

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING  
OF SHAREHOLDERS OF**



**AND  
MANAGEMENT INFORMATION CIRCULAR**

**Meeting to be held on  
AUGUST 12, 2019**

**BEMETALS CORP.**  
SUITE 3123 – 595 BARRARD STREET  
VANCOUVER, BC V7X 1J1  
TEL: (604) 609-6141

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE** is hereby given that the annual general and special meeting (the "**Meeting**") of the shareholders of BeMetals Corp. (the "**Corporation**"), will be held at Suite 3123, 595 Burrard Street, Vancouver, British Columbia, V7X 1J1, on Monday, August 12, 2019 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements of the Corporation for the fiscal year ended December 31, 2018, together with auditor's report thereon.
2. To re-appoint PricewaterhouseCoopers LLP as the auditor of the Corporation for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditor.
3. To fix the number of directors for the ensuing year at five (5).
4. To elect directors for the ensuing year.
5. To re-approve the Corporation's stock option plan.
6. To approve the creation of a new control person.
7. To transact such other business as may properly be transacted at such meeting or at any adjournment thereof.

An information circular, containing details of matters to be considered at the Meeting, accompanies this notice.

**A shareholder who is unable to attend the Meeting in person and who wishes to ensure that such shareholder's shares will be voted at the Meeting is requested to complete, date and sign the enclosed form of proxy and deliver it in accordance with the instructions set out in the form of proxy and in the information circular.** As set out in the notes, the enclosed form of proxy is solicited by management, but, you may amend it to appoint another person (who need not be a shareholder) to attend and act for you at the Meeting other than the persons named in the form of proxy if you so desire by inserting in the blank space provided in the form of proxy the name of the person you wish to represent you at the Meeting.

DATED at Vancouver, British Columbia, this 4<sup>th</sup> day of July, 2019.

**BY ORDER OF THE BOARD OF DIRECTORS**

*"John Wilton"*

John Wilton  
Chief Executive Officer, President and Director

## **BEMETALS CORP.**

SUITE 3123 – 595 BURRARD STREET  
VANCOUVER, BC V7X 1J1  
TEL: (604) 609-6141

### **INFORMATION CIRCULAR**

(containing information as at July 4, 2019 unless indicated otherwise)

**For the Annual General and Special Meeting  
to be held on Monday, August 12, 2019**

#### **SOLICITATION OF PROXIES**

This information circular is furnished in connection with the solicitation of proxies by the management of BeMetals Corp. (the "**Corporation**") for use at the annual general and Special meeting (the "**Meeting**"), of the shareholders (the "**Shareholders**") of the Corporation, to be held on Monday, August 12, 2019 at the time and place and for the purposes set forth in the accompanying notice of meeting and at any adjournment thereof. The enclosed instrument of proxy is solicited by the management of the Corporation. The solicitation will be primarily by mail, however, proxies may be solicited personally or by telephone by the regular officers and employees of the Corporation. The cost of solicitation will be borne by the Corporation.

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

The persons named in the accompanying form of proxy (the "**Proxy**") are directors and/or officers of the Corporation. **A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR HIM OR HER ON HIS OR HER BEHALF AT THE MEETING OTHER THAN THE PERSONS NAMED IN THE ENCLOSED INSTRUMENT OF PROXY. TO EXERCISE THIS RIGHT, A SHAREHOLDER SHALL STRIKE OUT THE NAMES OF THE PERSONS NAMED IN THE INSTRUMENT OF PROXY AND INSERT THE NAME OF HIS OR HER NOMINEE IN THE BLANK SPACE PROVIDED, OR COMPLETE ANOTHER INSTRUMENT OF PROXY. A PROXY WILL NOT BE VALID UNLESS IT IS DEPOSITED WITH THE CORPORATION'S REGISTRAR AND TRANSFER AGENT, COMPUTERSHARE INVESTOR SERVICES INC., 100 UNIVERSITY AVENUE, 9TH FLOOR, TORONTO, ONTARIO, M5J 2Y1, OR BY TOLL FREE FAX 1.866.249.7775 NOT LESS THAN 48 HOURS (EXCLUDING SATURDAYS, SUNDAYS AND HOLIDAYS) BEFORE THE TIME OF THE MEETING OR ADJOURNMENT THEREOF.**

The Proxy must be signed and dated by the Shareholder or by his or her attorney in writing, or, if the Shareholder is a company, it must either be under its common seal or signed by a duly authorized officer.

A Shareholder who has given a Proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a Proxy may be revoked by instrument in writing executed by the Shareholder or by his or her attorney authorized in writing, or, if the Shareholder is a corporation, it must either be under its common seal, or signed by a duly authorized officer and deposited with the Corporation's registrar and transfer agent, **Computershare Investor Services Inc., 100 University Avenue, 9th floor, Toronto, Ontario, M5J 2Y1**, at any time up to and including the last business day preceding the Meeting, or any adjournment of it, at which the Proxy is to be used, or to the Chairman of the Meeting on the day of the Meeting or any adjournment of it. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

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

On any poll, the persons named in the enclosed Proxy will vote the shares in respect of which they are appointed. Where directions are given by the Shareholder in respect of voting for or against any resolution, the proxyholder will do so in accordance with such direction.

IN THE ABSENCE OF ANY INSTRUCTION IN THE PROXY, IT IS INTENDED THAT SUCH SHARES WILL BE VOTED IN FAVOUR OF THE MOTIONS PROPOSED TO BE MADE AT THE MEETING AS STATED UNDER THE HEADINGS IN THIS INFORMATION CIRCULAR. The enclosed Proxy, when properly signed, confers discretionary authority with respect to amendments or variations to the matters which may properly be brought

before the Meeting. At the time of printing this information circular, the management of the Corporation is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to the management should properly come before the Meeting, the proxies hereby solicited will be voted on such matters in accordance with the best judgment of the nominee.

In order to approve a motion proposed at the Meeting, a majority greater than one-half of the votes cast will be required unless the motion requires a special resolution, in which case a majority of not less than two-thirds of the votes cast will be required. In the event a motion proposed at the Meeting requires disinterested shareholder approval, common shares held by shareholders of the Corporation who have an interest in the motion and common shares held by their "associates", as such term is defined under applicable securities laws, will be excluded from the count of votes cast on such motion.

## **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

### ***General***

The authorized capital of the Corporation consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value. There were 104,927,440 common shares of the Corporation issued and outstanding as of the close of business on July 4, 2019, each share carrying the right to one vote. There were no preferred shares issued and outstanding as of the close of business on July 4, 2019.

Only Shareholders of record as at the close of business on July 4, 2019 (the "**Record Date**") who either personally attend the Meeting or who have completed and delivered a form of Proxy in the manner and subject to the provisions described under the heading "*Appointment and Revocation of Proxies*" shall be entitled to vote, or have their common shares voted, at the Meeting, or any adjournment thereof. On any poll, each Shareholder of record holding common shares of the Corporation on the Record Date is entitled to one vote for each common share registered in his or her name on the list of shareholders as at the Record Date.

### ***Advice to Beneficial Holders of Common Shares***

**The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold common shares in their own name.** Shareholders who do not hold their common shares in their own name (referred to in this information circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of common shares can be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a Shareholder by a broker, then, in almost all cases, those common shares will not be registered in the Shareholder's name on the records of the Corporation. Such common shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such common shares are registered under the name CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). The common shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person.**

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form provided to a Beneficial Shareholder by its broker, agent or nominee is limited to instructing the registered holder of the common shares on how to vote such shares on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications ("**Broadridge**"). Broadridge typically supplies a voting instruction form, mails those forms to Beneficial Shareholders and asks those Beneficial Shareholders to return the forms to Broadridge or follow specific telephone or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of the shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use that form to vote common shares directly at the Meeting. Instead, the voting instruction form must be returned to Broadridge or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure such common shares are voted.**

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purpose of voting common shares registered in the name of their broker, agent or nominee, a Beneficial Shareholder may attend the Meeting as a proxyholder for a shareholder and vote 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 contact their broker, agent or nominee well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their common shares as a proxyholder.

The Corporation will not pay for an intermediary to deliver proxy related materials and voting instruction forms to objecting beneficial owners (called OBOs for Objecting Beneficial Owners). OBOs have objected to their intermediary disclosing ownership information about themselves to the Corporation. Accordingly, OBOs will not receive the materials unless their intermediary assumes the costs of delivery.

The Corporation is not relying on the "notice-and-access" delivery procedures outlined in National Instrument 54-101 to distribute copies of the proxy related materials in connection with the Meeting.

### ***Principal Holders of Voting Shares***

To the knowledge of the directors and senior officers of the Corporation, as of July 4, 2019, there are no persons or corporations that beneficially own, directly or indirectly, or exercise control or direction over, common shares carrying more than 10% of the voting rights attached to all outstanding common shares of the Corporation.

### **EXECUTIVE COMPENSATION**

**Definitions: For the purpose of this Information Circular:**

"**Chief Executive Officer**" or "**CEO**" of the Corporation means an individual who acted as chief executive officer of the Corporation or acted in a similar capacity for any part of the most recently completed financial year.

"**Chief Financial Officer**" or "**CFO**" of the Corporation means an individual who acted as chief financial officer of the Corporation or acted in a similar capacity for any part of the most recently completed financial year.

"**closing market price**" means the price at which the Corporation's security was last sold, on the applicable date, in the security's principal marketplace in Canada.

"**company**" includes other types of business organizations such as partnerships, trusts and other unincorporated business entities.

"**equity incentive plan**" means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of IFRS 2 *Share-based Payment*.

"**grant date**" means a date determined for financial statement reporting purposes under IFRS 2 *Share-based Payment*.

"**incentive plan**" means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period.

"**incentive plan award**" means compensation awarded, earned, paid or payable under an incentive plan.

"**Named Executive Officer**" or "**NEO**" means the following individuals:

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

"**non-equity incentive plan**" means an incentive plan or portion of an incentive plan that is not an equity incentive plan.

**"option-based award"** means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features.

**"plan"** includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons.

**"share-based award"** means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

*The Corporation completed a share split on the basis of three post-split common shares for every one pre-split common shares on January 4, 2017. All figures in this Information Circular reflect the share split.*

## COMPENSATION DISCUSSION AND ANALYSIS

The compensation of the Corporation's Named Executive Officers has been established with a view of attracting and retaining executives critical to the Corporation's short and long-term success and to continue providing executives with compensation that is in accordance with existing market standards. Compensation provided to the Corporation's NEOs is determined and reviewed by the Corporation's Compensation Committee. In establishing executive compensation policies, the Compensation Committee takes into consideration the recommendations of management and, following discussion and review, reports them to the Corporation's full board of directors (the **"Board of Directors"** or **"Board"**) for final approval. The members of the Compensation Committee for the financial year ended December 31, 2018 were Clive Johnson, Roger Richer, and Tom Garagan. See *"Schedule B"* below for further information on the Compensation Committee.

Compensation of the Corporation's Named Executive Officers is comprised of a base salary and the granting of options to purchase common shares under the Corporation's stock option plan (as more particularly described below). Through its executive compensation practices, the Corporation seeks to provide value to its shareholders by employing a strong executive leadership team. Specifically, the Corporation's executive compensation structure seeks to attract and retain talented and experienced executives necessary to achieve the Corporation's strategic objectives, motivate and reward executives whose knowledge, skills and performance are critical to the Corporation's success, and align the interests of the Corporation's executives and shareholders by motivating executives to increase shareholder value.

Within the context of the overall objectives of the Corporation's compensation practices, the Corporation determined the specific amounts of compensation to be paid to its executives during the year ended December 31, 2018 based on a number of factors including the Corporation's executive performance during the fiscal year, the roles and responsibilities of the Corporation's executives, the individual experience and skills of, and expected contributions from, the Corporation's executives, the Corporation's executives' historical compensation and performance within the Corporation, and any contractual commitments the Corporation has made to its executives regarding compensation.

The Board of Directors of the Corporation has not conducted a formal evaluation of the implications of the risks associated with the Corporation's compensation practices and policies. Risk management is a consideration of the Board of Directors when implementing its compensation policies and the Board of Directors do not believe that the Corporation's compensation policies result in unnecessary or inappropriate risk taking including risks that are likely to have a material adverse effect on the Corporation.

### ***Base Salary***

The Corporation believes that a competitive base salary is a necessary element of any compensation program that is designed to attract and retain talented and experienced executives. The Corporation also believes that attractive base salaries can motivate and reward executives for their overall performance.

To the extent that the Corporation has entered into employment agreements with its executives, the base salaries of such individuals reflect the base salaries that the Corporation negotiated with them. The base salaries that the Corporation negotiated with its executives were based on the individual experience and skills of, and expected contribution from, each executive, the roles and responsibilities of the executive, the base salaries of the Corporation's existing executives and other factors. The employment agreements that were entered into with certain of the Corporation's Named Executive Officers are summarized under *"Named Executive Officer Employment Agreements"* below.

### Option Based Awards

The Corporation has in effect a stock option plan (the “**Stock Option Plan**”) in order to provide effective incentives to directors, officers, and senior management personnel and consultants of the Corporation and to enable the Corporation to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Corporation’s Shareholders. In determining option grants to the Named Executive Officers, the Board of Directors together with management takes into consideration factors that include the amount and exercise price of previous option grants, the NEO's experience, level of expertise and responsibilities, and the contributions of each NEO towards the completion of corporate transactions in any given fiscal year.

The Stock Option Plan was adopted by the Board on December 9, 2016 and most recently re-approved by Shareholders at the Corporation's annual general meeting of Shareholders held on May 11, 2018. Under the policies of the TSX Venture Exchange, a rolling stock option plan must be re-approved by Shareholders on a yearly basis and as such, the Corporation will be asking Shareholders to re-approve the Stock Option Plan at the Meeting. The significant terms of the Corporation’s Stock Option Plan are set out below under the heading “*Particulars Of Other Matters To Be Acted Upon – Re-Approval of Rolling Stock Option Plan*”.

### Use of Financial Instruments

The Corporation does not have a policy that would prohibit a Named Executive Officer or director from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director. However, management is not aware of any Named Executive or director purchasing such an instrument.

### SUMMARY COMPENSATION TABLE

In accordance with the provisions of applicable securities legislation, the Corporation had four (4) Named Executive Officers during the financial year ended December 31, 2018, namely John Wilton (President and CEO), Kristen Reinertson (CFO and Corporate Secretary), Derek Iwanaka (VP of Investor Relations & Corporate Development), and Harry Pokrandt (Former President and CEO).

The following table sets out certain information respecting the compensation paid to the Named Executive Officers of the Corporation during the financial years ended December 31, 2018, December 31, 2017, and December 31, 2016:

NEO Name And Principal Position	Financial Year ended	Salary (\$)	Share- based awards (\$)	Option -based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other comp- ensation (\$)	Total comp- ensation (\$)
					Annual incentive plans	Long- term incentive plans			
John Wilton <sup>(1)</sup> President and CEO	Dec 31, 2018	203,505	Nil	396,842 <sup>(5)</sup>	Nil	Nil	Nil	Nil	600,347
	Dec 31, 2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Dec 31, 2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Kristen Reinertson <sup>(2)</sup> CFO and Corporate Secretary	Dec 31, 2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil <sup>(8)</sup>	Nil
	Dec 31, 2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil <sup>(8)</sup>	Nil
	Dec 31, 2016	Nil	Nil	6,658 <sup>(6)</sup>	Nil	Nil	Nil	Nil <sup>(8)</sup>	6,658
Derek Iwanaka <sup>(3)</sup> VP Investor Relations & Corporate Development	Dec 31, 2018	35,000	Nil	120,677 <sup>(7)</sup>	Nil	Nil	Nil	Nil	155,677
	Dec 31, 2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Dec 31, 2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Harry Pokrandt <sup>(4)</sup> Former President and CEO	Dec 31, 2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Dec 31, 2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Dec 31, 2016	Nil	Nil	33,288 <sup>(6)</sup>	Nil	Nil	Nil	Nil	33,288

Notes:

(1) John Wilton has served as the President and Chief Executive Officer of the Corporation since February 26, 2018. Mr. Wilton receives an annual salary of US\$170,000.

- (2) *Kristen Reinertson has served as the Chief Financial Officer and Corporate Secretary of the Corporation since December 9, 2016.*
- (3) *Derek Iwanaka has served as the Vice-President of Investor Relations and Corporate Development of the Corporation since October 1, 2018. Mr. Iwanaka receives an annual salary of CA\$140,000.*
- (4) *Harry Pokrandt served as the President and Chief Executive Officer of the Corporation from December 9, 2016 to February 26, 2018.*
- (5) *This amount represents the estimated fair value of stock options granted on February 27, 2018 using the Black-Scholes fair value method for stock-based compensation, assuming a risk free interest rate of 2.17%, an average expected life of 8.5 years, a 75% annualized volatility rate, and a 0.0% dividend rate.*
- (6) *This amount represents the estimated fair value of stock options granted on December 9, 2016 using the Black-Scholes fair value method for stock-based compensation, assuming a risk free interest rate of 2.23%, an average expected life of 10 years, a 75% annualized volatility rate, and a 0.0% dividend rate.*
- (7) *This amount represents the estimated fair value of stock options granted on October 1, 2018 using the Black-Scholes fair value method for stock-based compensation, assuming a risk free interest rate of 2.48%, an average expected life of 9 years, a 75% annualized volatility rate, and a 0.0% dividend rate.*
- (8) *Fiore Management & Advisory Corp. ("FMAC") received corporate administration consulting fees of \$10,000 for the year ended December 31, 2016, \$127,200 for the year ended December 31, 2017, and \$120,000 for the year ended December 31, 2018. Ms. Reinertson is an employee of FMAC.*

## INCENTIVE PLAN AWARDS

The following table sets forth information concerning all awards outstanding at the end of the financial year ended December 31, 2018 for each Named Executive Officer.

**OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS TABLE**

NEO Name	Option-based Awards				Share-based Awards <sup>(3)</sup>		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(2)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
John Wilton	2,250,000	0.24	Feb 27, 2028	Nil	N/A	N/A	N/A
Kristen Reinertson	150,000	0.06	Dec 9, 2026	24,750	N/A	N/A	N/A
Derek Iwanaka	750,000	0.21	Oct 1, 2028	11,250	N/A	N/A	N/A
Harry Pokrandt	750,000	0.06	Feb 28, 2019	123,750	N/A	N/A	N/A

Notes:

- (1) *The Corporation completed a 3:1 share split effective January 4, 2017. These numbers have been adjusted to reflect the share split.*
- (2) *Based on the difference between the exercise price of the options and the closing price of the Corporation's common shares on the TSX Venture Exchange on December 31, 2018 of \$0.225. (See Note 1)*
- (3) *The Corporation has not granted any share-based awards.*

### **Incentive Plan Awards – Value Vested or Earned During the Year**

500,000 stock options held by Named Executive Officers vested during the year ended December 31, 2018. None of the Named Executive Officers exercised any stock options during the year ended December 31, 2018. The following



table summarizes, for the Named Executive Officers of the Corporation, the value of incentive plan awards vested or earned during the year ended December 31, 2018.

NEO Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$) <sup>(3)</sup>	Non-equity incentive plan compensation – Value earned during the year (\$)
John Wilton	Nil <sup>(1)</sup>	N/A	Nil
Kristen Reinertson	Nil	N/A	Nil
Derek Iwanaka	Nil <sup>(2)</sup>	N/A	Nil
Harry Pokrandt	Nil	N/A	Nil

Notes:

- (1) 250,000 of Mr. Wilton's stock options vested during the year ended December 31, 2018, however because the exercise price of these options was equal to or greater than the market price of the Common Shares on the date of vesting, the value vested was nil.
- (2) 250,000 of Mr. Iwanaka's stock options vested during the year ended December 31, 2018, however because the exercise price of these options was equal to or greater than the market price of the Common Shares on the date of vesting, the value vested was nil.
- (3) The Corporation has not granted any share-based awards.

## NAMED EXECUTIVE OFFICER EMPLOYMENT AGREEMENTS

The Corporation has entered into employment agreements with certain of its NEOs, namely John Wilton and Derek Iwanaka, which contain terms relating to duties, salaries, compensation, benefits, termination, change of control and severance. The benefits provided to the Corporation's NEOs are standard benefits, as provided to all of its employees, which include life insurance, short and long-term disability insurance, health and medical insurance programs and plans. The following sets out further details for the respective NEO relating to their agreement with the Corporation with respect to other terms of their contract:

### ***John Wilton***

In February 2018, the Corporation and John Wilton entered into an agreement whereby Mr. Wilton fulfills the role of Chief Executive Officer and President of the Corporation on a full time basis. Pursuant to this agreement, Mr. Wilton is entitled to receive an annual salary in the amount of US\$170,000.

### ***Derek Iwanaka***

In October 2018, the Corporation and Derek Iwanaka entered into an agreement whereby Mr. Iwanaka fulfills the role of Vice-President of Investor Relations and Corporate Development of the Corporation on a full time basis. Pursuant to this agreement, Mr. Iwanaka is entitled to receive an annual salary in the amount of CA\$140,000.

## TERMINATION AND CHANGE OF CONTROL BENEFITS

Pursuant to the employment agreements entered into between the Corporation and each of Mr. Wilton and Mr. Iwanaka, the respective Named Executive Officer is entitled to compensation from the Corporation in the event of termination without cause or resignation for "good cause". In the event that the Named Executive Officer's employment agreement is terminated by the Corporation without cause, or the Named Executive Officer resigns on two weeks' notice for "good cause", the Corporation must pay a severance payment to such Named Executive Officer, equal to 1 week of annual salary plus 4 additional weeks for each consecutively completed 12 months of employment, as well as continuation of benefits for the same period or until the Named Executive Officer secures alternative benefits. For purposes of the employment agreements, the definition of "good cause" means the occurrence of any of the following: (i) a material reduction in the Employee's responsibilities; (ii) a reduction by the Corporation in the Employee's Annual Salary; or (iii) any reduction by the Corporation of the number of paid vacation days to which the Employee is entitled. Assuming Mr. Wilton was terminated for cause or resigned for good cause on December 31,

2018, he would be entitled to receive severance of US\$3,269. Assuming Mr. Iwanaka was terminated for cause or resigned for good cause on December 31, 2018, he would be entitled to receive severance of C\$2,692.

Each employment agreement also provides that if, within 18 months of a change of control of the Corporation, a Named Executive Officer is terminated without cause or resigns for “good cause”, the Named Executive Officer will be entitled to receive a lump sum payment equal to 12 months of the Named Executive Officer’s annual salary, as well as continuation of benefits for the same period or until the Named Executive Officer secures alternative benefits. For the purposes of the employment agreements, a “change of control” means: (i) the acquisition of Common Shares by a person or group of persons acting jointly or in concert that, when added to all of the Common Shares owned by such person or persons, constitutes for the first time in the aggregate 20% or more of the Common Shares; (ii) the removal of more than 50% of the incumbent Board of Directors of the Corporation, or the election of a majority of the directors to the Board of Directors of the Corporation that were not nominees of the Board of Directors at the time immediately preceding such election; (iii) a sale of all or substantially all of the assets of the Corporation; or (iv) a reorganization, plan of arrangement, merger or other transaction which has substantially the same effect as (a) to (c) above. Assuming Mr. Wilton was terminated for cause or resigned for good cause on December 31, 2018 following a change of control, he would be entitled to receive severance of US\$170,000. Assuming Mr. Iwanaka was terminated for cause or resigned for good cause on December 31, 2018 following a change of control, he would be entitled to receive severance of C\$140,000.

### PENSION PLAN BENEFITS

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Corporation and none are proposed at this time.

### DIRECTOR COMPENSATION

During the financial year ended December 31, 2018, there were six individuals who served as a director of the Corporation for either all or a portion of the year, three of which were also Named Executive Officers of the Corporation – namely John Wilton, Kristen Reinertson, and Harry Pokrandt (former director).

The following table sets out the amounts of compensation paid to directors of the Corporation other than Named Executive Officers during the financial year ended December 31, 2018.

**DIRECTORS COMPENSATION TABLE**

<b>Name</b>	<b>Fees earned (\$)</b>	<b>Share-based awards (\$)</b>	<b>Option-based awards (\$)</b>	<b>Non-equity incentive plan compensation (\$)</b>	<b>Pension value (\$)</b>	<b>All other compensation (\$)</b>	<b>Total (\$)</b>
Clive Johnson <sup>(1)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Tom Garagan <sup>(1)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Roger Richer <sup>(1)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil

*Notes:*

*(1) Messrs. Johnson, Garagan and Richer have each served as a director of the Corporation since December 9, 2016.*

### NARRATIVE DISCUSSION

Other than the granting of stock options from time to time, the Corporation does not have any other arrangements pursuant to which directors are compensated by the Corporation or its subsidiaries for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultants or

experts during the financial year ended December 31, 2018 or subsequently, up to and including the date of this Information Circular.

#### SHARE-BASED AWARDS, OPTION-BASED AWARDS AND NON-EQUITY PLAN COMPENSATION

The following table sets forth information concerning all awards outstanding at the end of the financial year ended December 31, 2018, for each director of the Corporation other than Named Executive Officers.

**OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS TABLE**

Name	Option-based Awards				Share-based Awards <sup>(3)</sup>		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(2)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Clive Johnson	750,000	0.06	Dec 9, 2026	123,750	N/A	N/A	N/A
Tom Garagan	750,000	0.06	Dec 9, 2026	123,750	N/A	N/A	N/A
Roger Richer	750,000	0.06	Dec 9, 2026	123,750	N/A	N/A	N/A

Notes:

- (1) *The Corporation completed a 3:1 share split effective January 4, 2017. These numbers have been adjusted to reflect the share split.*
- (2) *Based on the difference between the exercise price of the options and the closing price of the Corporation's common shares on the TSX Venture Exchange on December 31, 2018 of \$0.225. (See Note 1)*
- (3) *The Corporation has not granted any share-based awards.*

#### ***Incentive Plan Awards – Value Vested or Earned During the Year***

No incentive plan awards that were previously granted to non-NEO directors vested during the year ended December 31, 2018 and no incentive plan awards were granted to non-NEO directors during the year ended December 31, 2018.

None of the non-NEO directors exercised any stock options during the year ended December 31, 2018.

#### **MANAGEMENT CONTRACTS**

Management functions of the Corporation or any of its subsidiaries are not to any substantial degree performed by a person other than the directors or executive officers of the Corporation.

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

The following table sets out particulars of the compensation plans under which equity securities of the Corporation are authorized for issuance as of December 31, 2018. The Corporation completed a share split on the basis of three post-split common shares for every one pre-split common shares on January 4, 2017. All figures reflect the share split.

**EQUITY COMPENSATION PLAN INFORMATION**

<b>Plan Category</b>	<b>A</b> <b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>B</b> <b>Weighted average exercise price of outstanding options, warrants and rights</b>	<b>C</b> <b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column A)</b>
Equity compensation plans approved by securityholders <sup>(1)</sup>	6,270,000	\$ 0.14	539,857
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
<b>TOTALS:</b>	<b>6,270,000</b>	<b>\$ 0.14</b>	<b>539,857</b>

*Note:*

- (1) Represents the Stock Option Plan of the Corporation. As at December 31, 2018, the Stock Option Plan reserved shares equal to a maximum of 10% of the issued and outstanding common shares of the Corporation from time to time for issue pursuant to the Stock Option Plan.

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

Other than "routine indebtedness" as defined in applicable securities legislation, since January 1, 2018, being the beginning of the most recently completed fiscal year of the Corporation, none of:

- (a) the executive officers, directors, employees and former executive officers, directors and employees of the Corporation or any of its subsidiaries;
- (b) the proposed nominees for election as a director of the Corporation; or
- (c) any associates of the foregoing persons;

is or has been indebted to the Corporation or any of its subsidiaries or has been indebted to any other entity where that indebtedness was 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, and which was not entirely repaid on or before the date of this information circular.

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

No person who has been a director, senior officer or insider of the Corporation, no proposed nominee for director and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting other than the election of directors.

**INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

For purposes of the following discussion, "**Informed Person**" means (a) a director or executive officer of the Corporation; (b) a director or executive officer of a person or company that is itself an Informed Person or a subsidiary of the Corporation; (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Corporation or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Corporation, other than the voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Corporation itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Except as disclosed elsewhere in this Information Circular or in the Notes to the Corporation's financial statements for the financial years ended December 31, 2018, none of:

- (a) the Informed Persons of the Corporation;
- (b) the proposed nominees for election as a director of the Corporation; or
- (c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's financial year ended December 31, 2018 or in any proposed transaction which has materially affected or would materially affect the Corporation or any subsidiary of the Corporation.

### **FINANCIAL STATEMENTS**

The audited financial statements of the Corporation for the year ended December 31, 2018 (the "**Financial Statements**"), together with the Auditor's Report thereon, will be presented to Shareholders at the Meeting. The Financial Statements, the Auditor's Report thereon together with related Management's Discussion and Analysis for the financial years ended December 31, 2018 are available on SEDAR at [www.sedar.com](http://www.sedar.com). The Notice of Annual General and Special Meeting of Shareholders, Information Circular, Request for Financial Statements and form of Proxy will be available from the Corporation's Registrar and Transfer Agent, Computershare Investor Services Inc., 510 Burrard Street, 3<sup>rd</sup> floor, Vancouver, British Columbia, V6C 3B9, or from the Corporation's head office located at Suite 3123, 595 Burrard Street, PO Box 49139, Bentall Three, Vancouver, British Columbia, V7X 1J1.

### **REQUEST FOR FINANCIAL STATEMENTS**

National Instrument 51-102 "Continuous Disclosure Obligations" sets out the procedures for a shareholder to receive financial statements. If you wish to receive financial statements, you may use the enclosed form or provide instructions in any other written format. Registered shareholders must also provide written instructions in order to receive the Financial Statements.

### **FIXING THE NUMBER OF DIRECTORS AND ELECTION OF DIRECTORS**

The persons named in the enclosed Proxy intend to vote in favour of fixing the number of directors at five. Management is nominating five individuals to stand for election. Each director of the Corporation is elected annually and holds office until the next annual general meeting of the Shareholders of the Corporation, until his or her successor is duly elected, or until his or her resignation as a director. In the absence of instructions to the contrary, the shares represented by Proxy will be voted for the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a director.

### **Advance Notice Provisions**

At the Corporation's annual general and special meeting of Shareholders held on January 24, 2017, the Corporation's Shareholders voted to adopt amendments to the Corporation's Articles to include advance notice provisions (the "**Advance Notice Provisions**"). The Advance Notice Provisions include, among other things, a provision that requires advance notice be given to the Corporation in circumstances where nomination of persons for election to the Board are made by Shareholders of the Corporation. The Advance Notice Provisions set a deadline by which Shareholders must submit nominations (a "**Notice**") for the election of directors to the Corporation prior to any annual or special meeting of Shareholders. The Advance Notice Provisions also set forth the information that a Shareholder must include in the Notice to the Corporation, and establish the form in which the Shareholder must submit the Notice for that notice to be in proper written form. In the case of an annual meeting of Shareholders, a Notice must be provided to the Corporation not less than 30 days and not more than 65 days prior to the date of the annual meeting.

As of the date of this Information Circular, the Corporation has not received notice of a nomination in compliance with the Advance Notice Provisions.

### **INFORMATION CONCERNING NOMINEES SUBMITTED BY MANAGEMENT**

The following table sets out the names of the persons proposed to be nominated by management for election as a director, the Province and Country in which each person is ordinarily resident, the positions and offices which each presently holds with the Corporation, the period of time for which each person has been a director of the Corporation, the respective principal occupations or employment during the past five years if such nominee is not presently an

elected director and the number of common shares of the Corporation which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Information Circular.

The nominees for the office of director and information concerning them as furnished by the individual nominees are as follows. Management recommends, and the persons named in the enclosed Proxy intend to vote in favour of, the election of the following individuals as directors of the Corporation.

<b>Name, Province or State and Country of Residence, and Position with the Corporation <sup>(1)</sup></b>	<b>Present Principal Occupation, Business or Employment <sup>(1)</sup></b>	<b>Date Served as Director Since</b>	<b>No. of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly <sup>(1)</sup></b>
Clive Johnson BC, Canada  Director	President and Chief Executive Officer of B2Gold Corp., a Vancouver based gold producer	December 9, 2016	8,300,000
Tom Garagan BC, Canada  Director	Senior Vice-President, Exploration of B2Gold Corp., a Vancouver based gold producer	December 9, 2016	4,350,000
Roger Richer BC, Canada  Director	Executive Vice President, General Counsel and Secretary of B2Gold Corp., a Vancouver based gold producer	December 9, 2016	4,150,000
John Wilton Penzance, United Kingdom  President, CEO & Director	President and CEO of the Corporation	February 26, 2018	270,000
Kristen Reinertson BC, Canada  CFO, Corporate Secretary & Director	VP Corporate Finance of Fiore Management & Advisory Corp., a private financial advisory firm	May 11, 2018	70,000

Note:

- (1) *The information as to the Province and Country of residence, principal occupation and shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Corporation, has been furnished by the respective directors individually as of July 4, 2019, being the Record Date of this information circular.*

Pursuant to National Instrument 52-110, the Corporation is required to have an Audit Committee of its Board of Directors. The current members of the Audit Committee are Roger Richer, Clive Johnson, and Tom Garagan. See "Schedule A" below for further information on the Audit Committee of the Corporation.

Except as disclosed below, none of the proposed nominees for director have been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company that:

- (a) while that person was acting in that capacity, was the subject of 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;
- (b) while that person was acting in that capacity, was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade 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; or

- (c) while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (d) has been subject to:
  - (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority since December 31, 2000 or before December 31, 2000 the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed director; or
  - (ii) 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.

### **AUDIT COMMITTEE DISCLOSURE**

The charter of the Corporation's audit committee and the other information required to be disclosed by Form 52-110F2 are attached as Schedule "A".

### **CORPORATE GOVERNANCE**

The information required to be disclosed by National Instrument 58-101 *Disclosure of Corporate Governance Practices* is attached to this information circular as Schedule "B".

### **APPOINTMENT AND REMUNERATION OF AUDITOR**

The Board of Directors proposes to re-appoint PricewaterhouseCoopers LLP, Chartered Professional Accountants, of Vancouver, British Columbia as auditor of the Corporation. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the appointment of PricewaterhouseCoopers LLP, Chartered Professional Accountants as auditor of the Corporation to hold office until the close of the next annual general meeting of the Corporation. It is proposed that the remuneration to be paid to the auditor of the Corporation be fixed by the Board of Directors of the Corporation. PricewaterhouseCoopers LLP, Chartered Professional Accountants have been auditor of the Corporation since February 23, 2017.

Management recommends, and the persons named in the enclosed Proxy intend to vote in favour of, the re-appointment of PricewaterhouseCoopers LLP, Chartered Professional Accountants, of Vancouver, British Columbia as auditor of the Corporation, and the remuneration to be paid to the auditors of the Corporation be fixed by the Board of Directors of the Corporation.

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

#### ***A. Re-Approval of Rolling Stock Option Plan***

At last year's annual general meeting, the Corporation proposed and its Shareholders approved the Corporation's 10% "rolling" Stock Option Plan. Under the policies of the TSX Venture Exchange, a rolling stock option plan must be re-approved on a yearly basis by shareholders. Shareholders will be asked to pass an ordinary resolution re-approving the Stock Option Plan. The details of the Stock Option Plan are set forth below.

- (a) the Stock Option Plan reserves, for issuance pursuant to the exercise of stock options, a maximum number of common shares of the Corporation equal to up to a maximum of 10% of the issued common shares of the Corporation at the time of any stock option grant;
- (b) under Exchange policy, an optionee must either be an Eligible Charitable Organization or a Director, Employee or Consultant of the Corporation at the time the option is granted in order to be eligible for the grant of a stock option to the optionee;
- (c) the aggregate number of options granted to any one Person (and companies wholly owned by that Person) in a 12 month period must not exceed 5% of the issued common shares of the Corporation calculated on the

- date an option is granted to the Person (unless the Corporation has obtained the requisite Disinterested Shareholder Approval);
- (d) the aggregate number of options granted to any one Consultant in a 12 month period must not exceed 2% of the issued common shares of the Corporation, calculated at the date an option is granted to the Consultant;
  - (e) the aggregate number of options granted to all Persons retained to provide Investor Relations Activities must not exceed 2% of the issued shares of the Corporation in any 12 month period, calculated at the date an option is granted to any such Person;
  - (f) options issued to Persons retained to provide Investor Relations Activities must vest in stages over a period of not less than 12 months with no more than 1/4 of the options vesting in any 3 month period;
  - (g) the minimum exercise price per common share of a stock option must not be less than the Market Price of the common shares of the Corporation, subject to a minimum exercise price of \$0.05;
  - (h) options can be exercisable for a maximum of 10 years from the date of grant (subject to extension where the expiry date falls within a "blackout period" (see (o) below);
  - (i) stock options (other than options held by a person involved in investor relations activities) will cease to be exercisable 90 days after the optionee ceases to be a Director (which term includes a senior officer), Employee, Consultant, Eligible Charitable Organization or Management Company Employee otherwise than by death, or for a "reasonable period" after the optionee ceases to serve in such capacity, as determined by the Board. Stock options granted to persons involved in Investor Relations Activities will cease to be exercisable 30 days after the optionee ceases to serve in such capacity otherwise than by death, or for a "reasonable period" after the optionee ceases to serve in such capacity, as determined by the Board;
  - (j) all options are non-assignable and non-transferable;
  - (k) Disinterested Shareholder Approval will be obtained for any reduction in the exercise price of a stock option if the optionee is an Insider of the Corporation at the time of the proposed amendment;
  - (l) the Stock Option Plan contains provisions for adjustment in the number of common shares or other property issuable on exercise of a stock option in the event of a share consolidation, split, reclassification or other capital reorganization, or a stock dividend, amalgamation, merger or other relevant corporate transaction, or any other relevant change in or event affecting the common shares;
  - (m) upon the occurrence of an Accelerated Vesting Event (as defined in the Stock Option Plan), the Board will have the power, at its sole discretion and without being required to obtain the approval of shareholders or the holder of any stock option, to make such changes to the terms of stock options as it considers fair and appropriate in the circumstances, including but not limited to: (a) accelerating the vesting of stock options, conditionally or unconditionally; (b) terminating every stock option if under the transaction giving rise to the Accelerated Vesting Event, options in replacement of the stock options are proposed to be granted to or exchanged with the holders of stock options, which replacement options treat the holders of stock options in a manner which the Board considers fair and appropriate in the circumstances having regard to the treatment of holders of common shares under such transaction; (c) otherwise modifying the terms of any stock option to assist the holder to tender into any take-over bid or other transaction constituting an Accelerated Vesting Event; or (d) following the successful completion of such Accelerated Vesting Event, terminating any stock option to the extent it has not been exercised prior to successful completion of the Accelerated Vesting Event. The determination of the Board in respect of any such Accelerated Vesting Event shall for the purposes of the New Option Plan be final, conclusive and binding;
  - (n) in connection with the exercise of an option, as a condition to such exercise the Corporation shall require the optionee to pay to the Corporation an amount as necessary so as to ensure that the Corporation is in compliance with the applicable provisions of any federal, provincial or local laws relating to the withholding of tax or other required deductions relating to the exercise of such option; and
  - (o) a stock option will be automatically extended past its expiry date if such expiry date falls within a blackout period during which the Corporation prohibits optionees from exercising their options, subject to the following requirements: (a) the blackout period must (i) be formally imposed by the Corporation pursuant to its internal trading policies; and (ii) must expire upon the general disclosure of undisclosed Material



Information; and (b) the automatic extension of an optionee's stock option will not be permitted where the optionee or the Corporation is subject to a cease trade order (or similar order under Securities Laws) in respect of the Corporation's securities.

"Consultant", "Director", "Disinterested Shareholder Approval", "Eligible Charitable Organization", "Employee", "Investor Relations Activities", "Management Company Employee", "Market Price", "Material Information", "Person" and "Securities Laws" all have the same definition as in the policies of the TSX Venture Exchange.

Management recommends, and the persons named in the enclosed Proxy intend to vote in favour of, the re-approval of the Stock Option Plan.

The text of the resolution to be passed is as follows. In order to be passed, a majority of the votes cast at the Meeting in person or by Proxy must be voted in favour of the resolution.

**"BE IT RESOLVED THAT** the Corporation's Stock Option Plan dated December 9, 2016 be and is hereby ratified, confirmed and approved with such additional provisions and amendments, provided that such are not inconsistent with the policies of the TSX Venture Exchange, as the directors of the Corporation may deem necessary or advisable."

## ***B. Creation of New Control Person***

### **Background**

In February 2019, as disclosed in the Corporation's news release dated February 28, 2019, the Corporation entered into an option agreement (the "**Option Agreement**") with Thunder Mountain Gold, Inc. and certain of its subsidiaries (collectively "**Thunder Mountain**") whereby the Corporation has the right to acquire up to a 100% interest in the zinc-silver South Mountain project in southwest Idaho, USA (the "**South Mountain Project**") through the acquisition of South Mountain Mines, Inc. ("**SMMI**") from Thunder Mountain. In June 2019, the TSX Venture Exchange approved the Option Agreement and related transactions at which time the Corporation issued 10,000,000 common shares to Thunder Mountain (the "**Transaction Shares**"). Following this share issuance, Thunder Mountain holds 9.53% of the Corporation's issued and outstanding common shares.

Pursuant to the Option Agreement, the Corporation will have two years to complete the exercise of the option (subject to extension in certain circumstances) and in order to complete the option exercise, the Corporation must:

- Make four cash payments of US\$250,000 each on or before the 6, 12, 18 and 24 month anniversary dates of June 10, 2019;
- Complete a preliminary economic assessment ("**PEA**") for the South Mountain Project; and
- Make a final payment to Thunder Mountain consisting of cash, common shares of the Corporation, or a combination of both at the discretion of the Corporation. The final payment will be the greater of either US\$10 million or 20% of the after-tax net present value of the South Mountain Project as calculated in the PEA study completed by an agreed independent author. The final payment will be decreased by US\$850,000 to account for certain cash payments previously made, the value of the Transaction Shares, as well as certain liabilities of SMMI to be assumed upon acquisition. The final payment is also capped at a maximum of 50% of the market capitalization of the Corporation as of the completion date of the exercise of the option.

### **Creation of a New Control Person**

In the event that the Corporation elects to exercise its option pursuant to the Option Agreement with Thunder Mountain and depending on the outcome of the PEA results and the Corporation's determination on how much of the final payment should be paid with common shares, the final payment could include a share issuance that could result in Thunder Mountain owning more than 20% of the Corporation's then outstanding voting securities, and as such, Thunder Mountain would become a new Control Person of the Corporation.

A Control Person is any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of the Corporation so as to affect materially the control of the Corporation, or that holds more than

20% of the outstanding voting shares of the Corporation, except where there is evidence showing that the holder of those securities does not materially affect the control of the Corporation. The TSX Venture Exchange's policies require that disinterested shareholder approval be obtained where securities issued pursuant to a transaction result, or could result following conversion of convertible securities, in the creation of a new "**Control Person**".

As a result, in accordance with the TSX Venture Exchange's requirements, the Corporation is seeking disinterested shareholder approval in advance for the possible future issuance of shares to Thunder Mountain, to the extent that such issuance could result in Thunder Mountain becoming a new Control Person of the Corporation.

### **Disinterested Shareholder Approval**

Disinterested shareholder approval, as required by the policies of the TSX Venture Exchange, means shareholder approval obtained by ordinary resolution; provided that, in connection with the approval of the creation of a new Control Person, the votes attached to the Common Shares held by the new Control Person, and any associates or affiliates thereof, are excluded from the calculation of such approval.

Pursuant to the policies of the TSX Venture Exchange, disinterested shareholders will be asked at the Meeting to approve the following resolution:

**"BE IT RESOLVED THAT** the possibility of Thunder Mountain becoming a new Control Person of the Corporation (as such term is defined in the TSX Venture Exchange Corporate Finance Manual) as a result of the issuance of securities by the Corporation to Thunder Mountain pursuant to the Option Agreement dated February 27, 2019, as more particularly described in the management information circular of the Corporation dated July 4, 2019, be and the same is hereby ratified, authorized and approved and, for greater certainty, Thunder Mountain shall hereafter be entitled to acquire further securities of the Corporation notwithstanding that such acquisition would, or could possibly, increase its ownership of common shares to 20% or more of the then issued and outstanding common shares of the Corporation."

In order to be passed, a majority of the votes cast by disinterested shareholders at the Meeting in person or by Proxy must be voted in favour of the resolution.

If disinterested shareholder approval is not obtained at the Meeting, the Corporation will be precluded from issuing an amount of shares to Thunder Mountain greater than 20% or more of the then issued and outstanding common shares of the Corporation. In such case, and in order to exercise the Option with Thunder Mountain, the Corporation may need to satisfy the final payment of the Option Agreement with a greater portion of cash than would be required if the Corporation is not limited by the amount of shares it can issue to Thunder Mountain.

### **Directors' Recommendation**

The Board recommends to shareholders that they vote in favour of approval of the Creation of Control Person Resolution.

### **OTHER MATTERS**

As of the date of this information circular, management knows of no other matters to be acted upon at this Meeting. However, should any other matters properly come before the Meeting, the shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the shares represented by the Proxy.

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information relating to the Corporation is provided in the Corporation's comparative financial statements and related Management's Discussion and Analysis for the financial year ended December 31, 2018. Shareholders may contact the Corporation to request copies of financial statements and related Management's Discussion and Analysis at its head office, Suite 3123, 595 Burrard Street, PO Box 49139, Bentall Three, Vancouver, British Columbia, V7X 1J1.

**APPROVAL OF THE DIRECTORS**

The directors of the Corporation have approved the content and the sending of this information circular.

DATED at Vancouver, British Columbia, this 4<sup>th</sup> day of July, 2019.

**BY ORDER OF THE BOARD OF DIRECTORS**

*"John Wilton"*

John Wilton  
Chief Executive Officer, President and Director

## SCHEDULE "A"

### FORM 52-110F2 AUDIT COMMITTEE DISCLOSURE

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#### ITEM 1: THE AUDIT COMMITTEE'S CHARTER (the "Charter")

##### PURPOSE

The overall purpose of the audit committee (the "**Audit Committee**") of BeMetals Corp. (the "**Corporation**") is to ensure that the Corporation's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the financial statements and related financial disclosure of the Corporation, and to review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Corporation's board of directors (the "**Board**") that through the involvement of the Audit Committee, the external audit will be conducted independently of the Corporation's management to ensure that the independent auditors serve the interests of shareholders rather than the interests of management of the Corporation. The Audit Committee will act as a liaison to provide better communication between the Board and the external auditors. The Audit Committee will monitor the independence and performance of the Corporation's independent auditors.

##### COMPOSITION, PROCEDURES AND ORGANIZATION

- (1) The Audit Committee shall consist of at least three members of the Board.
- (2) At least two (2) members of the Audit Committee shall be independent and the Audit Committee shall endeavour to appoint a majority of independent directors to the Audit Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Audit Committee members' independent judgment. At least one (1) member of the Audit Committee shall have accounting or related financial management expertise. All members of the Audit Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Corporation. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.
- (3) 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.
- (4) Unless the Board shall have appointed a chair of the Audit Committee, the members of the Audit Committee shall elect a chair and a secretary from among their number.
- (5) 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.
- (6) The Audit Committee shall have access to such officers and employees of the Corporation and to the Corporation's external auditors, and to such information respecting the Corporation, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
- (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. The external auditors or any member of the Audit Committee may request a meeting of the Audit Committee;
  - (b) the external auditors shall receive notice of and have the right to attend all meetings of the Audit Committee; and

- (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
- (8) 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 Corporation as it deems necessary, and any employee may bring before the Audit Committee any matter involving questionable, illegal or improper financial practices or transactions.

**ROLES AND RESPONSIBILITIES**

- (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 Corporation's accounting principles, reporting practices and internal controls and its approval of the Corporation's annual and quarterly consolidated financial statements and related financial disclosure;
  - (b) to establish and maintain a direct line of communication with the Corporation's internal and external auditors and assess their performance;
  - (c) to ensure that the management of the Corporation has designed, implemented and is maintaining an effective system of internal financial controls; and
  - (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
- (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 Corporation, 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;
  - (c) review the audit plan of the external auditors prior to the commencement of the audit;
  - (d) to review with the external auditors, upon completion of their audit:
    - A. contents of their report;
    - B. scope and quality of the audit work performed;
    - C. adequacy of the Corporation's financial and auditing personnel;
    - D. co-operation received from the Corporation's personnel during the audit;
    - E. internal resources used;
    - F. significant transactions outside of the normal business of the Corporation;
    - G. significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
    - H. the non-audit services provided by the external auditors;
  - (e) to discuss with the external auditors the quality and not just the acceptability of the Corporation's accounting principles; and
  - (f) to implement structures and procedures to ensure that the Audit Committee meets the external auditors on a regular basis in the absence of management.
- (3) The duties and responsibilities of the Audit Committee as they relate to the internal control procedures of the Corporation are to:

- (a) review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
  - (b) review compliance under the Corporation's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Audit Committee may deem appropriate;
  - (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Corporation; and
  - (d) periodically review the Corporation'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) The Audit Committee is also charged with the responsibility to:
- (a) review the Corporation's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
  - (b) review and approve the financial sections of:
    - A. the annual report to shareholders;
    - B. the annual information form, if required;
    - C. annual and interim management's discussion and analysis;
    - D. prospectuses;
    - E. news releases discussing financial results of the Corporation; and
    - F. other public reports of a financial nature requiring approval by the Board,and report to the Board with respect thereto;
  - (c) review regulatory filings and decisions as they relate to the Corporation's consolidated financial statements;
  - (d) review the appropriateness of the policies and procedures used in the preparation of the Corporation's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
  - (e) review and report on the integrity of the Corporation's consolidated financial statements;
  - (f) review the minutes of any audit committee meeting of subsidiary companies;
  - (g) 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 Corporation and the manner in which such matters have been disclosed in the consolidated financial statements;
  - (h) review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
  - (i) develop a calendar of activities to be undertaken by the Audit Committee for each ensuing year and to submit the calendar in the appropriate format to the Board following each annual general meeting of shareholders.
- (5) The Audit Committee shall have the authority:
- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
  - (b) to set and pay the compensation for any advisors employed by the Audit Committee; and
  - (c) to communicate directly with the internal and external auditors.

**ITEM 2: COMPOSITION OF THE AUDIT COMMITTEE**

The current members of the Audit Committee are Roger Richer, Clive Johnson, and Tom Garagan. All of the members are financially literate and an independent member of the Audit Committee. "Independent" and "financially literate" have the meaning used in National Instrument 52-110 ("NI 52-110") of the Canadian Securities Administrators.

**ITEM 3: RELEVANT EDUCATION AND EXPERIENCE**

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

All of the members of the Corporation's Audit Committee are financially literate as that term is defined in NI 52-110. All members have an understanding of the accounting principles used by the Corporation to prepare its financial statements and have an understanding of its internal controls and procedures for financial reporting. In addition to each member's general business experience, the education and experience of each Audit Committee member relevant to the performance of his or her responsibilities as an Audit Committee member is as follows:

Clive Johnson's experience as Chief Executive Officer of B2Gold Corp. and Bema Gold Corporation and a director of the Bema group of companies has given him the required experience to understand and assess the general application of the accounting principles used by the Corporation and to understand internal controls and procedures for financial reporting.

Roger Richer has served as Executive Vice President, General Counsel of B2Gold Corp. since March 2007 and Secretary since December 2006. Mr. Richer manages the legal affairs, corporate records and corporate governance of B2Gold. Mr. Richer has over 30 years of experience in mining law, corporate finance and international business transactions and practices. Mr. Richer has served as a director and/or officer of several other public companies operating in the resource sector and has previous experience as an audit committee member. He has a Bachelor of Arts and a Bachelor of Law degree from the University of Victoria.

Tom Garagan has served as Senior Vice President of Exploration of B2Gold Corp. since March 2007. Mr. Garagan is a geologist with over 30 years of experience. Mr. Garagan was with Bema Gold from 1991 to 2007 and was appointed Vice President of Exploration in 1996. He has worked in North and South America, East and West Africa and Russia. Mr. Garagan currently serves as a director of Vanadian Energy Corp. and has served as a director and/or officer of several other public companies operating in the resource sector. Mr. Garagan has a Bachelor of Science (Honours) degree in geology from the University of Ottawa.

**ITEM 4: AUDIT COMMITTEE OVERSIGHT**

At no time since the commencement of the Corporation's financial year ended December 31, 2018 was a recommendation of the Audit Committee to nominate or compensate an external auditor (currently, PricewaterhouseCoopers LLP, Chartered Professional Accountants) not adopted by the Board.

**ITEM 5: RELIANCE ON CERTAIN EXEMPTIONS**

Since the effective date of NI 52-110, the Corporation has not relied on the exemptions contained in Section 2.4 or Part 8 of NI 52-110, in whole or in part. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

**ITEM 6: PRE-APPROVAL POLICIES AND PROCEDURES**

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board, and where applicable by the Audit Committee, on a case by case basis.

**ITEM 7: EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)**

The aggregate fees charged to the Corporation by the external auditor in each of the last two fiscal years are as follows:

	<b><u>FYE DEC 31, 2018</u></b>	<b><u>FYE DEC 31, 2017</u></b>
Audit fees for the year ended	\$12,600	\$6,825
Audit related fees <sup>(1)</sup>	\$9,975	Nil
Tax fees	Nil	Nil
All other fees (non-tax)	Nil	Nil
<b>Total Fees:</b>	<b>\$ 22,575</b>	<b>\$ 6,825</b>

*Note:*

(1) *Fees related to the review of the Corporation's March 31, 2018 financial statements and July 18, 2018 filing statement in regards to the Qualifying Transaction the Corporation completed in July 2018.*

**ITEM 8: EXEMPTION**

In respect of the financial years ended December 31, 2018, the Corporation is relying on the exemption set out in section 6.1 of NI 52-110.



**SCHEDULE "B"**  
**FORM 58-101F2**  
**CORPORATE GOVERNANCE DISCLOSURE**

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Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices*, BeMetals Corp. (the "**Corporation**") is required to and hereby discloses its corporate governance practices as follows.

**ITEM 1. BOARD OF DIRECTORS**

The Board of Directors (the "**Board**") of the Corporation facilitates its exercise of independent supervision over the Corporation's management through frequent meetings of the Board.

The Board is currently comprised of five (5) directors. Three of the directors are considered independent, namely Clive Johnson, Tom Garagan, and Roger Richer. John Wilton is not an independent director because of his position as Chief Executive Officer and President of the Corporation. Kristen Reinertson is not an independent director because of her position as Chief Financial Officer of the Corporation.

**ITEM 2. DIRECTORSHIPS**

The directors of the Corporation are currently directors of the following other reporting issuers:

<b>Name</b>	<b>Name of Reporting Issuer</b>
Clive Johnson	B2Gold Corp. Vanadian Energy Corp.
Tom Garagan	Vanadian Energy Corp.
Roger Richer	N/A
John Wilton	N/A
Kristen Reinertson	N/A

**ITEM 3. ORIENTATION AND CONTINUING EDUCATION**

The Board briefs all new directors with the policies of the Board of Directors, and other relevant corporate and business information. In particular, the Board oversees an orientation program to familiarize new directors with the Corporation's business and operations, including the Corporation's reporting structure, strategic plans, significant financial, accounting and risk issues and compliance programs and policies, management and the external auditors. The Board oversees ongoing education for all directors.

**ITEM 4. ETHICAL BUSINESS CONDUCT**

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

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer,

employee or agent of the Corporation or an affiliate of the Corporation, (ii) is for indemnity or insurance for the benefit of the director in connection with the Corporation, or (iii) is with an affiliate of the Corporation. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Corporation at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Corporation for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Corporation and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

#### **ITEM 5. NOMINATION OF DIRECTORS**

The Corporation has a Corporate Governance and Nominating Committee which currently consists of the following members: Roger Richer, Clive Johnson, and Tom Garagan, of which all are considered independent.

The Corporate Governance and Nominating Committee is responsible for identifying and recommending to the Board of Directors potential candidates to fill Board vacancies as and when they arise. The Corporate Governance and Nominating Committee shall recruit and consider candidates for directors, including any candidates recommended by shareholders, having regard for the background, employment and qualifications of possible candidates. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Corporation, the ability to devote the time required, shown support for the Corporation's mission and strategic objectives, and a willingness to serve.

In addition to its nomination function, the Corporate Governance and Nominating Committee is responsible for establishing and reviewing the Corporation's corporate governance practices and ensuring that the Company continues to conduct itself in a manner appropriate for that of a public company in accordance with its corporate governance practices.

#### **ITEM 6. COMPENSATION**

The Corporation has a Compensation Committee which currently consists of the following members: Clive Johnson, Roger Richer, and Tom Garagan, of which all are considered independent.

The primary function of the Compensation Committee is to monitor and make recommendations to the Board in respect of the total compensation paid by the Corporation to its senior executives and significant consultants. The Compensation Committee has reviewed and approved the "*Executive Compensation*" section above.

#### **ITEM 7. OTHER BOARD COMMITTEES**

The Board of Directors has no other committees other than the Audit Committee, the Compensation Committee, and the Corporate Governance and Nominating Committee.

#### **ITEM 8. ASSESSMENTS**

The Board assesses its needs with respect to rules and guidelines governing and regulating the affairs of the Board including the frequency and location of Board and committee meetings, procedures for establishing meeting agendas and the conduct of meetings, the adequacy and quality of the information provided to the Board prior to and during its meetings, and the availability, relevance and timeliness of discussion papers, reports and other information required by the Board.

The Board periodically reviews the competencies, skills and personal qualities of each existing director and the contributions made by each director to the effective operation of the Board and reviews any significant change in the primary occupation of the director.

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees.