation;
  - (ii) chair meetings of independent directors or non-management directors held following Board meetings;
  - (iii) in the absence of the Chairman, act as chair of meetings of the Board;
  - (iv) recommend, where necessary, the holding of special meetings of the Board;
  - (v) review with the Chairman and the CEO items of importance for consideration by Board;
  - (vi) consult and meet with any or all of the Corporation's independent directors, at the discretion of either party and with or without the attendance of the Chairman, and represent such directors in discussions with management of the Corporation concerning corporate governance issues and other matters;
  - (vii) together with the Chairman, ensure that all business required to come before the Board is brought before the Board, such that the Board is able to carry out all of its duties to supervise the management of the business and affairs of the Corporation, and together with the Chairman and the CEO, formulate an agenda for each Board meeting;
  - (viii) together with the Chairman and the chair of the Corporate Governance & Nominating Committee, ensure that the Board, committees of the Board, individual directors and senior management of the Corporation understand and discharge their duties and obligations under the approach to corporate governance adopted by the Board from time to time;
  - (ix) mentor and counsel new members of the Board to assist them in becoming active and effective directors;
  - (x) facilitate the process of conducting director evaluations;
  - (xi) promote best practices and high standards of corporate governance; and
  - (xii) perform such other duties and responsibilities as may be delegated to the Lead Director by the Board from time to time.

## **6. ACCOUNTABILITIES OF INDIVIDUAL DIRECTORS**

The accountabilities set out below are meant to serve as a framework to guide individual Directors in their participation on the Board, with a view to enabling the Board to meet its duties and responsibilities.

Principal accountabilities include:

- (a) assuming a stewardship role, overseeing the management of the business and affairs of the Corporation;

- (b) maintaining a clear understanding of the Corporation, including its strategic and financial plans and objectives, emerging trends and issues, significant strategic initiatives and capital allocations and expenditures, risks and management of those risks, internal systems, processes and controls, compliance with applicable laws and regulations, governance, audit and accounting principles and practices;
- (c) preparing for each Board and Committee meeting by reviewing materials that have been provided in a timely manner and requesting, where appropriate, information that will allow the Director to properly participate in the Board's deliberations, make informed business judgments, and exercise oversight;
- (d) absent a compelling reason, attending every meeting of the Board and each Committee of which such Director is a member, and actively participating in deliberations and decisions. When attendance is not possible a Director should become familiar with the matters to be covered at the meeting;
- (e) voting on all decisions of the Board or any Committees of which such Director is a member, except when a conflict of interest may exist;
- (f) preventing personal interests from conflicting with, or appearing to conflict with, the interests of the Corporation and disclosing details of such conflicting interests should they arise; and
- (g) acting in the highest ethical manner and with integrity in all professional dealings.

## **7. MANDATE REVIEW**

The Board will annually review and reassess the adequacy of this Board Charter.



