

**MURCHISON MINERALS LTD.****MANAGEMENT INFORMATION CIRCULAR**

For the Annual General Meeting of Shareholders  
to be held on April 29, 2019

**GENERAL PROXY INFORMATION****PART 1 - SOLICITATION OF PROXIES**

**THIS MANAGEMENT INFORMATION CIRCULAR (THE “INFORMATION CIRCULAR”) IS DATED MARCH 22, 2019 AND IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF MURCHISON MINERALS LTD. (“THE “CORPORATION”) OF PROXIES TO BE USED AT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF THE CORPORATION TO BE HELD ON APRIL 29, 2019 AT THE CORPORATION’S HEAD OFFICE, SUITE 2500, 120 ADELAIDE STREET WEST, TORONTO, ONTARIO AT 10:00 A.M. (TORONTO TIME) AND AT ANY ADJOURNMENT THEREOF (THE “MEETING”) FOR THE PURPOSES SET OUT IN THE ENCLOSED NOTICE OF MEETING (THE “NOTICE”) WHICH ACCOMPANIES THIS INFORMATION CIRCULAR.** It is expected that the solicitation will be primarily by mail but proxies may also be solicited personally or by telephone by the directors, officers and employees of the Corporation who will not receive any additional compensation for such services. The cost of solicitation by management will be borne by the Corporation. In accordance with National Instrument 54-101, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the common shares of the Corporation. The Corporation will provide, without cost to such person, upon request to the secretary of the Corporation, additional copies of the foregoing documents for this purpose.

**APPOINTMENT AND REVOCATION OF PROXIES**

The persons named in the enclosed form of proxy are officers or directors of the Corporation. **A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON TO REPRESENT HIM OR HER AT THE MEETING MAY DO SO** either by inserting such person’s name in the blank space provided in the accompanying form of proxy or by completing another proper form of proxy and, in either case, delivering the completed proxy to Computershare Investor Services Inc. at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, Fax: 1-866-249-7775 or 416-263-9524, or complete and forward the on-line proxy form, so that it is received no later than 10:00 a.m. (Toronto time) on Thursday, April 25, 2019 (the “Proxy Deadline”), being two (2) business days preceding the date of the Meeting, or delivered to the chairman of the Meeting prior to commencement of the Meeting or of any adjournment thereof. **Each**

**shareholder is entitled to appoint a person to represent such shareholder at the Meeting, who need not be one of the persons named in the accompanying form of proxy.**

A proxy given pursuant to this solicitation may be revoked by instrument in writing, including another proxy bearing a later date, executed by the shareholder or by his or her attorney authorized in writing, and deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting at which the proxy is to be used, or with the Chairman of such Meeting on the day of the Meeting, or in any other manner permitted by law.

A proxy must be signed in writing or, subject to the means of electronic signature permitting a reliable determination that the document was created or communicated by or on behalf of the shareholder or the attorney, as the case may be, by electronic signature by the shareholder or an attorney who is authorized by a document that is signed in writing or by electronic signature or, if the shareholder is a body corporate, by an officer or attorney of the body corporate duly authorized.

A shareholder attending the Meeting has the right to vote in person and if he or she does so, his or her proxy is nullified with respect to the matters such person votes upon and any subsequent matters thereafter to be voted upon at the Meeting.

#### **EXERCISE OF DISCRETION BY PROXIES**

Proxies received in favour of management will be voted and, where a choice is specified, will be voted in accordance with the choice so specified in the proxy. **WHERE NO CHOICE IS SPECIFIED, THE PROXY WILL CONFER DISCRETIONARY AUTHORITY AND WILL BE VOTED FOR THE ITEM OF BUSINESS AS SET OUT IN THE NOTICE CALLING THE MEETING AND AS STATED ELSEWHERE IN THIS INFORMATION CIRCULAR.**

The enclosed form of proxy also confers discretionary authority upon the persons named therein with respect to any amendments or variations to the matter identified in the accompanying Notice and with respect to other matters which may properly come before the Meeting in such manner as such nominee in his or her judgement may determine. **HOWEVER, IF OTHER MATTERS WHICH ARE NOT PRESENTLY KNOWN TO MANAGEMENT SHOULD PROPERLY COME BEFORE THE MEETING, THE ACCOMPANYING PROXY WILL BE VOTED ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGEMENT OF THE PERSON OR PERSONS VOTING THE PROXY.** As of the date of this Information Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting other than the matter referred to in the accompanying Notice.

#### **VOTING BY NON-REGISTERED SHAREHOLDERS**

Only registered shareholders of the Corporation or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, common shares of the Corporation beneficially owned by a person (a “**Non-Registered Holder**”) are registered either: (i) in the

name of an intermediary (an “**Intermediary**”) with whom the Non-Registered Holder deals in respect of the common shares of the Corporation (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“**CDS**”)) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101, the Corporation will have distributed copies of the Notice, this Information Circular and the form of proxy (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders. Intermediaries are required to forward the Meeting Materials to Non-Registered Holders. Non-Registered Holders will be given, in substitution for the proxy otherwise contained in proxy-related materials, a request for voting instructions (the “**Voting Instructions Form**”) which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary, will constitute voting instructions which the Intermediary must follow.

The purpose of this procedure is to permit Non-Registered Holders to direct the voting of the shares of the Corporation they beneficially own. Should a Non-Registered Holder who receives the Voting Instructions Form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should so indicate in the place provided for that purpose in the Voting Instructions Form and a form of legal proxy will be sent to the Non-Registered Holder. In any event, Non-Registered Holders should carefully follow the instructions of their Intermediary set out in the Voting Instructions Form.

### **REQUIRED SHAREHOLDER APPROVALS**

Except as otherwise disclosed in this Information Circular, all resolutions which the shareholders will be asked to pass must be approved by a majority of the votes cast by shareholders of the Corporation present in person or represented by proxy at the Meeting.

### **VOTING SHARES AND PRINCIPAL SHAREHOLDERS**

The authorized capital of the Corporation consists of an unlimited number of common shares (“**Common Shares**”) without nominal or par value. At the date of this Information Circular, the Corporation had 44,709,881 issued and outstanding Common Shares, each carrying one vote per Common Share.

To the best knowledge of management of the Corporation and based upon publicly available information, the number of Common Shares of the Corporation owned of record or beneficially, either directly or indirectly, by shareholders who own, or exercise control or direction over, more than 10% of the issued and outstanding Common Shares as of the date hereof are as follows:

Name	Type of Ownership	Number of Common Shares Owned	Percentage of Outstanding Common Shares
Donald K. Johnson <sup>(1)</sup>	Direct and Exercise Control	13,124,495 <sup>(2)</sup>	29.35%

- (1) Donald K. Johnson also holds 391,800 stock options, each exercisable for one Common Share, at exercise prices of \$0.30 for 176,800 stock options, \$0.19 for 125,000 stock options and \$0.095 for 90,000 stock options. In addition, Mr. Johnson holds 1,875,000 warrants, each exercisable for one Common Share, at a price of \$0.24 expiring December 15, 2019.
- (2) Donald K. Johnson holds directly 12,757,829 Common Shares and Vyco Limited holds 366,666 Common Shares.

In accordance with the provisions of the *Canada Business Corporations Act* (the “**CBCA**”), the Corporation has caused to be prepared a list of all persons who are registered holders of Common Shares as of March 25, 2019 (the “**Record Date**”) and the number of Common Shares registered in the name of each person on such date. Each shareholder is entitled to one vote for each Common Share registered in such shareholder’s name as it appears on the list except to the extent that such shareholder has transferred any of his or her Common Shares after the Record Date and the transferee of those Common Shares produces properly endorsed Common Share certificates or otherwise establishes that he or she owns the Common Shares and demands, not later than ten days before the date of the Meeting, that his or her name be included in the list. In such case the transferee is entitled to vote his or her Common Shares at the Meeting.

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

No director or officer of the Corporation, no proposed nominee for election to the board of directors (the “**Board**”), and no associate or affiliate of any such person has any material interest, direct or indirect, in any matter to be acted upon at the Meeting other than the election of directors and the approval of the Stock Option Plan.

### **PART 2 – BUSINESS OF THE MEETING**

#### **A. PRESENTATION OF FINANCIAL STATEMENTS**

Shareholders will be asked to review and consider at the Meeting the audited annual financial statements of the Corporation for the financial year ended December 31, 2018 together with the auditor’s report thereon. Receipt at the Meeting of the auditor’s report and the Company’s audited annual financial statements will not constitute approval or disapproval of any matters referred to therein.

#### **B. ELECTION OF DIRECTORS**

The term of office of each of the present directors expires at the Meeting. The Board currently consists of four (4) directors. At the Meeting, shareholders will be asked to set the Board at four (4) and to elect four (4) directors to serve until the next annual meeting, or until their respective successors have been elected or appointed. The persons named below will be presented for election at the Meeting as management’s nominees. Shareholders will be asked and if deemed advisable, proceed with the election of the management’s nominees as directors of the Corporation, each director so elected to hold office until the next annual meeting of the Corporation or until his successor is elected or appointed if his office is earlier vacated in accordance with the Articles of the Corporation or the provisions of the CBCA.

The following table sets forth the name of each person who is proposed as nominee by management of the Corporation for election as a director, and, as applicable, his current position held with the Corporation, his principal occupation, business or employment, the date since which he has been a director of the Corporation and the number of Common Shares of the Corporation beneficially owned, directly or indirectly, or subject to control or direction, by such person as of the date of this Information Circular. The information contained in the following table is based upon information furnished by the respective nominees.

### DIRECTORS

Name and Municipality of Residence	Principal Occupation	Position Held	Director or Officer Since	Numbers of Shares Beneficially Owned or Controlled <sup>(3)</sup>
Denis C. Arsenault <sup>(1)(2)</sup> Racine, Quebec, Canada	Denis Arsenault is a CPA, CA and currently sits on 1 other board of directors of publicly listed companies.	Director	June 3, 2014	81,000
Donald K. Johnson <sup>(2)(4)</sup> Toronto, Ontario, Canada	Member of the Advisory Board of BMO Capital Markets.	Director	November 19, 2004	13,124,495
Jean-Charles Potvin <sup>(1)</sup> Toronto, Ontario, Canada	Interim President and CEO, Chairman of the Corporation.	Chairman and Director	June 3, 2014	1,865,270
David Pyper <sup>(1)(2)</sup> Toronto, Ontario, Canada	Managing Partner at Blair Franklin Capital Partners Inc. of Toronto.	Director	June 3, 2014	300,000

**Notes:**

- (1) Member of the Audit Committee of the Corporation.
- (2) Member of the Compensation Committee of the Corporation.
- (3) The directors of the Corporation beneficially own, directly or indirectly, or have exercise control or direction over, an aggregate of 15,370,765 Common Shares representing approximately 34.38% of the issued and outstanding Common Shares as of March 22, 2019. The number of Common Shares noted, not being within the knowledge of the Corporation, has been provided by each director or officer individually.
- (4) Donald K. Johnson holds directly 12,757,829 Common Shares and Vyco Limited holds 366,666 Common Shares.

The foregoing information has been furnished by the respective proposed director.

As of the date hereof, no director to be nominated for re-election at the Meeting:

- (a) is at the date of this Information Circular, or has been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:
  - (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
  - (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which

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

- (b) is at the date of this Information Circular, or has been, within 10 years before the date hereof a director or executive officer of any company (including the Corporation) that, while such nominee was acting in that capacity, or within a year of such nominee 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 manager or trustee to hold its assets; or
- (c) has, within 10 years before the date hereof, 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 manager or trustee appointed to hold the assets of such nominee.

For the purposes of the above section, the term “order” means:

- (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 that was in effect for a period of more than 30 consecutive days.

In addition, as of the date hereof, no director to be nominated for election at the Meeting has been subject to:

- (a) penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities authority; or
- (b) 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.

### **Conflicts of Interest**

The directors and officers of the Corporation are involved in other projects, including projects in the mining industry, and may have a conflict of interest in allocating their time between the business of the Corporation and other businesses or projects in which they are or will become involved.

**Unless instructions are given to abstain from voting with respect to the election of directors, the persons named in the enclosed form of proxy intend to vote FOR the election of the proposed directors named in the proxy. Management of the Corporation has no reason to believe that any of such persons will be unable to serve as a director, but if that should occur for any reason prior to the election, the persons named in the enclosed form of proxy reserve the right to vote for another proposed director of their choice.**

### **C. APPOINTMENT OF AUDITOR**

Shareholders of the Corporation will be asked to approve the re-appointment UHY McGovern Hurley LLP, Chartered Professional Accountants as the auditor of the Corporation to hold office until the close of the next annual meeting of the Corporation at a remuneration to be fixed by the Board. UHY McGovern Hurley LLP, Chartered Professional Accountants, has been the auditor of the Corporation since October 2, 2013.

**Unless instructions are given to vote against the re-appointment of the auditor, the persons named in the enclosed form of proxy intend to vote FOR the re-appointment of UHY McGovern Hurley LLP, Chartered Professional Accountants as auditor of the Corporation at a remuneration to be fixed by the Board.**

### **D. APPROVAL OF THE STOCK OPTION PLAN**

The Corporation has a rolling stock option plan approved by its shareholders on April 26, 2018 (the “**Stock Option Plan**”) which provides that the Board of Directors of the Corporation may from time to time, in its discretion, grant to the directors, officers, employees and consultants of the Corporation, or any subsidiary of the Corporation, an option to purchase Common Shares, provided that the number of Common Shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding Common Shares. In addition, the number of Common Shares reserved for issuance shall not exceed (i) five percent (5%) of the issued and outstanding Common Shares to any one individual in any 12 month period; (ii) two percent (2%) of the issued and outstanding Common Shares to any one consultant retained by the Corporation in any 12 month period; or (iii) two percent (2%) of the issued and outstanding Common Shares to all employees of the Corporation conducting Investor Relations Activities in any 12 month period. The Board of Directors determines the price per Common Share and the number of Common Shares which may be allotted to each director, officer, employee and consultant and all other terms and conditions of the option, subject to the rules of the TSX Venture Exchange (the “**TSXV**”). The price per Common Share set by the Board of Directors shall not be less than the last price at which a full board lot of Common Shares was, on the last business day prior to the date on which such option is granted, traded on the TSXV or such other principal market on which the Common Shares are traded, less the applicable discount permitted (if any) by such applicable exchange or market. Options under the Stock Option Plan are non assignable. Options must be exercised within ninety (90) days of termination of employment or cessation of position with the Corporation, provided that if the cessation of office, directorship,

consulting arrangement or employment was by reason of death, the option must be exercised within twelve (12) months after such death, subject to the expiry of such option.

Under policy 4.4 of the TSXV entitled *Incentive Stock Options*, listed companies having a rolling stock option plan must obtain yearly approval of its shareholders to such plan at their annual meeting. The Stock Option Plan is such a rolling stock option plan and accordingly, the shareholders will be asked to adopt a resolution approving the Stock Option Plan.

A copy of the Corporation's Stock Option Plan will be available for review at the Meeting. The Board of Directors recommends that the shareholders approve the renewal of the Corporation's Stock Option Plan. The Stock Option Plan is attached to this Information Circular at Schedule "B".

**Unless instructions are given to vote against the renewal of the Corporation's Stock Option Plan, the persons named in the enclosed form of proxy intend to vote FOR the renewal of the Corporation's Stock Option Plan.**

### **PART 3 - STATEMENT OF EXECUTIVE COMPENSATION**

#### **Named Executive Officers**

For the fiscal year ended December 31, 2018, the Corporation had three named executive officers (collectively referred to as the "NEOs", and each a "NEO"): Kent Pearson, former President and CEO until December 5, 2018, Jean-Charles Potvin, Interim President and CEO since December 5, 2018 and Erik H. Martin, Chief Financial Officer and Corporate Secretary. Mr. Pearson and Mr. Martin are not employees of the Corporation and provide services through external management companies (see "*Management Contracts and Termination and Change of Control Benefits*" below). , Mr. Potvin provides services as an independent consultant.

#### **Compensation Discussion and Analysis**

The following Statement of Executive Compensation is prepared in accordance with National Instrument Form 51-102F6 of NI 51-102. The purpose of this Statement of Executive Compensation is to provide disclosure of all compensation earned by directors and certain executive officers in connection with their position as an officer of or consultant to the Corporation.

This section of the Information Circular explains how the Corporation's executive compensation program is designed and operated with respect to the Corporation's NEOs. This section also identifies the objectives and material elements of compensation awarded to the NEOs and the reasons for the compensation. For a complete understanding of the executive compensation program, this Compensation Discussion and Analysis should be read in conjunction with the Summary Compensation Table and other executive compensation-related disclosure included in this Information Circular.

The purpose of the Compensation Committee is to assist the Board of Director's in determining compensation for the Corporation's executive officers relative to the performance of the Corporation in executing on its objectives. Executive officers receive both fixed compensation

and performance-based variable incentive compensation. To attract and retain top talent, fixed compensation is generally targeted at levels comparable to market peers and performance recognition occurs through the delivery of variable short and longer-term incentive compensation.

The Compensation Committee's assessment of corporate performance is based on a number of qualitative and quantitative factors including execution of on-going activities, operational performance and progress on key initiatives connected to the Corporation's strategy.

NEOs do not automatically receive any particular award based on the Compensation Committee's determination of the overall performance of the Corporation, but rather the determination establishes the background for the Compensation Committee's subsequent review of the NEOs' individual performance and compensation.

### **Objectives of the Compensation Program**

The objectives of the Corporation's executive compensation program are:

- to attract and retain executives who can help the Corporation achieve its objectives;
- to align the interests of the executives with the interests of the shareholders;
- to be competitive with the companies with whom the Corporation competes for talent; and
- to reward individual contributions in light of overall business results.

### **Elements of Executive Compensation**

Compensation represents the combined value of fixed compensation and performance based variable incentive compensation, comprising: base compensation, short-term incentive in the form of an annual cash bonus and long-term incentives in the form of stock options.

The allocation of Compensation value to these different compensation elements is not based on a formula, but rather is intended generally to reflect market practices and realities as well as the Compensation Committee's discretionary assessment of an executive officer's past contribution and ability to contribute to future short and long-term business results.

#### *Base Compensation*

Base compensation is designed to provide income certainty and to attract and retain executives. Base compensation for NEOs is reviewed annually by the Compensation Committee and is based on individual performance, the scope of the executive's role within the Corporation and retention considerations.

#### *Short-term Incentives*

Annual cash bonuses are a short-term incentive that is intended to reward executive officers for their yearly individual contribution and performance of personal objectives in the context of overall annual corporate performance. The amount is not pre-established and is at the discretion of the Compensation Committee, subject to approval of the Board.

### *Long-term Incentives*

Long-term incentive compensation is provided through the granting of stock options. This incentive arrangement is designed to motivate executives to achieve longer-term sustainable business results, align their interests with those of the shareholders and to attract and retain executives. Participants benefit only if the market value of the Corporation's common shares at the time of stock option exercise is greater than the exercise price of the stock options at the time of grant.

## **Stock Option Plan Information**

### *Stock Option Granting Process*

Generally, stock option grants are determined annually. The CEO makes recommendations to the Compensation Committee regarding individual stock option awards for all recipients.

The Compensation Committee deliberates and considers relevant market data and other information in order to determine the CEO's stock option grant recommendation to the Board.

The Compensation Committee reviews the appropriateness of the stock option grant recommendations from the CEO for all eligible directors, employees and consultants and accepts or adjusts these recommendations and will then take these recommendations to the Board for final approval. Previous grants of stock options are taken into account when considering new grants.

## **Other Compensation**

Executive Officers may occasionally receive other benefits that the Corporation believes are reasonable and consistent with its overall executive compensation program. These benefits, which are based on competitive market practices, support the attraction and retention of executive officers. The Corporation does not provide any pension or retirement benefits for NEOs.

## **How the Corporation Determines Compensation**

### *The Role of the Compensation Committee*

The Compensation Committee approves, or recommends for approval, all compensation to be awarded to the NEOs. The Compensation Committee may direct management to gather information on its behalf, and provide initial analysis and commentary. The Compensation Committee reviews this material along with other information received from any external advisors which may be retained from time to time in its deliberations before considering or making decisions. Final recommendations are brought to the Board for final approval.

The Compensation Committee has full discretion to adopt or alter management recommendations or to consult external advisors. The Compensation Committee holds in-camera sessions without the presence of management and NEOs.

### *The Role of Management*

Management has direct involvement in and knowledge of the business goals, strategies, experiences and performance of the Corporation. As a result, management plays an important role in the compensation decision-making process.

The CEO makes recommendations to the Compensation Committee regarding the amount and type of compensation awards for other members of executive management. The CEO does not engage in discussions with the Compensation Committee regarding his own compensation.

### *Corporate and Individual Performances*

The Compensation Committee exercises its discretion and uses judgment in making compensation determinations. The Compensation Committee's assessment of the overall business performance of the Corporation, including corporate performance against strategy (both quantitative and qualitative) and business circumstances, provides the context for individual executive officer evaluations for all direct compensation awards.

### *Internal Equity and Retention Value*

Executive officers' pay relative to other executives ("internal equity") is generally considered in establishing compensation levels. The difference between one executive officer's compensation and that of the other NEOs reflects, in part, the difference in their relative responsibilities. The CEO's responsibility for the management and oversight of the enterprise is greater than each of the executive officers' respective business areas. As a result, the compensation level for the CEO is higher than for other NEOs.

The Compensation Committee also considers the retention potential of its compensation decisions. Retention of the NEOs is critical to business continuity and succession planning.

### **Compensation Decisions Made for 2018**

In 2018, the process for determining executive compensation relied on financial position, discussions and review of the CEO's accomplishments in terms of operational performance and addition of explorations assets to the Corporation. The Compensation Committee does not rely on formal objectives, criteria and analysis.

On November 23, 2015, the Corporation entered into a consulting agreement whereby Mr. Kent Pearson became President and CEO of the Corporation (see "*Management Contracts and Termination and Change of Control Benefits*" section below). For 2018, Mr. Pearson's annual compensation was increased to \$150,000 (2017 - \$85,800) to reflect the full-time position and 450,000 stock options were granted in January 2018 at a price of \$0.19. Mr. Pearson also received a one-time bonus of \$30,000 in January 2018. On December 5, 2018, the Company terminated the Locarno Agreement and Mr. Pearson ceased to be the President and CEO of the

Corporation. In December 2018, the Corporation made a payment of \$225,000 to Locarno as a result of the termination (see Locarno Agreement below).

Mr. Martin provides services pursuant to a consulting arrangement with the Corporation for his services as CFO (see “*Management Contracts and Termination and Change of Control Benefits*” section below). For 2018, Mr. Martin’s compensation remained unchanged and was granted 200,000 stock options in January 2018 at a price of \$0.19. Mr. Martin received a one-time bonus of \$20,000 in January 2018

### Summary Compensation Table

The following table contains a summary of the compensation paid to the Corporation’s NEOs during its previous three fiscal years.

Name and Principal Position	Year Ended December 31	Salary (\$)	Share-based awards (\$) <sup>(1)</sup>	Option-based awards (\$) <sup>(2)</sup>	Non-equity incentive plan compensation		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans (\$)	Long term incentive plans (\$)			
Kent Pearson, Former President and CEO	2018	Nil	Nil	76,950	Nil	Nil	Nil	392,500	469,450
	2017	Nil	Nil	Nil	Nil	Nil	Nil	85,800	85,800
	2016	Nil	Nil	165,585	Nil	Nil	Nil	80,050	245,635
Jean-Charles Potvin Interim President and CEO	2018	Nil	Nil	21,375	Nil	Nil	Nil	5,988	27,363
	2017	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	2016	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Erik H. Martin, CFO and Corporate Secretary	2018	Nil	Nil	34,200	Nil	Nil	Nil	111,250	145,450
	2017	Nil	Nil	Nil	Nil	Nil	Nil	105,319	105,319
	2016	Nil	Nil	12,450	Nil	Nil	Nil	72,569 <sup>(4)</sup>	85,019

**Notes:**

- (1) The value of the share-based award was determined using the Black-Scholes option-pricing model.
- (2) The value of the option-based award was determined using the Black-Scholes option-pricing model.
- (3) Mr. Pearson became President and CEO of the Corporation on November 23, 2015. Mr. Pearson, through Locarno Advisory Inc., a management company owned and controlled by Mr. Pearson, invoices the Corporation \$12,500 monthly (\$7,150 for 2106 and 2017) for the services as per the consulting agreement (see “*Management Contracts and Termination and Change of Control Benefits*” section below). Between February and June 2016, Mr. Pearson received no compensation for his services. On December 5, 2018, the Corporation made a termination payment of \$225,000 to Locarno Advisory Inc.
- (4) Mr. Martin, through Bractea Enterprises Ltd., a management company owned and controlled by Mr. Martin, invoices the Corporation on a monthly basis for days worked by Mr. Martin at a rate of \$1,000 per day worked. Between February and June 2016, Mr. Martin received no compensation for his services

The Corporation has estimated the above “grant date fair value” amounts using the Black-Scholes pricing model, a mathematical valuation model that ascribes a value to a stock option based on a number of factors, including the exercise price of the option, the price of the underlying security on the date the option was granted, and assumptions with respect to the volatility of the price of the underlying security,

the expected life of the option, forfeitures, dividend yield and the risk-free rate of return. The assumptions used in the pricing model are highly subjective and can materially affect the estimated fair value.

Calculating the value of stock options using this methodology is very different from a simple “in-the-money” value calculation. In fact, stock options that are well out-of-the-money can still have a significant estimated “grant date fair value” based on a Black-Scholes valuation, especially where, as in the case of the Corporation, the price of the share underlying the option is highly volatile. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation. The same caution applies to the total compensation amounts above, which are based in part on the grant date fair value amounts set out above. The total compensation listed above has been included to reflect the total compensation of each NEO not including the value of any option-based awards. The value of the in-the-money options currently held by each NEO (based on share price less option exercise price) is set forth in “Outstanding Share-Based and Option-Based Awards” table below.

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

#### *Locarno Consulting Agreement*

Up to December 5, 2018, Mr. Kent Pearson provided his services as President and CEO of the Corporation pursuant to a consulting agreement between Locarno Advisory Inc. and the Corporation (the “**Locarno Agreement**”). The Locarno Agreement provides for a base salary of \$150,000 per annum. Under the Locarno Agreement, Mr. Pearson was entitled to an annual discretionary incentive bonus of up to 25%. Mr. Pearson may have also received stock options, at the discretion of the Board. The term of the Locarno Agreement was indefinite, unless terminated as follows:

- i. by the Corporation at any time without payment for just cause;
- ii. by the Corporation upon a lump sum payment equal to 18 months of base fees plus a pro-rated of any annual incentive fee during the year preceding the termination; or
- iii. by Mr. Pearson upon no less than six month notice.

In addition, if within 12 months following a “change in control” of the Corporation (as defined in the Locarno Agreement), the Corporation provided notice of its intention to terminate the Locarno Agreement for any reason other than just cause, the Corporation was obligated to make a lump sum payment of \$500,000 plus a further lump sum equal to the average annual incentive bonus in the two preceding fiscal years prior to the date of termination. All unvested stock options held by Mr. Pearson would expire on termination and all vested options will be available for exercise for a period of 180 days from termination.

The Locarno Agreement contained standard confidentiality provisions, non-competition and a non-solicitation clause which remained binding for a period of six months following the termination of the Locarno Agreement with the Corporation. The Locarno Agreement was terminated on December 5, 2018 by the Corporation.

#### *Bractea Consulting Arrangement*

In 2007, the Corporation retained Bractea for the services of Erik H. Martin as CFO and Corporate Secretary of the Corporation (the “**Bractea Agreement**”). There is no formal written agreement in place however the Board has agreed to provide Bractea with two-month notice in the event that the services provided are no longer required. Bractea’s compensation is paid monthly at a rate of \$1,000 per day worked.

## Incentive Plan Awards

### *Outstanding Option-Based Awards*

The following table sets out, for each NEO, the stock options (option-based awards) outstanding as at December 31, 2018. All of the stock options included below have vested. No NEO of the Corporation exercised stock options during the fiscal year ended December 31, 2018. On December 31, 2018, the closing price of the Corporation's Common Shares on the TSX Venture Exchange (the "Exchange") was \$0.06.

Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options (\$)
Kent Pearson Former President and CEO	600,000	\$0.30	June 30, 2019	Nil
	65,000	\$0.30	June 30, 2019	Nil
	450,000	\$0.19	June 30, 2019	Nil
Jean-Charles Potvin Interim President and CEO	180,000	\$0.70	February 28, 2019	Nil
	126,800	\$0.30	December 2, 2019	Nil
	65,000	\$0.30	September 27, 2021	Nil
	125,000	\$0.19	January 18, 2023	Nil
Erik H. Martin, Chief Financial Officer and Corporate Secretary	67,500	\$0.70	February 28, 2019	Nil
	100,100	\$0.30	December 2, 2019	Nil
	50,000	\$0.30	September 27, 2021	Nil
	200,000	\$0.19	January 18, 2023	Nil

### *Value Vested or Earned During the Year*

Name	Option-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Kent Pearson Former President and CEO	Nil	Nil
Jean-Charles Potvin Interim President and CEO	Nil	Nil
Erik H. Martin, Chief Financial Officer and Corporate Secretary	Nil	Nil

### *Pension Plan Benefits*

The Corporation does not have a pension plan or a deferred compensation plan.

### Termination and Change of Control Benefits

Pursuant to the Locarno Agreement and the Bractea Agreement referred to herein, entered into by the Corporation, the CEO and the CFO, the Corporation is required to make certain payments upon termination, resignation or change of control. An estimate of the amount of these payments assuming that the triggering event giving rise to such payments occurred on December 31, 2018 is provided in the table below.

Name	Trigger Event		
	Resignation (\$)	Termination Without Cause (\$)	Change of Control (\$)
Kent Pearson Former President and CEO	Nil	225,000 <sup>(1)</sup>	500,000
Erik H. Martin, CFO and Corporate Secretary	Nil	10,000	Nil

**Note:**

(1) The Locarno Agreement was terminated on December 5, 2018 and the \$225,000 was made by the Corporation.

### Director Compensation

The following table sets out, for each non-executive director, compensation received for the fiscal year ended December 31, 2018.

Name <sup>(1)</sup> (a)	Fees Earned (\$) (b)	Option-Based Awards <sup>(2)</sup> (\$) (d)	Non-Equity Incentive Plan Compensation (\$) (e)	All Other Compensation (\$) (g)	Total Compensation (Fees Earned, Option-Based Awards, Non-Equity Incentive Plan Compensation and All Other Compensation) (\$) (h)	Total Compensation (excluding value of any Option-Based Awards) (\$) (i)
Denis C. Arsenault	Nil	19,665	Nil	Nil	Nil	19,665
John Dixon <sup>(3)</sup>	Nil	17,100	Nil	Nil	Nil	17,100
Donald K. Johnson	Nil	21,375	Nil	Nil	Nil	21,375
David Pyper	Nil	20,520	Nil	Nil	Nil	20,520

**Notes:**

- (1) Kent Pearson, the former President and CEO and a former director of the Corporation and Jean-Charles Potvin, Interim President and CEO and Chairman of the Corporation, are not included in the table above as they were NEOs. Please see Summary Compensation Table above for information regarding Mr. Pearson's and Mr. Potvin's compensation.
- (2) The estimated grant date fair value of these options has been calculated using the Black-Scholes model. See comments in Section Summary Compensation Table above. All options granted to the Directors had an exercise price that was equal or higher than the market price of the common shares on the date of the grant. As such, the Board does not consider that options granted to Directors comprise compensation that can be quantified by a

- dollar value, in particular, because the options are not taxable compensation to the grantees (under Canadian Federal and Ontario tax regulations) as a result of the terms and conditions applicable to those options.
- (3) John Dixon resigned a director of the Corporation on March 14, 2018

### *Schedule of Director Fees*

During its most recently completed financial year, the Corporation remunerated its non-executive directors for their services in the capacity as directors as follows:

<b>Function</b>	<b>Annual Retainer (\$)</b>	<b>Meeting Stipend (\$)</b>	<b>Per Diem Fees (\$)</b>
Board of Directors	Nil	Nil	Nil
Audit Committee Chair	Nil	Nil	Nil
Compensation Committee	Nil	Nil	Nil

Directors are reimbursed for reasonable travel and other out-of-pocket expenses incurred in connection with attendance at meetings of the Board.

### *Outstanding Option-Based Awards*

The following table sets out, for each non-executive director, the stock options (option-based awards) outstanding as at December 31, 2018. All of the stock options included below vested immediately at the time of grant. On December 31, 2018, the closing price of the Corporation's Common Shares on the Exchange was \$0.06.

<b>Name</b>	<b>Number of Securities Underlying Unexercised Options (#)</b>	<b>Option Exercise Price (\$)</b>	<b>Option Expiration Date</b>	<b>Value of Unexercised In-The- Money Options (\$)</b>
Denis C. Arsenault	54,000	\$0.70	February 28, 2019	Nil
	73,400	\$0.30	December 2, 2019	Nil
	60,000	\$0.30	September 27, 2021	Nil
	115,000	\$0.19	January 10, 2023	Nil
John Dixon	73,000	\$0.70	February 28, 2019	Nil
	53,400	\$0.30	March 22, 2019	Nil
	50,000	\$0.30	March 22, 2019	Nil
	100,000	\$0.19	March 22, 2019	Nil
Donald K. Johnson	126,800	\$0.30	December 2, 2019	Nil
	50,000	\$0.30	September 27, 2021	Nil
	125,000	\$0.19	January 10, 2023	Nil
David Pyper	56,000	\$0.70	February 28, 2019	Nil
	80,100	\$0.30	December 2, 2019	Nil
	60,000	\$0.30	September 27, 2021	Nil
	120,000	\$.19	January 10, 2023	Nil

*Value Vested or Earned During the Year*

The following table sets out, for each independent director, the aggregate value that would have been realized if all incentive plan awards vested during the fiscal year ended December 31, 2018 had been exercised on their respective vesting date.

<b>Name</b>	<b>Option-Based Awards – Value Vested During the Year (\$)</b>	<b>Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)</b>
Denis C. Arsenault	Nil	Nil
John Dixon	Nil	Nil
Donald K. Johnson	Nil	Nil
David Pyper	Nil	Nil

### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options<sup>(1)</sup></b> <b>(a)</b>	<b>Weighted-average exercise price of outstanding options</b> <b>(b)</b>	<b>Number of future securities remaining available for issuance under equity compensation plans (excluding securities reflected in column (a))<sup>(1)</sup></b>
Equity compensation plans <b>approved</b> by shareholders	3,502,800	\$0.30	918,188
Equity compensation plans <b>not approved</b> by shareholders	Nil	N/A	Nil
<b>Total</b>	3,502,800	\$0.30	918,188

**Note:**

<sup>(1)</sup> As at December 31, 2018, based on 44,209,881 issued and outstanding Common Shares at such date.

## **PART 4 – CORPORATE GOVERNANCE**

National Policy 58-201 Corporate Governance Guidelines (the “Governance Guidelines”) sets out best practice guidelines for effective corporate governance. The Governance Guidelines deal with matters such as the constitution and independence of corporate boards, their functions, the effectiveness and education of board members and other items dealing with sound corporate governance. National Instrument 58-101 Disclosure of Corporate Governance Practices requires that if management of an issuer solicits proxies from its securityholders for the purpose of electing directors, specified disclosure of its corporate governance practices must be included in its management information circular.

The Corporation and the Board recognize the importance of corporate governance to the effective management of the Corporation and to the protection of its employees and shareholders and acknowledges the benefits received by it and Shareholders from the disclosure of governance practices and is committed to an ongoing process of disclosure. The Corporation's approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of the Corporation are effectively managed so as to enhance shareholder value. The Board fulfills its mandate directly and through its committees at regularly scheduled meetings or as required. Frequency of meetings may be increased and the nature of the agenda items may be changed depending upon the state of the Corporation's affairs and in light of opportunities or risks which the Corporation faces. The directors are kept informed of the Corporation's operations at these meetings as well as through reports and discussions with management on matters within their particular areas of expertise.

The Corporation's corporate governance practices have been designed to comply with applicable Canadian requirements and best practices. The Corporation continues to monitor developments in Canada and internationally with a view to keeping its governance policies and practices current. The Board has considered the Governance Guidelines and believes that its approach to corporate governance is appropriate and works effectively for the Corporation and its Shareholders.

### **BOARD OF DIRECTORS**

Other than Jean-Charles Potvin, former President and CEO of the Corporation between June 3, 2014 and November 23, 2015 and now Interim President and CEO since December 5, 2018 and Donald K Johnson, holding directly and exercising control over 29.35% of the issued and outstanding common shares of the Corporation, all members of the Board are independent within the meaning of National Instrument 58-101 - Disclosure of Corporate Governance Practices and 52-110 - Audit Committees.

The Board periodically analyses its composition in order to ensure that it is composed of a majority of directors that are independent of management. The Board is responsible for approving certain issues or matters submitted to its attention such as approving particular important agreements or business transactions as well as the Corporation's financing transactions in order to implement decisions which are in the best interest and within the strategic orientation of the Corporation.

The Board acknowledges its responsibility for the stewardship of the Corporation, meaning that it oversees the conduct of the Corporation's business and supervises the senior management of the Corporation which is responsible for the day to day business affairs.

## Directorships

Certain of the Directors of the Corporation are also directors of other reporting issuers (or the equivalent) in a jurisdiction or a foreign jurisdiction as follows:

Name of Director, Officer or Promoter	Name of Reporting Issuer	Name of Trading Market	Position	Period
Denis C. Arsenault	Belo Sun Mining Corp. Troilus Gold Corp.	BSX - TSX TLG - TSX	Director CFO and Senior VP	May 2015 to present December 2017 to present
Jean-Charles Potvin	Gold Reserve Inc.	GRZ - TSXV GDRZF - OTCQB	Director	November 1993 to present
	Azimut Exploration Inc.	AZM - TSXV	Director	April 2004 to present
Donald K. Johnson	goeasy Ltd.	GSY - TSX	Director	June 1999 to present

## Orientation and Continuing Education

While the Corporation currently has no formal orientation and education program for new Board members, sufficient information (such as recent financial statements, proxy solicitation materials, technical reports and various other operating, property and budget reports) is provided to any new Board member to ensure that new directors are familiarized with the Corporation's business and the procedures of the Board. In addition, new directors are encouraged to visit and meet with management on a regular basis. The Corporation also encourages continuing education of its directors and officers where appropriate in order to ensure that they have the necessary skills and knowledge to meet their respective obligations to the Corporation.

## Ethical Business Conduct

The Board has adopted a formal code of conduct for directors. In order to ensure compliance with the code of conduct and that directors exercise independent judgement, the Board has assumed responsibility for approving transactions involving the Corporation and any "related party" (as that term is defined in MI 61-101), monitoring the Corporation's compliance with strategic planning matters, implementing a process for assessing the effectiveness of committees of directors and individual directors, and reviewing changes in or additions to compliance policies, standards, codes and programs, as well as applicable legislation.

The Board has also adopted a policy of permitting individual directors under appropriate circumstances to engage legal, financial or other expert advisors at the Corporation's expense.

## Nomination of Directors

The Board performs the functions of a nominating committee with responsibility for the appointment and assessment of directors. The Board believes that this is a practical approach at this stage of the Corporation's development and given the relatively small size of the Board. While there are no specific criteria for Board membership, the Corporation attempts to attract and maintain directors with business knowledge and a particular knowledge of mineral exploration and development or other areas (such as finance) which provide knowledge which

would assist in guiding the officers of the Corporation. As such, nominations tend to be the result of recruitment efforts by management of the Corporation and discussions among the directors prior to the consideration of the Board as a whole.

### **Compensation**

The Board, with the assistance of the Compensation Committee, reviews on an annual basis the adequacy and form of compensation of directors to ensure that the compensation of the Board reflects the responsibilities, time commitment and risks involved in being an effective director. Currently, as the Corporation has no ongoing revenues from operations, the directors of the Corporation do not receive any fees in their capacities as directors. All directors are eligible to participate in the Corporation stock option plan. See “Statement of Executive Compensation”.

For a more detailed description of the powers, responsibilities and operation of the Compensation Committee, see “*Statement of Executive Compensation*”.

### **Other Board Committees**

The Board does not currently have any committees other than the Audit Committee and the Compensation Committee.

### **Assessments**

The Board assesses, on an annual basis, the contributions of the Board as a whole and each of the individual directors, in order to determine whether each is functioning effectively.

## **AUDIT COMMITTEE**

### **Audit Committee Charter**

A copy of the text of the Audit Committee’s Charter is attached to this Information Circular at Schedule “A”.

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

As of the date of this Information Circular, the following persons are members of the Audit Committee:

<b>Name</b>	<b>Independent<sup>(1)</sup></b>	<b>Financially Literate<sup>(1)</sup></b>
Denis C. Arsenault	Yes	Yes
David Pyper	Yes	Yes
Jean-Charles Potvin	No	Yes

Note:

(1) As such terms are defined in National Instrument 52-110 - Audit Committees (“**NI 52-110**”).

### **Relevant Education and Experience**

The education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member is described below:

#### ***Denis C. Arsenault***

Mr. Arsenault has more than 34 years of professional experience and has held senior financial positions in a range of sectors including manufacturing, mining and resources. He has extensive board and governance committee experience with private and publicly-listed companies. Mr. Arsenault is CFO of Troilus Gold Corp. since December 2017 and a director of Belo Sun Mining Corp. (since May 2015). Mr. Arsenault was CFO of Sulliden Gold Corporation Ltd. (a TSX listed company) from November 2010 to when it was acquired by Rio Alto Mining Limited in August 2014. He was also director of Stonegate Agricom Ltd. between 2010 and 2017, MBAC Fertilizer Corp. between 2009 and 2015 and Thompson Creek Metals Company Inc. between 2005 and 2016. Mr. Arsenault is a chartered professional accountant and holds a Bachelor of Commerce from the University of Toronto.

#### ***David Pyper***

Mr. Pyper is chair of the Compensation Committee and a member of the Audit Committee. Mr. Pyper is currently the Managing Partner at Blair Franklin Capital Partners Inc. of Toronto, a leading independent Canadian mergers and acquisitions advisory firm. Mr. Pyper has 29 years of mergers and acquisitions and corporate finance experience in a wide variety of industries including the mining sector. Mr. Pyper holds an MBA from the University of Toronto and a B. Eng. from the Royal Military.

#### ***Jean-Charles Potvin***

Jean-Charles Potvin is the interim President and CEO since December 5, 2018 and former President and CEO (until November 23, 2015) and a director of the Corporation since June 2014. Jean-Charles was President and CEO of Flemish Gold Corp. prior to the amalgamation with the Corporation in June 2014. Mr. Potvin was President and CEO of Pangea Goldfields Inc., which had extensive holdings in Tanzania, until its acquisition in July 2000 by Barrick Gold Corporation for \$204 million. Until 1994, he was a Director and Vice-President of Burns Fry (subsequently BMO Nesbitt Burns and currently BMO Capital Markets) and responsible for evaluating world-wide mining investment opportunities as a top-ranked Equity Research Gold Analyst. Jean-Charles served as the Chairman of Vaaldiam Mining Inc. from 1992 to 2012 (formerly Tiomin Resources which acquired Vaaldiam under a plan of arrangement and changed its name to that of the latter). He is currently a director of Azimut Exploration Inc. and Gold Reserve Inc., both public exploration and development companies.

### **Audit Committee Oversight**

Since the commencement of the Corporation'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 Corporation's most recently completed financial year, the Corporation has not relied on:

- the exemption in section 2.4 (De Minimis Non-audit Services) of NI 52-110 (which exempts all non-audit services provided by the Corporation's auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Corporation, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit); or
- an exemption from the requirements of NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (Exemptions) of NI 52-110.

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

The Audit Committee's Charter provides for the policies and procedures to be followed for the engagement of non-audit services and is attached to this Information Circular at Schedule A.

## **External Auditor Service Fees**

### ***Audit Fees***

The aggregate fees billed by the external auditor of the Corporation in each of the last two fiscal years for audit services were respectively \$20,000 for 2018 and \$18,000 for 2017.

### ***Audit Related Fees***

The aggregate fees billed by the external auditor of the Corporation in each of the last two fiscal years for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not reported under the subsection entitled "*Audit Fees*" above were respectively \$nil for 2018 and \$nil for 2017.

The audit related services included the professional services in connection with a private placement and engagement contracts and assistance with regulatory disclosure.

### ***Tax Fees***

The aggregate fees billed by the external auditor of the Corporation in each of the last two fiscal years for professional services rendered for tax compliance, tax advice and tax planning were respectively \$4,000 for 2018 and \$4,000 for 2017.

The tax fees include the preparation of corporate tax returns.

***All Other Fees***

Other fees paid to the external auditor were \$nil for 2018 and \$nil in 2017.

**PART 5 – OTHER INFORMATION****INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Except as otherwise disclosed in this Information Circular, no director or officer of the Corporation, no proposed nominee for election to the Board, no person owning or exercising control over more than 10% of the Corporation's issued and outstanding Common Shares, and no associate or affiliate of any such person has had any material interest, direct or indirect, in any material transaction involving the Corporation within the fiscal year ended December 31, 2018.

**DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

The directors and officers of the Corporation are covered for liability incurred by them in such capacity by a directors' and officers' liability insurance policy. The Corporation's insurance policy provides coverage for all claims with the exception that for any claim in which the Corporation is not permitted to reimburse the insured persons, either by law or otherwise

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

Either at any time during the most recently completed financial year or as at the date of this Information Circular, no current or former officer or director, and no associate or affiliate of any such person is indebted to the Corporation. The Corporation has not guaranteed or has not entered into any support agreement or similar arrangement in respect of any indebtedness of any current or former director or officer of the Corporation or any of their respective associates.

**OTHER BUSINESS**

The Management of the Corporation knows of no other matters to be put before the Meeting. If, however, any other matters properly come before the Meeting, the persons designated in the accompanying form of proxy shall vote on such matters in accordance with their best judgment pursuant to the discretionary authority conferred thereon by the proxy with respect to such matters.

**AUDITOR, TRANSFER AGENT AND REGISTRAR**

The Corporation's current auditor is UHY McGovern Hurley LLP, Chartered Professional Accountants, Suite 800, 251 Consumers Road, Toronto, Ontario M2J 4R3. UHY McGovern

Hurley LLP, Chartered Professional Accountants has been the auditor of the Corporation since October 2, 2013.

The Corporation's registrar and transfer agent is Computershare Investor Services Inc. at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1.

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is filed on the System for Electronic Data Analysis and Retrieval ("**SEDAR**") and can be accessed on the internet at [www.sedar.com](http://www.sedar.com).

Financial information is provided in the Corporation's comparative financial statements and management discussion and analysis ("**MD&A**") for its most recently completed financial year. Shareholders may request copies of such financial statements and MD&A by mailing a request to: Murchison Minerals Ltd., Suite 2500, 120 Adelaide Street West, Toronto, ON M5H 1T1.

### **BOARD APPROVAL**

The contents and sending of this Information Circular have been approved by the Board of the Corporation. This Information Circular has been sent to each director of the Corporation, each Shareholder of the Corporation entitled to the Notice of Meeting and the auditor of the Corporation.

**DATED** the 22<sup>nd</sup> day of March 2019.

(Signed) "Jean-Charles Potvin"  
\_\_\_\_\_  
Jean-Charles Potvin  
Interim President and CEO and  
Director

## **SCHEDULE A**

### **MURCHISON MINERALS LTD.**

### **AUDIT COMMITTEE CHARTER**

#### **MANDATE**

The mandate of the audit committee (the “Committee”) is to: (a) assist the Board of Directors (the “Board”) of Murchison Minerals Ltd. (the “Corporation”) in fulfilling its oversight responsibilities with respect to financial reporting and disclosure requirements; (b) ensure that an effective risk management and financial control framework has been implemented by management of the Corporation; and (c) be responsible for external and internal audit processes.

#### **RESPONSIBILITIES**

The responsibilities of the Committee are as follows:

##### **Financial Reporting and Disclosure**

1. Review and recommend to the Board for approval, the quarterly financial statements, management discussion and analysis, financial reports and any public release of financial information through press release or otherwise.
2. Review and recommend to the Board for approval, the audited annual financial statements, including the auditor’s report thereon, management discussion and analysis and financial reports.
3. Review and recommend to the Board for approval, where appropriate, financial information contained in any prospectuses, annual information forms (if applicable), material change disclosures of a financial nature and similar disclosure documents.
4. Review with management of the Corporation and with external auditor significant accounting principles and disclosure issues and alternative treatments under International Financial Reporting Standards (“IFRS”) all with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly the Corporation’s financial position and the results of its operations in accordance with IFRS.

##### **Internal Controls and Audit**

5. Review and assess the adequacy and effectiveness of the Corporation’s system of internal control and management information systems through discussions with management and the external auditor to ensure that the Corporation maintains: (a) the necessary books,

records and accounts in sufficient detail to accurately and fairly reflect the Corporation's transactions; (b) effective internal control systems; and (c) adequate processes for assessing the risk of material misstatement of the financial statements and for detecting control weaknesses or fraud. From time to time, the Committee will assess whether a formal internal audit department is necessary or desirable having regard to the size and stage of development of the Corporation at any particular time.

6. Satisfy itself that adequate procedures are in place for the review of the Corporation's disclosure of financial information extracted or derived from the Corporation's financial statements.
7. Periodically assess the adequacy of such systems and procedures to ensure compliance with regulatory requirements and recommendations.
8. Review and discuss the Corporation's major financial risk exposures and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities.
9. Review annually insurance programs relating to the Corporation and its investments.

#### **External Audit**

10. Review the performance of the external auditor who are accountable to the Committee and the Board as representatives of the shareholders, including the lead partner of the independent auditor team and recommend to the Board the external auditors to be nominated for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation and the compensation of the external auditor.
11. Oversee the work of the external auditor appointed by the shareholders of the Corporation with respect to preparing and issuing an audit report or performing other audit, review or attest services for the Corporation, including the resolution of issues between management of the Corporation and the external auditor regarding financial disclosure.
12. Review the results of the external audit and the report thereon including, without limitation, a discussion with the external auditor as to the quality of accounting principles used, any alternative treatments of financial information that have been discussed with management of the Corporation, the ramifications of their use as well as any other material changes. Review a report describing all material written communication between management and the auditor such as management letters and schedule of unadjusted differences.
13. Discuss with the external auditor its perception of the Corporation's financial and accounting personnel, records and systems, the cooperation which the external auditor received during the course of its review and availability of records, data and other requested information and any recommendations with respect thereto.

14. Review the reasons for any proposed change in the external auditor which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditor before making its recommendations to the Board.
15. Review the independence of the external auditor, including a written report from the external auditor respecting its independence and consideration of applicable auditor independence standards.
16. Review annually a report from the external auditor in respect of its internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review of the external auditor, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditor, and any steps taken to deal with any such issues.

#### **Associated Responsibilities**

17. Establish, monitor and periodically review procedures for:
  - (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
  - (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
18. Review and approve the Corporation's hiring policies regarding employees and former employees of the present and former external auditors of the Corporation.

#### **Non-Audit Services**

19. Pre-approve all non-audit services to be provided to the Corporation or any subsidiary entities by its external auditor or by the external auditor of such subsidiary entities. The Committee may delegate to one or more of its members the authority to pre-approve non-audit services but pre-approval by such member or members so delegated shall be presented to the full audit committee at its first scheduled meeting following such pre-approval.

#### **MEMBERSHIP AND PROCEDURES**

1. The Committee will be comprised of three directors, at least two of whom will be independent. The members of the Committee shall all be financially literate and free of any relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment. The Board may remove or replace a member of the Committee at any time and from time to time. The Corporation adopts: (a) the meaning of independence described in Multilateral Instrument 52-110 *Audit*

*Committees* (the “Instrument”) for the purpose of determining whether a member of the Committee is independent; and (b) the provisions of Sections 3.3 to 3.5, inclusive, of the Instrument relating to certain membership requirements.

2. The Board will appoint the Chairman of the Committee. The Secretary of the Corporation will act as the secretary at meetings of the Committee or, in his or her absence, the Chairman of the committee may appoint any member or any other person to act as secretary. The secretary will keep minutes of the proceedings at any meeting of the Committee setting out in reasonable detail the business conducted at such meeting. Minutes of the meetings of the Committee will be distributed by the Secretary to the members of the Committee and to the Board.
3. Meetings of the Committee will be held at such times and places as the Chairman may determine, but in any event not less than four times per year. Twenty-four (24) hour notice of each meeting will be given orally, by electronic transmission or by facsimile to all members of the Committee and to the external auditor of the Corporation and such notice will set out in reasonable detail the business proposed to be conducted at the meeting. Notice of a meeting may be waived if all members of the Committee are present at a meeting and waive notice or if a member who is not present waives notice before or after such meeting. A resolution signed by all members of the Committee shall have the same force and effect as a resolution passed at a meeting of the Committee duly called and regularly constituted for the transaction of business.
4. A majority of members of the Committee will constitute a quorum and decisions of the Committee will be by an affirmative vote of the majority with the Chairman having a deciding vote in the event of a tie.
5. At the request of the external auditor of the Corporation, the Chief Executive Officer or the Chief Financial Officer of the Corporation or any member of the Committee, the Chairman will convene a meeting of the Committee. Any such request will set out in reasonable detail the business proposed to be conducted at the meeting so requested.
6. The Committee has the authority to: (a) engage independent counsel and other advisors as it determines necessary or desirable to carry out its duties; (b) set and pay the compensation for any advisors engaged by the Committee; and (c) communicate directly with internal and external auditor.

## **OVERSIGHT FUNCTION**

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation’s financial statements are complete and accurate or are in accordance with IFRS and applicable rules and regulations. These are the responsibilities of Management and the external auditor. The Committee, its Chair and any Committee members identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Corporation, and are

specifically not accountable or responsible for the day to day operation or performance of such activities. Although the designation of a Committee member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a Committee member who is identified as having accounting or related financial expertise, like the role of all Committee members, is to oversee the process, not to certify or guarantee the internal or external audit of the Company's financial information or public disclosure.

**EFFECTIVE DATE**

This Mandate will come into effect on the date on which the Board approves it, which approval will be evidenced by the signature of the Secretary of the Corporation below, and as and from such approval will replace all prior mandates or terms of reference respecting the Committee.

Approved by the Board of Directors on November 24, 2017

## SCHEDULE B

### MURCHISON MINERALS LTD.

#### STOCK OPTION PLAN

##### 1. The Plan

A stock option plan (the “**Plan**”), pursuant to which options to purchase common shares, or such other shares as may be substituted therefor (“**Shares**”), in the capital of Murchison Minerals Ltd. (the “**Corporation**”) may be granted to the directors, officers and employees of the Corporation and to consultants retained by the Corporation, is hereby established on the terms and conditions set forth herein.

##### 2. Purpose

The purpose of this Plan is to advance the interests of the Corporation by encouraging the directors, officers and employees of the Corporation and consultants retained by the Corporation to acquire Shares, thereby:

- (a) increasing the proprietary interests of such persons in the Corporation;
- (b) aligning the interests of such persons with the interests of the Corporation’s shareholders generally;
- (c) encouraging such persons to remain associated with the corporation; and
- (d) furnishing such persons with an additional incentive in their efforts on behalf of the Corporation and attracting new employees, officers, directors and consultants.

##### 3. Administration

This Plan shall be administered by the board of directors of the Corporation (the “**Board**”). Subject to the terms and conditions set forth herein, the Board is authorized to provide for the granting, exercise and method of exercise of Options (as defined below), all on such terms (which may vary between Options granted from time to time) as it shall determine. In addition, the Board shall have the authority to:

- (a) construe and interpret this Plan and all option agreements entered into hereunder;
- (b) prescribe, amend and rescind rules and regulations relating to this Plan and unilaterally amend the terms of any agreements made pursuant to this Plan; and

- (c) make all other determinations necessary or advisable for the administration of this Plan.

All determinations and interpretations made by the Board shall be binding on all Participants (as hereinafter defined) and on their legal, personal representatives and beneficiaries. Notwithstanding the foregoing or any other provision contained herein, the Board shall have the right to delegate the administration and operation of this Plan, in whole or in part, to a committee of the Board or to the President or any other officer of the Corporation. Whenever used herein, the term "Board" shall be deemed to include any committee or officer to which the Board has, fully or partially, delegated responsibility and/or authority relating to the Plan or the administration and operation of this Plan pursuant to this Section 3. Options to purchase the Shares granted hereunder ("**Options**") shall be evidenced by:

- (d) an agreement, signed on behalf of the Corporation and by the person to whom an Option is granted, (in the form attached hereto as Schedule "A") in another form as the Board shall approve; or
- (e) a written notice or other instrument, signed by the Corporation, setting forth the material attributes of the Options.

#### **4. Shares Subject to Plan**

Subject to Section 15 below, the securities that may be acquired by Participants upon the exercise of Options shall consist of authorized but unissued Shares. Whenever used herein, the term "Shares" shall be deemed to include any other securities that may be acquired by a Participant upon the exercise of an Option the terms of which have been modified in accordance with Section 15 below.

The aggregate number of Shares reserved for issuance under this Plan shall not exceed 10% of the total number of issued and outstanding Shares (calculated on a non-diluted basis) unless the Corporation receives the permission of the stock exchange or exchanges on which the Shares are then listed to exceed such threshold.

If any Option granted under this Plan shall expire or terminate for any reason without having been exercised in full, any unpurchased Shares to which such Option relates shall be available for the purposes of the granting of Options under this Plan.

#### **5. Maintenance of Sufficient Capital**

The Corporation shall at all times during the term of this Plan ensure that the number of Shares it is authorized to issue shall be sufficient to satisfy the Corporation's obligations under all outstanding Options granted pursuant to this Plan.

## **6. Eligibility and Participation**

- (a) directors of the Corporation;
- (b) officers of the Corporation;
- (c) employees of the Corporation; and
- (d) consultants retained by the Corporation, provided such consultants have performed and/or continue to perform services for the Corporation on an ongoing basis or are expected to provide a service of value to the Corporation;

(any such person having been selected for participation in this Plan by the Board is herein referred to as a "Participant"). The Corporation represents that directors, officers, employees and consultants granted Options under this Plan are *bona fide* directors, officers, employees or consultants of the Corporation.

The Board may from time to time, in its discretion, grant an Option to any Participant, upon such terms, conditions and limitations as the Board may determine, including the terms, conditions and limitations set forth herein, provided that Options granted to any Participant shall be approved by the shareholders of the Corporation if the rules of any stock exchange on which the Shares are listed require such approval.

## **7. Exercise Price**

The Board shall, at the time an Option is granted under this Plan, fix the exercise price at which Shares may be acquired upon the exercise of such Option provided that such exercise price (except at the discretion of the Board and with the applicable exchange approval) shall not be less than the last price at which a full board lot of Shares was, on the last business day prior to the date on which such option is granted, traded on the TSX Venture Exchange ("TSXV") or the Canadian Securities Exchange ("CSE") or such other principal market on which the Shares are then traded, less the applicable discount permitted (if any) by such applicable exchange or market. Disinterested shareholder approval will be obtained for any reductions in the exercise price if the Participant is an insider of the Corporation at the time of the proposed amendment.

## **8. Number of Optioned Shares**

The number of Shares that may be acquired under an Option granted to a Participant shall be determined by the Board as at the time the Option is granted, provided that the aggregate number of Shares reserved for issuance to any one Participant under this Plan or any other plan of the Corporation:

- (a) shall not exceed 5% of the total number of issued and outstanding Shares (calculated on a non-diluted basis and calculated on the date the Option is granted) to any one individual in any 12 month period unless the Corporation receives the permission of the stock exchange or exchanges on which the Shares

are listed to exceed such threshold and, if applicable, the necessary shareholder approval in accordance with exchange policies;

- (b) shall not exceed 2% of the total number of issued and outstanding Shares (calculated on a non-diluted basis and calculated on the date the Option is granted) to any one consultant retained by the Corporation in any 12 month period and, if applicable, the necessary shareholder approval in accordance with exchange policies;
- (c) shall not exceed an aggregate of 2% of the total number of issued and outstanding Shares (calculated on a non-diluted basis) to all employees/consultants of the Corporation conducting Investor Relations Activities (as that term may be defined in the applicable exchange policies) in any 12 month period. Options issued to employees/consultants conducting Investor Relations Activities will, if the Corporation is listed on the TSXV, vest in stages over a period of not less than 12 months with no more than one quarter of the Options vesting in any three month period.

## **9. Term**

The period during which an Option may be exercised (the "**Option Period**") shall be determined by the Board at the time the Option is granted, subject to any vesting limitations which may be imposed by the Board in its sole unfettered discretion at the time such Option is granted and Sections 11, 12 and 16 below, provided that:

- (a) no Option shall be exercisable for a period exceeding five years from the date the Option is granted unless otherwise specifically provided by the Board, and in any event, no Option shall be exercisable for a period exceeding 10 years from the date the Option is granted;
- (b) no Option in respect of which shareholder approval is required under the rules of any stock exchange or exchanges on which the Shares are then listed shall be exercisable until such time as the Option has been approved by the shareholders of the Corporation; and
- (c) the Board may, subject to the receipt of any necessary regulatory approvals, in its sole discretion, accelerate the time at which any Option may be exercised, in whole or in part.

## **10. Method of Exercise of Option**

Except as set forth in Sections 11 and 12 below or as otherwise determined by the Board, no Option may be exercised unless the holder of such Option is, at the time the Option is exercised, a director, officer, employee or consultant of the Corporation. Options that are otherwise exercisable in accordance with the terms thereof may be exercised in whole or in part from time to time. Any Participant (or his legal, personal representative) wishing to exercise an Option shall deliver to the Corporation, at its principal office in the City of Toronto, Ontario:

- (a) a written notice expressing the intention of such Participant (or his legal, personal representative) to exercise his Option and specifying the number of Shares in respect of which the Option is exercised; and
- (b) a cash payment, certified cheque or bank draft, representing the full purchase price of the Shares in respect of which the Option is exercised.

The Corporation shall have the power and the right to deduct or withhold, or require a Participant to remit to the Corporation, the required amount to satisfy federal, provincial and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of the Plan, including the grant or exercise of any option granted under the Plan. With respect to any required withholding, the Corporation shall have the irrevocable right to, and the Participant consents to, the Corporation setting off any amounts required to be withheld, in whole or in part, against amounts otherwise owing by the Corporation to the Participant (whether arising pursuant to the Participant's relationship as a director, officer, employee or consultant of the Corporation or otherwise), or may make such other arrangements that are satisfactory to the Participant and the Corporation. In addition, the Corporation may elect, in its sole discretion, to satisfy the withholding requirement, in whole or in part, by withholding such number of Shares issuable upon exercise of the options as it determines are required to be sold by the Corporation, as trustee, to satisfy any withholding obligations net of selling costs. The Participant consents to such sale and grants to the Corporation an irrevocable power of attorney to effect the sale of such Shares issuable upon exercise of the options and acknowledges and agrees that the Corporation does not accept responsibility for the price obtained on the sale of such Shares issuable upon exercise of the options.

Upon the exercise of an Option as aforesaid, the Corporation shall use reasonable efforts to forthwith deliver, or cause the registrar and transfer agent of the Shares to deliver, to the relevant Participant (or his legal, personal representative) or to the order thereof, a certificate representing the aggregate number of fully paid and non-assessable Shares in respect of which the Option has been duly exercised.

#### **11. Ceasing to be a Director, Officer, Employee or Consultant**

Unless the Board otherwise determines on the date of grant of the Option, if any Participant shall cease to hold the position or positions of director, officer, employee or consultant of the Corporation (as the case may be) for any reason other than death or permanent disability on a for-cause termination or its equivalent, his Option will terminate at 4:00 p.m. (Toronto time) on the earlier of: (i) the date of the expiration of the Option Period; and (ii) 90 days after the date such Participant ceases to hold the position or positions of director, officer, employee or consultant of the Corporation or as the case may be; or (ii) 30 days after the date a Participant who was engaged to provide Investor Relations Activities ceases to provide such Investor Relations Activities. Notwithstanding the above, if the Board determines that the expiry of the Options shall be for a longer period than the time periods stated above in this Section 11, such Options shall expire and terminate no later than the date that is 12 months following the date that a Participant ceases to be a director, officer or a part-time or full-time employee or consultant of the Corporation or of any subsidiary.

Neither the selection of any person as a Participant nor the granting of an Option to any Participant under this Plan shall:

- (a) confer upon such Participant any right to continue as a director, officer, employee or consultant of the Corporation, as the case may be; or
- (b) be construed as a guarantee that the Participant will continue as a director, officer, employee or consultant of the Corporation, as the case may be.

## **12. Death or Permanent Disability of a Participant**

In the event of the death or permanent disability of a Participant, any Option previously granted to him shall be exercisable until the end of the Option Period or until the expiration of 12 months after the date of death or permanent disability of such Participant, whichever is earlier, and then, in the event of death or permanent disability, only:

- (a) by the person or persons to whom the Participant's rights under the Option shall pass by the Participant's will or applicable law; and
- (b) to the extent that he was entitled to exercise the Option as at the date of his death or permanent disability.

## **13. Rights of Participants**

No person entitled to exercise any Option granted under this Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such Option until such Shares have been paid for in full and issued to such person.

## **14. Proceeds from Exercise of Options**

The proceeds from any sale of Shares issued upon the exercise of Options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine and direct.

## **15. Adjustments**

The number of Shares subject to the Plan shall be increased or decreased proportionately in the event of the subdivision or consolidation of the outstanding Shares of the Corporation, and in any such event a corresponding adjustment shall be made to the number of Shares deliverable upon the exercise of any Option granted prior to such event without any change in the total price applicable to the unexercised portion of the Option, but with a corresponding adjustment in the price for each Share that may be acquired upon the exercise of the Option. In case the Corporation is reorganized or merged or consolidated or amalgamated with another corporation, appropriate provisions shall be made for the continuance of the Options outstanding under this Plan and to prevent any dilution or enlargement of the same.

Adjustments under this Section shall be made by the Board, whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Shares shall be issued upon the exercise of an Option following the making of any such adjustment.

## **16. Change of Control**

Notwithstanding the provisions of Section 11 or any vesting restrictions otherwise applicable to the relevant Options, in the event of a sale by the Corporation of all or substantially all of its assets or in the event of a change of control of the Corporation, each Participant shall be entitled to exercise, in whole or in part, the Options granted to such Participant hereunder, either during the term of the Option or within 90 days after the date of the sale or change of control, whichever first occurs.

For the purpose of this Plan, "change of control of the Corporation" means and shall be deemed to have occurred upon:

- (a) the acceptance by the holders of Shares of the Corporation, representing in the aggregate, more than 50% of all issued Shares of the Corporation, of any offer, whether by way of a takeover bid or otherwise, for all or any of the outstanding Shares of the Corporation;
- (b) the acquisition, by whatever means, by a person (or two or more persons who, in such acquisition, have acted jointly or in concert or intend to exercise jointly or in concert any voting rights attaching to the Shares acquired), directly or indirectly, of beneficial ownership of such number of Shares or rights to Shares of the Corporation, which together with such person's then owned Shares and rights to Shares, if any, represent (assuming the full exercise of such rights to voting securities) more than 50 percent of the combined voting rights of the Corporation's then outstanding Shares;
- (c) the entering into of any agreement by the Corporation to merge, consolidate, amalgamate, initiate an arrangement or be absorbed by or into another corporation;
- (d) the passing of a resolution by the Board or shareholders of the Corporation to substantially liquidate the assets or wind-up the Corporation's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Corporation in circumstances where the business of the Corporation is continued and where the shareholdings remain substantially the same following the re-arrangement); or
- (e) individuals who were members of the Board of the Corporation immediately prior to a meeting of the shareholders of the Corporation involving a contest for or an

item of business relating to the election of directors, not constituting a majority of the Board following such election.

**17. Transferability**

All benefits, rights and Options accruing to any Participant in accordance with the terms and conditions of this Plan shall be non-transferable and non-assignable unless specifically provided herein. During the lifetime of a Participant, any Options granted hereunder may only be exercised by the Participant and in the event of the death or permanent disability of a Participant, by the person or persons to whom the Participant's rights under the Option pass by the Participant's will or applicable law.

**18. Amendment and Termination of Plan**

The Board may, at any time, suspend or terminate this Plan. The Board may also, at any time, amend or revise the terms of this Plan and any agreement made pursuant to this Plan, subject to the receipt of all necessary regulatory and shareholder approvals, as applicable.

**19. Necessary Approvals**

The obligation of the Corporation to issue and deliver Shares in accordance with this Plan and Options granted hereunder is subject to applicable securities legislation and to the receipt of any approvals that may be required from any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation. If Shares cannot be issued to a Participant upon the exercise of an Option for any reason whatsoever, the obligation of the Corporation to issue such Shares shall terminate and any funds paid to the Corporation in connection with the exercise of such Option will be returned to the relevant Participant as soon as practicable.

**20. Stock Exchange Rules**

This Plan and any option agreements entered into hereunder shall comply with the requirements from time to time of the stock exchange or exchanges on which the Shares are listed.

**21. Right to Issue Other Shares**

The Corporation shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, issuing further Shares, varying or amending its share capital or corporate structure or conducting its business in any way whatsoever.

**22. Notice**

Any notice required to be given by this Plan shall be in writing and shall be given by registered mail, postage prepaid or delivered by courier or by facsimile transmission addressed, if to the Corporation, at its principal address in Toronto, Ontario Attention: President; or if to a Participant, to such Participant at his address as it appears on the books of the Corporation or in the event of the address of any such Participant not so appearing then to the last known address of such Participant; or if to any other person, to the last known address of such person.

**23. Gender**

Whenever used herein words importing the masculine gender shall include the feminine and neuter genders and vice versa.

**24. Interpretation**

This Plan will be governed by and construed in accordance with the laws of the Province of Ontario.

**SCHEDULE "A"**  
**OPTION AGREEMENT**

This Agreement dated the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_

B E T W E E N:

**MURCHISON MINERALS LTD.**, a corporation  
incorporated under the laws of Canada (hereinafter  
called the "Corporation"),

OF THE FIRST PART

- and -

•, of the City of •, in the Province of • (hereinafter  
called the "Participant")

OF THE SECOND PART

WHEREAS the Participant has been designated by the Corporation as eligible to participate in the Manicouagan Minerals Inc. Stock Option Plan (the "**Plan**");

AND WHEREAS the Corporation desires to grant to the Participant an option to purchase Common Shares of the Corporation (the "**Shares**") in accordance with the terms of the Plan;

NOW THEREFORE THIS AGREEMENT WITNESSETH that the parties hereto agree as follows:

1. The Corporation hereby grants to the Participant an irrevocable option (the "**Option**") to purchase all or any part of • Shares at a price of \$• per share, subject to the terms and conditions set forth herein.
2. The Option expires and terminates at 4:00 p.m. (Toronto time) on the day (the "**Expiry Date**") that is the earlier of (i) the • anniversary of the date hereof and (ii) the dates determined by Sections 6 and 7 below.
3. Subject to the more specific provisions of the Plan and this Agreement, the Shares optioned under this Agreement shall be [vested immediately] [subject to a • year vesting period and may be exercised on a cumulative basis such that in each 12 month period, calculated from the date of this Agreement,] the Option may be exercised as to the number of Shares set forth below:

<u>Number of Shares</u>	<u>Vesting</u>
•	•
•	•
•	•
•	•
•	•

such that the Option shall become fully vested on •.]

4. Except as provided in Sections 6 and 7 below, the Option may only be exercised while the Participant is a director, officer, employee or consultant of the Corporation or any of its subsidiaries. The Participant (or his legal or personal representative) may exercise the Option by delivering to the Corporation, at its principal office in Toronto, Ontario:
  - (a) a written notice expressing the intention to exercise the Option and specifying the number of Shares in respect of which the Option is exercised;
  - (b) a cash payment, cheque or bank draft, representing the full purchase price of the Shares in respect of which the Option is exercised; and
  - (c) in the event that the Option is exercised in accordance with this Agreement by persons other than the Participant, proof satisfactory to the Corporation of the right of such persons to exercise the Option.

The Corporation shall have the power and the right to deduct or withhold, or require a Participant to remit to the Corporation, the required amount to satisfy federal, provincial and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of the Plan, including the grant or exercise of any option granted under the Plan.

5. Upon the exercise of the Option as aforesaid, the Corporation shall employ its reasonable efforts to forthwith deliver, or cause the registrar and transfer agent of the Shares to deliver, to the Participant (or his legal, personal representative) or to the order thereof, a certificate representing the aggregate number of fully paid and non-assessable Shares as the Participant (or his legal, personal representative) shall have then paid for.
6. If the Participant shall cease to be a director, officer, employee or consultant of the Corporation or any of its subsidiaries for any reason other than death or permanent disability, the Option granted herein shall expire and terminate immediately as to the then unvested portion thereof, and at 4:00 p.m. (Toronto time) on the day that is the earlier of:
  - (a) the ninetieth (90<sup>th</sup>) day after the date the Participant ceases to be a director, officer, employee or consultant of the Corporation or any of its subsidiaries; or
  - (b) the thirtieth (30<sup>th</sup>) day after the date the Participant who was engaged to provide Investor Relations Activities ceases to provide such Investor Relations Activities; and
  - (c) the <\*>

anniversary of the date hereof as to the then vested portion of the Option granted herein; provided, however, that in the event the Participant shall cease to be a director, officer, employee or consultant of the Corporation or any of its subsidiaries by reason of termination for cause (which shall include, without limitation, dishonesty or infidelity with respect to the Corporation or any of its subsidiaries, neglect or non-performance of duties with the Corporation or any of its subsidiaries or conviction of a criminal offence in relation to the affairs of the Corporation or any of its subsidiaries), then his Option will terminate immediately as to both the then vested and unvested portion thereof.

7. In the event of the death or permanent disability of the Participant, the Option shall be exercisable until 4:00 p.m. (Toronto time) on the day that is the earlier of: (a) 12 months after the date of death or permanent disability of the Participant and (b) the Expiry Date:
  - (a) by the person or persons to whom the Participant's rights under the Option shall pass by the Participant's will or applicable law; and
  - (b) to the extent that he was entitled to exercise the Option as at the date of his death or permanent disability.
8. The Participant acknowledges and agrees that neither the selection of him as a Participant under the Plan nor the granting of the Option hereunder shall: (a) confer upon him any right to continue as a director, officer, employee or consultant of the Corporation or any of its subsidiaries, as the case may be, or (b) be construed as a guarantee that the Participant will continue as a director, officer, employee or consultant of the Corporation or any of its subsidiaries, as the case may be. The Participant further acknowledges and agrees that this Agreement and the Option granted hereby shall in no way constitute the basis for a claim for damages by the Participant against the Corporation in the event of the termination of the employment of the Participant with the Corporation or any of its subsidiaries for any reason whatsoever, including the Participant's wrongful dismissal, and the Participant hereby releases and forever discharges the Corporation and any of its subsidiaries from all claims and rights of action for damages whatsoever based upon or arising out of this Agreement and the Option.
9. The Participant shall not have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of the Option until such Shares have been paid for in full and issued to the Participant.
10. The number of Shares deliverable upon the exercise of the Option shall be increased or decreased proportionately as provided by the Plan in the event of the subdivision or consolidation of the outstanding Shares of the Corporation prior to the Expiry Date as provided by the Plan.
11. Notwithstanding the provisions of Section 6 above, in the event of a change of control of the Corporation (as defined in the Plan), then the Participant shall be entitled to exercise in full or in part any unexercised Options previously granted to him hereunder, whether vested or not, either during the term of the Option or within ninety (90) days after the date of sale or change of control, whichever first occurs.

12. The Option and all benefits and rights accruing to the Participant hereunder shall not be transferable or assignable unless specifically provided herein. During the lifetime of the Participant the Option granted hereunder may only be exercised by the Participant as herein provided and in the event of the death of the Participant, by the person or persons to whom the Participant's rights under the Option pass by the Participant's will or applicable law.
13. The Participant acknowledges and agrees that the Board may, at any time, suspend or terminate the Plan. The Board may also at any time amend or revise the terms of the Plan and this agreement made subject to the receipt of required regulatory approvals.
14. The Participant acknowledges that he has read and understood the Plan and the Participant and the Corporation agree that all provisions thereof apply to the parties hereto and to this Agreement with the same effect as if such provisions were set out in this Agreement.
15. Time shall be of the essence of this Agreement.
16. This Agreement shall be governed by and construed in accordance with the laws of Ontario.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date and year first above written.

**MURCHISON MINERALS LTD.**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

SIGNED, SEALED AND DELIVERED

\_\_\_\_\_  
Witness

\_\_\_\_\_  
•