



**MANAGEMENT PROXY CIRCULAR**  
**As at and Dated May 15, 2020**  
(Unless otherwise noted)

**MANAGEMENT SOLICITATION OF PROXIES**

This Management Proxy Circular (“**Circular**”) accompanies the Notice of the 2020 Annual General Meeting (“**Notice of Meeting**”) of holders of common shares (the “**Shareholders**”) of SRG Mining Inc. (the “**Corporation**” or “**Company**”) scheduled to be held in the **Boardroom at Suite 132, 1320 Graham, Ville Mont-Royal, Quebec, Canada H3P 3C8 on Friday, June 19, 2020 at 11:00 a.m. EDT** (the “**Meeting**”). This Circular is furnished in connection with the solicitation by management of the Corporation of proxies to be used at that Meeting and all adjournments or postponements thereof.

***Due to the current health pandemic and social distancing rules and measures applicable within the Province of Quebec, the Corporation is discouraging shareholders from physically attending the meeting for the sole purpose of engaging with management and the Board and has set up an alternative measure for them do so. More specifically, THE COMPANY IS also allowing shareholders to participate for informational purposes only to the meeting BY A WEBCAST DUE TO THE COVID-19 PANDEMIC AND GOVERNMENT ORDERS TO MAINTAIN SOCIAL DISTANCING. NO VOTES WILL BE ACCEPTED AT THE WEBCAST MEETING and presence through the webcast medium will not, by itself without a proxy having been returned as described herein, be counted for the purposes of quorum or voting. IT IS therefore HIGHLY RECOMMENDED THAT SHAREHOLDERS WHO WISH TO ENSURE THAT THEIR COMMON SHARES WILL BE VOTED, MUST COMPLETE, DATE AND EXECUTE THE ENCLOSED FORM OF PROXY, OR ANOTHER SUITABLE FORM OF PROXY, AND DELIVER IT BY HAND, BY MAIL OR BY FAX IN ACCORDANCE WITH THE INSTRUCTIONS SET OUT IN THE FORM OF PROXY AND IN THE CIRCULAR. FOR GREATER CLARITY, PROXIES NEED TO BE RECEIVED BY THE COMPANY BEFORE THE PROXY-CUT OFF DATE OF 11:00 A.M., MONTREAL TIME, ON WEDNESDAY, JUNE 17, 2020.***

In order to dial into the Meeting, shareholders will phone the number that applies to your location below and enter the Webinar ID and Password noted below.

Phone Number	Webinar ID	Password
+1 438 809 7799 (Quebec)	998 5253 0701	700066
+1 778 907 2071 (BC)	998 5253 0701	700066
+1 647 374 4685 (Ontario)	998 5253 0701	700066
+1 587 328 1099 (Alberta)	998 5253 0701	700066

International numbers available: <https://zoom.us/j/99852530701>

In order to access the Meeting through Zoom, shareholders will need to download the application onto their computer or smartphone and then once the application is loaded, enter the Meeting ID and Password below or open the following link <https://zoom.us/j/99852530701?pwd=cDNQZTVoY3I6RVphOVgxbk9ndXgrdz09>. Shareholders will have the option through the application to join the video and audio or simply view and listen. Meeting ID: 998 5253 0701, Password 700066.

The solicitation of proxies will be made primarily by mail but proxies may also be solicited by telephone or other electronic means of communication by officers, directors or regular employees of the Corporation at nominal cost. Employees of the Corporation will not receive any extra compensation for such activities. The Corporation may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the Shareholders of the Corporation in favour of the matters set forth in the Notice of the Meeting. The Corporation may pay brokers or other persons holding common shares of the Corporation (“**Common Shares**”) in their own names, or in the names of nominees, for their reasonable expenses for sending proxies and this Circular to beneficial owners of Common Shares and obtaining proxies therefor. The cost of the solicitation of proxies will be borne by the Corporation.

The delivery of this Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Circular. This Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

### **APPOINTMENT AND REVOCATION OF PROXIES**

The persons named in the form of proxy accompanying this Circular are officers and/or directors of the Corporation. **A registered shareholder of the Corporation has the right to appoint a person or company (who need not be a shareholder of the Corporation) to represent the registered shareholder at the meeting other than the persons designated in the form of proxy accompanying this Circular. A registered shareholder may exercise this right either by inserting the name of that person or company in the blank space provided in the form of proxy and striking out the other names or by completing another proper form of proxy.** To be effective, proxies must be deposited at the office of the Corporation’s registrar and transfer agent, Computershare Investor Services Inc. (“**Computershare**”), Proxy Dept., 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, Canada, no later than 11:00 A.M. (Eastern Daylight Time) on June 17, 2020. Proxies delivered after that time will not be accepted.

Proxies given by registered Shareholders for use at the Meeting may be revoked at any time before their use. In addition to revocation, if any, or other matters permitted by law, a proxy may be revoked by depositing an instrument in writing, including another completed form of proxy, executed by the registered Shareholder, or by the registered Shareholder’s attorney duly authorized in writing or where the registered Shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered to the registered office of the Corporation, Suite 132, 1320 Graham Blvd., Ville Mont-Royal, Montreal, Quebec, H3P 2C8, Canada, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment or postponement thereof, or with the chair of the Meeting on the day of the Meeting, or any adjournment or postponement thereof, or in any other manner permitted by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

### **VOTING AND DISCRETION OF PROXIES**

The Common Shares represented by the proxies solicited by management of the Corporation pursuant to this Circular will be voted or withheld from voting in accordance with the instructions of the person appointing the proxyholder on any ballot that may be taken and where a choice with respect to any matter to be acted upon has been specified in the form of proxy, be voted in accordance with the specification made in such proxy.

**ON A POLL, SUCH COMMON SHARES WILL BE VOTED IN FAVOUR OF EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED OR WHERE BOTH CHOICES HAVE BEEN SPECIFIED BY THE SHAREHOLDER.**

The form of proxy accompanying this Circular confers discretionary authority on the persons named therein in respect of amendments or variations to the matters referred to in the Notice of Meeting and in respect of other matters that may properly come before the Meeting, or any adjournment or postponement thereof.

As at the date of this Circular, management knows of no such amendments or variations or other matters that may properly come before the Meeting but, if any such amendments, variations or other matters are properly brought before the Meeting, the persons named in the proxies will vote thereon in accordance with their best judgment.

### **INFORMATION FOR REGISTERED SHAREHOLDERS**

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by:

- (a) completing, dating and signing the enclosed proxy and returning it to the Corporation’s transfer agent, Computershare, by mail or by hand to the 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, Canada;

- (b) using a touch-tone phone to transmit voting choices to the toll-free number indicated in the proxy. Registered Shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the Shareholder's account number and the proxy control number;
- (c) using the Internet through the website of the Corporation's transfer agent at [www.investorvote.com](http://www.investorvote.com). Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the Shareholder's account number and the proxy control number.

In all cases ensuring that the proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or any adjournment or postponement thereof at which the proxy is to be used.

### INFORMATION FOR NON-REGISTERED SHAREHOLDERS

**Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most Shareholders of the Corporation are "non-registered" Shareholders because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust Corporation through which they purchased the Common Shares.** More particularly, a person is not a registered Shareholder in respect of Common Shares which are held on behalf of that person (the "**Beneficial Shareholder**") but which are registered either: (a) in the name of an intermediary (an "**Intermediary**") that the Beneficial Shareholder deals with in respect of the Common Shares (Intermediaries include, among other things, banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant.

Existing regulatory policy requires brokers and other Intermediaries to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. The various Intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided by the Corporation to its registered Shareholders. However, its purpose is limited to instructing the registered Shareholder (i.e., the Intermediary) how to vote on behalf of the Beneficial Shareholder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically prepares a machine readable voting instruction form ("**VIF**"), mails the VIFs to the Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote Common Shares directly at the Meeting. The VIF must be returned to Broadridge (or instructions respecting the voting of Common Shares must be communicated to Broadridge), well in advance of the Meeting in order to have the Common Shares voted.

These securityholders' materials are being sent to both registered and Beneficial Shareholders. If you are a Beneficial Shareholder, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding Common Shares on your behalf.

By choosing to send these materials to you directly, the Corporation (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own ("**Objecting Beneficial Owners**", or "**OBOs**") and those who do not object to their identity being made known to the issuers of the securities they own ("**Non-Objecting Beneficial Owners**", or "**NOBOs**"). Subject to the provisions of *Regulation 54-101 respecting Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**Regulation 54-101**"), issuers may request and obtain a list of their NOBOs from Intermediaries via their transfer agents. Pursuant to Regulation 54-101, issuers may obtain and use the NOBO list for distribution of proxy-related materials directly (not via Broadridge) to such NOBOs.

The Corporation's OBOs can expect to be contacted by Broadridge or their Intermediary as set out above.

The Corporation has not adopted the notice and access procedure described in Regulation 54-101 and *Regulation 51-102 respecting Continuous Disclosure Obligations* to distribute its proxy-related materials to the registered and Beneficial Shareholders. In addition, the Corporation has not agreed to pay to distribute the proxy-related materials to the OBOs.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his Intermediary, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered Shareholder should enter their own names in the blank space on the proxy provided to them and return the same to the Intermediary in accordance with the instructions provided by such Intermediary.**

All references to Shareholders in this Circular and the accompanying form of proxy and Notice of Meeting are to shareholders of record, unless specifically stated otherwise.

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

Other than as set forth in this Circular, no person who has been a director or executive officer of the Corporation at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors or the appointment of auditors. Directors and executive officers may, however, be interested in the annual approval and ratification of the Corporation's stock option plan (the "**Stock Option Plan**") as detailed below.

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

The record date for the determination of Shareholders entitled to receive notice of and vote at the Meeting has been fixed as May 15, 2020 (the "**Record Date**").

To the knowledge of the directors and senior officers of the Corporation, as at May 15, 2020, the following shareholders beneficially own or control or direct, directly or indirectly, Common Shares carrying more than 10% of the voting rights attached to all outstanding shares of the Corporation:

Name of Shareholder	Number of Shares	Percentage of Issued and Outstanding
Sama Resources Inc.	24,805,377 <sup>(1)</sup>	31.89%
Coris Capital SA	12,583,333 <sup>(1)</sup>	16.18%

<sup>(1)</sup> The information is based upon reports filed on the SEDI website at [www.sedi.ca](http://www.sedi.ca) and is not within the direct knowledge of the Corporation.

#### Shares

The authorized capital of the Corporation consists of an unlimited number of Common Shares without par value and an unlimited number of Class 1 Preferred Shares, all subject to the rights, privileges, restrictions and conditions as set forth in the Articles of the Corporation

As at the Record Date, 77,765,755 Common Shares are issued and outstanding.

Only Shareholders of record holding Common Shares at the close of business on the Record Date, who either personally attend the Meeting or who have duly completed and delivered a form of proxy in the manner and subject to the provisions described above, shall be entitled to vote or to have their Common Shares voted at the Meeting.

Each Common Share entitles the holder thereof to one vote on all matters to come before the Meeting.

Under the terms of a private placement financing (the “**Offering**”) announced on August 15, 2017, between Coris Capital SA (“**Coris**”) and the Corporation it was agreed that upon the closing of the Offering, for so long as Coris continues to beneficially own, or exercise control or direction over either:

- (a) 12% interest (on a fully diluted basis) of the then issued and outstanding common shares of the Corporation, Coris will be entitled to nominate one director on the Board.
- (b) 15% interest (on a fully diluted basis) of the then issued and outstanding common shares of the Corporation; Coris will be entitled to nominate two directors on the Board.

Coris Capital SA currently holds 16.18% of the issued and outstanding shares of the Corporation and has two Coris nominees on the Board of Directors.

No other 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.

On a show of hands, every individual who is present and is entitled to vote as a Shareholder or as a representative of one or more corporate Shareholders will have one vote, and on a poll every Shareholder present in person or represented by a proxy, and every person who is a representative of one or more corporate Shareholders, will have one vote for each Common Share registered in that Shareholder’s name on the list of Shareholders as at the Record Date, which is available for inspection during normal business hours at Computershare and will be available at the Meeting. Shareholders represented by proxyholders are not entitled to vote on a show of hands.

#### **ELECTION OF DIRECTORS**

The board of directors (the “**Board**”) presently consists of eight (8) directors and it is intended to determine the number of directors at eight (8) for the ensuing year. Shareholders of the Corporation will be asked to elect eight (8) directors for the ensuing year. The term of office of each of the present directors expires at the Meeting. The persons named in the form of proxy accompanying this Circular intend to vote for the election of the director nominees whose names are set forth below, each of whom is now a director of the Corporation and has been a director of the Corporation since the date indicated, unless the Shareholder who has given such proxy has directed otherwise. Management of the Corporation does not contemplate that any of such nominees will be unable to serve as a director of the Corporation for the ensuing year but if that should occur for any reason prior to the Meeting or any adjournment or postponement thereof, the persons named in the form of proxy accompanying this Circular have the right to vote for the election of the remaining nominees and may vote for the election of a substitute nominee in their discretion. Each director of the Corporation elected at the Meeting will hold office until the next annual general meeting of the Shareholders of the Corporation held following his election, unless he resigns or is removed as a director of the Corporation in accordance with the By-Laws of the Corporation or the provisions of the *Canada Business Corporations Act* (the “**CBCA**”).

The name, province or state and country of residence of each nominee, their position with the Corporation, their principal occupation during the last five years, the date upon which they became a director of the Corporation and the number of Common Shares beneficially owned, directly or indirectly, by them, or over which control or direction is exercised by them, as of the Record Date, is as follows:

Name, Province or State and Country of Residence and Position with Corporation <sup>(1)</sup>	Principal Occupation During the Last Five Years <sup>(1)</sup>	Director Since	Number of Common Shares Owned or Over Which Control or Direction is Exercised
<b>BENOIT LA SALLE FCPA, FCA</b> Québec, Canada Non-Independent Director Executive Chairman of the Board	President and CEO of Maya Gold & Silver Inc. (April 2020 to date); Chartered Accountant; Chairman of the Board and Chief Executive Officer of Algold Resources Ltd.; President and Chief Executive Officer of Windiga Energy Inc Canada (November 2010 to date) Chairman of the Board of The Canadian Council on Africa (October 2012 to date) Executive Chairman of the Board of Sama Resources Inc. (2012 to date); Director of Earth Alive Clean Technologies Inc. (October 2015 to date).	2016	1,323,200 <sup>(2)</sup>
<b>MARC-ANTOINE AUDET</b> Québec, Canada Independent Director Former President and CEO	Management Consultant, Marc-Antoine Audet Géologue Consultant Inc. (" <b>MCI</b> "), (2009 to date). President and CEO and Director of Sama Resources Inc. (2010 to date).	2016	268,493 <sup>(3)</sup>
<b>MARC FILION</b> <sup>(4)(5)</sup> Québec, Canada Independent Director	President of CHIM International; Chief Financial Officer and Director of Abcourt Mines Inc.	2016	77,500
<b>RENE LESSARD</b> <sup>(4)(5)</sup> Vallée-Jonction, Québec Independent Director	Sales consultant	2016	50,000
<b>YVES GROU</b> <sup>(5)</sup> Outremont, Québec Independent Director	Corporate director, Executive Vice-Chair of Algold Resources Ltd.	2017	1,123,200 <sup>(6)</sup>
<b>YACOUBA SARE</b> <sup>(8)</sup> Burkina Faso Non-Independent Director	Senior Executive, Coris Group, General Director of Coris Bourse S.A. since 2010.	2020	NIL
<b>ABDOUL AZIZ NASSA</b> <sup>(8)</sup> Burkina Faso Non-Independent Director	General Manager, General Mining Logistics; Business Development General Manager, Coris Capital; Desjardins, Agent Services Financiers	2017	12,000
<b>Alhamdou Diagne</b> Proposed Nominee	See Bio Below	N/A	NIL

Notes:

- (1) The information as to province or state, country of residence and principal occupation, not being within the knowledge of the Corporation.
- (2) These shares are held by PGL Capital Inc., a company controlled jointly by Messrs. La Salle and Grou.
- (3) These shares are held by Marc-Antoine Geological Consultant Inc., a company controlled by Mr. Audet.
- (4) Member of the Corporate Governance, Nomination and Compensation Committee (the "**CGNC Committee**").
- (5) Member of the Audit Committee.
- (6) These shares are held by PGL Capital Inc., a company controlled jointly by Messrs. La Salle and Grou.
- (7) The Corporation does not have any other committees, other than the Audit and the Governance Committee.
- (8) Messrs. Compaore and Nassa were appointed to the Board on November 2, 2017 as director nominees of Coris. Mr. Compaore resigned from the Board of Directors on April 24, 2020. Mr. Yacouba Sare was appointed to the Board to fill the vacancy created by the resignation of Mr. Compaore. The Coris nominees have a material relationship with the Corporation by virtue of Coris' shareholdings in the Corporation.

### ***Dr. Alhamdou Diagne – Proposed Nominee***

Dr. Alhamdou Diagne, officer of the French Legion of Honor is a veterinary doctor, specialist in reproductive pathology and animal production in hot countries and tropical pathology. Dr. Diagne is a graduate of the Veterinary Academy of Ukraine (gynecological-obstetrics department), the ENVA of Maisons-Alfort in France (reproductive pathology and animal production and tropical veterinary medicine), the IEMVT (Institute of Veterinary Medicine of Tropical Countries for Tropical Pathology and Animal Production of Hot Countries), of the CES of Epidemiology (Institut Pasteur France), the London School of English and the Paris Center for Diplomatic and Strategic Studies in International Relations and expert in international investments). Dr. Diagne acts as President of D.A.-Consulting in Paris in the search for financing, business development, international investments and follow-up of consulting files. He is also an advisor to multinational Heads of State and governments, thanks to his strong experience and extensive relationship network in Africa. He is also a member of the Africa, Asia and Latin America committees of the Medef International of French employers. He collaborates in the opening of banks in Africa as well as in the mobilization of financing funds and investors for the energy mining infrastructure sectors

### **Corporate Cease Trade Orders or Bankruptcies**

Except as disclosed herein, no proposed director (or any of such director's personal holding companies) of the Corporation:

- (a) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any corporation, including the Corporation, that was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days:
  - (i) that was issued while the proposed director was acting in the capacity as director, executive officer or chief financial officer; or
  - (ii) 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, executive officer or chief financial officer; or
- (b) is as at the date of this Circular or has been within the 10 years before the date of this Circular, a director or executive officer of any corporation, including the Corporation, that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.
- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

No proposed director (or any of such director's personal holding companies) has been subject to:

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

Yves Grou was a non-executive director of Jourdan Resources in. ("**Jourdan**"), when on May 25, 2015, the Ontario Securities Commission issued a permanent management cease trade order, which superseded a temporary management cease trade order dated May 12, 2015, against the CEO and the CFO of Jourdan. The permanent management cease trade order was issued in connection with Jourdan's failure to file its (i) audited annual financial statements for the period ended December 31, 2014, (ii) management's discussion

and analysis relating to the audited annual financial statements for the period ended December 31, 2014, and (iii) corresponding certifications of the foregoing filings as required by Regulation 52-109 Certification of Disclosure in the Issuer's Annual and Interim Filings. On July 3, 2015, the permanent management cease trade order was replaced with a temporary issuer cease trade order dated July 3, 2015. On July 15, 2015, the temporary issuer cease trade order was replaced with a permanent issuer cease trade order dated July 15, 2015 and similar orders were issued by the British Columbia Securities Commission and *Autorité des marchés financiers*. The cease trade orders were lifted on February 21, 2017 following the filing of the required continuous disclosure documents.

The foregoing information, not being within the knowledge of the Corporation, has been furnished by the respective directors.

#### **STATEMENT OF EXECUTIVE COMPENSATION**

For the purposes of this Circular, "**Named Executive Officers**" or "**NEOs**" means each of the following individuals:

- (a) an individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief executive officer ("**CEO**"), including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief financial officer ("**CFO**"), including an individual performing functions similar to a chief financial officer;
- (c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) above at the end of the most recently completed financial year ended December 31, 2019 whose total compensation was more than \$150,000, for that financial year as determined in accordance with subsection 1.3(6) of Form 51-102F6 *Statement of Executive Compensation*; and
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Corporation, and was not acting in a similar capacity, as at December 31, 2019.

During the year ended December 31, 2019, the Corporation's NEOs are Ugo Landry-Tolszczuk, President, Chief Operating Officer and acting Chief Financial Officer and Raphael Beaudoin, Vice-President, Operations, Metallurgy and Process Design.

#### **DIRECTOR AND NEO COMPENSATION**

##### ***Director and NEO Compensation, excluding Compensation Securities***

The compensation, excluding compensation securities, for the NEOs and directors for the Corporation's two most recently completed financial years is as set out below.

During the Corporation's year ended December 31, 2019 there were no arrangements under which directors were compensated in cash by the Corporation and its subsidiaries for their services in their capacity as directors.

**REMAINDER OF PAGE INTENTIONALLY LEFT BLANK**

Table of Compensation excluding compensation securities							
Name and Position	Year <sup>(1)</sup>	Salary, Consulting Fee, retainer or Commission (\$) <sup>(2)</sup>	Bonus (\$)	Committee Or meeting Fees (\$)	Value of Perquisites (\$)	Value of all other Compensation (\$) <sup>(3)(4)</sup>	Total Compensation (\$)
<b>Benoit La Salle, FCPA, FCA</b> Director and Executive Chairman of the Board	2018	75,000	24,375	NIL	NIL	NIL	99,375
	2019	75,000	22,444	NIL	NIL	NIL	97,444
<b>Ugo Landry-Tolszczuk<sup>(5)</sup></b> President, COO and acting CFO	2018	189,030	61,945	NIL	NIL	NIL	250,976
	2019	197,000	58,953	NIL	NIL	NIL	255,953
<b>Raphael Beaudoin<sup>(6)</sup></b> Vice-President, Operations, Metallurgy and Process Design	2018	137,500	28,563	NIL	NIL	NIL	166,063
	2019	155,000	24,413	NIL	NIL	NIL	179,413
<b>Marc-Antoine Audet<sup>(7)</sup></b> Director and Consultant and Former President and CEO	2018	60,000	9,300	NIL	NIL	NIL	69,300
	2019	60,000	NIL	NIL	NIL	NIL	60,000
<b>Isabelle Gauthier, CPA, CA<sup>(8)</sup></b> Former CFO	2018	114,940	NIL	NIL	NIL	NIL	114,940
<b>Marc Filion</b> Director	2018	NIL	NIL	NIL	NIL	NIL	NIL
	2019	NIL	NIL	NIL	NIL	NIL	NIL
<b>René Lessard</b> Director	2018	NIL	NIL	NIL	NIL	NIL	NIL
	2019	NIL	NIL	NIL	NIL	NIL	NIL
<b>Yves Grou</b> Director	2018	NIL	NIL	NIL	NIL	NIL	NIL
	2019	NIL	NIL	NIL	NIL	NIL	NIL
<b>Koudougou Abdoulaye Compaore<sup>(9)</sup></b> Former Director	2018	NIL	NIL	NIL	NIL	NIL	NIL
	2019	NIL	NIL	NIL	NIL	NIL	NIL
<b>Abdoul Aziz Nassa<sup>(9)</sup></b> Director	2018	NIL	NIL	NIL	NIL	NIL	NIL
	2019	NIL	NIL	NIL	NIL	NIL	NIL

- (1) All amounts shown were paid in Canadian currency, the reporting currency of the Corporation.
- (2) The Corporation does not currently have a non-equity incentive plan or a long-term incentive plan for any of its executive officers, including its NEOs, but may award discretionary payments from time to time.
- (3) The Corporation does not have any pension, retirement or deferred compensation plans, including defined contribution plans.
- (4) The Corporation does have a performance bonus plan payable in certain circumstances. Please see "Employment, Consulting and Management Agreements".
- (5) Mr. Ugo Landry-Tolszczuk was appointed President and COO on February 1, 2018 to fill the vacancy created by the resignation of Marc-Antoine Audet as President and CEO. Mr. Landry-Tolszczuk was appointed acting CFO on August 31, 2018 to fill the vacancy created by the resignation of Ms. Gauthier.
- (6) Mr. Beaudoin's services as Vice-President, Operations, Metallurgy and Process Design are provided pursuant to an Employment Agreement dated January 1, 2018 and amended on January 15, 2018 between the Corporation and Beaudoin. Please see "Employment, Consulting and Management Agreements" for more information on this arrangement
- (7) Mr. Audet services as Lead Geologist and Qualified Person were provided pursuant to a management services agreement signed on January 1<sup>st</sup>, 2018 between the Corporation and MCI. Please see "Employment, Consulting and Management Agreements" for more information on this arrangement.
- (8) Ms. Gauthier resigned as CFO of the Corporation on August 31, 2018. She earned 60,940 in accounting fees and 54,000 as a termination fee. Mr. Ugo Landry-Tolszczuk was appointed as acting CFO on August 31, 2018 to fill the vacancy created by the resignation of Ms. Gauthier. Ms. Gauthier's services were provided pursuant to a management services agreement between the Corporation and Ms. Gauthier as CFO of the Corporation. The agreement subsequently was terminated on August 31, 2018. Please see "Employment, Consulting and Management Agreements" for more information on this arrangement.
- (9) Messrs. Compaore and Nassa were appointed to the Board on November 2, 2017 as director nominees of Coris. Coris nominees have a material relationship with the Corporation by virtue of Coris' shareholdings in the Corporation and are therefore non-independent directors and are not entitled to receive cash compensation. Mr. Compaore resigned from the Board of Directors on April 24, 2020 and Mr. Sare was appointed to the Board to fill the vacancy created by the resignation of Mr. Compaore.

### Stock Options and other compensation securities

During the year ended December 31, 2019, the table below discloses all compensation securities granted to each NEO and the directors by the Corporation for services provided, directly or indirectly, to the Corporation:

Name and position	Type of compensation security <sup>(1)(2)(3)(4)</sup>	Number of compensation securities, number of underlying securities <sup>(1)</sup> , 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 as at December 31, 2019(\$)	Expiry Date
<b>Benoit La Salle, FCPA, FCA<sup>(4)</sup></b> Director and Executive Chairman of the Board	Stock Options	NIL	NIL	NIL	NIL	NIL	NIL
<b>Ugo Landry-Tolszczuk<sup>(5)</sup></b> President, COO and acting CFO	Stock Options	NIL	NIL	NIL	NIL	NIL	NIL
<b>Marc- Antoine Audet<sup>(6)</sup></b> Director and Former President and CEO	Stock Options	NIL	NIL	NIL	NIL	NIL	NIL
<b>Raphael Beaudoin<sup>(7)</sup></b> Vice-President, Operations, Metallurgy and Process Design	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Marc Filion<sup>(8)</sup></b> Director	Stock Options	NIL	NIL	NIL	NIL	NIL	NIL
<b>René Lessard<sup>(9)</sup></b> Director	Stock Options	NIL	NIL	NIL	NIL	NIL	NIL

<b>Marcel Duchesne</b> <sup>(10)</sup> Director	Stock Options	NIL	NIL	NIL	NIL	NIL	NIL
<b>Yves Grou</b> <sup>(11)</sup> Director	Stock Options	NIL	NIL	NIL	NIL	NIL	NIL
<b>Koudougou Abdoulaye Compaore</b> Director	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Abdoul Aziz Nassa</b> Director	NIL	NIL	NIL	NIL	NIL	NIL	NIL

- (1) Each outstanding stock option of the Corporation entitles the holder thereof to acquire, upon exercise, one common share in the capital of the Corporation.
- (2) There has been no compensation security that has been re-priced, cancelled and replaced, had its term extended, or otherwise been materially modified, in the most recently completed financial year, including the original and modified terms, the effective date, the reason for the modification, and the name of the holder.
- (3) There are no restrictions or conditions for converting, exercising or exchanging the compensation securities.
- (4) As at December 31, 2019, Mr. La Salle held 900,000 stock options of the Corporation entitling him to acquire, upon exercise 900,000 common shares in the capital of the Corporation (400,000 stock options not vested as at December 31, 2019).
- (5) As at December 31, 2019, Mr. Landry-Tolszczuk held 750,000 stock options of the Corporation entitling him to acquire, upon exercise 750,000 common shares in the capital of the Corporation (575,000 stock options not vested as at December 31, 2019).
- (6) As at December 31, 2019, Mr. Audet held 750,000 stock options of the Corporation entitling him to acquire, upon exercise 750,000 common shares in the capital of the Corporation (300,000 stock options not vested as at December 31, 2019).
- (7) As at December 31, 2019, Mr. Beaudoin held 390,000 stock options of the Corporation entitling him to acquire, upon exercise 390,000 common shares in the capital of the Corporation (126,666 stock options not vested as at December 31, 2019).
- (8) As at December 31, 2019, Mr. Filion held 335,000 stock options of the Corporation entitling him to acquire, upon exercise 335,000 common shares in the capital of the Corporation (60,000 stock options not vested as at December 31, 2019).
- (9) As at December 31, 2019, Mr. Lessard held 310,000 stock options of the Corporation entitling him to acquire, upon exercise 310,000 common shares in the capital of the Corporation (60,000 stock options not vested as at December 31, 2019).
- (10) As at December 31, 2019, Mr. Duchesne held 290,000 stock options of the Corporation entitling him to acquire, upon exercise 290,000 common shares in the capital of the Corporation (40,000 stock options not vested as at December 31, 2019).
- (11) As at December 31, 2019, Mr. Grou held 290,000 stock options of the Corporation entitling him to acquire, upon exercise 290,000 common shares in the capital of the Corporation (40,000 stock options not vested as at December 31, 2019).

#### **Table of Exercises of Compensation Securities by Named Executive Officers and Directors**

During the year ended December 31, 2019, there were no exercises of Compensation Securities by the Neo or Directors of the Company.

#### **Stock Option Plan**

On April 26, 2017 the Board adopted the Stock Option Plan and the Shareholders of the Corporation approved the Stock Option Plan on April 28, 2020. In accordance with TSX Venture Exchange (the “**Exchange**”) policy, the Stock Option Plan is required to be re-approved and ratified by the Shareholders of the Corporation on an annual basis.

The purpose of the Stock Option Plan is to attract and motivate directors, employees and consultants to the Corporation and its subsidiaries, and thereby advance the Corporation’s interests, by affording such persons with an opportunity to acquire an equity interest in the Corporation through the issuance of stock options.

The terms of the Stock Option Plan authorize the Board to grant stock options to the Optionees on the following terms (all capitalized terms have the meaning as defined in the Plan):

1. The aggregate maximum number of Common Shares which may be issued pursuant to options granted under the Plan, unless otherwise approved by the Shareholders, may not exceed that number which is equal to 10% of the number of Common Shares issued and outstanding at the time of the option grant.
2. The number of Common Shares under each option will be determined by the Board provided that the aggregate maximum number of Common Shares reserved for issuance pursuant to options granted during any 12 month period to:

- (a) Insiders may not exceed 10% of the total issued and outstanding shares of the Corporation at the time of grant unless approval by the Disinterested Shareholders (as defined below) has been obtained in accordance with the policies of the Exchange;
- (b) subject to (c) below, any one Person may not exceed 5% of the total issued and outstanding Common Shares (unless approval by the Disinterested Shareholders has been obtained);
- (c) any one Consultant may not exceed 2% of the total issued and outstanding Common Shares at the date of such grant; and
- (d) any one Person engaged in Investor Relations Activities for the Corporation may not exceed 2% of the total issued and outstanding Common Shares and must vest in stages over a 12-month period with no more than ¼ of the Options vesting in any three-month period;

in each case calculated as at the date of grant of the Option, including all other shares under Option to such Person at that time.

- 3. The exercise price of an Option may not be set at less than the minimum price permitted by the Exchange or less than the Discounted Market Price.
- 4. Options granted will have a maximum term of up to 10 years from the date of grant.
- 5. Options are non-assignable and non-transferable.
- 6. Options can only be exercised by the Optionee as long as the Optionee remains an eligible Optionee pursuant to the Plan or within a period of not more than 90 days after ceasing to be an eligible Optionee (30 days in the case of a person engaged in Investor Relations Activities).
- 7. In the event of death of an Optionee, the Optionee's heirs or administrators may exercise any portion of such Optionee's outstanding Option until the earlier of one year following the date of the Optionee's death or the expiry of the Option Period.
- 8. In the event that the Optionee shall cease to be a Director, Employee or Consultant by reason of such Optionee's disability, any Options held by such Optionee that could have been exercised immediately prior to such cessation shall be exercisable by such Optionee, or by his Guardian, for a period of 30 days following the date of such cessation. If such Optionee dies within that 30-day period, any Option held by such Optionee that could have been exercised immediately prior to his or her death shall pass to the Qualified Successor of such Optionee, and shall be exercisable by the Qualified Successor until the earlier of 30 days following the death of such Optionee and the expiry of the Option Period.
- 9. Employment shall be deemed to continue intact during any military or sick leave or other bona fide leave of absence if the period of such leave does not exceed 180 days or, if longer, for so long as the Optionee's right to re-employment with the Corporation or its subsidiary is guaranteed either by statute or by contract. If the period of such leave exceeds 180 days and the Optionee's re-employment is not so guaranteed, then the Optionee's employment shall be deemed to have terminated on the 181<sup>st</sup> day of such leave.
- 10. In the event an Optionee shall cease to be a Director, Employee or Consultant of the Corporation for termination for cause, the Option shall terminate and shall cease to be exercisable upon such termination for cause.
- 11. Subject to any required regulatory approval, the Board may, in its discretion, accelerate the vesting or exercisability of any Option and all Option shares subject to an Option become vested in the event of a take-over bid. The exercise price and the number of Common Shares which are subject to an Option may be adjusted from time to time for share dividends, and in the event of recapitalization, subdivision, arrangement, amalgamation, reorganization or change in the capital structure of the Corporation.
- 12. Subject to Exchange approval and certain other conditions, the exercise price of an Option may be reduced at the discretion of the Board if prior Exchange approval is obtained and at least six months have elapsed since the date the Option was granted and the date the exercise price for such Option was last amended. For any reduction in the exercise price of an Option held by an Insider of the Corporation, approval by the Disinterested Shareholders (as defined below) will be required.
- 13. Options issued to Optionees other than Consultants who perform Investor Relations Activities, may at the discretion of the Board be subject to vesting conditions.

The Exchange requires that “rolling” stock Option plans such as the Corporation’s Stock Option must receive annual approval by the Shareholders. Thereafter, notice of Options granted under the Stock Option Plan must be given to the Exchange. Any amendments to the Stock Option Plan must also be approved by the Exchange and, if necessary, approval by the Disinterested Shareholders of the Corporation obtained prior to becoming effective.

“**Approval by the Disinterested Shareholders**” means approval by a majority of votes cast by all Shareholders at the Meeting, excluding votes attached to Common Shares beneficially owned by Insiders of the Corporation to whom Options may be granted pursuant to the Stock Option Plan and their associates in accordance with the policies of the Exchange.

A copy of the Stock Option Plan may be inspected at the offices of the Corporation at 132-1320 Graham Blvd., Mont Royal, Quebec, H3P 3C8, during normal business hours and at the Meeting. In addition, a copy of the Stock Option Plan will be mailed, free of charge, to any holder of Common Shares who makes a request in writing to the Corporation. Any such requests should be mailed to the Corporation, at 132-1320 Graham Blvd., Mont Royal, Quebec, H3P 3C8 to the attention of the Corporate Secretary.

**See “Particulars of Matters to Be Acted Upon –Approval of Stock Option Plan” for further particulars**

### **Deferred Stock Unit Plan**

On April 26, 2019, the Corporation adopted the Deferred Stock Unit Plan (“**DSUP**”). The DSUP Plan was approved by the disinterested shareholders on June 18, 2019 and the Exchange. The Shareholders will be asked at the Meeting to pass an ordinary resolution of the disinterested shareholders approving and ratifying the DSUP. The DSUP is required to be approved and ratified by the shareholders on an annual basis.

The DSUP is a non-dilutive long-term incentive plan in which employees, including named executive officers, directors and any other person designated by the Board can participate. The DSUP is intended to advance the interests of the Company through the motivation, attraction and retention of Directors, executive officers, employees, service providers or any other person designated by the Board to participate in the DSUP (“**Eligible Participant**”).

The following is a summary of the DSUP:

The DSUP will be administered by the Board or a committee of the Board (the “**Committee**”) and the Committee will have full discretionary authority to administer the DSUP including the authority to interpret and construe any provision of the DSUP and to adopt, amend and rescind such rules and regulations for administering the DSUP as the Committee may deem necessary in order to comply with the requirements of the DSUP.

1. The Board may always grant Units to any Eligible Participant, at its entire discretion.
2. Each Participant may, subject to the conditions set forth in the DSUP, elect to receive in the form of Units: (i) in the case of Directors, any compensation payable in respect of serving as a Director, including the annual Board retainer fee, and any annual committee retainer fees, meeting attendance fees, supplemental fees for committee chairmanships and for the Chairman of the Board; (ii) in the case of executive officers, any compensation payable in respect of the exercise of his/her duties as a director, including the salary and Bonus payable to him/her; and (iii) in the case of other Participants, the amount determined by the Board from time to time (collectively, the “**Voluntary Portion**”).
3. Any Participant who wishes to receive Units as part of the Voluntary Portion will be required to file a notice of election, (the “**Election Notice**”), with the Corporation’s Secretary, in which such Participant will indicate the percentage of the Voluntary Portion in respect of which the Participant elects to receive Units. Such Election Notice must be filed at least ten (10) days before the beginning of a financial year, as applicable, in respect of which the Voluntary Portion is to be payable to the Participant, failing which the Participant shall be deemed to have elected not to participate in the DSUP in respect of the Voluntary Portion until such time as an Election Notice is filed at least ten (10) days before the beginning of such a Semester or financial year.
4. Each Participant is entitled, at any time, to terminate such Participant’s participation in the DSUP in respect of the Voluntary Portion (the “**Terminated Deferred Remuneration**”) by filing with the Secretary of the Corporation a notice of termination at least ten (10) days before the beginning of a Semester or a financial year in respect of which the voluntary Portion is to be payable to the Participant (the “**Termination Notice**”). Such Terminated Deferred Remuneration shall be terminated with effect as of and from the first date on which the Voluntary Portion would have otherwise been earned following the filing of such Termination Notice and only in respect of the Voluntary Portion in respect of any period following such filing of a Termination Notice. In the case where a Participant files the Termination Notice after such prescribed period of ten (10) days, it will only take effect in respect of Semesters or financial years starting at least ten (10) days after the Termination Notice is filed. Any Units credited to the account of a Participant who has filed a Termination Notice shall remain in such account and will be redeemable only in accordance with the terms of the DSUP.

5. A Participant who has filed a Termination Notice may elect to participate again in the DSUP in respect of the Voluntary Portion in respect of any period following the filing of such Termination Notice by filing a new Election Notice.
6. Participants receiving grants will be credited the number of Units determined by the Board, as of the date of the grant or any other date determined by the Board;
7. Participants receiving grants will be credited a number of units, as of the date on which the Deferred Remuneration would have otherwise been payable, determined on the basis of the amount of Deferred Remuneration payable to such Participants in respect of the period during which the Deferred Remuneration would have been payable, divided by the Value of a Unit on the date on which the Deferred Remuneration would have otherwise been payable.
8. Participants who have been awarded Units that have not otherwise expired or been cancelled shall be entitled to receive additional Units if the Corporation pays a cash dividend on its Shares. The number of additional Units awarded to a Participant upon payment of a cash dividend shall correspond to the amount of the dividend that the Participant would receive if his/her Units were Shares at the date of payment of the cash dividend. For purposes of this calculation, the amount of the cash dividend per Share shall be multiplied by the number of Units held by a Participant and divided by the value of one additional Unit as determined by the Board upon declaring the dividend. Where applicable, such additional Units shall vest at the same date as the Units with which they are associated.
9. In the event that the Shares are hereafter changed into or exchanged for a different number or kind of Shares or other securities of the Corporation or of another corporation, or in the event that there is a reorganization, merger or consolidation of the Corporation, reclassification, dividend payable in Shares, or other change in the Corporation's capital stock, the Board shall make adjustments as it deems appropriate to the number of Units granted or that may be granted under the DSUP and under the vesting conditions for these Units, and such adjustments shall be final and binding.
10. Subject to the limitations Units will be redeemable and the Value of the Units payable, after the Participant ceases to sit on the Board or to be employed or retained by the Company, as the case may be. For better certainty, and without limiting the foregoing, Units will not be redeemable, for instance: (i) at the time a Participant ceases to sit on the Board if he/she is still employed or retained by the Company; or (ii) at the time a Participant ceases to be employed by the Company if he/she is still retained by it.
11. When a Participant ceases to sit on the Board or to be employed or retained by the Corporation, the Participant may, require the Corporation to redeem the Units by filing a notice of redemption (the "**Redemption Notice**") with the Corporation's Secretary specifying the redemption date, which shall be at least five Business Days following the date on which the Redemption Notice is filed with the Corporation, but no later than December 15 of the first calendar year commencing after the year in which the Participant ceases to sit on the Board or to be employed or retained by the Corporation, as the case may be (the "**Redemption Date**").
12. The aggregate Value of the Units so redeemed, less any amounts required to be deducted, will be paid at the choice of the Corporation in cash or in shares to the Participant as soon as possible after the Redemption Date, provided that, in no event, shall such payment take place later than December 31 of the first calendar year commencing after the year in which the Participant ceases to sit on the Board or to be employed or retained by the Corporation, as the case may be.
13. If the Participant fails to file a Redemption Notice with the Corporation before the Deadline, the Participant shall be deemed to have filed on the Deadline a Redemption Notice with the Corporation for such Participant's Units specifying December 15 of such year as the Redemption Date, in which case the aggregate Value of the Units so redeemed, less any amounts required to be deducted, will be paid to the Participant no later than December 31 of the same year.
14. If a Participant dies before filing a Redemption Notice with the Corporation he shall apply to his/her legal representatives, as the case may be, with such modifications as the circumstances require.
15. In cases of redemptions of Units after the death of a Participant and where the Participant's will has not been probated, when required, the Corporation will retain the funds and will credit interest on such funds from time to time at the rate then paid by the Corporation's principal banker on guaranteed investment certificates having a term of one year until such time as the Corporation can legally pay such funds, after making any required deductions, to the legal representative.

16. A Redemption Notice shall apply to all Units held by the Participant or his/her legal representative, as the case may be, at the time it is filed. A Participant may not cause the redemption of less than all of his/her Units.
17. No amount will be paid to, or in respect of, a Participant under the DSUP, or pursuant to any other arrangement, to compensate a Participant for a downward fluctuation in the price of Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.
18. The aggregate Value of the Units caused to be redeemed by or in respect of a Participant, determined as at the Redemption Date, less any amounts required to be deducted, will be paid to the Participant or his/her legal representative, as the case may be, either in cash or in shares.
19. A maximum of 6,940,000 shares of the Corporation may be issued in settlement of DSUs. It is understood that the Corporation may grant a higher number of DSUs, subject however to having to pay the excess in cash.
20. The DSUP may be amended or terminated (including without limitation to suspend or limit the right of a Participant to elect to participate in the DSUP in respect of the Voluntary Portion or to increase or decrease the Mandatory Portion, if any) at any time and from time to time by the Board, provided that any such amendment or termination does not in any way infringe upon any rights of Participants in respect of Units previously credited to the account of Participants.
21. It is understood that the only effect of a termination of the DSUP will be that, subject to the following, the crediting of additional Units will be discontinued as of a specific date (the **"Termination Date"**) and no new Participants will be admitted to the DSUP thereafter. An existing Participant on the Termination Date will be entitled to the number of Units credited to him/her up to that date and, thereafter, will continue to be eligible to receive additional Units in respect of dividends paid on Shares until he/she causes the Corporation to redeem his/her Units in accordance with the terms and conditions of the DSUP in effect on the Termination Date. After the Termination Date, the rules of the DSUP as set out above will continue to apply (e.g., the value of the Units will continue to fluctuate in value based on changes in the market value of Shares).
22. A Participant may not sell, assign or otherwise dispose of Units or any rights in respect thereof, except by will or other testamentary document or according to the laws respecting the devolution and allotment of estates. As a condition to any permitted transfer upon the death of a Participant, such transfer must comply with applicable securities laws and the transferee of Units or any right in respect thereof must execute and deliver to the Corporation a written receipt and acknowledgment, substantially in the form of Schedule A hereto, stating that such transferee will be subject to the terms and conditions of the DSUP and of the Election Notice with respect to such Units and any such rights.
23. Unless otherwise determined by the Board, no funds will be set aside to guarantee the payment of the Units and future payment of Units will remain an unfunded liability recorded on the books of the Corporation.
24. Neither the DSUP nor the holding of DSUs gives the participants any right as a shareholder of the Company.
25. Nothing in this DSUP will confer or be construed as conferring on a Participant any right to remain as a director, employee or consultant of the Corporation.

**"Approval by the Disinterested Shareholders"** means approval by a majority of votes cast by all Shareholders at the Meeting, excluding votes attached to Common Shares beneficially owned by Insiders of the Corporation to whom Units may be granted pursuant to the DSUP and their associates in accordance with the policies of the Exchange.

A copy of the DSUP may be inspected at the offices of the Corporation at 132-1320 Graham Blvd., Mont Royal, Quebec, H3P 3C8, during normal business hours and at the Meeting. In addition, a copy of the DSUP will be mailed, free of charge, to any holder of Common Shares who makes a request in writing to the Corporation. Any such requests should be mailed to the Corporation, at 132-1320 Graham Blvd., Mont Royal, Quebec, H3P 3C8 to the attention of the Corporate Secretary

**See *"Particulars of Matters to Be Acted Upon – Approval of DSU Plan"* for further particulars**

#### **Employment, Consulting and Management Agreements**

Management services are provided to the Corporation by companies controlled by the respective NEOs. Other than as set forth below, the Corporation does not have any contract, agreement, plan or arrangement that provides for payments to a NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Corporation or a change in the NEO's responsibilities.

### **MAA Agreement**

On January 1<sup>st</sup>, 2018, the Corporation entered into a management services agreement (the “**MAA Agreement**”) with MCI. Pursuant to the MAA Agreement, MCI agreed to provide the services of Marc-Antoine Audet as Lead Geologist and Qualified Person for public reporting purposes. Pursuant to the MAA Agreement, the Corporation agreed to pay MCI total annual fees of \$60,000 payable in equal monthly installments, including reimbursement of expenses, subject to periodic revision by the Corporation and MCI. The term of the MAA Agreement is indefinite, but the engagement of MCI and the MAA Agreement may be terminated by either party. The MAA Agreement provides for certain payments and benefits to MCI on its termination, without cause, resignation for good cause and a change of control of the Corporation.

### **Gauthier Agreement**

Ms. Isabelle Gauthier (“**Gauthier**”) was appointed as CFO on January 1, 2017. The Corporation entered into an agreement dated January 1, 2017 and amended on May 29, 2017 (the “**Gauthier Agreement**”), with Gauthier for her services to act as the Corporation’s CFO. Pursuant to the Gauthier Agreement, the Corporation agreed to pay Gauthier total annual fees of \$72,000 (as amended) payable in equal monthly installments, subject to periodic revision by the Corporation and Gauthier. The term of the Gauthier Agreement is indefinite, but the engagement of Gauthier and the Gauthier Agreement may be terminated by either party. The Gauthier Agreement provides for certain payments and benefits to Gauthier on its termination, without cause, resignation for Good Cause and a Change of Control of the Corporation.

Ms Gauthier resigned as CFO of the Corporation on August 31, 2018 and subsequently the Gauthier Agreement was terminated on August 31, 2018. On June 30, 2018 the Corporation paid Ms. Gauthier the sum equivalent to the fees of three (3) months of services under the Gauthier Agreement being the sum of C\$18,000 plus applicable taxes. At the Termination Date of the Gauthier Agreement the Corporation paid Ms. Gauthier the sum equivalent to the fees of six (6) months of services under the Gauthier Agreement being the sum of CAD \$94,000 plus applicable taxes.

### **ULT Agreement**

Mr. Ugo Landry-Tolszczuk (“**Landry-Tolszczuk**”) was appointed as President and COO of the Corporation on February 1, 2018. The Corporation entered into an agreement dated January 15, 2018, amended on July 1, 2018 and September 24, 2018 (the “**ULT Agreement**”), with Landry-Tolszczuk for his services to act as the Corporation’s President and COO. Pursuant to the ULT Agreement, the Corporation agreed to pay Landry-Tolszczuk total annual fees of \$197,000 (as amended) payable in equal monthly installments. Within the first year of employment, the Corporation shall mandate an independent consultant to benchmark and recommend a compensation package based primarily on a comparison of the remuneration paid by the Corporation with the remuneration paid by other similar stage public companies that are active in the precious and base metals sector. The Corporation may, in its sole discretion, upon recommendation of the Corporation’s Compensation Committee, review and adjust upward Landry-Tolszczuk’s Annual Salary from time to time, but no downward adjustment in Landry-Tolszczuk’s Annual Salary may be made during the term of the ULT Agreement.

The term of the ULT Agreement is indefinite, but the engagement of Landry-Tolszczuk and the ULT Agreement may be terminated by either party. The ULT Agreement provides for certain payments and benefits to Landry-Tolszczuk on its termination, without cause and resignation for Good Cause.

### **Beaudoin Agreement**

Mr. Raphael Beaudoin (“**Beaudoin**”) was appointed as Vice-President, Operations, Metallurgy and Process Design on January 1, 2018. The Corporation entered into an agreement dated January 15, 2018 and amended on July 1, 2018 (the “**Beaudoin Agreement**”), with Beaudoin for his services to act as the Corporation’s Vice-President, Operations, Metallurgy and Process Design. Pursuant to the Beaudoin Agreement, the Corporation agreed to pay Beaudoin total annual fees of \$155,000 (as amended) payable in equal monthly installments. In addition to the Annual Salary, Beaudoin shall have an opportunity to earn an annual cash bonus (the “**Bonus**”) in respect of each fiscal year of the Corporation in accordance with the terms of the Corporation’s annual cash bonus program for executive officers then existing for such fiscal year based on the achievement of performance objectives as may be established from time to time and upon recommendation of the Corporation’s Compensation Committee; provided, however, that, such bonus opportunity shall not be less than 25% of Beaudoin’s Annual Salary for any given year (the “**Target Bonus**”). The actual Bonus payable may be greater or lesser than the Target Bonus and shall be determined consistent with the criteria set for other senior management executives of the Corporation based on such factors as shall be determined by the Corporation’s Compensation Committee.

The term of the Beaudoin Agreement is indefinite, but the engagement of Beaudoin and the Beaudoin Agreement may be terminated by either party. The Beaudoin Agreement provides for certain payments and benefits to Beaudoin on its termination, without cause, and resignation for Good Cause.

The Corporation believes that the arrangements with the NEOs are an important component of the overall compensation package it offers to its NEOs and is necessary in order to attract and retain its key executives. As with the other elements of compensation, when negotiating the termination and optioned share arrangements, the Governance Committee and the Board consider all elements of compensation in total rather than one element in isolation.

### ***Oversight and Description of Director and Named Executive Officer Compensation***

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

The Governance Committee of the Board of the Corporation consists of *Messrs. Benoit LaSalle, René Lessard and Marc Filion*. Pursuant to its mandate, the Governance Committee is responsible for implementing and overseeing human resources and compensation philosophy of the Corporation and making recommendations to the Board with respect to the compensation of all officers of the Corporation. The Board ensures that total compensation paid to officers is fair and reasonable and is consistent with the Corporation's compensation philosophy.

The Corporation does not generate operating cash flow and relies on equity financings to fund its exploration and corporate activities. Therefore, as the Corporation seeks to attract, retain and motivate highly skilled and experienced officers it must, at the same time, consider current market and industry circumstances and the Corporation's liquidity and ability to raise further capital.

#### ***Elements of Executive Compensation***

A combination of fixed and variable compensation is used to motivate executives to achieve overall corporate goals. For year ended December 31, 2019, the two basic components of the executive officer compensation program were fixed cash remuneration and option-based compensation pursuant to the Corporation's Plan. The Corporation does not have any formal annual discretionary cash bonuses, perquisites or personal benefits programs.

Fixed cash remuneration comprises the total cash-based compensation. Option-based compensation represents compensation that is "at risk" and thus may or may not be paid to the respective executive officer depending on the market performance of the Common Shares. To date, no specific formula has been developed to assign a specific weighting to this component. Instead, the Board considers the factors discussed below and the Corporation's performance and assigns compensation based on this assessment and the recommendations of the Governance Committee. In determining the total compensation of any NEO, the Board considers all elements of compensation in total rather than one element in isolation.

The Board approves the cash remuneration ranges for the NEOs. The base remuneration review for each NEO is based on an assessment of factors such as current competitive market conditions and particular skills, such as leadership ability, management effectiveness, experience, responsibility and proven or expected performance of the particular individual. The Board, using budgetary guidelines and other internally generated planning and forecasting tools, performs an annual assessment of the compensation of all compensation levels for its officers.

Other than as disclosed in the compensation tables listed above, during the year ended December 31, 2019 the Corporation did not award any increases in the annual consulting fees of the NEOs in response to the subjective assessment of their respective performance, analysis of external market conditions and competitive needs to retain its qualified personnel.

#### ***Executive Compensation Philosophy and Objectives***

The Corporation's principal goal is to create value for its Shareholders. The Corporation's compensation philosophy reflects this goal and is based on the following fundamental principles:

1. compensation programs align with Shareholders' interests – the Corporation aligns the goals of executives with maximizing long-term Shareholder value;
2. performance sensitive – compensation for executive officers should be linked to operating and market performance of the Corporation and fluctuate with the performance; and
3. offer market competitive compensation to attract and retain talent – the compensation program should provide market competitive pay in terms of value and structure in order to retain existing executive officers who are performing according to their objectives and to attract new individuals of the highest calibre.

4.

The objectives of the Corporation in compensating all NEOs were developed based on the above mentioned compensation philosophy and are as follows: to attract, motivate and retain highly qualified executive officers; to align the interests of executive officers with Shareholders' interests by making long-term, equity-based incentives through the granting of stock options and evaluating executive performance on the basis of key measurements that correlate to long-term Shareholder value; and to tie compensation directly to those measurements and rewards based on achieving and exceeding any predetermined objectives that may be determined by the Board. No such predetermined objectives were fixed for 2019.

#### *Competitive Compensation*

The Corporation is dependent on individuals with specialized skills and knowledge related to the exploration for, and the development of, mineral prospects, corporate finance, corporate secretarial and management. The Corporation seeks to attract, retain and motivate highly skilled and experienced officers by providing competitive compensation. The Governance Committee reviews compensation practices of similarly situated companies and from time to time may consult external, independent advisors who specialize in the area of compensation prior to making its recommendations to the Board. Although the Governance Committee reviews each element of compensation for market competitiveness, and it may weigh a particular element more heavily based on the NEO's role within the Corporation, it is primarily focused on remaining competitive in the marketplace with respect to total compensation.

#### **Option-based Awards**

The Corporation's Stock Option Plan provides for the grant of stock options to directors, officers, employees and consultants of the Corporation and its subsidiaries. The purpose of the Stock Option Plan is to provide an incentive for directors, officers, employees and consultants of the Corporation and its subsidiaries to directly participate in the Corporation's growth and development by providing them with the opportunity through options to purchase Common Shares. The grant of such stock options advances the interests of the Corporation and its Shareholders through the motivation, attraction and retention of these individuals.

The Governance Committee determines the ranges of stock option grants for each level of officers, employees, directors and consultants to whom it recommends that grants be made. The Governance Committee makes recommendations to the Board regarding the amounts and terms of stock option grants for the directors, officers, employees and consultants. Individual grants are determined by an assessment of an individual's current and expected future performance, level of responsibilities and the importance of the position and contribution to the Corporation.

In addition to determining the number of options to be granted pursuant to the methodology outlined above, the Board also makes the following determinations:

- parties who are entitled to participate in the Stock Option Plan;
- the exercise price for each stock option granted, subject to the provision that the exercise price cannot be lower than the prescribed discount permitted by the Exchange from the market price of the Common Shares on the date of grant;
- the date on which each stock option is granted;
- the vesting period, if any, for each stock option;
- the other material terms and conditions of each stock option grant; and
- any re-pricing or amendment to a stock option grant.

The Board makes these determinations subject to and in accordance with the provisions of the Stock Option Plan. The Board reviews and approves grants of options on an annual basis and periodically during a financial year. Previous grants are taken into account when considering new grants.

## DSU PLAN

On April 26, 2019 the Corporation adopted the DSU Plan. The DSU plan was approved by the shareholders on June 18, 2019 and the shareholders will be asked at the Meeting to pass an ordinary resolution of the disinterested shareholders approving and ratifying the DSU.

See “Particulars of Matters to Be Acted Upon –Approval of DSU Plan” for further particulars

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out equity securities of the Corporation which have been authorized for issuance under the Plan, as of the end of the Corporation’s most recently completed financial period ended December 31, 2019:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options (a)	Weighted Average Exercise Price of Outstanding Options (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column (a)) (c)
Equity Compensation Plans Approved By Shareholders <sup>(1)</sup>	6,185,500	0.75	869,215

Note:

(1) The stock options are governed by the Corporation’s Plan, as more particularly described under “Stock Options and other Compensation Securities”. Effective April 28, 2020, the Board approved the Stock Option Plan in compliance with the policies of the Exchange that the Shareholders are being asked to approve at the Meeting. See “Particulars of Matters to be Acted Upon – Annual Approval of Stock Option Plan”.

(2) Based on the issued and outstanding shares of the Corporation on December 31, 2019.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS/EMPLOYEES

The following table sets out the aggregate indebtedness outstanding of all current and former executive officers, directors and employees of the Corporation and its subsidiaries as of the Record Date:

Aggregate Indebtedness (\$)		
Purpose	To the Corporation or its Subsidiaries	To Another Entity
Share purchases	NIL	NIL
Other	NIL	NIL

Except as disclosed above, at no time during the Corporation’s last completed financial period or as of the Record Date, was any director, executive officer, employee, proposed director nominee for election as a director of the Corporation nor any associate of any such director, executive officer, or proposed director nominee of the Corporation or any former director, executive officer or employee of the Corporation or any of its subsidiaries indebted to the Corporation or any of its subsidiaries indebted to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries, other than routine indebtedness.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS.

On May 1, 2018 the Corporation announced a private placement with Coris Capital SA (“CORIS”) of 1,333,333 units at \$1.50 per unit (“Units”) Each Unit is comprised of one common share of the Corporation (a “Share”) and one non transferable share purchase warrant. Each whole warrant (a “Warrant”) will entitle CORIS to purchase, for a period of 12 months from the date of closing (the “Expiry Date”), one additional common share of the Corporation (a “Warrant Share”) at an exercise price of \$2.30 per Warrant Share. On October 24,

2019 Coris exercised 1,125,000 warrants of the Company. After the exercise of the warrants, Coris will own 12,583,333 shares of the Company 16.18% of the issued and outstanding shares of the Company

## . APPOINTMENT AND REMUNERATION OF AUDITOR

Management of the Corporation proposes to nominate as the external auditor of the Corporation, PricewaterhouseCoopers LLP (“PwC”), Chartered Accountants, to serve until the close of the next annual general meeting of the Corporation, and to authorize the directors to fix the remuneration of the auditor so appointed.

See “*Particulars of Matters to Be Acted Upon –Appointment of Auditor*” for further particulars

### AUDIT COMMITTEE

Pursuant to *Policy Statement to Regulation 52-110 respecting Audit Committees*, the Corporation is required to provide disclosure with respect to its Audit Committee, including the text of the Audit Committee’s charter, composition of the Audit Committee and fees paid to the external auditors. Attached hereto as “Schedule “A” is the text of the Audit Committee’s Charter.

#### Composition of the Audit Committee

Following the election of the directors pursuant to this Circular, the following directors will be members of the Audit Committee of the Corporation:

Name	Independent <sup>(1)</sup>	Financially Literate <sup>(2)</sup>
Marc Filion (Chairman)	Yes	Yes
Yves Grou	Yes	Yes
René Lessard	Yes	Yes

Notes:

- (1) Pursuant to *Policy Statement 58-201 to Corporate Governance Guidelines and section 1.4 of Regulation 52-110*, a member of an audit committee is independent if the member has no direct or indirect material relationship with the Corporation which could, in the view of the Corporation’s Board, reasonably interfere with the exercise of a member’s independent judgment. Exchange issuers such as the Corporation, are subject only to the requirement that a majority of directors be independent pursuant to section 21(b) of Exchange Policy 3.1, *Directors, Officers, Other Insiders & Personnel and Corporate Governance*, which states that the Corporation must have an audit committee comprised of at least three directors, the majority of whom are not officers, employees or control persons of the Corporation or any of its associates or affiliates. The Corporation’s Audit Committee is in compliance with these requirements. See “*Statement of Corporate Governance Practices*”.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth 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 Corporation’s financial statements.

#### Relevant Education and Experience

The following is a summary of the Audit Committee members’ education and experience which is relevant to the performance of their responsibilities as an Audit Committee member:

##### Dr. Marc Filion

Dr. Marc Filion, Ph.D., M.B.A., Eng., received a B.A. from the Seminaire de Ste-Therese, Qc in 1966, a B. Sc. in geology from Ecole Polytechnique at the University of Montreal in 1970, a Ph.D. in economic geology and geostatistics from the Royal School of Mines, Imperial College, London, England and a M.B.A. from Ecole des Hautes Etudes Commerciales, Montreal, QC. He was Chief Financial Officer of Abcourt Mines Inc. from October 2014 and a Director from March 27, 2007, in both cases until March 2018. He served as a Strategic Resource Advisor of Orbite Technologies Inc. (also known as Orbite Aluminae Inc. and Exploration Orbite V.S.P.A. Inc.) since March 2011. Dr. Filion has more than 30 years of experience in the development and management of capital intensive world-class industrial projects in joint venture with international business partners.

### **René Lessard**

Mr. Lessard has worked as a self-employed sales consultant to the construction sector since 2009. He has been a director of Nemaska Lithium Inc. (TSXV: NMX) since September 2008 and was a director of Monarques Gold Corporation (TSXV: MQR) from February 2011 to November 2014. He held the position of sales director at Campagna Motors Inc., a corporation specialized in vehicle manufacturing, from September 2008 to October 2009. From October 2004 to October 2007, he was sales director of T-Rex Vehicles Inc., a corporation specialized in the manufacturing of three-wheeled vehicles. From February 2001 to July 2004, he was sales director of Distribution GLR Inc. and from March 1997 to October 2000, he was a sales representative of Ray-Flammes Inc.

### **Yves Grou**

Mr. Grou is a CPA CA, having received his Bachelor in Commerce degree from McGill University. He is a member of the Quebec Institute of Chartered Accountants. He was co-founder in 1980 and a partner until 2004 of Grou, La Salle & Associates ("GLA"). The firm grew from two original partners to a staff of over 50. He developed a business valuation expertise, having several high-profile clients. At GLA, Mr. Grou coordinated and led the reverse take-over process related to several public companies, having successfully completed several transactions with mining, oil and gas, telecommunications and medical devices companies of which some were located in France, Cuba, Thailand, West Africa and China. In 2004, GLA was sold to a major international accounting firm. Prior to 1980, Mr. Grou worked with Ernst & Young (Montreal) for three years. In addition to his current directorships, Mr. Grou is/was part of a board of directors of several public companies, in natural resources, renewable energy and materials.

In their positions with the Corporation and other mineral resource companies, members of the Audit Committee have been responsible for receiving information relating to other companies and obtaining an understanding of the balance sheet, income statements and statements of cash flows and how these statements are integral in assessing the financial conditions of companies and their operating results.

Each member has an understanding of the mineral exploration and mining business in which the Corporation is engaged and has an appreciation of the financial issues and accounting principles that are relevant in assessing the Corporation's financial disclosures and internal control systems.

### **Audit Committee Oversight**

At no time since the commencement of the Corporation's most recently completed financial period was a recommendation of the Audit Committee to nominate or compensate external auditors not adopted by the Board.

### **Reliance on Certain Exemptions**

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in section 2.4 of Regulation 52-110 (De Minimis Non-audit Services) or an exemption from Regulation 52-110, in whole or in part, granted under Part 8 of Regulation 52-110.

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

The Audit Committee is authorized by the Board to review the performance of the Corporation's external auditors and approve in advance of the provision of services other than auditing and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Corporation. The Audit Committee is authorized to approve any non-audit services or additional work which the chair of the Audit Committee deems as necessary, who will notify the other members of the Audit Committee of such non-audit or additional work.

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

The following table provides information about the fees billed to the Corporation for professional services rendered by the Corporation's external auditor, for fiscal periods ended 2018 and 2019:

<b>Financial Year Ended<sup>(1)</sup></b>	<b>Audit Fees<sup>(2)</sup></b>	<b>Audit-Related Fees<sup>(3)</sup></b>	<b>Tax Fees<sup>(3)</sup></b>	<b>All Other Fees</b>
December 31, 2018	73,812	-	3,023	-
December 31, 2019	54,992	-	2,950	-

Notes:

- (1) *Audit fees consist of fees for the audit of the Corporation's annual financial statements or services that are normally provided in connection with statutory and regulatory filings or engagements.*
- (2) *Audit-related fees consist of fees for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not reported as Audit Fees.*
- (3) *Tax fees consist of fees for tax compliance services, tax advice and tax planning. During fiscal years 2018 and 2019, the services provided in this category included assistance and advice in relation to the preparation of corporate income tax returns.*
- (4) *The aggregate fees billed for products and services other than as set out under the headings "Audit Fees", "Audit Related Fees" and "Tax Fees"*

## MANAGEMENT CONTRACTS

Except as described herein, no management functions of the Corporation or its subsidiaries are to any substantial degree performed by a person or Corporation other than the directors or executive officers of the Corporation or its subsidiaries.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Corporation. 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. NP 58-201 establishes corporate governance guidelines which apply to all public companies. The Corporation has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Corporation's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Corporation at its current stage of development and therefore these guidelines have not been adopted. *Regulation 58-101 respecting Disclosure of Corporate Governance Practices ("Regulation 58-101")*, mandates disclosure of corporate governance practices for venture issuers in Form 58-101F2, *Corporate Governance Disclosure (Venture Issuers)*, which disclosure is set out below.

### Board of Directors

#### *Structure and Compensation*

The Board is currently composed of eight directors. All of the proposed nominees for election as directors at the Meeting are current directors of the Corporation. A director is "independent" if the individual has no direct or indirect material relationship with the Corporation which could, in the view of the Corporation's Board, be reasonably expected to interfere with the exercise of a director's independent judgment, whether on the Board or a committee of the Board.

As at May 15, 2020, the Board has determined that five (5) directors are independent for purposes of the Board members as provided in Regulation 58-101. There are four (4) directors who are not independent for purposes of the Board members as provided in Regulation 58-101, See composition of the Board below.

Director Nominees	Independent	Non-Independent	Reason for Non Independence
Marc-Antoine Audet	✓		
René Lessard	✓		
Benoit La Salle FCPA, FCA		✓	Executive Chairman of the Board
Marc Fillion	✓		
Abdoul Aziz Nassa		✓	Board Nominee for Coris
Yves Grou	✓		
Yacouba Sare <sup>(1)</sup>		✓	Board Nominee for Coris
Alhamdou Diagne <sup>(2)</sup>	✓		

(1) *On April 24, 2020, Mr. Compaore resigned from the Board of Directors of the Company. Mr. Sare was appointed to the Board to fill the vacancy created by the resignation of Mr. Compaore.*

(2) *Dr. Diagne is the Corporation's Proposed Nominee.*

The non-independent directors actively seek out the views of independent directors on all Board matters. The independent directors exercise their responsibilities for independent oversight of management, and are provided with leadership through their ability to meet independently of management whenever deemed necessary.

The quantity and quality of the Board compensation is reviewed on an annual basis. At present, the Board is satisfied that the current Board compensation arrangements, which include the payment of cash compensation to non-management independent directors and the grant of incentive stock options for all directors, adequately reflect the responsibilities and risks involved in being an effective director of the Corporation.

The number of options to be granted is determined by the Board as a whole, thereby providing the independent directors with significant input into compensation decisions. The Governance Committee of the Corporation, of which the majority of members are independent, is responsible for making recommendations to the Board with respect to the compensation of all officers of the Corporation. See "*Director and NEO Compensation*" for further particulars.

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

As at the date of this Circular, certain of the Corporation's directors are directors of other reporting issuers, as set out in the following table:

<b>Director</b>	<b>Reporting Issuers</b>
Benoit La Salle, FCPA, FCA	Algold Resources Ltd., Sama Resources Inc., Earth Alive Clean Technologies Inc. and GoviEx Uranium Inc.
Marc-Antoine Audet	Sama Resources Inc.
Yves Grou	Algold Resources Ltd. and Maclos Capital Inc.
Rene Lessard	Walker River Resources Corp.

### **Nomination and Assessment**

The Board determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the Board members and the Governance Committee, including both formal and informal discussions among Board members and the President and COO. The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions.

The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Corporation's size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The Board plans to continue evaluating its own effectiveness on an *ad hoc* basis. The current size of the Board is such that the entire Board takes responsibility for selecting new directors and assessing current directors. Proposed directors' credentials are reviewed in advance of a Board meeting with one or more members of the Board prior to the proposed director's nomination.

New directors are briefed on strategic plans, short, medium and long-term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing Corporation policies. However, there is no formal orientation for new members of the Board, and this is considered to be appropriate, given the Corporation's size and current limited operations. New directors receive a copy of the Board manual, which contains pertinent information relevant to the duties of the Board. The Board manual is updated on an ongoing basis.

The skills and knowledge of the Board as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies. Board members are encouraged to communicate with management, the auditor and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. Board members have full access to the Corporation's records.

See “*Particulars of Matters to Be Acted Upon – Election of Directors*” for further particulars

### **Expectations of Management and Ethical Business Conduct**

The Board expects management to operate the business of the Corporation in a manner that enhances Shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Corporation’s business plan and to meet performance goals and objectives. The Board has adopted a formal Code of Business Conduct and Ethics Policy, which may be viewed at <http://www.srggraphite.com/s/Corporate-Governance.asp> or on the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Committee Responsibilities and Activities**

Committees of the Board are an integral part of the Corporation’s governance structure. At the present time, the only standing committees are the Audit Committee and the Governance Committee. Disclosure with respect to the Audit Committee, as required by Regulation 52-110, is contained elsewhere in this Circular under the heading “*Audit Committee*”. Disclosure with respect to the Governance Committee is contained elsewhere in this Circular under the heading “*Oversight and Description of Director and Named Executive Officer Compensation*”.

### **Compensation**

For a discussion of the process taken to determine compensation for the directors and the CEO, see the disclosure in this Circular under “*Director and NEO Compensation*”.

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

To the knowledge of the Corporation’s directors, the matters to be brought before the Meeting are those set forth in the accompanying Notice of Meeting and as described herein.

### **1. Financial Statements and Auditor’s Report**

Pursuant to the provisions of the CBCA and the Corporation’s By-Laws, the directors of the Corporation will submit to the Shareholders at the Meeting the audited financial statements of the Corporation and the Auditor’s Report thereon for the financial years ended December 31, 2019, but no vote by the Shareholders with respect thereto is required or proposed to be taken.

### **2. Determination of the Number of Directors**

In accordance with the By-Laws of the Corporation, the Shareholders will be asked to determine the number of directors at 8 for the ensuing year.

***IT IS INTENDED THAT THE COMMON SHARES REPRESENTED BY PROXIES WILL BE VOTED IN FAVOUR OF THE ORDINARY RESOLUTION TO DETERMINE THE NUMBER OF DIRECTORS OF THE CORPORATION. AN AFFIRMATIVE VOTE OF A SIMPLE MAJORITY (50% + 1) OF THE VOTES CAST AT THE MEETING IS SUFFICIENT TO PASS THE ORDINARY RESOLUTION.***

### **3. Election of Directors**

Information regarding the nominees can be found under the heading “*Election of Directors*” above.

### **4. Appointment of Auditor**

Shareholders will be requested to appoint PWC as auditor of the Corporation to hold office until the next annual meeting of Shareholders, or until a successor is appointed and to authorize the Board to fix the auditors’ remuneration.

***IT IS INTENDED THAT THE COMMON SHARES REPRESENTED BY PROXIES WILL BE VOTED IN FAVOUR OF THE ORDINARY RESOLUTION TO APPOINT PRICEWATERHOUSECOOPERS LLP, CHARTERED ACCOUNTANTS, AS AUDITOR OF THE CORPORATION AND TO AUTHORIZE THE DIRECTORS TO FIX THE AUDITOR’S REMUNERATION. AN AFFIRMATIVE VOTE OF A SIMPLE MAJORITY (50% + 1) OF THE VOTES CAST AT THE MEETING IS SUFFICIENT TO PASS THE ORDINARY RESOLUTION.***

## 5. Approval of the Stock Option Plan

The Plan is a 10% rolling stock option plan as described in Exchange Policy 4.4 and was first adopted by the Board on April 26, 2017 and most recently on April 28, 2020. The Corporation is required to obtain the approval of its Shareholders for its rolling plan on an annual basis. Accordingly, the Shareholders will be asked to approve the Plan. The Plan is summarized under “*Stock Options and other Compensation Securities*”.

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to approve, with or without variation, an ordinary resolution, in the following form to approve the Plan:

“**BE IT RESOLVED** as an ordinary resolution that:

1. the proposed Plan as described in the Circular dated May 15, 2020 be and is hereby ratified, confirmed and approved subject to the acceptance for filing thereof by the TSX Venture Exchange;
2. the number of common shares of the Corporation reserved for issuance under the Plan shall not exceed 10% of the issued and outstanding Common Shares of the Corporation at the time of any stock option grant;
3. the board of directors of the Corporation be authorized and directed to make any changes to the Plan if required by the TSX Venture Exchange; and
4. any director or officer of the Corporation is hereby authorized to execute (whether under the corporate seal of the Corporation or otherwise) and deliver all such documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable in connection with such approval, the execution of any such document of the doing of any such other act or thing by any director or officer of the Corporation being conclusive evidence of such determination”

The approval of the above resolution must be passed by not less than a majority of the votes cast by those Shareholders, who being entitled to do so, vote in person or by proxy in respect of the resolution at the Meeting. The Board recommends that Shareholders vote in favour of the above resolution. In the absence of contrary instructions, the persons named in the enclosed form of proxy intend to vote in favour of the foregoing ordinary resolution at the Meeting.

A copy of the Plan may be inspected at the head office of the Corporation at 132-1320 Graham Blvd., Mont Royal, Quebec, H3P 3C8, during normal business hours and at the Meeting. In addition, a copy of the Plan will be mailed, free of charge, to any holder of Common Shares. Any such requests should be mailed to the Corporation, at 132-1320 Graham Blvd., Mont Royal, Quebec, H3P 3C8, to the attention of the Corporate Secretary.

***IT IS INTENDED THAT THE COMMON SHARES REPRESENTED BY PROXIES WILL BE VOTED IN FAVOUR OF THE ORDINARY RESOLUTION APPROVING THE STOCK OPTION PLAN. AN AFFIRMATIVE VOTE OF A SIMPLE MAJORITY (50% + 1) OF THE VOTES CAST AT THE MEETING IS SUFFICIENT TO PASS THE ORDINARY RESOLUTION.***

## 6. Approval of Deferred Share Unit Plan

On April 26, 2019 the Board adopted the DSU Plan. The DSU Plan was approved and ratified by the Board of Directors on April 28, 2020 and, according to Exchange policy, is required to be approved and ratified by disinterested shareholders on an annual basis.

The Corporation is seeking the approval of disinterested shareholders at the Meeting to pass an ordinary resolution approving and ratifying the DSU Plan (the “**DSU Plan Resolutions**”).

*A Brief summary of the DSUP can be found on pages 12 to 14 under the heading “Deferred Stock Unit Plan”*

***IT IS INTENDED THAT THE COMMON SHARES REPRESENTED BY PROXIES WILL BE VOTED IN FAVOUR OF THE ORDINARY RESOLUTION APPROVING THE DSU PLAN. AN AFFIRMATIVE VOTE OF A SIMPLE MAJORITY (50% + 1) OF THE VOTES CAST AT THE MEETING IS SUFFICIENT TO PASS THE ORDINARY RESOLUTION.***

The text of the DSU Resolution to be considered at the Meeting will be substantially as follows:

**“BE IT RESOLVED** as an Ordinary Resolution that:

1. the DSU Plan as described in the Circular dated May 15, 2020 be and is hereby approved and ratified, subject to the approval of the Exchange;
2. the Corporation is hereby authorized and directed to issue such Common Shares pursuant to the DSU Plan as fully paid and non-assessable Common Shares of the Corporation;
3. the board of directors of the Corporation be authorized and directed to make any changes to the DSU Plan if required by the TSX Venture Exchange; and
4. any director or officer of the Corporation is hereby authorized to execute and deliver all such documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable in connection with such approval, the execution of any such document or the doing of any such other act or thing by any director or officer of the Corporation being conclusive evidence of such determination”.

#### **OTHER MATTERS**

Pursuant to the CBCA, proposals intended to be presented by shareholders for action at the 2021 Annual Meeting must comply with the provisions of the CBCA and be deposited at the Corporation’s head office not later than February 26, 2021 in order to be included in the management proxy circular and form of proxy relating to such meeting.

The enclosed form of proxy conveys discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of the Meeting, and with respect to other matters that may properly come before the Meeting. While management of the Corporation knows of no such amendments, variations or other matters, which may properly be presented at the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote such proxy according to their best judgment.

#### **ADDITIONAL INFORMATION**

Additional financial and other information relating to the Corporation may be found on the Corporation’s website at [www.ssrgraphite.com](http://www.ssrgraphite.com) and on the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Shareholders of the Corporation may request copies of the Corporation’s financial statements and management discussion and analysis by contacting SRG Mining Inc. at 132-1320 Graham Blvd., Mont Royal, Quebec, H3P 3C8, to the attention of the Corporate Secretary.

#### **APPROVAL**

The contents and the sending of this Circular have been approved by the directors of the Corporation.

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

*“Ugo Landry-Tolszczuk”*

Ugo Landry-Tolszczuk,  
President, Chief Operating Officer and Chief Financial Officer

---

**SRG MINING INC.**  
**SCHEDULE 'A' TO MANAGEMENT PROXY CIRCULAR**  
**As at and Dated May 15, 2020**

**AUDIT COMMITTEE CHARTER**

**1. Purpose and Objectives**

- 1.1 The Audit Committee will assist the board of directors (the "Board") in fulfilling its responsibilities. The Audit Committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Company's process for monitoring compliance with laws and regulations. In performing its duties, the Audit Committee will maintain effective working relationships with the Board, management, and the external auditors and monitor the independence of those auditors. To perform his or her role effectively, each Audit Committee member will obtain an understanding of the responsibilities of Audit Committee membership as well as the Company's business, operations and risks.

**2. Authority**

- 2.1 The Board authorizes the Audit Committee, within the scope of its responsibilities, to seek any information it requires from any employee and from external parties, to obtain outside legal or professional advice and to ensure the attendance of Company officers at meetings as appropriate.
- 2.2 The Board will instruct its external auditors to report directly to the Audit Committee.

**3. Composition, Procedures and Organization**

Membership

- 3.1 The Audit Committee shall consist of at least three members of the Board, a majority of which are not officers, employees or control persons of the Company or any associates or affiliates of the Company.
- 3.2 The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Audit Committee for the ensuing year. The Board may at any time remove or replace any member of the Audit Committee and may fill any vacancy in the Audit Committee.
- 3.3 Unless the Board shall have appointed a chair of the Audit Committee or in the event of the absence of the chair, the members of the Audit Committee shall elect a chair from among their number.
- 3.4 The secretary of the Audit Committee shall be designated from time to time from one of the members of the Audit Committee or, failing that, shall be the Company's corporate secretary, unless otherwise determined by the Audit Committee.
- 3.5 The Audit Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.

### Meetings

- 3.6 The quorum for meetings shall be a majority of the members of the Audit Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
- 3.7 Meetings of the Audit Committee shall be conducted as follows:
- (a) the Audit Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Audit Committee. Special meetings shall be convened as required. The external auditors or any member of the Audit Committee may request a meeting of the Audit Committee;
  - (b) the chair of the Audit Committee shall be responsible for developing and setting the agenda for Audit Committee meetings and determining the time and place of such meetings;
  - (c) the Audit Committee may invite such other persons (e.g. the President or Chief Financial Officer) to its meetings, as it deems appropriate; and
  - (d) notice of the time and place of every meeting of the Audit Committee shall be given in writing to each member of the Audit Committee a reasonable time before the meeting.
- 3.8 The proceedings of all meetings of the Audit Committee will be minuted.

### Procedures

- 3.9 The internal auditors and the external auditors shall have a direct line of communication to the Audit Committee through its chair and may bypass management if deemed necessary. The Audit Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Audit Committee any matter involving questionable, illegal or improper financial practices or transactions.
- 3.10 The Audit Committee shall have authority to engage independent counsel and other advisors as it determines necessary to carry out its duties, to set and pay the compensation for any advisors employed by the Audit Committee and to communicate directly with the internal and external auditors.

## **4. Roles and Responsibilities**

- 4.1 The overall duties and responsibilities of the Audit Committee shall be as follows:
- (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly consolidated financial statements;
  - (b) to establish and maintain a direct line of communication with the Company's internal auditors, if any, and external auditors and assess their performance; and
  - (c) to ensure that the management of the Company's has designed, implemented and is maintaining an effective system of internal financial controls.

4.2 The duties and responsibilities of the Audit Committee as they relate to the external auditors shall be as follows:

- (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
- (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors and ensure no unjustifiable restrictions or limitations have been placed on the scope;
- (c) to review the audit plan of the external auditors prior to the commencement of the audit;
- (d) to approve in advance the provision of non-audit services provided by the external auditors;
- (e) to review with the external auditors, upon completion of their audit:
  - (i) the content of their report;
  - (ii) scope and quality of the audit work performed;
  - (iii) adequacy of the Company's financial and auditing personnel;
  - (iv) internal resources used;
  - (v) significant transactions outside of the normal business of the Company;
  - (vi) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
- (f) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles.

4.3 The duties and responsibilities of the Audit Committee as they relate to the Company's internal auditors, as and when applicable, shall be as follows:

- (a) to periodically review the internal audit function with respect to the organization, staffing and effectiveness of the internal audit department; and
- (b) to review significant internal audit findings and recommendations.

4.4 The duties and responsibilities of the Audit Committee as they relate to the internal control procedures of the Company shall be as follows:

- (a) to review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
- (b) to review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
- (c) to periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have

been implemented.

4.5 The Audit Committee is also charged with the responsibility to:

- (a) review the annual and quarterly financial statements, including Management's Discussion and Analysis with respect thereto, and all annual and interim earnings press releases, prior to public dissemination, including any certification, report, opinion or review rendered by the external auditors and determine whether they are completed and consistent with the information known to the Audit Committee;
- (b) evaluate the fairness of the interim financial statements and related disclosures including the associated Management's Discussion and Analysis, and obtain explanations from management on whether:
  - (i) actual financial results for the interim period varied significantly from budgeted or projected results;
  - (ii) generally accepted accounting principles have been consistently applied;
  - (iii) there are any actual or proposed changes in accounting or financial reporting practices; and
  - (iv) there are any significant or unusual events or transactions which require disclosure and, if so, consider adequacy of that disclosure;
- (c) review and approve the financial sections of:
  - (i) the annual report to shareholders;
  - (ii) the annual information form (if any);
  - (iii) prospectuses (if any); and
  - (iv) other public reports requiring approval by the Board; and report to the Board with respect thereto;
- (d) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
- (e) review the minutes of any Audit Committee meeting;
- (f) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;
- (g) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of material facts;

- (h) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company; and
- (i) establish a procedure for:
  - (i) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
  - (ii) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters.

Approved by the Board of Directors on January 18, 2017