



## INFORMATION CIRCULAR

### ANNUAL GENERAL MEETING OF THE SHAREHOLDERS

(information as at April 5, 2019, unless indicated otherwise)

#### SOLICITATION OF PROXIES

This Information Circular is provided in connection with the solicitation of proxies by the management of Mirasol Resources Ltd. (the “**Company**”) for use at the Annual General Meeting of the shareholders of the Company to be held on May 8, 2019 (the “**Meeting**”), at the time and place and for the purposes set out in the accompanying notice of meeting and at any adjournment thereof. The solicitation will be made by mail and may also be supplemented by telephone or other personal contact to be made without special compensation by directors, officers and employees of the Company. The Company will bear the cost of this solicitation. The Company will not reimburse shareholders, nominees or agents for the cost incurred in obtaining from their principals authorization to execute forms of proxy.

#### APPOINTMENT AND REVOCATION OF PROXY

##### Registered Shareholders

**Registered shareholders may vote their common shares by attending the Meeting in person or by completing the enclosed proxy.** Registered shareholders should deliver their completed proxies to Computershare Investor Services Inc. at 8<sup>th</sup> Floor – Proxy Department, 100 University Avenue, Toronto, ON M5J 2Y1 (by mail, telephone or internet according to the instructions on the proxy), not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting, otherwise the shareholder will not be entitled to vote at the Meeting by proxy.

The persons named in the proxy are directors and officers of the Company and are proxyholders nominated by management. **A shareholder has the right to appoint a person other than the nominees of management named in the enclosed instrument of proxy to represent the shareholder at the Meeting. To exercise this right, a shareholder must insert the name of its nominee in the blank space provided. A person appointed as a proxyholder need not be a shareholder of the Company.**

A registered shareholder may revoke a proxy by:

- (a) signing a proxy with a later date and delivering it at the place and within the time noted above;
- (b) signing and dating a written notice of revocation (in the same manner as the proxy is required to be executed, as set out in the notes to the proxy) and delivering it to the registered office of the Company, Suite 400 – 725 Granville Street, Vancouver, British Columbia, V7Y 1G5, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is

to be used, or to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof;

- (c) attending the Meeting or any adjournment thereof and registering with the scrutineer as a shareholder present in person, whereupon such proxy shall be deemed to have been revoked; or
- (d) in any other manner provided by law.

### **Beneficial Shareholders**

**The information set forth in this section is of significant importance to many shareholders, as many shareholders do not hold their shares in the Company in their own name.** Shareholders holding their shares through banks, trust companies, securities dealers or brokers, trustees or administrators of self-administered RRSP's, RRIF's, RESP's and similar plans or other persons (any one of which is herein referred to as an "Intermediary") or otherwise not in their own name (such shareholders herein referred to as "Beneficial Shareholders") should note that only proxies deposited by shareholders appearing on the records maintained by the Company's transfer agent as registered shareholders will be recognized and allowed to vote at the Meeting. If a shareholder's shares are listed in an account statement provided to the shareholder by a broker, in all likelihood those shares are **not** registered in the shareholder's name and that shareholder is a Beneficial Shareholder. Such shares are most likely registered in the name of the shareholder's broker or an agent of that broker. In Canada the vast majority of such shares are registered under the name of CDS & Co., the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms. Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted at the Meeting at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate party well in advance of the Meeting.**

Regulatory polices require Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Beneficial Shareholders have the option of not objecting to their Intermediary disclosing certain ownership information about themselves to the Company (such Beneficial Shareholders are designated as non-objecting beneficial owners, or "NOBOs") or objecting to their Intermediary disclosing ownership information about themselves to the Company (such Beneficial Shareholders are designated as objecting beneficial owners, or "OBOs").

In accordance with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Company has elected to send the notice of meeting, this Information Circular and a request for voting instructions (a "VIF"), instead of a proxy (the notice of Meeting, Information Circular and VIF or proxy are collectively referred to as the "Meeting Materials") directly to the NOBOs and indirectly through Intermediaries to the OBOs. The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to OBOs.

Meeting Materials sent to Beneficial Shareholders are accompanied by a VIF, instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a Beneficial Shareholder is able to instruct the Intermediary (or other registered shareholder) how to vote the Beneficial Shareholder's shares on the Beneficial Shareholder's behalf. For this to occur, it is

important that the VIF be completed and returned in accordance with the specific instructions noted on the VIF.

The majority of Intermediaries now delegate responsibility for obtaining instructions from Beneficial Shareholders to Broadridge Investor Communication Solutions (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable VIF, mails these VIFs to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, usually by way of mail, the Internet or telephone. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting by proxies for which Broadridge has solicited voting instructions. A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote shares directly at the Meeting. The VIF must be returned to Broadridge (or instructions respecting the voting of shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the shares voted. If you have any questions respecting the voting of shares held through an Intermediary, please contact that Intermediary for assistance.

In either case, the purpose of this procedure is to permit Beneficial Shareholders to direct the voting of the shares which they beneficially own. **A Beneficial Shareholder receiving a VIF cannot use that form to vote common shares directly at the Meeting – Beneficial Shareholders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.** Should a Beneficial Shareholder who receives a VIF wish to attend the Meeting or have someone else attend on their behalf, the Beneficial Shareholder may request a legal proxy as set forth in the VIF, which will grant the Beneficial Shareholder or their nominee the right to attend and vote at the Meeting.

Only registered shareholders have the right to revoke a proxy. A Beneficial Shareholder who wishes to change its vote must, at least seven days before the Meeting, arrange for its Intermediary to revoke its VIF on its behalf.

All references to shareholders in this Information Circular and the accompanying instrument of proxy and notice of Meeting are to registered shareholders unless specifically stated otherwise.

The Meeting Materials are being sent to both registered and non-registered owners of the Company’s shares. If you are a Beneficial Shareholder and the Company or its agent has sent the Meeting Materials directly to you, your name and address and information about your holdings of the Company’s securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send the Meeting Materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering the Meeting Materials to you and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the VIF.

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

If a shareholder specifies a choice with respect to any matter to be acted upon, the shares represented by proxy will be voted or withheld from voting by the proxy holder in accordance with those instructions on any ballot that may be called for. In the enclosed form of proxy, in the absence of any instructions in the proxy, it is intended that such shares will be voted by the proxyholder, if a nominee of management, in favour of the motions proposed to be made at the meeting as stated under the headings in the notice of meeting accompanying this Information Circular. If any amendments or variations to such matters, or any other matters, are properly brought before the Meeting, the proxyholder, if a nominee of management, will exercise its discretion and vote on such matters in accordance with its best judgment.

The instrument of proxy enclosed, in the absence of any instructions in the proxy, also confers discretionary authority on any proxyholder other than the nominees of management named in the instrument of proxy with respect to the matters identified herein, amendments or variations to those matters, or any other matters which may properly be brought before the Meeting. To enable a proxyholder to exercise its discretionary authority a shareholder must strike out the names of the nominees of management in the enclosed instrument of proxy and insert the name of its nominee in the space provided, and not specify a choice with respect to the matters to be acted upon. This will enable the proxyholder to exercise its discretion and vote on such matters in accordance with its best judgment.

At the time of printing this Information Circular, management of the Company is not aware that any amendments or variations to existing matters or new matters are to be presented for action at the Meeting.

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

The Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of each of the following persons in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors:

- (a) each person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year;
- (b) each proposed nominee for election as a director of the Company; and
- (c) each associate or affiliate of any of the foregoing.

### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The authorized capital of the Company consists of an unlimited number of common shares. On April 5, 2019 (the "**Record Date**"), the Company had 54,033,878 common shares outstanding. All common shares in the capital of the Company are of the same class and each carries the right to one vote. Only those shareholders of record on the Record Date are entitled to attend and vote at the Meeting.

To the knowledge of the directors and executive officers of the Company, as of the date of this Information Circular, only those persons set forth below beneficially own, directly or indirectly, or exercise control or direction over, 10% or more of the common shares of the Company.

<b>Shareholder</b>	<b>Number of Common Shares</b>	<b>Percentage of Common Shares</b>
John Tognetti	12,367,320	22.89%

### **ELECTION OF DIRECTORS**

The directors of the Company are elected annually and hold office until the next annual general meeting of the shareholders or until their successors are elected. The management of the Company proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are elected or appointed. In the absence of instructions to the contrary, proxies given pursuant to the solicitation by the management of the Company will be voted for the nominees listed in this Information Circular. **Management does not contemplate that any of the nominees will be unable to serve as a director. If any vacancies occur in the slate of nominees listed below before the Meeting, management**

**will exercise discretion to vote the proxy for the election of any other person or persons as directors.**

There currently are six (6) directors of the Company, and it is proposed that the number of directors to be elected at the Meeting be fixed at six (6).

The following table sets out the names of the nominees for election as directors, the offices they hold within the Company, their occupations, the length of time they have served as directors of the Company, and the number of shares of the Company and its subsidiaries which each beneficially owns directly or indirectly or over which control or direction is exercised as of the date of the notice of meeting:

<b>Name, jurisdiction of residence and office held</b>	<b>Principal occupation in the last five years</b>	<b>Director since</b>	<b>Number of common shares beneficially owned<sup>(1)</sup></b>
DANA H. PRINCE <sup>(2) (3) (5)</sup> Director, Chairman Canada	Managing partner Getz Prince Wells LLP. Member in good standing of Law Society of B.C.	Since December 2014	602,000
NICK DeMARE <sup>(2) (3) (4) (5)</sup> Director Canada	Owner, CEO and President of Chase Management Ltd. since 1991, a private accounting and management company. Member in good standing of the Institute of Chartered Accountants of B.C.	Since February 2005	165,500
JOHN TOGNETTI <sup>(3) (4) (5)</sup> Director Canada	Investment advisor and trader at one of Canada's leading independent self-clearing integrated securities dealers.	Since February 2015	12,367,320
PATRICK C. EVANS <sup>(2) (3) (4)</sup> Director Arizona, USA	Former CEO of Dominion Diamond Mines; former President and CEO of Mountain Province Diamonds Inc.; director of the NWT and Nunavut Chamber of Mines; former VP of Placer Dome Inc.	Since August 2016	10,000
Dr. DIANE NICOLSON Director Canada	President and CEO of Amarc Resources Ltd., Economic geologist	Since March 2019	Nil
NORMAN PITCHER Director, President & CEO Canada	P.Geo, currently serves and President and CEO of Mirasol; former President of Eldorado Gold Corporation	Since March 2019	75,000

(1) Includes direct and indirect holdings.

(2) Members of the Audit Committee.

(3) Members of the Compensation Committee.

(4) Members of the Nominating & Governance Committee.

(5) Members of the Special Committee for Contracts.

The above information, including information as to common shares beneficially owned, has been provided by the respective directors individually.

Except as disclosed herein, no proposed director of the Company:

- (a) is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief

financial officer of any company (including the Company) that, for a period of more than 30 consecutive days:

- (i) was the subject:
  - (A) of a cease trade order;
  - (B) an order similar to a cease trade order; or
  - (C) an order that denied the relevant company access to any exemption under securities legislation,

while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

- (ii) was subject to:
  - (A) a cease trade order;
  - (B) an order similar to a cease trade order; or
  - (C) an order that denied the relevant company access to any exemption under securities legislation,

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

- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Nick DeMare is a director of Salazar Resources Limited ("**Salazar**"). On September 10, 2010, the BCSC issued a cease trade order against Salazar for failing to file a technical report on its Curipamba project in Ecuador supporting its disclosure concerning mineral resource estimates on a news release dated February 25, 2009. Salazar filed a new technical report and the cease

trade order was revoked by the BCSC on October 14, 2010, and its shares resumed trading on October 18, 2010.

### **Further Director Nominations Closed - Advance Notice Policy**

Any nominations must be made in accordance with the Company's Advance Notice Policy which requires nominations to be made no more than 15 days after the Company or its transfer agent provides notice of an annual meeting of shareholders or a special meeting of shareholders called for the purpose of election of directors. As notice was made more than 15 days ago, further nominations for elections to the board of directors are closed and will not be considered for the Meeting. The full text of the Advance Notice Policy is available via SEDAR at [www.sedar.com](http://www.sedar.com) or upon request by contacting the Company at (604) 602-9989 or by e-mail at [contact@mirasolresources.com](mailto:contact@mirasolresources.com).

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

#### ***Interpretation***

"Named executive officer" ("**NEO**") means:

- (a) a Chief Executive Officer ("**CEO**");
- (b) a Chief Financial Officer ("**CFO**");
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

The NEOs who are the subject of this Compensation Discussion and Analysis are Stephen C. Nano, the former President and CEO; Mahesh Liyanage, the former CFO; Jonathan Rosset, VP Corporate Development; Timothy W. Heenan, Country Manager; Damien Koerber, Business Development Consultant Chile; and John Toporowski, the former Manager of Investor Relations.

#### ***Compensation Program Objectives***

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

- to attract, retain and motivate talented executives who create and sustain the Company's continued success;
- to align the interests of the Company's executives with the interests of the Company's shareholders; and
- to provide total compensation to executives that is competitive with that paid by other companies of comparable size engaged in similar business in appropriate regions.

The Company is a venture company involved in mineral exploration and development and will not be generating significant revenues from operations for a significant period of time. As a

result, the use of traditional performance standards, such as corporate profitability, is not considered by the Company to be appropriate in the evaluation of the performance of the NEOs.

### ***Purpose of the Compensation Program***

The Company's executive compensation program has been designed to reward executives for reinforcing the Company's business objectives and values, for achieving the Company's performance objectives and for their individual performances.

### ***Elements of Compensation Program***

The executive compensation program consists of a combination of base salary and stock option incentives.

### ***Purpose of Each Element of the Executive Compensation Program***

The base salary of an NEO is intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration.

Stock options are generally awarded to Officers, Directors, NEOs, employees and consultants on a periodic basis based on performance measured against set objectives. The granting of stock options upon hire, if applicable, aligns NEOs' rewards with an increase in shareholder value over the long term. The use of stock options encourages and rewards performance by aligning an increase in each NEO's compensation with increases in the Company's performance and in the value of the shareholders' investments. Restricted share units ("**RSUs**") may also form part of an NEO's compensation package.

### ***Determination of the Amount of Each Element of the Executive Compensation Program, Compensation Risk and Compensation Governance***

Compensation of the NEOs of the Company, other than that of the CEO, is reviewed periodically by the CEO, who makes recommendations to the Compensation Committee (the "**Compensation Committee**"). The Compensation Committee reviews the recommendations of the CEO and makes its own recommendations to the Board of Directors of the Company (the "**Board**"), which approves the compensation of the NEOs based on the recommendations of the Compensation Committee. Compensation for the CEO is reviewed annually by the Compensation Committee, which then makes recommendations to the Board. The Board approves the base salary of each NEO based on the recommendations of the Compensation Committee.

The Board reviews, from time to time and at least once annually, the risks, if any, associated with the Company's compensation policies and practices at such time. The review occurs at the time of preparation of Compensation Discussion & Analysis. Implicit in the Board's mandate is that the Company's policies and practices respecting compensation, including those applicable to the Company's executives, be designed in a manner which is in the best interests of the Company and its shareholders and risk implications is one of many considerations which are taken into account in such design.

It is anticipated that a portion of the Company's executive compensation will consist of stock options and RSUs granted under the Equity Incentive Plan (the "**Plan**"). Such compensation is both "long term" and "at risk" and, accordingly, is directly linked to the achievement of long term value creation. As the benefits of such compensation, if any, are not realized by the executive until a significant period of time has passed, the ability of executives to take inappropriate or excessive risks that are beneficial to them from the standpoint of their compensation at the expense of the Company and its shareholders is limited.

The other element of compensation, base salary, represents the remaining portion of an executive's total compensation. While base salary is not "long term" or "at risk", as noted above, this component of compensation is set at levels that are consistent with the industry, therefore it is unlikely that an executive would take inappropriate or excessive risks at the expense of the Company and its shareholders that would be beneficial to them from the standpoint of their short term compensation when their long term compensation might be put at risk from their actions.

Due to the small size of the Company, and the current level of the Company's activity, the Board is able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular Board meetings during which, financial and other information of the Company are reviewed, and which includes executive compensation. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

NEO's and directors of the Company are not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

During the most recently completed financial year, the members of the Compensation Committee were Patrick Evans, Chairman (independent), Nick DeMare (independent), Dana H. Prince (not independent) and John Tognetti (independent).

#### *Base salary*

The base salary review of each NEO takes into consideration the current competitive market conditions, experience, proven or expected performance, and the particular skills of the NEO. Base salary is not evaluated against a formal "peer group". The Compensation Committee relies on the general experience of its members in setting base salary amounts.

#### *Stock Options and RSUs*

The Company has established the Plan, which was approved by shareholders at the annual and special general meeting held on April 26, 2018, under which stock options and up to 1,000,000 RSUs may be granted to directors, officers, employees and consultants as an incentive to serve the Company in attaining its goal of improved shareholder value. The Plan is submitted for approval by shareholders on an annual basis. The Board, based on recommendations of the Compensation Committee where appropriate, determines which NEOs (and other persons) are entitled to participate in grants of awards under the Plan; determines the number of options and/or RSUs to granted to such individuals; determines vesting conditions which may apply to such awards and determines the date on which each award is granted and the corresponding exercise price (stock options) and award value (RSUs).

The Board makes these determinations subject to the provisions of the Plan and, where applicable, the policies of the TSX Venture Exchange.

Previous grants of option-based and RSU awards are taken into account when considering new grants.

#### ***Link to Overall Compensation Objectives***

Each element of the executive compensation program has been designed to meet one or more objectives of the overall program.

The fixed base salary of each NEO, combined with the granting of stock options and/or RSUs, has been designed to provide total compensation which the Board believes is competitive with that paid by other companies of comparable size engaged in similar business in appropriate regions.

**Summary Compensation Table**

The following table presents information concerning all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, to NEOs by the Company and its subsidiaries for services in all capacities to the Company during the three most recently completed financial years:

Name and principal position	Year	Salary (\$)	Share-based awards (\$) <sup>(3)</sup>	Option-based awards (\$) <sup>(3) (4)</sup>	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans <sup>(5)</sup>	Long-term incentive plans			
Stephen C. Nano <sup>(1)</sup> , former President and CEO	2018	300,000	Nil	13,186	Nil	Nil	Nil	Nil	313,186
	2017	300,000	Nil	24,738	Nil	Nil	Nil	Nil	324,738
	2016	300,000	372,000	22,600	Nil	Nil	Nil	Nil	694,600
Jonathan Rosset, VP Corporate Development	2018	130,000	Nil	112,305	Nil	Nil	Nil	29,000	271,305
	2017	15,708	Nil	Nil	Nil	Nil	Nil	Nil	15,708
	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Timothy W. Heenan <sup>(2)</sup> Country Manager	2018	201,602	Nil	15,660	Nil	Nil	Nil	10,000	227,262
	2017	214,369	Nil	14,515	Nil	Nil	Nil	Nil	228,884
	2016	207,545	Nil	22,600	Nil	Nil	Nil	Nil	230,145
Mahesh Liyanage <sup>(4)</sup> , former CFO	2018	Nil	Nil	40,716	Nil	Nil	Nil	111,750	152,466
	2017	Nil	Nil	49,764	Nil	Nil	Nil	72,588	122,352
	2016	Nil	Nil	Nil	Nil	Nil	Nil	24,196	24,196
Damien Koerber <sup>(6)</sup> former BD Consultant, Chile	2018	Nil	Nil	12,816	Nil	Nil	Nil	189,930	202,746
	2017	Nil	Nil	57,102	Nil	Nil	Nil	172,658	229,760
	2016	Nil	Nil	8,964	Nil	Nil	Nil	140,250	149,214
John Toporowski <sup>(7)</sup> former IR Manager	2018	12,500	Nil	Nil	Nil	Nil	Nil	Nil	12,500
	2017	150,000	Nil	71,591	Nil	Nil	Nil	Nil	221,591
	2016	150,000	Nil	71,786	Nil	Nil	Nil	Nil	221,786

<sup>(1)</sup> Mr. Nano is a partner at Global Ore Discovery Pty Ltd. ("Global Ore"). During the fiscal year ending June 30, 2018, Global Ore charged the Company a total of \$1,011,308 (2017: \$1,265,443; 2016: \$1,099,118) for technical consulting services, of which \$300,000 (2017: \$300,000; 2016: \$300,000) is attributable to Mr. Nano for his services as President and CEO.

<sup>(2)</sup> Mr. Rosset joined the Company as Manager of Corporate Development on May 23, 2017, and was appointed VP Corporate Development on July 16, 2018.

<sup>(3)</sup> The value of any share-based and option-based awards reflects the fair value of these shares and options on the date of the grant. The fair value of any share based award is determined based on the market value of the Company's publicly listed shares. The fair value of option-based awards is computed using the Black-Scholes option pricing model with the following assumptions: Expected life of the options: 2.33 years (2017: 2.13 years); Stock price volatility: 64.46% (2017: 49.19%); Expected dividend yield: 0% (2017: 0%); and Risk-free interest rate: 1.57% (2017: .58%). There were no share-based awards issued to the NEOs in fiscal 2018. In 2017, the Company had re-pricing and extension of certain options in November 2015. The Black-Sholes model is used to compute the option fair values because it is the most commonly used option pricing model and is considered to produce a reasonable estimate of fair value. There is no difference between the fair value of options as calculated in the table above and the fair value calculated in accordance with IFRS.

<sup>(4)</sup> Mr. Liyanage, the former CFO, served from March 1, 2016 to June 30, 2018. Fees for his CFO services (\$6,049 per month up to August 2017 and then increased to \$8,965 to June 30, 2018) are paid according to a service agreement with Evrim Resources Corp. ("Evrim"). Mr. Liyanage resigned as CFO effective June 30, 2018.

<sup>(5)</sup> The purpose of annual incentive plan is to align rewards with the Company's vision, strategies while motivating Participants to achieve top performance in the industry. Participants are eligible to receive incentive awards based on their performance and the performance of the Organization. There were 130,000 annual incentive plans issued to the NEO's in fiscal 2018.

<sup>(6)</sup> Mr. Koerber was retained as a business development consultant for Chile under an agreement dated August 11, 2015, for a period of three years and was paid the sum of CDN \$850 per day. He also received an initial grant of 65,000 stock options.

<sup>(7)</sup> Mr. Toporowski was appointed as the Manger of Investor Relations effective June 1, 2015. The Company shall pay Mr. Toporowski \$150,000 annually, less all source deductions required by law. Mr. Toporowski, may receive an annual bonus for excellent and sustained performance which would be determined by the Compensation Committee of the Company following an annual performance review. The agreement with Mr. Toporowski was terminated by mutual consent on July 17, 2017.

### ***Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards***

The following table sets forth information in respect of all share-based awards and option-based awards outstanding at the end of the most recently completed financial year to the NEOs of the Company:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Stephen C. Nano	20,000	\$1.65	Dec 20, 2020	\$1.400	Nil	Nil	Nil
	60,000	\$0.88	April 29, 2021	\$50,400	Nil	Nil	Nil
	100,000	\$1.28	May 14, 2018 <sup>(5)</sup>	\$44,000	Nil	Nil	Nil
	32,500	\$0.88 <sup>(2)</sup>	August 4, 2019	\$27,300	Nil	Nil	Nil
	50,000	\$0.88 <sup>(2)</sup>	March 23, 2019	\$42,000	100,000 <sup>(3)</sup>	Nil	Nil
	29,826	\$2.85	August 25, 2019	Nil <sup>(4)</sup>			
Jonathan Rosset	50,000	\$1.80	Sept 12, 2020	Nil	Nil	Nil	Nil
	150,000	\$1.80	Sept 12, 2020 <sup>(6)</sup>	Nil			
	10,000	\$1.61	Dec 19, 2021	1,100			
Timothy W. Heenan	25,000	\$1.80	Sept 12, 2020	Nil	Nil	Nil	Nil
	60,000	\$0.88	April 29, 2021	\$50,400	Nil	Nil	Nil
	100,000	\$1.28	May 14, 2018 <sup>(5)</sup>	\$44,000	Nil	Nil	Nil
	32,500	\$0.88 <sup>(2)</sup>	August 4, 2019	\$27,300	Nil	Nil	Nil
	50,000	\$0.88 <sup>(2)</sup>	March 23, 2019	\$42,000			
	17,500	\$2.85	August 25, 2019	Nil <sup>(4)</sup>			
Damien Koerber	20,000	\$1.80	Sept 12, 2020	Nil	Nil	Nil	Nil
	65,000	\$1.38	April 29, 2019	\$16,575 <sup>(4)</sup>			
	62,500	\$2.85	August 25, 2019	Nil <sup>(4)</sup>			

<sup>(1)</sup> Based on a closing price of \$1.72 on June 30, 2018

<sup>(2)</sup> These are options that were amended on November 12, 2015. On this date the directors approved a proposal to the holders of certain options whereby in consideration for the Optionee's agreement to give up 50% of the number of options, the exercise price of the remaining options will be reduced to \$0.88 per share, and a three year extension was added to the term of the remaining options. The option amendments were approved by: each Optionee; the disinterested shareholders at the Meeting on February 10, 2016; and the TSX Venture Exchange. A portion of these options expired unexercised on March 23, 2019.

<sup>(3)</sup> A total of 300,000 common shares were issued as a retention bonus to Mr. Nano on March 22, 2016, under the renewal of his consulting contract. The first tranche of 100,000 shares was issued and delivered to Mr. Nano on March 30, 2016. The remaining 200,000 shares were held in escrow and have been released.

<sup>(4)</sup> Calculations were computed only on vested options at fiscal year end.

<sup>(5)</sup> the expiration date was extended to a date yet to be determined in accordance with the Plan. These options expired unexercised on January 3, 2019.

<sup>(6)</sup> these options were granted under Mr. Rosset's initial employment agreement and are subject to vesting whereby 30,000 vested immediately; and 40,000 shall vest on each of the first second and third anniversary dates of the effective date of the agreement (May 23, 2017).

### ***Incentive Plan Awards – Value Vested or Earned During the Most Recently Completed Financial Year***

The following table presents information concerning value vested with respect to option-based awards and share-based awards for each NEO during the most recently completed financial year:

<b>Name</b>	<b>Option-based awards – Value vested during the year (\$)</b>	<b>Share-based awards – Value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the year (\$)</b>
Stephen C. Nano	13,186	Nil	Nil
Jonathan Rosset	112,305	Nil	Nil
Timothy W. Heenan	15,660	Nil	Nil
Mahesh Liyanage	40,716	Nil	Nil
Damien Koerber	12,816	Nil	Nil

### ***Pension Plan Benefits – Defined Benefits Plan***

The Company does not have a Defined Benefits Pension Plan nor a Defined Contribution Plan.

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

Other than as described below, during the most recently completed financial year there were no employment contracts, agreement, plans or arrangements for payments to a NEO, at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in an NEO's responsibilities.

The Company entered into a consulting agreement with Mr. Nano on February 15, 2016, with an effective date of July 1, 2015. The agreement provides for a base consulting fee of CAD \$25,000 per month for Mr. Nano to perform certain duties in his capacity as the President and CEO of the Company until June 30, 2018. Under the agreement Mr. Nano also received 300,000 retention bonus shares, of which 100,000 were issued and delivered to Mr. Nano on

March 30, 2016, and the balance of 200,000 common shares were held in escrow and have been released.

On November 30, 2018, the Company entered into a new agreement with Mr. Nano, for the period from July 1, 2018, until January 31, 2019, and the consulting fee was unchanged. Mr. Nano also received a grant of 50,000 RSUs under the new agreement which vested immediately.

In addition, Mr. Nano is eligible to participate in such incentive share option plans and other incentives as approved by the Board. Under certain circumstances, upon termination of Mr. Nano by the Company within six month after change of control, or if Mr. Nano elects to terminate his agreement by giving notice to the Company within 60 days of a change in control of the Company, the Company shall pay Mr. Nano an amount equal to 24 months of Mr. Nano's consulting fees. Further, upon termination of Mr. Nano without cause by the Company or in the event of a material adverse change in Mr. Nano's duties and responsibilities, the Company shall pay Mr. Nano an amount equal to 12 months of consulting fees. Mr. Nano's agreement lapsed on January 31, 2019.

Subsequent to the year end, the Company entered into an employment agreement with Norman Pitcher, effective February 1, 2019, pursuant to which Mr. Pitcher receives a salary of \$300,000 per year for service as President and CEO. Mr. Pitcher also received an initial grant of 600,000 stock options under the agreement which vest over time.

Mr. Pitcher is eligible to participate in such incentive share option plans and other incentives as approved by the Board. Under certain circumstances, upon termination of Mr. Pitcher by the Company within three month after change of control, or if Mr. Pitcher elects to terminate his agreement for constructive dismissal within three months of a change in control of the Company, the Company shall pay Mr. Pitcher an amount equal to 12 months of Mr. Pitcher's remuneration. Further, upon termination of Mr. Pitcher without cause by the Company the Company shall pay Mr. Pitcher an amount equal to six months remuneration (if terminated during the first year of the agreement), or 12 months remuneration (if terminated after the first anniversary of the agreement).

The Company entered into a consulting agreement with Mr. Rosset dated May 23, 2017, pursuant to which Mr. Rosset received a salary of \$130,000 per year as Manager of Corporate Development. Mr. Rosset also received an initial grant of 150,000 stock options under the agreement which vest over time.

On October 17, 2018, the Company and Mr. Rosset entered into a new agreement for the period ending June 30, 2020. The new agreement provides for a salary of \$161,000 per year for his service as VP Corporate Development. In addition, under the new agreement Mr. Rosset received 30,000 RSUs, of which 15,000 vested immediately and 20,000 shall vest on October 17, 2019. He is also eligible to participate in such incentive share option plans and other incentives as approved by the Board. Under certain circumstances, upon termination of Mr. Rosset by the Company within six months after a change of control, or if Mr. Rosset elects to terminate his agreement within 60 days of constructive dismissal by the Company, the Company shall pay Mr. Rosset an amount equal to 12 month's salary. Upon termination of Mr. Rosset without cause by the Company, the Company shall pay Mr. Rosset an amount equal to 2 month's salary, plus an additional month for each year, or part thereof, of service to a maximum of 12 month's salary.

The Company entered into a consulting agreement with Mr. Heenan dated September 1, 2016 for a period ending August 31, 2017, pursuant to which Mr. Heenan received a base consulting

fee of US \$13,500 per month for his services as Exploration Manager. The agreement was extended thereafter on a month to month basis.

The Company entered into a new consulting agreement with Mr. Heenan dated November 1, 2018, for a period ending June 30, 2021. The new agreement provides for a base consulting fee of CAD \$210,600 per year for Mr. Heenan to perform the duties in his capacity as Country Manager for Chile and Argentina, based in Mendoza Argentina. In addition, Mr. Heenan received 40,000 RSUs, of which 20,000 vested immediately and 20,000 shall vest on November 1, 2019. He is also eligible to participate in such incentive share option plans and other incentives as approved by the Board. Under certain circumstances, upon termination of Mr. Heenan by the Company within six months after a change of control, or if Mr. Heenan elects to terminate his agreement within 60 days of constructive dismissal by the Company, the Company shall pay Mr. Heenan an amount equal to 12 months of Mr. Heenan's consulting fees. Upon termination of Mr. Heenan without cause by the Company or in the event of a material adverse change in Mr. Heenan's duties and responsibilities, the Company shall pay Mr. Heenan an amount equal to 12 months of consulting fees.

The Company entered into a consulting agreement with Mr. Koerber and his private management corporation (Consultora Geoexplora Ltda) on August 10, 2016, with an effective date of August 11, 2015. The agreement provides for a base consulting fee of CAD \$850 per day, with a minimum commitment of 15 days per month, and an initial grant of 65,000 stock options. Mr. Koerber has been contracted to perform business development, exploration management and geological services for the Company until August 11, 2018. In addition, Mr. Koerber is eligible to participate in such incentive share option plans and other incentives as approved by the Board. On December 18, 2018, Mr. Koerber entered into a new part-time (one day per month) consulting agreement for a limited term.

The Company entered into an employment agreement with Mr. Toporowski on April 25, 2015, with an effective date of June 1, 2015. The agreement provides for fixed salary of \$150,000 annually to perform certain duties in his capacity as the Manager of Investor Relations. Under the agreement, Mr. Toporowski also received 500,000 stock options under the Company's incentive stock option plan, granted as of the date of the Employment Agreement, which were subject to vesting conditions.

On July 17, 2017, the Company and Mr. Toporowski entered into a Settlement & Consulting Agreement effective immediately to ensure an orderly transition of the investor relations function, and to settle all issues and potential claims arising out of the termination of the employment agreement. Mr. Toporowski waived and released the Company from the obligation to pay the termination compensative effective as of the date of the Settlement Agreement. During a non-exclusive consulting period ending on July 31, 2018, Toporowski retained 100,000 of the options, which vested on June 1, 2018 and have been exercised. The balance of the options were cancelled by mutual agreement as of the date of Settlement & Consulting Agreement.

## Director Compensation

### **Director Compensation Table**

The following table sets forth information with respect to all amounts of compensation provided to the directors of the Company for the most recently completed financial year.

<b>Name</b>	<b>Fees earned (\$)<sup>(1)</sup></b>	<b>Share-based awards (\$)</b>	<b>Option-based awards (\$)</b>	<b>Non-equity incentive plan compensation (\$)</b>	<b>Pension value (\$)</b>	<b>All other compensation (\$)<sup>(2)</sup></b>	<b>Total (\$)</b>
Dana H. Prince	110,400	Nil	143,856	Nil	Nil	Nil	254,256
Nick DeMare <sup>(3)</sup>	25,200	Nil	13,186	Nil	Nil	Nil	38,386
Borden R. Putnam, III <sup>(4)</sup>	25,200	Nil	13,186	Nil	Nil	Nil	38,386
John Tognetti	Nil	Nil	13,186	Nil	Nil	Nil	13,186
Patrick Evans	25,200	Nil	13,186	Nil	Nil	Nil	38,386

<sup>(1)</sup> The Company has an arrangement whereby the independent directors of the Company receive a monthly fee for their services. The fee is currently \$2,100 per month. The Chairman of the Board receives an additional \$7,100 per month.

<sup>(2)</sup> During the 2018 fiscal year, the Company compensated the independent directors for their representation on other committees of the Board prior to the monthly service fee arrangement described above.

<sup>(3)</sup> Mr. DeMare is the President and Principal of Chase Management Ltd., a private company providing a broad range of administrative, management, and financial services to private and public companies involved in the mining sector. Fees attributed to Mr. DeMare were paid to Chase Management Ltd.

<sup>(4)</sup> Mr. Putnam resigned from the Board on November 20, 2018.

### **Share-Based Awards, Options-Based Awards and Non-Equity Incentive Plan Compensation**

#### *Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards*

The following table sets forth information in respect of all share-based awards and option-based awards outstanding at the end of the most recently completed financial year to the directors of the Company:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Dana H. Prince	250,000 100,000 20,000	\$1.65 \$0.88 \$2.85	Dec 20, 2020 April 29, 2021 August 25, 2019	\$12,950 <sup>(4)</sup> \$84,000 Nil	Nil	Nil	Nil
Nick DeMare	20,000 40,000 22,500 25,000 20,000	\$1.65 \$0.88 \$0.88 <sup>(2)</sup> \$0.88 <sup>(2)</sup> \$2.85	Dec 20, 2020 April 29, 2021 August 4, 2019 March 23, 2019 August 25, 2019	\$1,400 \$33,600 \$18,900 \$21,000 Nil	Nil Nil Nil Nil	Nil Nil Nil Nil	Nil Nil Nil Nil
Borden R. Putnam, III <sup>(3)</sup>	20,000 40,000 <sup>(5)</sup> 20,000	\$1.65 \$0.88 \$2.85	Dec 20, 2020 April 29, 2021 August 25, 2019	\$1,400 \$33,600 Nil	Nil Nil	Nil Nil	Nil Nil
John Tognetti	20,000 20,000	\$1.65 \$2.85	Dec 20, 2020 August 25, 2019	\$1,400 Nil	Nil	Nil	Nil
Patrick Evans	20,000 100,000	\$1.65 \$2.85	Dec 20, 2020 August 25, 2019	\$1,400 Nil	Nil	Nil	Nil

<sup>(1)</sup> Based on a closing price of \$1.72 on June 30, 2018

<sup>(2)</sup> These are options that were amended on November 12, 2015. On this date the directors approved a proposal to the holders of certain options whereby in consideration for the Optionee's agreement to give up 50% of the number of options, the exercise price of the remaining options will be reduced to \$0.88 per share, and a three year extension was added to the term of the remaining options. The option amendments were approved by: each Optionee; the disinterested shareholders at the Meeting on February 10, 2016; and the TSX Venture Exchange.

<sup>(3)</sup> Mr. Putnam resigned as a director on November 20, 2018, and has continued to serve as an advisor for technical disclosure on an as-needed basis.

<sup>(4)</sup> Calculations were computed only on vested options at fiscal year end.

<sup>(5)</sup> these options were exercised on February 5, 2019.

***Incentive Plan Awards – Value Vested or Earned During the Most Recently Completed Financial Year***

The following table presents information concerning value vested with respect to option-based awards and share-based awards for the directors of the Company during the most recently completed financial year:

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Dana H. Prince	143,856	Nil	Nil
Nick DeMare	13,186	Nil	Nil
Borden R. Putnam, III	13,186	Nil	Nil
John Tognetti	13,186	Nil	Nil
Patrick Evans	13,186	Nil	Nil

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN

The following table sets out, as of the end of the most recently completed financial year, all required information with respect to compensation plans under which equity securities of the Company are authorized for issuance:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	3,065,826	1.67	2,316,437
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	3,065,826	1.67	2,316,437

### CORPORATE GOVERNANCE

#### Board of Directors

The Board presently has six directors, four (4) of whom are independent. At the Meeting, management has nominated six (6) directors, four (4) of whom are independent. The definition of independence used by the Company is that used by the Canadian Securities Administrators, which is set out in section 1.4 of National Instrument 52-110 *Audit Committees* (“NI 52-110”). A director is independent if he has no direct or indirect material relationship to the Company. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director’s independent judgment. Certain types of relationships are by their very nature considered to be material relationships and are specified in section 1.4 of NI 52-110.

Nick DeMare, John Tognetti, Patrick C. Evans and Diane Nicolson are considered to be independent directors. Dana Prince and Norman Pitcher are not considered to be independent as they have served as executive officers of the Company. Stephen C. Nano, the former

President and CEO and currently a director will not stand for re-election to the Board at the Meeting.

The Board believes that the principal objective of the Company is to generate economic returns and maximize shareholder value in a responsible fashion through mineral discoveries. The Board's responsibilities will include strategic planning, risk identification, corporate governance, compensation policies, financial oversight and CEO succession.

The Company has not developed written position descriptions for the Chief Executive Officer or for the Chairman of the Board. The articles of the Company provide that the Chair of the Board serves as the Chairman at meetings of the Board. Pursuant to the *Business Corporations Act* (British Columbia), directors must declare any interest in a material contract or transaction or a proposed material contract or transaction. Further, the independent members of the Board meet independently of management members when warranted. During the most recently completed financial year, the Board met six (6) times and all members of the Board were in attendance, except for two meetings. In addition, during the same period the Board approved certain matters by consent resolution on seven (7) occasions. The independent directors met as necessary without the non-independent members of the Board in attendance.

### ***Other Directorships***

Certain nominees for election as directors of the Company at the Meeting are also directors of the following other reporting issuers:

Current Director / Nominee	Other Directorships of other Reporting Issuers
Nick DeMare	Aguila American Gold Limited Altair Resources Inc. American Helium Inc. Cliffmont Resources Ltd. East West Petroleum Corp. GGL Resources Corp. Hannan Resources Ltd. Hansa Resources Ltd. Kingsmen Resources Ltd. Mawson Resources Ltd. Rochester Resources Ltd. Rockshield Capital Corp. Salazar Resources Limited Tinka Resources Limited
Diane Nicolson	Amarc Resources Ltd.
Norman Pitcher	Roxgold Inc. Allegiant Gold

### ***Orientation and Continuing Education***

New directors of the Company are provided with pertinent information about the Company which includes information about the duties and obligations of directors, the business and operations of the Company and documents from recent board meetings. Specific details of the orientation of each new director are tailored to that director's individual needs and areas of interest.

The Company also provides continuing education to directors by way of management presentations to ensure that their knowledge and understanding of the Company's business remains current. The Company's financial and legal advisers are also available to the Company's directors.

### ***Ethical Business Conduct***

The Company has adopted a Code of Business Conduct and Ethics (the "Code") which is intended to document the principles of conduct and ethics to be followed by the Company's directors, officers and employees. The purpose of the Code is to:

- Promote integrity and deter wrongdoing
- Promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest.
- Promote avoidance of absence of conflicts of interest.
- Promote full, fair, accurate, timely and understandable disclosure in public communications made by the Company.
- Promote compliance with applicable governmental laws, rules and regulations.
- Promote and provide a mechanism for the prompt, internal reporting of departures from the Code.
- Promote accountability for adherence to the Code.
- Provide guidance to the Company's directors, officers and employees to help them recognize and deal with ethical issues.
- To help foster a culture of integrity, honesty and accountability throughout the Company.

A copy of the Code is available from the Company's offices. In the Board's regular meetings, the Board considers the Company's operations and business activities in light of the Code. The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity.

### ***Nomination of Directors***

The Board has established a Nominating & Governance Committee for proposing new nominees for election to the Board of Directors, comprised of Patrick Evans (Chair), Nick DeMare, and John Tognetti. Nominees proposed for consideration are generally the result of recruitment efforts by the Committee and other Board members, including both formal and informal discussions among Board members.

### ***Compensation***

The Board has established a Compensation Committee which is responsible for reviewing the adequacy and form of compensation paid to the Company's executives and key employees, and ensuring that such compensation realistically reflects the responsibilities and risks of such positions. The Compensation Committee is comprised of Patrick Evans (Chair), Nick DeMare, Dana H. Prince and John Tognetti. In fulfilling its responsibilities, the Compensation Committee evaluates the performance of the chief executive officer and other senior management in light of corporate goals and objectives, and makes recommendations with respect to compensation levels based on such evaluations.

The Compensation Committee is also responsible for dealing with governance issues as they arise from time to time.

### **Other Board Committees**

In January 2015, the Board formed a Special Committee for Contracts which is currently comprised of Dana H. Prince (Chair) and Nick DeMare, to review and evaluate the terms of consulting agreements with Mr. Nano and Global Ore Discovery Inc.

Except as disclosed herein, the Board has not established any standing committees other than the Audit Committee, described below.

### **Assessments**

There is no formal committee with the responsibility for assessing the effectiveness of the Board as whole, except for the Compensation and Corporate Governance Committee. The Board as a group regularly reviews its performance and assesses the effectiveness of the Board as a whole.

## **AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS**

### **General**

The Audit Committee is a standing committee of the Board, the primary function of which is to assist the Board in fulfilling its financial oversight responsibilities, which will include monitoring the quality and integrity of the Company's financial statements and the independence and performance of the Company's external auditor, acting as a liaison between the Board and the Company's external auditor, reviewing the financial information that will be publicly disclosed and reviewing all audit processes and the systems of internal controls management and the Board have established.

### **Audit Committee Charter**

The Board has adopted an Audit Committee Charter, which sets out the Audit Committee's mandate, organization, powers and responsibilities. The Audit Committee Charter is attached as Schedule "A" to this Information Circular.

### **Composition**

As the shares of the Company are listed on the TSX Venture Exchange (the "Exchange"), it is categorized as a venture issuer. As a result, the Company is exempt from the requirements of Part 3 (*Composition of the Audit Committee*) of NI 52-110.

The Audit Committee consists of the following three (3) directors. Also indicated is whether they are 'independent' and 'financially literate'.

<b>Name of Member</b>	<b>Independent <sup>(1)</sup></b>	<b>Financially Literate <sup>(2)</sup></b>
Nick DeMare – Chairman	Independent	Financially Literate
Dana H. Prince	Not Independent	Financially Literate
Patrick Evans	Independent	Financially Literate

(1) A member of the Audit Committee is independent if he has no direct or indirect 'material relationship' with the Company. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment. An executive officer of the Company, such as the President, is deemed to have a material relationship with the Company.

(2) A member of the Audit Committee is financially literate if he has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

## Relevant Education and Experience

Nick DeMare is a CPA, CA with significant experience working with resources issuers. Dana Prince is a lawyer with significant experience working in corporate finance and securities law and as serving as managing partner of a law firm. As such each has acquired the knowledge and understanding of the financial issues and accounting principles that are relevant in assessing this Company's financial disclosures and internal control systems. Mr. Evans is an experienced business executive whom also understands the financial issues and accounting principles that are relevant in assessing this Company's financial disclosures.

## Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

## Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 or an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*) of NI 52-110.

## Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services, however, as provided for in NI 52-110 the Audit Committee must pre-approve all non-audit services to be provided to the Company or its subsidiaries, unless otherwise permitted by NI 52-110.

## External Auditor Service Fees (By Category)

Financial Year Ending	Audit Fees <sup>(1)</sup>	Audit Related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All Other Fees <sup>(4)</sup>
June 30, 2018	\$50,872.50	Nil	\$13,387.50	Nil
June 30, 2017	\$40,000	Nil	\$10,000	Nil

(1) The aggregate fees billed by the Company's auditor for audit fees.

(2) The aggregate fees billed for assurance and related services by the Company's auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed in the 'Audit Fees' column.

(3) The aggregate fees billed for professional services rendered by the Company's auditor for tax compliance, tax advice and tax planning.

(4) The aggregate fees billed for professional services other than those listed in the other three columns.

## **Exemption**

Pursuant to section 6.1 of NI 52-110, the Company is exempt from the requirements of Part 3 *Composition of the Audit Committee* and Part 5 *Reporting Obligations* of NI 52-110 because it is a venture issuer.

## **INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS**

None of the directors or executive officers of the Company or any subsidiary thereof, has more than “routine indebtedness” to the Company or any subsidiary thereof.

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

Unless otherwise disclosed herein, no informed person or proposed nominee for election as a director, or any associate or affiliate of any of the foregoing, has or has had any material interest, direct or indirect, in any transaction or proposed transaction since the commencement of the Company’s most recently completed financial year, which has materially affected or will materially affect the Company or any of its subsidiaries, other than as disclosed by the Company during the course of the year or as disclosed herein.

## **APPOINTMENT OF AUDITOR**

The management of the Company intends to nominate Davidson & Company, Chartered Accountants of Vancouver, British Columbia for appointment as auditors of the Company. Forms of proxy given pursuant to the solicitation of the management of the Company, will, on any poll, be voted as directed and, if there is no direction, be voted for the appointment of Davidson & Company of Vancouver, British Columbia at a remuneration to be fixed by the directors. Davidson & Company were first appointed auditors of the Company on December 3, 2007.

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

### **Approval of Equity Incentive Plan**

The Company is required, under the policies of the Exchange, to adopt a stock option plan for the benefit of directors, officers, employees and consultants of the Company and to seek shareholder approval for the stock option plan on an annual basis. The Company has adopted an Equity Incentive Plan (the “**Plan**”) that provides for the grant of stock options (“**Options**”) equal to up to 10% of the Company’s issued and outstanding common shares at any time to directors, officers, employees and consultants of the Company. The Plan also provides for the grant of up to 1,000,000 restricted share units (“**RSUs**”) to eligible directors, officers, employees and consultants of the Company. The 10% cap on incentive securities includes both Options and RSUs. A copy of the Plan will be available at the Meeting.

An RSU consists of the grant of a right to receive common shares at a later date, which may vest in installments in accordance with performance criteria specified by the Board. The common shares underlying RSUs shall be issued from treasury. The Board believes that by providing this additional form of equity-based compensation, the Company will be able to continue to provide incentives that attract, retain and motivate employees, officers, directors and consultants. As of the date of this Circular the Company has granted 120,000 RSUs, and there are 3,980,626 Options currently outstanding under the Plan, and previous option plans.

Under the Plan, the Board may from time to time grant to directors, officers, employees and consultants of the Company, as the Board shall designate, awards of RSUs and/or Options (an “**Award**”) to acquire from the Company such number of its common shares as the Board shall designate. Some of the significant terms of the Plan are as follows:

1. The total number of common shares to be reserved for issuance under one or more Awards over the previous one year period for any participant shall not exceed 5% of the issued common shares of the Company at the time of grant and the total number of common shares that may be reserved for issuance over the previous 12 month period for individuals engaged in an investor relations capacity shall not exceed 2% of the issued common shares of the Company at the time of grant. In addition, the total number of common shares to be reserved for issuance over the previous 12 month period for any one consultant, shall not exceed 2% of the issued common shares of the Company at the time of grant.
2. While the Company’s common shares are listed on the Exchange, the purchase price or exercise price per common share for any Award granted under the Plan shall not be less than the market price of the Company’s common shares less any applicable discount in accordance with the policies of the Exchange.
3. A maximum of 1,000,000 RSUs may be granted under the Plan.
4. RSUs granted must expire not later than a maximum of 3 years from the date of the grant.
5. Options granted must expire not later than a maximum of 10 years from the date of the grant.
6. Awards will vest at the discretion of the board of directors.
7. All Awards granted pursuant to the Plan shall be non-assignable.

Management of the Company intend to place before the Meeting for ratification a resolution (the “**Equity Incentive Plan Resolution**”) to ratify and approve the Plan. The complete text of the Equity Incentive Plan Resolution which management intends to place before the Meeting for approval and adoption, with or without variation, is set forth below:

**“Be it resolved as an ordinary resolution of the Company that:**

1. The Plan, as set forth in the Information Circular dated April 5, 2019, be ratified and approved and that the Board of the Company be authorized in their absolute discretion to establish and administer the Plan in accordance with its terms and conditions;
2. The maximum number of common shares of the Company reserved for issuance under the Plan, inclusive of previous Option grants and RSUs, shall be equal to 10% of issued and outstanding common shares from time to time;
3. The Board be authorized on behalf of the Company to make any amendments to the Plan from time to time as may, in its discretion, be considered appropriate, provided that such amendments be subject to the approval of all applicable regulatory authorities; and
4. Any one (or more) director or officer of the Company is authorized and directed, on behalf of the Company, to take all necessary steps and proceedings and to execute,

deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Company or otherwise) that may be necessary or desirable to give effect to this ordinary resolution.”

***Recommendation of Board – Equity Incentive Plan Resolution***

The Board of Directors recommends that the Company’s shareholders vote in favour of the Equity Incentive Plan Resolution to ratify and approve Plan as set out above. In order for the Equity Incentive Plan Resolution to be effective it must be approved by an ordinary resolution, being the affirmative vote of a majority of the votes cast in respect thereof by Shareholders present in person or by proxy at the Meeting. The persons named in the enclosed form of proxy intend to vote for such approvals at the Meeting unless otherwise directed by the shareholders appointing them.

**OTHER MATTERS**

It is not known whether any other matters will come before the Meeting other than those set forth above and in the notice of meeting, but if any other matters do arise, the persons named in the proxy intend to vote on any poll, in accordance with their best judgment, exercising discretionary authority with respect to amendments or variations of matters ratified in the notice of meeting and other matters which may properly come before the Meeting or any adjournment.

**ADDITIONAL INFORMATION**

Additional information on the Company is available on the internet on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company’s financial statements and management discussion and analysis which are available on SEDAR. The audited financial statements for the year ending June 30, 2018 together with the auditor’s report will be presented at the Meeting. You may request copies of the Company’s financial statements and management discussion and analysis by completing the request card included with this Information Circular, in accordance to the instructions therein.

DATED: April 5, 2019.

BY THE MANAGEMENT OF  
MIRASOL RESOURCES LTD.

*“Norman Pitcher”*

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Norman Pitcher  
CEO and President

## SCHEDULE A AUDIT COMMITTEE CHARTER

### 1. MANDATE

The primary mandate of the audit committee (the “**Audit Committee**”) of the Board of Directors the Company (the “**Board**”) is to assist the Board in overseeing the Company’s financial reporting and disclosure. This oversight includes:

- (A) reviewing the financial statements and financial disclosure that is provided to shareholders and disseminated to the public;
- (B) reviewing the systems of internal controls to ensure integrity in the financial reporting of the Company; and
- (C) monitoring the independence and performance of the Company’s external auditors and reporting directly to the Board on the work of the external auditors.

### 2. COMPOSITION AND ORGANIZATION OF THE COMMITTEE

2.1 The Audit Committee must have at least three directors.

2.2 The majority of the Audit Committee members must be independent. A member of the Audit Committee is independent if the member has no direct or indirect material relationship with an issuer. A material relationship means a relationship which could, in the view of the issuer’s board of directors, reasonably interfere with the exercise of a member’s independent judgment.<sup>1</sup>

2.3 Every Audit Committee member must be financially literate. Financial literacy is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer’s financial statements.<sup>2</sup>

2.4 The Board will appoint from themselves the members of the Audit Committee on an annual basis for one year terms. Members may serve for consecutive terms.

2.5 The Board will also appoint a chair of the Audit Committee (the “Chair of the Audit Committee”) for a one year term. The Chair of the Audit Committee may serve as the chair of the committee for any number of consecutive terms.

2.6 A member of the Audit Committee may be removed or replaced at any time by the Board. The Board will fill any vacancies in the Audit Committee by appointment from among members of the Board.

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<sup>1</sup> National Instrument 52-110 *Audit Committees* sections 1.4 and 1.5

<sup>2</sup> National Instrument 52-110 *Audit Committees* section 1.6

### 3. MEETINGS

3.1 The Audit Committee will meet at least four (4) times per year. Special meetings may be called by the Chair of the Audit Committee as required.

3.2 Quorum for a meeting of the Audit Committee will be two (2) members in attendance.

3.3 Members may attend meetings of the Audit Committee by teleconference, videoconference, or by similar communication equipment by means of which all persons participating in the meeting can communicate with each other.

3.4 The Audit Committee Chair will set the agenda for each meeting, after consulting with management and the external auditor. Agenda materials such as draft financial statements must be circulated to Audit Committee members for members to have a reasonable time to review the materials prior to the meeting.

3.5 Minutes of the Audit Committee meetings will be accurately recorded, with such minutes recording the decisions reached by the committee. Minutes of each meeting must be distributed to members of the Board, the Chief Executive Officer, the Chief Financial Officer and the external auditor.

### 4. RESPONSIBILITIES OF THE COMMITTEE

4.1 The Audit Committee will perform the following duties:

#### *External Auditor*

- (a) select, evaluate and recommend to the Board, for shareholder approval, the external auditor to examine the Company's accounts, controls and financial statements;
- (b) evaluate, prior to the annual audit by external auditors, the scope and general extent of their review, including their engagement letter, and the compensation to be paid to the external auditors and recommend such payment to the Board;
- (c) obtain written confirmation from the external auditor that it is objective and independent within the meaning of the CPA Code of Professional Conduct adopted by the provincial institute or order of Chartered Professional Accountants to which it belongs;
- (d) recommend to the Board, if necessary, the replacement of the external auditor;
- (e) meet at least annually with the external auditors, independent of management, and report to the Board on such meetings;
- (f) pre-approve any non-audit services to be provided to the Company by the external auditor and the fees for those services;

*Financial Statements and Financial Information*

- (g) review and discuss with management and the external auditor the annual audited financial statements of the Company and recommend their approval by the Board;
- (h) review and discuss with management, the quarterly financial statements and recommend their approval by the Board;
- (i) review and recommend to the Board for approval the financial content of the annual report;
- (j) review the process for the certification of financial statements by the Chief Executive Officer and Chief Financial Officer;
- (k) review the Company's management discussion and analysis, annual and interim earnings or financial disclosure press releases, and audit committee reports before the Company publicly discloses this information;
- (l) review annually with external auditors, the Company's accounting principles and the reasonableness of management's judgments and estimates as applied in its financial reporting;
- (m) review and consider any significant reports and recommendations issued by the external auditor, together with management's response, and the extent to which recommendations made by the external auditors have been implemented;

*Risk Management, Internal Controls and Information Systems*

- (n) review with the external auditors and with management, the general policies and procedures used by the Company with respect to internal accounting and financial controls;
- (o) review adequacy of security of information, information systems and recovery plans;
- (p) review management plans regarding any changes in accounting practices or policies and the financial impact thereof;
- (q) review with the external auditors and, if necessary, legal counsel, any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the financial statements;
- (r) discuss with management and the external auditor correspondence with regulators, employee complaints, or published reports that raise material issues regarding the Company's financial statements or disclosure;
- (s) assisting management to identify the Company's principal business risks;

- (t) review the Company's insurance, including directors' and officers' coverage, and provide recommendations to the Board;

*Other*

- (u) review Company loans to employees/consultants; and
- (v) conduct special reviews and/or other assignments from time to time as requested by the Board.

5. *PROCESS FOR HANDLING COMPLAINTS REGARDING FINANCIAL MATTERS*

5.1 The Audit Committee shall establish a procedure for the receipt, retention and follow-up of complaints received by the Company regarding accounting, internal controls, financial reporting, or auditing matters.

5.2 The Audit Committee shall ensure that any procedure for receiving complaints regarding accounting, internal controls, financial reporting, or auditing matters will allow the confidential and anonymous submission of concerns by employees.

6. *REPORTING*

6.1 The Audit Committee will report to the Board on:

- (a) the external auditor's independence;
- (b) the performance of the external auditor and the Audit Committee's recommendations;
- (c) regarding the reappointment or termination of the external auditor;
- (d) the adequacy of the Company's internal controls and disclosure controls;
- (e) the Audit Committee's review of the annual and interim financial statements;
- (f) the Audit Committee's review of the annual and interim management discussion and analysis;
- (g) the Company's compliance with legal and regulatory matters to the extent they affect the financial statements of the Company; and
- (h) all other material matters dealt with by the Audit Committee.

7. *AUTHORITY OF THE COMMITTEE*

7.1 The Audit Committee will have the resources and authority appropriate to discharge its duties and responsibilities. The Audit Committee may at any time retain outside financial, legal or other advisors at the expense of the Company without approval of management.