



Suite 888 – 700 West Georgia Street, Vancouver, BC V6C 2T6

## NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

**TAKE NOTICE** that the Annual General Meeting (the “**Meeting**”) of shareholders of **Deep-South Resources Inc.** (the “**Company**”) will be held at Suite 888 – 700 West Georgia Street, British Columbia, on February 25, 2021, at 11:00 a.m. (Vancouver Time), for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Company for its fiscal year ended August 31, 2020, together with the auditor’s report thereon;
2. to set the number of directors at seven (7);
3. to elect directors of the Company for the ensuing year;
4. to re-appoint Smythe LLP, Chartered Professional Accountants, as auditor of the Company for the ensuing year and to authorize the directors to fix the auditor’s remuneration;
5. to consider and, if thought fit, approve an ordinary resolution to confirm and re-approve the Company’s Stock Option Plan, as more particularly described in the accompanying management information circular, for continuation during the ensuing year, and
6. to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

**To ensure the safety of our shareholders and other stakeholders entitled to attend the Meeting amidst the ongoing COVID-19 pandemic, the Company is conducting the Meeting via teleconference. Registered shareholders and validly appointed proxyholders may attend the Meeting by calling the following toll-free number: 1-888-884-4538. All callers will be prompted to enter the following passcode upon entering the teleconference: 917-2180.**

The details of all matters proposed to be put before shareholders at the Meeting are set forth in the management information circular (the “**Information Circular**”) accompanying this Notice of Meeting. At the Meeting, shareholders will be asked to approve each of the foregoing items. **Shareholders are reminded to review all information contained in the Information Circular prior to voting.**

### Notice and Access

The Company is using the notice and access procedure (“**Notice and Access**”) adopted by the Canadian Securities Administrators for the delivery of the Information Circular. This alternative means of delivery is more environmentally friendly as it will help reduce paper use and mitigate the Company’s printing and mailing costs. Under Notice and Access, shareholders are still entitled to receive a form of proxy (or voting instruction form) enabling you to vote. However, instead of receiving paper copies of the Information Circular, shareholders receive this notice of Meeting and a Notice and Access notification which contains information about how to access the Information Circular. For more information about Notice and Access procedures, please call toll-free at toll-free: 1-888-500-4587.

### **Websites Where Meeting Materials are Posted**

Under Notice and Access, the Company will deliver applicable Meeting materials to shareholders by posting the Meeting materials at <http://www.envisionreports.com/DSMAGM2020>.

The Meeting materials will be available on this website as of January 20, 2021, and will remain on the website for one full year thereafter. The Meeting materials will also be available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) as of January 20, 2021.

### **How to Obtain Paper Copies of Meeting Materials**

Shareholders will receive a Notice and Access notification which will contain information on how to obtain electronic and paper copies of the Meeting materials in advance of the Meeting. Shareholders who wish to receive paper copies of the Meeting materials may request copies from the Company by sending written notice to Suite 888, 700 West Georgia Street, Vancouver, British Columbia V7Y 1G5, or by fax to (604) 662-3791; or by telephone call to the Company at (604) 718-5454 or toll-free: 1-888-500-4587; or by email to the Company at [info@deepsouthresources.com](mailto:info@deepsouthresources.com). Shareholders may request paper copies of the materials for the Meeting be sent to them by postal delivery at no cost to them. To ensure you receive the materials in advance of the voting deadline and Meeting date, all requests must be received no later than February 22, 2021.

### **Record Date**

The directors of the Company have fixed January 13, 2021 as the record date for the Meeting (the "**Record Date**"). Only shareholders of record at the close of business on the Record Date are entitled to vote at the Meeting or any adjournment or postponement thereof.

### **Proxies**

If you are a registered shareholder of the Company and unable to attend the Meeting via teleconference, please exercise your right to vote by completing and returning the accompanying form of proxy and deposit it with Computershare Trust Company of Canada. Proxies must be completed, dated, signed and returned to Computershare Trust Company of Canada, Proxy Department, at 8th Floor, 100 University Avenue, Toronto, Ontario, Canada, M5J 2Y1 by 11:00 a.m. (Vancouver time) on February 23, 2021, or if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the date to which the Meeting is adjourned or postponed. Telephone voting can be completed at 1-866-732-8683, voting by fax can be sent to 1-866-249-7775 or 416-263-9524 and Internet voting can be completed at [www.investorvote.com](http://www.investorvote.com).

If you are a non-registered shareholder, please follow the instructions from your bank, broker or other financial intermediary for instructions on how to vote your shares.

DATED at Vancouver, British Columbia, January 13, 2021.

BY ORDER OF THE BOARD

"Pierre Léveillé"

Pierre Léveillé  
President & Chief Executive Officer

## DEEP-SOUTH RESOURCES INC.

### INFORMATION CIRCULAR

with information current as of January 13, 2021

*(except as otherwise indicated)*

**To ensure the safety of our shareholders and other stakeholders entitled to attend the Meeting amidst the ongoing COVID-19 pandemic, the Company is conducting the Meeting via teleconference. Registered shareholders and validly appointed proxyholders may attend the Meeting by calling the following toll-free number: 1-888-884-4538. All callers will be prompted to enter the following passcode upon entering the teleconference: 917-2180.**

This information circular (“**Information Circular**”) is furnished in connection with the solicitation of proxies by the management of **DEEP-SOUTH RESOURCES INC.** (the “**Company**”) for use at the Annual General Meeting (the “**Meeting**”) of the shareholders of the Company, to be held via teleconference February 25, 2021 at the hour of 11:00 a.m. (Vancouver Time) or any adjournment thereof for the purposes as set forth in the enclosed Notice of Annual General Meeting (the “**Notice of Meeting**”).

In this Information Circular, references to “**the Company**”, “**we**”, “**our**” and “**Deep-South**” refer to Deep-South Resources Inc. “**Common Shares**” means common shares without par value in the capital of the Company. “**Beneficial Shareholders**” means shareholders who do not hold Common Shares in their own name and “**intermediaries**” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

### PERSONS OR COMPANIES MAKING THE SOLICITATION

**The enclosed instrument of proxy is solicited by management.** Solicitations will be made by mail, subject to the use of Notice-and Access Provisions (defined below) in relation to the delivery of the Information Circular, and possibly supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Company. The Company may reimburse shareholders’ nominees or agents (including brokers holding shares on behalf of clients) for the cost incurred in obtaining authorization from their principals to execute the instrument of proxy. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company. None of the directors of the Company have advised management in writing that they intend to oppose any action intended to be taken by management as set forth in this Information Circular.

### NOTICE-AND-ACCESS

“**Notice-and-Access Provisions**” means provisions concerning the delivery of proxy-related materials to shareholders found in section 9.1.1 of National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”), in the case of registered shareholders, and section 2.7.1 of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), in the case of Beneficial Shareholders, which allows a public company to deliver proxy-related materials to its shareholders via certain specified electronic means provided that the conditions of NI 51-102 and NI 54-101 are met.

The Company has decided to utilize the Notice and Access Provisions this year and to deliver this Information Circular and the supplemental mailing list request card (collectively, the “**Meeting Materials**”) to shareholders by posting the Meeting Materials at the following internet <http://www.envisionreports.com/DSMAGM2020>. The Meeting Materials, together with a copy of the Notice of Meeting and Notice and Access notification form, will be available on this website as of January 20, 2021 and will remain on the website for one full year thereafter. The Meeting Materials, together with a copy of the Notice of Meeting and Notice and Access notification form, will also be available under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) as of January 20, 2021.

**Shareholders who wish to receive a paper copy of the Meeting Materials may request a copy from the Company** by sending written notice to Suite 888 - 700 West Georgia Street, Vancouver, British Columbia V7Y 1G5, or by fax to (604) 662-3791; by telephone call to the Company at (604) 718-5454 or toll-free: 1-888-500-4587; or by email to the Company at [info@deepsouthresources.com](mailto:info@deepsouthresources.com). Meeting Materials will be sent to such shareholder at no cost to them.

## GENERAL PROXY INFORMATION

### Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the “**Proxy**”) are officers and/or directors of the Company. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

### Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,
- (b) any amendment to or variation of any matter identified therein, and
- (c) any other matter that properly comes before the Meeting.

**In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.**

### Registered Shareholders

Registered shareholders may wish to vote by proxy whether or not they attend the Meeting via teleconference. Registered shareholders electing to submit a proxy may do so by choosing one of the following methods:

- (a) complete, date and sign the enclosed Proxy form and return it to the Company’s transfer agent, Computershare Investor Services Inc. (“**Computershare**”), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail or by hand to the 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; or
- (b) use a touch-tone phone to transmit voting choices to the toll-free number given in the Proxy. Registered shareholders must follow the instructions of the voice response system and refer to the enclosed Proxy form for the toll-free number, the holder’s account number and the Proxy access number; or
- (c) log onto Computershare’s website at [www.investorvote.com](http://www.investorvote.com). Registered shareholders must follow the instructions provided on the website and refer to the enclosed Proxy form for the holder’s account number and the Proxy access number.

In either case you must ensure your proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or the adjournment thereof. Failure to complete or deposit a proxy properly may result in its invalidation.

Late proxies may be accepted or rejected by the Chairman of the Meeting at his discretion and the Chairman of the Meeting is under no obligation to accept or reject any particular late proxy. The Chairman of the Meeting may waive or extend the proxy cut-off without notice.

**Please note that in order to vote your Common Shares via teleconference at the Meeting you must register with the Scrutineer before the Meeting. If you have already submitted a Proxy, but choose to change your method of voting and attend via teleconference to vote, then you should register with the Scrutineer before the Meeting and inform him or her that your previously submitted proxy is revoked and that you personally will vote your Common Shares via teleconference at the Meeting.**

### **Beneficial Shareholders**

**The following information is of significant importance to shareholders who do not hold Common Shares in their own name.** Beneficial Shareholders should note the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares) or as set out in the following disclosure.

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and in the United States of America (the "U.S." or the "United States") the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

Generally, Beneficial Shareholders fall under two categories - those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for "*Objecting Beneficial Owners*") and those who do not object to the issuers of the securities they own knowing who they are (called "**NOBOs**" for "*Non-Objecting Beneficial Owners*").

These securityholder materials are sent to both registered and non-registered (beneficial) owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent sent these materials directly to you, your name, address and information about your holdings of securities, were obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**") in Canada and in the United States. Broadridge mails a Voting Instruction Form ("**VIF**") in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company's Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), different from the persons designated in the VIF, to represent your Common Shares at the Meeting, and that person may be you. To exercise this right insert the name of your desired representative (which may be you) in the blank space provided in the VIF. Once you have completed and signed your VIF return it to Broadridge by mail or facsimile, or deliver your voting instructions to Broadridge by phone or via the internet, in accordance with Broadridge's instructions. Broadridge tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **If you receive a VIF from Broadridge, it must be completed and returned to Broadridge, in accordance with Broadridge's instructions, well in**

**advance of the Meeting in order to: (a) have your Common Shares voted at the Meeting as per your instructions; or (b) have an alternate representative chosen by you duly appointed to attend and vote your Common Shares at the Meeting.**

#### **Notice to Shareholders in the United States**

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States *Securities Exchange Act of 1934*, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia), certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

#### **EXERCISE OF DISCRETION**

If the instructions in an instrument of proxy are certain, the Common Shares represented thereby will be voted on any poll by the persons named in the instrument of proxy and, where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy, the Common Shares represented thereby will, on a poll, be voted or withheld from voting in accordance with the specifications so made.

**Where no choice has been specified by the shareholder, such Common Shares will, on a poll, be voted in accordance with the notes to the instrument of proxy.**

The enclosed Proxy form, when properly completed and delivered and not revoked, confers discretionary authority upon the persons appointed proxyholders thereunder to vote with respect to any amendments or variations of matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of the printing of this Information Circular, management of the Company knows of no such amendment, variation or other matter which may be presented to the Meeting.

#### **RECORD DATE, VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

The Board has fixed January 13, 2021 as the record date (the “**Record Date**”) for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either personally attend the Meeting or who complete and deliver an instrument of proxy in the manner and subject to the provisions set out under the heading “*General Proxy Information*” above will be entitled to vote or have their Common Shares voted at the Meeting or any adjournment thereof.

The Common Shares are listed on the TSX Venture Exchange (the “**Exchange**” or the “**TSXV**”), under the symbol “**DSM**”. As at January 13, 2021 there were 108,262,298 Common Shares without par value issued and outstanding, each Common Share carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares. At a general meeting of the Company, on a show of hands, every shareholder present in person shall have one vote and, on a poll, every shareholder shall have one vote for each Common Share of which they are the holder.

To the knowledge of the directors and executive officers of the Company, there were no persons or corporations who beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company as at January 13, 2021 except as follows:

Shareholder Name	Number of Common Shares Held	Percentage of Issued Common Shares
Teck Resources Ltd.	22,579,608	20.86%

### VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for the election of directors than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected until all such vacancies have been filled.

### EXECUTIVE COMPENSATION

The Company is a “**venture issuer**” as defined under NI 51-102 and is disclosing its director and executive compensation in accordance with Form 51-102F6V – *Statement of Executive Compensation-Venture Issuers* (“**Form 51-102F6V**”).

#### Definitions

In this Information Circular:

“**Chief Executive Officer**” or “**CEO**” means an individual who served as chief executive officer of the Company, or performed functions similar to a chief executive officer, for any part of the most recently completed financial year.

“**Chief Financial Officer**” or “**CFO**” means an individual who served as chief financial officer of the Company, or performed functions similar to a chief financial officer, for any part of the most recently completed financial year.

“**Named Executive Officer**” or “**NEO**” means each of the following individuals:

- (i) a CEO;
- (ii) a CFO;
- (iii) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the CEO and CFO at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V for that financial year; and
- (iv) each individual who would be an NEO under paragraph (iii) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

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

The following table sets out a summary of compensation (excluding compensation securities) paid, awarded to or earned by the Named Executive Officers and any non-NEO directors of the Company for the periods noted therein:

Table of compensation excluding compensation securities							
Name and position	Year Ended Aug 31	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
<b>John H. Akwenye</b> Chairman & Director	2020	23,517	Nil	Nil	Nil	Nil	23,517
	2019	21,600	Nil	Nil	Nil	Nil	21,600
<b>Pierre Léveillé</b> President, CEO & Director	2020	48,000 <sup>(1)</sup>	NIL	NIL	NIL	NIL	48,000
	2019	48,000 <sup>(1)</sup>	NIL	NIL	NIL	NIL	48,000
<b>Jean Luc Roy<sup>(5)</sup></b> COO & Director	2020	15,000	NIL	NIL	NIL	NIL	15,000
	2019	NIL	NIL	NIL	NIL	NIL	NIL
<b>Chantelle Collins</b> CFO	2020	12,000	Nil	Nil	Nil	Nil	12,000
	2019	Nil	Nil	Nil	Nil	Nil	Nil
<b>Tim Fernback</b> Director	2020	18,900 <sup>(2)</sup>	Nil	Nil	Nil	Nil	18,900
	2019	32,400 <sup>(2)</sup>	Nil	Nil	Nil	Nil	32,400
<b>Sadike (Luke) Nepela</b> Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
<b>Thomas Tumoscheit</b> Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
<b>Chad Williams<sup>(6)</sup></b> Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
<b>Ryan Cheung<sup>(4)</sup></b> Former Director	2020	12,000 <sup>(3)</sup>	Nil	Nil	Nil	Nil	12,000
	2019	24,000 <sup>(3)</sup>	Nil	Nil	Nil	Nil	24,000
<b>Paul Smith<sup>(7)</sup></b> Former Director	2020	15,000	Nil	Nil	Nil	Nil	15,000
	2019	Nil	Nil	Nil	Nil	Nil	Nil

- (1) Q7 Capital Inc., a company controlled by Pierre Léveillé has a management contract with a remuneration of \$4,000 per month. The amount for the 2020 fiscal year was accrued
- (2) TCF Ventures Corp., a company controlled by Tim Fernback
- (3) Midland Management Ltd., a company controlled by Ryan Cheung
- (4) Mr. Cheung resigned February 28, 2020
- (5) Mr. Roy was appointed Chief Operating Officer October 26, 2020
- (6) Mr. Williams was appointed director October, 26, 2020
- (7) Mr. Smith resigned October 26, 2020

### Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued to NEOs or non-NEO directors during the financial year ended August 31, 2020, for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.



Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
<b>John H Akwenye</b> Chairman and Director	Stock Options	Nil <sup>(1)</sup>	N/A	N/A	N/A	N/A	N/A
<b>Pierre Léveillé</b> President, CEO and Director	Stock Options	Nil <sup>(2)</sup>	N/A	N/A	N/A	N/A	N/A
<b>Jean Luc Roy</b> COO and Director	Stock Options	Nil <sup>(3)</sup>	N/A	N/A	N/A	N/A	N/A
<b>Chantelle Collins</b> CFO	Stock Options	Nil <sup>(4)</sup>	N/A	N/A	N/A	N/A	N/A
<b>Tim Fernback</b> Director	Stock Options	Nil <sup>(5)</sup>	N/A	N/A	N/A	N/A	N/A
<b>Sadike (Luke) Nepela</b> Director	Stock Options	Nil <sup>(6)</sup>	N/A	N/A	N/A	N/A	N/A
<b>Thomas Tumoscheit</b> Director	Stock Options	Nil <sup>(7)</sup>	N/A	N/A	N/A	N/A	N/A
<b>Chad Williams</b> Director	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A
<b>Ryan Cheung</b> Former Director	Stock Options	Nil <sup>(8)</sup>	N/A	N/A	N/A	N/A	N/A
<b>Paul Smith</b> Former Director	Stock Options Stock Options	350,000 100,000	Feb 24, 2020 Jun 10, 2020	\$0.09 \$0.08	\$0.09 \$0.08	\$0.11 \$0.11	Feb 24, 2025 Jun 10-25

Notes:

- (1) As at August 31, 2020, Mr. Akwenye held outstanding options exercisable for a total of 350,000 Common Shares. 350,000 options are exercisable at a price of \$0.09/share and expire February 24, 2025.
- (2) As at August 31, 2020, Mr. Léveillé held outstanding options exercisable for a total of 400,000 Common Shares. 400,000 options are exercisable at a price of \$0.09/share and expire February 24, 2025.
- (3) As at August 31, 2020, Mr. Roy held outstanding options exercisable for a total of 450,000 Common Shares. 350,000 options are exercisable at a price of \$0.09/share and expire February 24, 2025; 100,000 options are exercisable at a price of \$0.08/share and expire June 10, 2025.
- (4) As at August 31, 2020, Ms. Collins held outstanding options exercisable for a total of 200,000 Common Shares. 200,000 options are exercisable at a price of \$0.09/share and expire February 24, 2025.
- (5) As at August 31, 2020, Mr. Fernback held outstanding options exercisable for a total of 250,000 Common Shares. 250,000 options are exercisable at a price of \$0.09/share and expire February 24, 2025.
- (6) As at August 31, 2020, Mr. Nepela held outstanding options exercisable for a total of 250,000 Common Shares. 250,000 options are exercisable at a price of \$0.09/share and expire February 24, 2025.
- (7) As at August 31, 2020, Mr. Tumoscheit held outstanding options exercisable for a total of 300,000 Common Shares. 300,000 options are exercisable at a price of \$0.09/share and expire February 24, 2025.
- (8) As at August 31, 2020, Mr. Cheung held outstanding options exercisable for a total of 250,000 Common Shares. 250,000 options are exercisable at a price of \$0.09/share and expire February 24, 2025.

No compensation securities were exercised by any NEOs or non-NEO directors during the fiscal year ended August 31, 2020.

## External Management Companies

During the year ended August 31, 2020, no management functions of the Company were to any substantial degree performed by a person other than the directors or NEOs of the Company.

## Employment, Consulting and Management Agreements

The Company has entered into agreements or arrangements under which it pays its NEOs and non-NEO directors, as follows:

1. *Pierre Léveillé – President, CEO and a director of the Company.*

By an agreement executed January 1, 2021 between Q7 Capital Inc. (“Q7”) and the Company, Q7 provides executive services and other services to the Company, through a designated consultant namely Pierre Léveillé to fulfill the role of President and CEO of the Company. For services rendered the Company pays a monthly consulting fee of \$8,500 per month to Q7. The Company may terminate the agreement at any time by paying the Consultant a lump sum amount equal to one year’s consulting fee. The Company may terminate the agreement with cause without further payment. In the event of change of control and if the agreement terminated by the Company within one year of such control Léveillé will receive an amount equal to one year’s salary.

2. *Jean Luc Roy – Chief Operating Officer and director of the Company*

By an agreement executed January 1, 2021 between Jean Luc Roy (“Roy”) and the Company. Roy will oversee all management and operating functions in Namibia as well as oversee the Financial and Corporate Secretary functions of the Company. For services rendered to fulfill the role of Chief Operating Officer of the Company. The Company pays a monthly fee of \$5,500 per month. The Company may terminate the agreement without cause. The Company may at any time terminate the Agreement by paying to the Employee a lump sum amount equal to one year’s salary. The Company may terminate the agreement with cause immediately without further payment. In the event of change of control and if the agreement terminated by the Company within one year of such control Roy will receive an amount equal to one year’s salary.

3. *Chantelle Collins – Chief Financial Officer of the Company*

By an agreement executed February 28, 2020 between Chantelle Collins (“Collins”) and the Company. Collins provides financial services to the Company. For services rendered to fulfill the role of Chief Financial Officer of the Company. The Company pays a monthly fee of \$2,500 per month. The Company may terminate the agreement without cause. The Company may at any time upon 30 days’ written notice to Collins and paying Collins an amount equal to one year’s consulting fee. The Company may terminate the agreement with cause immediately without further payment. In the event of change of control and if the agreement terminated by the Company within one year of such control Collins will receive an amount equal to one year consulting fee.

4. During the year ended August 31, 2020, no directors’ fees were paid to the non-NEO directors for serving as directors of the Company.
5. NEOs and non-NEO directors are entitled to participate in the Stock Option Plan.
6. NEOs and non-NEO directors are entitled to be reimbursed for reasonable expenditures incurred in performing their duties as NEOs or non-NEO directors, as the case may be.

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

### Director Compensation

The Company pays a cash compensation to independent directors equal to \$1,000 per meeting. The Chairman of the Board of Directors is paid \$2,500 per month. The compensation is for their services in their capacity as directors, except for the granting from time to time of incentive stock options in accordance with the Stock Option Plan and the policies of the Exchange. Should the Company's financial circumstances change in fiscal 2021, the Compensation Committee together with the Board as a whole will determine if there is a need to modify the compensation payable to the directors of the Company, taking into consideration general industry standards for companies similar to the Company.

The Board believes that the granting of incentive stock options provides a reward to directors for achieving results that improve Company performance and thereby increase shareholder value, where such improvement is reflected in an increase in the Company's share price. In making a determination as to whether a grant of long-term incentive stock options is appropriate and if so, the number of options that should be granted, the Board considers: the number and terms of outstanding incentive stock options held by each director; the aggregate value in securities of the Company that the Board intends to award as compensation; the potential dilution to shareholders; general industry standards and the limits imposed by the terms of the Stock Option Plan and Exchange policies. The granting of incentive stock options allows the Company to reward directors for their efforts to increase value for shareholders without requiring the Company to use cash from its treasury. The terms and conditions of the Company's stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Stock Option Plan, which are described under "*Stock Option Plans and Other Incentive Plans*" above.

The directors may be reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as directors.

### Named Executive Officer Compensation

The Company has a Compensation Committee consisting of Jean Luc Roy, Tim Fernback and John Akwenye. Within the meaning of National Instrument 52-110 "*Audit Committees*" ("**NI 52-110**") majority of the members of the Compensation Committee are independent directors. The Compensation Committee of the Board directs the design and provides oversight for the Company's executive compensation program and has overall responsibility for recommending levels of executive compensation that are competitive in order to attract, motivate and retain highly skilled and experienced executive officers. The Compensation Committee does not have a formal compensation program with set benchmarks; however, the Compensation Committee does have an informal program which seeks to reward an executive officer's current and future expected performance and the achievements of corporate milestones and align the interests of executive officers with the interests of the Company's shareholders.

The Compensation Committee's responsibilities include reviewing and making recommendations to the Board with respect to the adequacy and the form of compensation to all executive officers and directors of the Company; making recommendations to the Board in respect of the grant of stock options to management, directors, officers and other employees and consultants of the Company; and monitoring the performance of the Company's executive officers.

The Company's executive compensation philosophy and program objectives are directed primarily by two guiding principles. First, the program is intended to provide competitive levels of compensation, at expected levels of performance, in order to attract, motivate and retain talented executives. Second, the program is intended to create an alignment of interest between the Company's executives and shareholders so that a significant portion of each executive's compensation is linked to maximizing shareholder value. In support of this philosophy, the executive compensation program is designed to reward performance that is directly relevant to the Company's short-term and long-term success. The Company attempts to provide both short-term and long-term incentive compensation that varies based on corporate and individual performance.

The Company's executive compensation program is structured into three main components: employment agreement, consulting fees and long term incentives in the form of stock options granted pursuant to the Stock Option Plan. The following discussion describes the Company's executive compensation program by component of compensation and

discusses how each component relates to the Company's overall executive compensation objective. In establishing the executive compensation program, the Company believes:

- consulting fees provide an immediate cash incentive for the Company's NEOs and should be at levels competitive with peer companies that compete with the Company for business opportunities and executive talent; and
- stock options ensure that the NEOs are motivated to achieve the long-term growth of the Company, increase shareholder value and provide capital accumulation linked directly to the Company's performance.

The Company places equal emphasis on consulting fees and stock options as short-term and long-term incentives, respectively.

The Company determines the amount of the consulting fees and stock options to be paid/granted to each NEO based on the performance of the individual and the performance of the Company during the respective year and in comparison to compensation paid to executive officers of other companies which are at a similar stage of development as the Company.

The Company's executive compensation program has been designed to accomplish the following long-term objectives:

- create a proper balance between building shareholder wealth and competitive executive compensation while maintaining good corporate governance practices;
- produce long-term, positive results for the Company's shareholders;
- align executive compensation with corporate performance and appropriate peer group comparisons; and
- provide market-competitive compensation and benefits that will enable the Company to recruit, retain and motivate the executive talent necessary to be successful.

As set out above, NEOs are eligible under the Stock Option Plan to receive grants of stock options. The Stock Option Plan is an important part of the Company's long-term incentive strategy for its officers, permitting them to participate in any appreciation of the market value of the Common Shares over a stated period of time. The Stock Option Plan is intended to reinforce commitment to long-term growth in profitability and shareholder value. Stock options are granted by the Board. The size of stock option grants to officers is dependent on each officer's level of responsibility, authority and importance to the Company and the degree to which such officer's long-term contribution to the Company will be key to its long-term success.

Other than as described above, there are no other perquisites provided to the NEOs. The Company does not use specific benchmark groups in determining compensation or any element of compensation.

See "*Employment, Consulting and Management Agreements*" above for a description of the Company's consulting and employment arrangement with Mr. Léveillé, President, Chief Executive Officer & Director, Mr. Roy, Chief Operating Officer and Director, Ms. Chantelle Collins, Chief Financial Officer of the Company.

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

The following table sets forth details of the Stock Option Plan as of August 31, 2020, which is also the only Stock Option Plan in effect as of the Record Date.

<b>Plan Category</b>	<b>Number of Common Shares to be issued upon exercise of outstanding options (a)</b>	<b>Weighted average exercise price of outstanding options (b)</b>	<b>Number of Common Shares remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by shareholders	7,400,000	\$0.10	3,426,230
Equity compensation plans not approved by shareholders	Nil	N/A	N/A
<b>TOTAL:</b>	<b>7,400,000</b>		<b>3,426,230</b>

### **Stock Options Plans and Other Incentive Plans**

The Company's current stock option plan (the "**Stock Option Plan**"), which was also the Company's only equity compensation plan as of August 31, 2020, is administered by the Board who has the full authority and sole discretion to grant options under the Stock Option Plan to any eligible recipient, including themselves. Eligible recipients include: directors, senior officers, employees, and consultants of, or employees of management companies providing services to, the Company or its subsidiaries.

The key terms of the Stock Option Plan are as follows (capitalized terms used in this section have the meaning ascribed to them in the policies of the Exchange):

TSX Venture Exchange ("TSXV") policy requires all of its listed companies to have a share option plan if the company intends to grant options. Shareholders approved the adoption of the Company's 10% rolling share option plan dated for reference April 7, 2016, at its Annual General and Special Meeting held on June 10, 2016 (the "Plan").

The Plan is a 10% maximum rolling plan. Options granted under the Plan are not exercisable for a period longer than 10 years and the exercise price must be paid in full upon exercise of the option. At the date of this Information Circular, there were options outstanding to purchase an aggregate of 8,200,000 Common Shares under the Company's Plan.

The Plan is subject to the following restrictions:

- (a) The Company must not grant an option to any one individual director, officer, employee, management company employee, consultant or company consultant (the "Service Provider") in any 12 month period that exceeds 5% of the outstanding shares, unless the Company has obtained approval to do so by a majority of the votes cast by the shareholders of the Company eligible to vote at a shareholders' meeting, excluding votes attaching to shares beneficially owned by insiders and their associates ("Disinterested Shareholder Approval");
- (b) The aggregate number of options granted to a Service Provider conducting investor relations activities in any 12 month period must not exceed 2% of the outstanding Common Shares calculated at the date of the grant, without the prior consent of the TSXV;
- (c) The Company must not grant an option to any one individual consultant in any 12 month period that exceeds 2% of the outstanding shares calculated at the date of the grant of the option, without the prior consent of the TSXV;
- (d) The aggregate number of Common Shares reserved for issuance under options granted to insiders must not exceed 10% of the outstanding Common Shares (in the event that the Plan is amended to reserve for issuance more than 10% of the outstanding Common Shares) unless the Company has obtained Disinterested Shareholder Approval to do so;

- (e) The aggregate number of Common Shares issued for option to insiders in any 12 month period must not exceed 10% of the outstanding Common Shares (in the event that the Plan is amended to reserve for issuance more than 10% of the outstanding Shares) unless the Company has obtained Disinterested Shareholder Approval to do so;
- (f) The issuance to any one Optionee within a 12 month period of a number of Common Shares must not exceed 5% of outstanding Common Shares unless the Company has obtained Disinterested Shareholder Approval to do so;
- (g) any one Person engaged in Investor Relations Activities for the Company must vest in stages over a 12 month period with no more than 1/4 of the Options vesting in any three month period; and
- (h) The exercise price of an option previously granted to an insider must not be reduced, unless the Company has obtained Disinterested Shareholder Approval to do so.

***Material Terms to the Plan***

The following is a summary of the material terms of the Plan:

- (a) Persons who are Service Providers to the Company or its affiliates, or who are providing services to the Company or its affiliates, are eligible to receive grants of options under the Plan;
- (b) options granted under the Plan are non-assignable and non-transferable and are issuable for a period of up to ten (10) years;
- (c) for options granted to Service Providers, the Company must ensure that the proposed Optionee is a bona fide Service Provider of the Company or its affiliates;
- (d) if there is a takeover bid for all or any of the issued and outstanding Common Shares, then all outstanding Options, whether fully vested and exercisable or remaining subject to vesting provisions or other limitations on exercise, shall become exercisable in full to enable the Optioned Shares to be issued and tendered to such bid, subject to prior written approval of the TSXV;
- (e) an Option granted to any Service Provider will expire 60 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option), after the date the Optionee ceases to be employed by or provide services to the Company, and only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company;
- (f) if an Optionee dies, any vested option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;
- (g) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same;
- (h) the exercise price of each option will be set by the Board at the time such Option is allocated under the Plan, and cannot be less than the Discounted Market Price (as defined in the Plan);
- (i) vesting of Options shall be at the discretion of the Board, and will generally be subject to: (i) the Service Provider remaining employed by or continuing to provide services to the Company or any of its affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the

Company or any of its affiliates during the vesting period; or (ii) the Service Provider remaining as a Director of the Company or any of its affiliates during the vesting period;

- (j) the Plan contains a black-out provision restricting all or any of the Company's Service Providers to refrain from trading in the Company's securities until the restriction has been lifted by the Company;
- (k) no vesting requirements will apply to options granted under the Plan other than as required by TSXV policies; however, a four month hold period will apply to all Common Shares from the date of grant for all Options granted to:
  - (i) insiders of the Company; or
  - (ii) where Options are granted to any Service Provider, including Insiders, where the exercise price is at a discount to the Market Price; and
- (l) the Board reserves the right in its absolute discretion to amend, modify or terminate the Plan with respect to all common shares in respect of options which have not yet been granted under the Plan. Any amendment to any provision of the Plan will be subject to any necessary Regulatory approvals unless the effect of such amendment is intended to reduce (but not to increase) the benefits of the Plan to Service Providers.

The Board has determined that, in order to reasonably protect the rights of participants, as a matter of administration, it is necessary to clarify when amendments to the Plan may be made by the Board without further shareholder approval.

Accordingly, the Plan also provides that the Board may, without shareholder approval:

- (i) amend the Plan to correct typographical, grammatical or clerical errors;
- (ii) change the vesting provisions of an option granted under the Plan, subject to prior written approval of the TSXV, if applicable;
- (iii) change the termination provision of an Option granted under the Plan if it does not entail an extension beyond the original expiry date of such Option;
- (iv) make such amendments to the Plan as are necessary or desirable to reflect changes in securities laws applicable to the Company or any requested changes by the TSXV;
- (v) if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSXV, it may make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (vi) amend the Plan to reduce, and not to increase, the benefits of this Plan to Service Providers.

A copy of the Stock Option Plan is available for review at the offices of the Company: Suite 880 – 700 West Georgia Street, Vancouver, BC V7Y 1G5 during normal business hours up to and including the date of the Meeting.

In accordance with Exchange policies, as the Stock Option Plan is a “rolling” stock option plan, it must receive approval of the Company's shareholders yearly at the Company's annual general meeting. Refer to “*Particulars of Matters to be Acted Upon – 5. Continuation of Stock Option Plan*” below.

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

No (a) director; (b) executive officer; (c) proposed nominee for election as a director; (d) associate of a director, executive officer or proposed nominee for election as a director; (e) employee; or (f) former director, executive officer

or employee of the Company, is, as at January 13, 2021, or was at any time during the Company's last completed financial year, indebted to the Company or any of its subsidiaries.

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

Other than as disclosed elsewhere in this Information Circular, no director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee for election as a director of the Company, and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors.

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

An informed person is one who generally speaking is a director or executive officer or a 10% shareholder of the Company. To the knowledge of management of the Company, this Information Circular briefly describes (and, where practicable, states the approximate amount) of any material interest, direct or indirect, of any informed person of the Company, any proposed director of the Company, or any associate or affiliate of any informed person or proposed director, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries. Reference is also made to Note 12. "Related Party Transactions" and Note 9. "Share Capital and Contributed Surplus" in the Company's Annual Financial Statements for the financial year ended August 31, 2020; and in "Related Party Transactions," page 9 of the related Management's Discussion and Analysis, both of which were filed under the Company's SEDAR profile on January 20, 2021 at www.sedar.com.

For a description of remuneration paid directly or indirectly to Mr. Léveillé, Mr. Roy and Ms. Collins for services rendered on behalf of the Company, please see "Employment, Consulting and Management Agreements" above.

### **MANAGEMENT CONTRACTS**

Management functions of the Company are substantially performed by directors or executive officers of the Company and not, to any substantial degree, by any other person with whom the Company has contracted.

See "Employment, Consulting and Management Agreements" above for a description of the Company's consulting and employment arrangement with Mr. Léveillé, President, Chief Executive Officer & Director, Mr. Roy, Chief Operating Officer and Director and Ms. Chantelle Collins, Chief Financial Officer of the Company.

### **CORPORATE GOVERNANCE DISCLOSURE**

Corporate governance relates to activities of the Board, the members of which are elected by and are accountable to the shareholders and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") requires that each reporting company disclose its corporate governance practices on an annual basis. The Company's general approach to corporate governance is summarized below.

#### **Board of Directors**

##### Independence

The Company's Board is comprised of seven (7) directors: John Akwenye, Pierre Léveillé, Jean Luc Roy, Tim Fernback, Sadike Nepela, Thomas Tumoscheit, and Chad Williams.



Section 1.4 of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) sets out the standard for director independence. Under NI 52-110, a director is independent if he has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment. NI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship to the Company.

Applying the definition set out in section 1.4 of NI 52-110, five of the seven members of the Board are independent. The members who are independent are John Akwenye, Tim Fernback, Sadike Nepela, Thomas Tumoscheit and Chad Williams. Messrs. Pierre Léveillé and Jean Luc Roy are not independent by virtue of the fact that they are executive officers of the Company (President/CEO and COO).

In order to facilitate its exercise of independent judgment in carrying out the responsibilities of the Board, the Board ensures that a majority of all members in attendance at Board meetings are independent.

#### Other Directorships

Certain directors of the Company serve as directors of one or more other reporting issuers or reporting issuer equivalents, as follows:

Name of Director	Reporting Issuer(s) or Equivalent(s)
Jean Luc Roy	CanAlaska Uranium Ltd. (TSXV/OTCQB)
Tim Fernback	CubicFarm Systems Inc. (TSXV) Tri Capital Opportunities Corp. (TSXV)
Chad Williams	Golden Tag Resources Ltd. (TSXV) Honey Badger Silver Inc. (TSXV) Karora Resources Inc. (TSXV) Blue Thunder Mining Inc. (TSXV)

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

The Company has not adopted a formalized process of orientation for new Board members. Orientation of new directors has been and will be conducted on an ad hoc basis through discussions and meetings with other directors, officers and employees where a thorough description of the Company’s business, assets, operations and strategic plans and objectives are discussed. In addition, any new directors will be given: (a) the opportunity to familiarize themselves with the Company, the current directors and members of management; (b) copies of recently publicly filed documents of the Company, technical reports and the Company’s internal financial information; (c) access to technical experts and consultants; and (d) a summary of significant corporate and securities legislation. Orientation activities have been and will be tailored to the particular needs and experiences of each director and the overall needs of the Board.

The Board does not take any formal measures to provide continuing education for the directors. Directors are given the opportunity for continuing education if they choose. The current directors all have prior public company experience. Directors are kept informed as to matters impacting, or which may impact, the Company’s operations through reports and presentations at the Board meetings. Directors are also provided the opportunity to meet with senior management, advisors and other directors who can answer any questions that may arise. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation with management assistance and to attend related industry seminars in relation to the Company’s operations. Board members have full access to the Company’s records.

At this stage in the Company’s development, and having regard to the background and experience of its directors, the Board does not feel it necessary to have such policies or programs in place.

### **Ethical Business Conduct**

The Board has not adopted a formal written Code of Business Conduct and Ethics. In recruiting new Board members, the Board considers only persons with a demonstrated record of ethical business conduct.

The Board has concluded that fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law, in addition to the applicable corporate legislation restrictions placed on an individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

### **Nomination of Directors**

The Board has not adopted a written mandate or formal procedure with respect to the nomination of directors. The Board, as a whole, is responsible for identifying individuals qualified to become new board members and recommending to the Board new director nominees for the next annual meeting the shareholders.

Nominees have historically been recruited by the efforts of existing Board members, and the recruitment process has involved both formal and informal discussions among committee and Board members. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the required time, show support for the Company's mission and strategic objectives and have a willingness to serve. Nominees who meet these criteria are interviewed by the Board and are asked to join the Board where consensus regarding the nominee is obtained.

### **Compensation**

The Company's Compensation Committee is comprised of three directors: Jean Luc Roy, Tim Fernback and John Akwenye; however, the Board has not adopted a written mandate or formal procedure with respect to determining compensation for the directors and NEOs.

The Compensation Committee conducts annual reviews of the CEO, directors, and executive officers and makes recommendations to the Board. Refer to "*Oversight and Description of Director and NEO Compensation*" above for a detailed description of the Company's compensation policies.

### **Other Board Committees**

At the present time, the Company has the following standing committees:

- (a) Compensation Committee (see "*Oversight and Description of Director and NEO Compensation*" and "*Compensation*" above); and
- (b) Audit committee (the "**Audit Committee**") (see "*Audit Committee*" below).

### **Assessments**

The Board regularly monitors the adequacy of information given to directors, communications between the Board and management and the strategic direction and processes of the Board and its committees. The Board monitors, but does not formally assess, the performance of individual Board members and their contributions. The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Company's size and its stage of development, the Board considers a formal assessment process to be inappropriate at this time.

## **Audit Committee**

NI 52-110 requires the Company's Audit Committee to meet certain requirements. It also requires the Company to disclose in this Information Circular certain information regarding the Audit Committee. That information is disclosed below.

### Overview

The Audit Committee's mandate includes reviewing: (i) the financial statements, reports and other financially-based information provided to shareholders, regulators and others; (ii) the internal controls that management and the Board have established; and (iii) the audit, accounting and financial reporting processes generally. In meeting these responsibilities, the Audit Committee monitors the financial reporting process and internal control system, reviews and appraises the work of the external auditors, and provides an open avenue of communication between the external auditors, senior management and the Board.

### The Audit Committee Charter

The Company's Board has adopted an Audit Committee Charter which sets out the Audit Committee's mandate, organization, powers and responsibilities. A copy of the Audit Committee Charter is attached hereto as Schedule "A".

### Composition of the Audit Committee

The Company's Audit Committee is comprised of three directors consisting of Jean Luc Roy, Tim Fernback and John Akwenye. The following table sets out the names of the members of the Audit Committee and whether they are 'independent' and 'financially literate' for the purposes of NI 52-110.

<b>Name of Member</b>	<b>Independent<sup>(1)</sup></b>	<b>Financially Literate<sup>(2)</sup></b>
Jean Luc Roy	No	Yes
Tim Fernback	Yes	Yes
John Akwenye	Yes	Yes

#### Notes:

- (1) To be independent, a member of the Audit Committee must not have any direct or indirect 'material relationship' with the Company. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment. Accordingly, an executive officer of the Company is not independent, nor is a director that is paid consulting fees for non-director services provided to the Company.
- (2) To be considered financially literate, a member of the Audit Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

### Relevant Education and Experience

The education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements;
- (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities; and
- (d) an understanding of internal controls and procedures for financial reporting, are as follows:

Member	Education/Experience
Jean Luc Roy	Mr. Roy;s experience includes being Managing Director in the Democratic Republic of Congo for First Quantum Minerals Ltd; President & CEO of El Nino Ventures Inc., which was mainly focusing on the Democratic Republic of Congo projects; Chief Operating Officer of Ampella Mining Ltd. (division of Centamin PLC) where he was supervising exploration and development of the projects in West Africa and General Manager of Resolute Mining Ltd. where he was supervising all operations in Mali. Mr. Roy holds a Bachelor of Commerce from Concordia University.
Tim Fernback	Mr. Fernback brings to the Company over 20 years of experience in financing public and private small-cap companies in Canada. From 1998 to 2004 Mr. Fernback worked at Wolverton Securities Ltd., a broker-dealer and investment bank based in Western Canada, as the Manager of the Corporate Finance Department. He was responsible for all due diligence activities with respect to Wolverton’s underwritings, mergers, acquisitions, Exchange Sponsorships and corporate consulting practices. Mr. Fernback was the Chief Financial Officer of Upstream Biosciences Inc (OTCBB) from its inception in 2006 until 2009. Upstream is a biotechnology company involved in developing and licensing genetic based diagnostics for cancer susceptibility and drug response. Mr. Fernback is the President of TCF Ventures Corp., a company providing financial advisory services to public and private companies. Mr. Fernback obtained a Bachelor of Science, Honours (B.Sc.) in 1991 from McMaster University in Hamilton, Ontario and a Master of Business Administration (MBA) in 1993 from the University of British Columbia. Mr. Fernback completed the Canadian Securities Course as well as the Partners, Directors and Senior Officers Qualifying Exam.
John Akwenye	Mr. Akwenye is a Namibian retired lawyer with over 30 years of experience in business development in Namibia. From 1994 to 2008 he was Chairman of Guinas Investments (PTY) Ltd. a Swapo-owned investment company. He has also been Chairman of the Namibian Airports Company from 2001 to 2004. He is a current Director of Areva Resources, Namibia, PE Minerals.

Audit Committee Oversight

Since the commencement of the Company’s most recent 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 Exemptions in NI 52-110 – Audit Committee Composition & Reporting Obligations

Since the Company is a “**venture issuer**” (as such term is defined in NI 52-110), it is relying on the exemption contained in section 6.1 of NI 52-110 from the requirements of Part 5 *Reporting Obligations* of NI 52-110 (which requires certain prescribed disclosure about an audit committee in the Company’s Annual Information Form, if any, and this Information Circular).

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Audit Committee Charter, attached hereto as Schedule “A”.

External Auditor Service Fees (By Category)

The following table discloses the fees billed to the Company by its external auditor during the last two financial years.

<b>Financial Year Ending</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit Related Fees<sup>(2)</sup></b>	<b>Tax Fees<sup>(3)</sup></b>	<b>All Other Fees<sup>(4)</sup></b>
August 31, 2020	\$30,500	Nil	Nil	Nil
August 31, 2019	\$18,000	Nil	Nil	Nil

Notes:

- (1) The aggregate fees billed by the Company's auditor for audit fees.
- (2) The aggregate fees billed for assurance and related services by the Company's auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed in the 'Audit Fees' column.
- (3) The aggregate fees billed for professional services rendered by the Company's auditor for tax compliance, tax advice and tax planning. These services include the filing of the Company's annual tax returns.
- (4) The aggregate fees billed for professional services other than those listed in the other three columns.

**PARTICULARS OF MATTERS TO BE ACTED UPON**

**1. Financial Statements and Auditor's Report**

The Board has approved the audited financial statements for the fiscal year ended August 31, 2020, together with the auditor's report thereon, copies of which have been sent to those shareholders who had requested receipt of same. Copies of these materials are available on SEDAR at [www.sedar.com](http://www.sedar.com).

**2. Set Number of Directors**

Management of the Company intends to propose a resolution to set the number of directors at seven (7).

**Management recommends a vote "FOR" the approval of the foregoing resolution. In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed Proxy intend to vote FOR the approval of the foregoing resolution.**

**3. Election of Directors**

The directors of the Company are elected annually and hold office until the next annual general meeting of the shareholders or until their successors are elected or appointed, unless the office is vacated earlier in accordance with the Articles of the Company and the *Business Corporations Act* (British Columbia) or unless a director becomes disqualified to act as a director. Management of the Company proposes to nominate the persons listed below for election as directors of the Company to serve until the next annual general meeting of the Company or until their successors are elected or appointed. **In the absence of instructions to the contrary, the persons designated by management of the Company in the enclosed Proxy intend to vote FOR the nominees listed in this Information Circular.**

The following table sets out the names of management's nominees for election as directors, the province or state and the country in which each is ordinarily resident, all offices of the Company now held by each of them, if any, their principal occupations or employment during the past five years, the period of time each has been a director of the Company, and the number of Common Shares beneficially owned by each, directly or indirectly, or over which control or direction is exercised, as at the Record Date.

<b>Name, Province or State, Resident Country, Position(s) with Company<sup>(1)</sup></b>	<b>Principal Occupation and, if not at Present an Elected Director, Employment</b>	<b>Date(s) Served as a Director</b>	<b>Common Shares Held<sup>(1)</sup></b>
John H. Akwenye <sup>(2)(3)</sup> Namibia <i>Chairman and Director</i>	Lawyer (retired) (refer to Mr. Akwenye's bio below)	October 26, 2016	2,698,313

<b>Name, Province or State, Resident Country, Position(s) with Company<sup>(1)</sup></b>	<b>Principal Occupation and, if not at Present an Elected Director, Employment</b>	<b>Date(s) Served as a Director</b>	<b>Common Shares Held<sup>(1)</sup></b>
Pierre Léveillé Quebec, Canada <i>President, Chief Executive Office and Director</i>	President and owner of Q7 Capital Inc., a private company providing financial advisory services to public and private companies (refer to Mr. Léveillé's bio below)	February 23, 2017	2,710,813
Jean Luc Roy <sup>(2)(3)</sup> <i>Chief Operating Officer and Director</i> British Columbia, Canada	Director of CanAlaska Uranium Ltd.	May 22, 2018	Nil
Tim Fernback <sup>(2)(3)</sup> <i>Director</i> British Columbia, Canada	President of TCF Ventures Corp., a private company providing financial advisory services to public and private companies (refer to Mr. Fernback's bio below)	January 31, 2014	Nil
Sadike (Luke) N. Nepela <i>Director</i> Namibia	General manager of Kalahari Minerals PLC, a private company specialized in the exploration and development of minerals in Namibia (refer to Mr. Nepela's bio below).	February 23, 2017	599,625
Thomas Tumoscheit <i>Director</i> Switzerland	Managing Director of Euro Alloys Ltd.(refer to Mr. Tumoscheit's bio below)	May 27, 2019	1,248,000
Chad Williams <i>Director</i> Ontario, Canada	Founder and Chairman of Red Cloud Securities Inc., serves on the board of Blue Thunder Mining Inc., Golden Tag Resources Ltd., Karora Resources Inc and Honey Badger Silver Inc. He was one of the founders of Agilith Capital Inc. as well as Westwind Capital Inc. He previously held the positions of CEO of Victoria Gold Corp., Head of Mining Investment Banking at Blackmount Capital Inc. and was a top-ranked mining analyst at TD Bank and other Canadian Brokerage firms. Mr. Williams holds both a P.Eng in Mining and an MBA from McGill University.	October 26, 2020	2,000,000

**Notes:**

- (1) The information as to country of residence, principal occupation and number of Common Shares beneficially owned by the nominees (directly or indirectly or over which control or direction is exercised) is not within the knowledge of the management of the Company and has been furnished by the respective nominees.
- (2) Denotes a member of the Audit Committee.
- (3) Denotes a member of the Compensation Committee.

Management does not contemplate that any of its nominees will be unable to serve as a director. If any vacancies occur in the slate of nominees listed above before the Meeting, then the persons designated by management of the Company in the enclosed Proxy intend to exercise discretionary authority to vote the shares represented by proxy for the election of any other persons as directors.

***Director Biographies***

**John H. Akwenye, Chairman of the Board and Director**

Mr. Akwenye, a director of the Company, was appointed both Director and Chairman of the Board of the Company on October 26, 2016. Mr. Akwenye is a Namibian retired lawyer with over 30 years of experience in business development in Namibia. From 1994 to 2008, Mr. Akwenye was Chairman of Guinas Investments (PTY) Ltd. a

Swapo-owned investment company and was Chairman of the Namibian Airports Company from 2001 to 2004. Mr. Akwenye is currently a director of Areva Resources Namibia, a private fully own subsidiary of Areva, a global leader in nuclear energy and major player in renewable energies. PE Minerals a private mineral License holder in Namibia and Haib Minerals (PTY) Ltd (held by Teck 70% and Deep-South 30%).

**Pierre Léveillé, President, Chief Executive Officer and Director**

Mr. Léveillé, a director of the Company, was appointed Chief Executive Officer of the Company on January 18, 2017 and was appointed President of the Company on February 23, 2017. Mr. Léveillé has over 28 years of experience in the International financial sector including 20 years in the mining exploration industry. Mr. Léveillé started his career as a Stock Broker and Corporate Finance advisor with Lévesque, Beaubien, Geofrion and National Bank Financial. From the mid 1990's to today, he has been Executive and Director of several exploration companies active in Africa. He has financed and managed exploration projects in Namibia since 1996 and has realized over US\$ 70 million in transactions and financing for Namibian and African mining exploration projects. Mr. Léveillé is President of Q7 Capital inc., a company providing financial advisory services to public and private companies. He is currently Director of Deep-South Mining Company (PTY) Ltd. and Director of Haib Minerals (PTY) Ltd.

**Jean-Luc Roy, Chief Operating Officer and Director**

Mr. Jean-Luc Roy was appointed a director of the Company on May 22, 2018. Mr. Roy has over 30 years experience in the mining industry. The majority of Mr. Roy's experience has been in Africa for companies such as International Gold Resources, Ashanti Goldfields Inc., Semafo, and First Quantum Minerals. Mr. Roy has managed projects from exploration through to production in three different countries, and has extensive experience in negotiations at all levels. Mr. Roy, as Managing Director, played a crucial role in First Quantum Minerals' success in the Democratic Republic of Congo ("DRC") by successfully placing a project in production during a period of major unrest in the country. During Mr. Roy's tenure with First Quantum Minerals, the company went from a being a \$250 million dollar market cap. company to a multi-billion dollar enterprise. Mr. Roy was also instrumental in securing First Quantum Mineral's extensive land positions in the DRC. Mr. Roy has also been President and CEO of El Nino Ventures Inc., COO of Ampella Mining Ltd (a division of Centamin PLC), General Manager of Resolute Mining Ltd in Mali. He is currently a Director of Can Alaska Uranium, listed on TSX-V.

**Tim Fernback, Director**

Mr. Fernback brings to the Company over 25 years of experience in financing public and private small-cap companies in Canada. From 1995 to 1998 he was employed in a consulting capacity and served as a Manager at Discovery Capital Corporation, a corporate finance and fund management company specializing in financing and consulting to technology based and start-up ventures. From 1998 to 2004 Mr. Fernback worked at Wolverton Securities Ltd., a broker-dealer and investment bank based in Western Canada, as the Manager of the Corporate Finance Department. He was responsible for all due diligence activities with respect to Wolverton's underwritings, mergers, acquisitions, Exchange Sponsorships and corporate consulting practices. Currently, Mr. Fernback is the Chief Financial Officer of CubicFarm Systems Corp., a publicly traded agricultural technology company on the TSXV and the President of TCF Ventures Corp., a company providing financial advisory services to public and private companies. Mr. Fernback has over twenty years experience acting as director and officer for several public companies traded on the TSXV, OTCQB, OTCQX and ASX. Mr. Fernback obtained a Bachelor of Science, Honours (B.Sc.) in 1991 from McMaster University in Hamilton, Ontario and a Master of Business Administration (MBA) in 1993 from the University of British Columbia. Mr. Fernback is also a Chartered Professional Accountant (CPA, CMA) in good standing. Mr. Fernback has successfully completed the Canadian Securities Course as well as the Partners, Directors and Senior Officers Qualifying Exam.

**Sadike (Luke) Nepela, Director**

Mr. Nepela, a director of the Company, serves as General Manager of Kalahari Minerals PLC. For a number of years, Mr. Nepela served as an Assistant to the Minister in the Namibian Ministry of Mines and Energy and most recently he has been the General Manager for Westport Resources, a subsidiary of Forsys Metals Corp.(listed on the TSX). He is also a Fellow of the International Centre for Research and Training in Major Projects Management, Montreal,

Canada. Mr. Nepela is a graduate of the University of Witwatersrand, Johannesburg and has also studied at the University of Connecticut, West Hartford, USA.

**Thomas Tumoscheit, Director**

Mr. Tumoscheit was appointed a director of the Company on May 27, 2019. Mr. Tumoscheit has over 28 years of experience in commodities sales, procurement, trading and manufacturing. His career started as a sales engineer with GfE and since then has had roles in a number of mining and trading companies, including Frank & Schulte, Alcoa and Gerald Metals. He is currently Managing Director for Euro Alloys Ltd. Mr. Tumoscheit holds a Ph.D. in Electrometallurgy from the National University of Science and Technology MISiS Moscow.

**Chad Williams, Director**

Founder and Chairman of Red Cloud Securities Inc., serves on the board of Blue Thunder Mining Inc., Golden Tag Resources Ltd., Karora Resources Inc and Honey Badger Silver Inc. He was one of the founders of Agilith Capital Inc. as well as Westwind Capital Inc. He previously held the positions of CEO of Victoria Gold Corp., Head of Mining Investment Banking at Blackmont Capital Inc. and was a top-ranked mining analyst at TD Bank and other Canadian Brokerage firms. Mr. Williams holds both a P.Eng in Mining and an MBA from McGill University.

**External Management Companies**

Inter-Namibia Mining and Investments (PTY) Ltd. whereby John H. Akwenye is a Chairman. Pursuant to monthly invoices, Inter-Namibia Mining and Investments (PTY) Ltd. provides consulting services and administrative services.

Q7 Capital Inc. is a private company wholly-owned by Pierre Léveillé, President, Chief Executive Officer and Director of the Company. Pursuant to monthly invoices, Q7 Capital Inc. provides consulting and administrative services.

TCF Ventures Corp. is a private company wholly-owned by Tim Fernback, Director of the Company. Pursuant to monthly invoices, TCF Ventures Corp. provides accounting and administrative services.

**Corporate Cease Trade Orders or Bankruptcies**

To the knowledge of the Company, no proposed director:

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



- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

#### Penalties and Sanctions

To the knowledge of the Company, no proposed director:

- (a) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with the securities regulatory authority; or
- (b) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company.

#### 4. Re-Appointment of Auditor

Shareholders of the Company will be asked to vote for the re-appointment of Smythe LLP, Chartered Professional Accountants, as auditor of the Company to hold office until the next annual general meeting of shareholders or until its successor has been appointed, at a remuneration to be fixed by the directors.

**Management recommends a vote “FOR” the approval of the foregoing resolution. In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed Proxy intend to vote FOR the approval of the foregoing resolution.**

#### 5. Re-approval of the Stock Option Plan

During the past year, the Company maintained a 10% rolling stock option plan, which was last approved at the Company’s annual general meeting held February 28, 2020. In accordance with Exchange policies, as the Stock Option Plan is a “rolling” stock option plan, it must receive approval of the Company’s shareholders yearly at the Company’s annual general meeting. Accordingly, shareholders will be asked at the Meeting to consider, and if thought fit, to approve the following ordinary resolution to ratify and re-approve the Stock Option Plan for continuation:

“BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT subject to regulatory approval:

1. the stock option plan (the “**Stock Option Plan**”) of Deep-South Resources Inc. (the “**Company**”), details of which are set forth in the Company’s Information Circular, is hereby re-approved and confirmed for continuation until the next annual general meeting of the Company or until the board of directors of the Company (the “**Board**”) sooner terminates such Stock Option Plan, in its sole discretion;
2. the Company is authorized to grant stock options pursuant and subject to the terms and conditions of the Stock Option Plan entitling all of the option holders an aggregate to purchase up to such number of common shares of the Company as is equal to 10% of the number of common shares of the Company issued and outstanding on the applicable grant date;
3. the Board or any committee of the Board created to administer the Stock Option Plan, be and is hereby authorized to make such amendments to the Stock Option Plan from time to time as the Board may, in its discretion, consider appropriate, provided that such amendments will be subject to the approval of all applicable regulatory authorities and in certain cases, and in accordance with the terms of the Stock Option Plan, the shareholders; and

4. any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the Stock Option Plan required by applicable regulatory authorities and to complete all transactions in connection with the implementation of the Stock Option Plan.”

A copy of the Stock Option Plan will be available at the Meeting. Shareholders may obtain a copy of the Stock Option Plan in advance of the Meeting upon request to the Company at Suite 888, 700 West Georgia Street, Vancouver, British Columbia V7Y 1G5, to the attention Corporate Secretary. The Company’s email address is info@deepsouthresources.com.

**Management recommends a vote “FOR” the approval of the foregoing resolution. In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed Proxy intend to vote FOR the approval of the foregoing resolution.**

#### **OTHER BUSINESS**

Management of the Company is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting. However, if any other matter properly comes before the Meeting, it is the intention of the persons named in the Proxy to vote the Common Shares represented thereby in accordance with their best judgment on such matter.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company and its operations is available on the SEDAR website at [www.sedar.com](http://www.sedar.com). Financial information concerning the Company is also provided on the SEDAR website in the Company’s comparative financial statements and management’s discussion and analysis for the most recently completed financial year.

Shareholders may also obtain a copy of the Company’s financial statements and management’s discussion and analysis upon request to the Company by mail at Suite 888, 700 West Georgia Street, Vancouver, British Columbia V7Y 1G5.

#### **BOARD APPROVAL**

The contents of this Information Circular have been approved and its mailing has been authorized by the Board.

DATED this 13th day of January, 2021.

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

*“Pierre Léveillé”*

Pierre Léveillé  
Chief Executive Officer and President

## **SCHEDULE “A”**

### **DEEP SOUTH RESOURCES INC.**

#### **AUDIT COMMITTEE CHARTER**

The audit committee is elected annually by the board of directors to assist the board in fulfilling its oversight responsibilities. The committee is primarily responsible to the board for the overseeing of managements process of reporting of the financial statements, management discussion and analysis (“MD&A”) and other financial reports provided Deep South Resources Inc., (the “Company”) to any regulatory authority or to the public. Secondly, the committee is required to review the system of internal controls for finance, accounting, and legal compliance. Performance of other duties as may be required from time to time by the board of directors or as required by the amendment of this charter.

#### **COMPOSITION OF AUDIT COMMITTEE**

The audit committee is composed of three directors, the majority of them independent. A quorum shall be a majority of members. The chair of the audit committee will be elected by the board of directors. The term for the members will be for one year at which time they may be re-nominated.

#### **RELEVANT EDUCATION AND EXPERIENCE**

All of the members of the audit committee shall be financially literate. Financially literate is the ability to read and understand a set of financial statements that present a level of complexity of the issues that can presumably be expected to be raised by the Company’s financial statements. Members will have relevant education or experience to sufficiently execute their duties and responsibilities.

The audit committee is required to name the financial expert who should have a strong financial ability to understand and assess accounting principles relating to estimates, accruals and reserves and financial statements, an understanding of internal controls and the financial reporting process, and experience in the preparation and auditing or evaluating issuers of a similar level of accounting complexity.

#### **ROLE OF THE AUDIT COMMITTEE**

The primary purpose of the audit committee is to:

- Oversee the selection and appointment of an auditor
- Oversee the conducting of the audit
- Review and appraise the performance of the auditors, and recommend replacement if warranted
- Set the remuneration to be paid to the auditors for the audit
- Pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the issuer’s external auditor
- Oversee the process by which management identifies and manages principle risks that could impact the financial reporting process
- Monitor the integrity of the financial reporting process and system of internal controls regarding the reporting process and ensure implementation of such controls and procedures
- Oversee the Company’s compliance with legal and regulatory reporting
- Where appropriate, engage independent counsel and or other advisors as may be necessary to carry out its duties
- Review and update this Audit Committee Charter on an annual basis or as required
- Assist the CEO in reviewing the performance of the Chief Financial Officer (“CFO”)
- On an annual basis the Committee shall report to the Board that they are compliant with the duties and responsibilities of this Charter.

## **RELATIONSHIP WITH AUDITORS**

The audit committee members shall:

- Review and discuss any disclosed relationships or services that may impact the objectivity and independence of the auditors
- Consult with auditors independent of management
- Review any significant judgements made by management in the preparation of the financial statements
- Review any significant disagreements or difficulties during the audit
- Review and approve any non-audit services to be provided to the Company

## **INTERNAL CONTROL OVERSIGHT**

The Audit Committee provides oversight of the internal control and disclosure procedures and systems that are designed by management to effectively control the financial, monetary, operational, technical and administrative processes undertaken by the Company which may include:

- business functions
- accounting processes
- cash transactions
- information technology systems
- information management
- document and records handling
- personnel
- assets and liabilities
- disclosure and reporting
- authorization and management systems
- administration systems

Disclosure controls and procedures ("DC&P") are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Company's Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. Internal control over financial reporting ("ICFR") is designed to provide reasonable assurance that such financial information is reliable and complete.

The Chief Financial Officer is responsible for the preparation, presentation and integrity of the financial statements and any financial information filed with securities regulatory authorities or stock exchanges or otherwise publicly disseminated and for maintaining appropriate accounting and financial reporting principles and policies and internal controls and procedures that provide for compliance with accounting standards and applicable laws and regulations.

Due to its inherent limitations, no system of internal control over financial reporting, including those determined to be effective, may prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **MEETINGS OF THE AUDIT COMMITTEE**

The committee will meet at least four times per year and to discuss specific issues when necessary. These meetings will be either of in person or via teleconferencing. A quorum will be a minimum of two members, or the committee may delegate some of its duties to one or more members.

The minutes of the meetings should be recorded and approved as a true record of the decisions taken. A secretary should be appointed to set up the meetings, prepare the agendas, take minutes and prepare any necessary information for the members.

The committee is authorized to invite management or other specialists to meetings in order to provide expert opinion or information in respect of issues being discussed.

#### **PUBLIC DISCLOSURE OF FINANCIAL INFORMATION**

The audit committee must review and approve the Company's interim and annual financials statements and the associated MD&A before they are presented to the Board for full Board approval, prior to the information being disclosed to the regulatory authorities and for public distribution.

#### **AUTHORITIES**

In order to undertake its activities, the committee is authorized to study and investigate any activity within the organization or its subsidiaries, and shall require all employees to co-operate fully with such investigations. The committee is also authorized to appoint any additional experts that it considers necessary in the completion of its duties.

#### **ANNUAL REVIEW OF CHARTER AND REPORT TO THE BOARD**

The Audit committee members will review this Charter on an annually basis, or as needed and will report to the Board on an annual basis that the Committee has executed its duties in compliance with this Charter.