



MacDonald Mines Exploration Ltd.

Notice of Annual and Special Meeting of Shareholders

Notice is hereby given that the **Annual and Special Meeting of Shareholders** (the “**Meeting**”) of MacDonald Mines Exploration Ltd. (the “**Company**”) will be held on Thursday, August 15, 2019 at 10:00 a.m. (Toronto time) at the offices of Wildeboer Dellelce LLP located at 365 Bay Street, Suite 800, Toronto, Ontario M5H 2V1 for the following purposes:

1. **TO RECEIVE** the financial statements of the Company for the fiscal year ended December 31, 2018 and the Auditors’ Report thereon;
2. **TO ELECT** the directors of the Company for the ensuing year;
3. **TO APPOINT** the auditors of the Company, and to authorize the board of directors to fix their remuneration;
4. **TO CONSIDER** and if deemed advisable, pass an ordinary resolution, substantially in the form set out in the accompanying information circular, re-approving the continued use of the Company’s 10% rolling stock option plan;
4. **TO TRANSACT** such other business as may properly come before the meeting.

Details of the foregoing matters are contained in the accompanying Management Information Circular of the Company.

The Company has determined to deliver this notice of meeting and the accompanying Management Information Circular and form of proxy (collectively, the “**Meeting Materials**”) to shareholders by posting the Meeting Materials online at <https://docs.tsxtrust.com/2052> in accordance with the notice and access notification mailed to shareholders of the Company. The use of the notice and access procedures under applicable securities laws will significantly reduce the Company’s printing and mailing costs.

The Meeting Materials will be available online at <https://docs.tsxtrust.com/2052> and will remain on the website for one full year. The Meeting Materials will also be available under the Company’s profile at www.SEDAR.com. All shareholders of the Company will receive a notice and access notification containing information on how to obtain electronic and paper copies of the Meeting Materials in advance of the Meeting. Shareholders wishing to receive paper copies of the Meeting Materials can request them from the Company by calling toll-free at 1-866-600-5869. The Company will mail paper copies of the Meeting Materials to requesting shareholders at no cost to them within three business days of their request, if such requests are made before the Meeting.

The board of directors has fixed Friday, July 5, 2019, as the record date for determining the shareholders who are entitled to receive notice and to vote at the meeting. Shareholders who are unable to attend the meeting in person are requested to read, complete, sign and mail the enclosed Form of Proxy to the Company’s Transfer Agent, TSX Trust Company Inc., Suite 301, 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, no later than by 10 a.m. (Toronto time) on Tuesday, August 13, 2019. Shareholders should notify TSX Trust Company Inc. of any change to their mailing address.

Shareholders who are unable to attend the Meeting in person are requested to complete, date, sign and return the accompanying form of proxy in the enclosed return envelope. All instruments appointing proxies to be used at the Meeting or at any adjournment thereof must be delivered to the registered office of the Company, Suite 1001, 145 Wellington Street West, Toronto, Ontario, Canada, M5J 1J1 or deposited with TSX Trust Company Inc., Suite 301, 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, by 10:00 a.m. (Toronto time) on August 13, 2019.

DATED this 2nd day of July 2019.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "Quentin Yarie"

Quentin Yarie, Chief Executive Officer and Director

INFORMATION CIRCULAR

(as of July 2, 2019)

Solicitation of Proxies

This Information Circular is furnished in connection with the solicitation of proxies by the management (the “**Management**”) of MacDonald Mines Exploration Ltd. (the “**Company**”) for use at the Annual and Special Meeting of the shareholders of the Company (the “**Shareholders**”) to be held on Thursday, August 15, 2019 at 10:00 a.m. (Toronto time), or at any adjournment thereof, for the purposes set forth in the accompanying notice of annual and special meeting of Shareholders (the “**Notice of Meeting**”) at the offices of Wildeboer Dellelce LLP located at 365 Bay Street, Suite 800, Toronto, Ontario M5H 2V1 (the “**Meeting**”). While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by the Company at nominal cost. All costs of solicitation by Management will be borne by the Company.

Notice and Access

The Company is utilizing the notice-and-access provisions of National Instrument 51-102 – “*Continuous Disclosure Obligations*” and National Instrument 54-101 – “*Communication with Beneficial Owners of Securities of a Reporting Issuer*” (“**NI 54-101**”) for the Meeting (“**Notice and Access**”). Notice and Access is a set of rules that permits the Company to reduce the volume of materials that must be physically mailed to shareholders by allowing the Company to deliver meeting materials to shareholders electronically by providing shareholders with access to these materials online.

In accordance with the Notice and Access provisions, a notice and a form of proxy or voting instruction form (the “**Notice Package**”) has been sent to all Shareholders informing them that this Information Circular is available online and explaining how this Information Circular may be accessed, in addition to outlining relevant dates and matters to be discussed at the Meeting. The Notice of Meeting, the Information Circular and the financial statements (collectively, the “**Proxy-Related Materials**”) have been made available online to Shareholders at <https://docs.tsxtrust.com/2052>, and under the Company’s SEDAR (the System for Electronic Document Analysis and Retrieval) profile at www.sedar.com. The Company will directly send the Notice Package to Non-Registered Holders (as hereinafter defined).

For the Meeting, the Company is using Notice and Access for both registered and non-registered (or beneficial) Shareholders. Neither registered Shareholders nor Beneficial Shareholders will receive a paper copy of this Information Circular unless they contact the Company after it is posted, in which case the Company will mail this Information Circular within three business days of any request provided the request is made *prior* to the meeting. Shareholders wishing to receive paper copies of the Proxy-Related Materials can request same from the TSX Trust Company by calling toll-free 1-866-600-5869. In order to ensure that a paper copy of the Information Circular can be delivered to a requesting Shareholder in time for such Shareholder to review the Information Circular and return a proxy or voting instruction form prior to the deadline to receive proxies, it is strongly suggested that Shareholders ensure their request is received by the Company no later than 5:00 p.m. (Toronto time) on August 13, 2019.

Appointment and Revocation of Proxies

The persons named as proxy-holder in the accompanying form of proxy, being Quentin Yarie, President and Chief Executive Officer and Tara Gilfillan, Chief Financial Officer, were designated by Management. **A Shareholder wishing to appoint another person (who need not be a Shareholder) to represent him or her at the Meeting has the right to do so, either by striking out the names of those persons named in the accompanying form of proxy and inserting the desired person's name in the blank space provided in the form of proxy or by completing another form of proxy.** A proxy to be valid must be deposited, together with the power of attorney or other authority, if any, under which it is signed or a notarized certified copy thereof, at the office of the Company's Transfer Agent and Registrar, TSX Trust

Company Inc., Suite 301, 100 Adelaide Street West, Toronto, Ontario, M5H 4H1 or by fax at 416-595-9593, or as otherwise instructed on the proxy, so that it is received no later than 10:00 a.m. (Toronto time) on Tuesday, August 13, 2019 or, in the event of an adjournment or postponement of the Meeting, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of holding the adjourned or postponed Meeting.

A Shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. In addition to revocation in any other manner permitted by law, a proxy may be revoked by either executing a form of proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Shareholder or by such Shareholder's authorized attorney in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized by a certified resolution authorizing the revocation, and by filing the form of proxy bearing a later date or the revocation of proxy either at the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, or by filing the form of proxy with TSX Trust Company Inc., Suite 301, 100 Adelaide Street West, Toronto, Ontario M5H 4H1, Fax: 416-595-9593, or by filing the revocation of proxy with the chairman of the Meeting on the day of the Meeting, or any adjournment thereof. In addition, a proxy may be revoked by the Shareholder personally attending the Meeting and voting.

Notice to Non-Registered Shareholders

The information set forth in this section is of significant importance to many Shareholders as a substantial number of them do not hold Shares in their own name. Only registered holders of Shares of the Company or the persons they validly appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Shares beneficially owned by a person (a "**Non-Registered Holder**") are registered either: (i) in the name of an intermediary (an "**Intermediary**") (including banks, trust companies, securities dealers or brokers and trustees or administrators of self-directed RRSPs, RRIFs, RESPs, TFSA's and similar plans) that the Non-Registered Holder deals with in respect of the Shares, or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited) of which the Intermediary is a participant.

Distribution to NOBOs

In accordance with the requirements of NI 54-101, the Company will have caused its agent to distribute copies of the Notice Package directly to those Non-Registered Holders who have provided instructions to an Intermediary that such Non-Registered Holder does not object to the Intermediary disclosing ownership information about the beneficial owner ("**Non-Objecting Beneficial Owner**" or "**NOBO**").

The Notice Package distributed by the Company's agent to NOBOs includes a voting instruction form. If you are a Non-Registered Holder, please carefully review the instructions on the voting instruction for, for completion and deposit.

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a Non-Registered Holder, and the Company or its agent has sent the Notice Package directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send the Notice Package to you directly, the Company (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.

Distribution to OBOs

In addition, the Company will have caused its agent to deliver copies of the Notice Package to the clearing agencies and Intermediaries for onward distribution to those Non-Registered Holders who have provided

instructions to an Intermediary that the beneficial owner objects to the Intermediary disclosing ownership information about the beneficial owner (“**Objecting Beneficial Owner**” or “**OBO**”).

Intermediaries are required to forward the Notice Package to OBOs unless the OBO has waived his or her right to receive them. Intermediaries often use service companies such as Broadbridge Investor Communications to forward the Notice Package to OBOs. Generally, those OBOs who have not waived the right to receive the Notice Package will either:

- (a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number of Shares beneficially owned by the OBO, but which is otherwise uncomplete. This form of proxy need not be signed by the OBO. In this case, the OBO who wishes to submit a proxy should properly complete the form of proxy and deposit it with the TSX Trust Company in the manner set out above in this Information Circular, with respect to the Shares beneficially owned by such OBO: or
- (b) more typically, be given a voting instruction form which, when properly completed and signed by the OBO and returned to the Intermediary or its service company, will constitute authority and instructions which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. The purpose of this procedure is to permit the OBO to direct the voting of Shares he or she beneficially owns.

Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the persons named in the form and insert the Non-Registered Holder’s name in the blank space provided. In either case, Non-Registered Holders should carefully follow the instructions, including those regarding when and where the proxy or voting instruction for is to be delivered.

The Company has determined not to pay the fees and costs of Intermediaries for their services in delivering the Notice Package to OBOs in accordance with NI 54-101.

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

Quorum

The presence of Shareholders or proxy-holders entitled to cast votes at the Meeting holding a minimum of 10% of the outstanding Shares (as defined herein) entitled to vote thereat will constitute a quorum. The Company’s list of Shareholders as of the Record Date (as defined below) has been used to deliver to Shareholders the Notice of Annual and Special Meeting of Shareholders and this Information Circular as well as to determine who is eligible to vote.

Voting of Proxies

Shares represented by properly executed proxies in favour of persons designated in the enclosed form of proxy **will be voted for the matters to be transacted at the Meeting, or withheld from voting or voted against, if so indicated on the form of proxy.**

The persons named in the enclosed form of proxy will vote the Shares in respect of which they are appointed in accordance with the direction of the Shareholders appointing them. **In the absence of such direction, such Shares will be voted FOR the appointment of auditors and for the directors to fix their remuneration, FOR the election of all directors noted below, and FOR the approval of the Company’s rolling Stock Option Plan (as defined herein).**

The enclosed form of proxy when properly completed and delivered, and not revoked, may confer discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations to matters referred to herein and with respect to other matters which may properly come before the Meeting. In the event amendments or variations to matters referred to herein are properly brought before the Meeting, or any further or other business is properly brought before the Meeting, it is the intention of the persons designated in the enclosed form of proxy to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Information Circular, the Management knows of no such amendment, variation or other matter, which may be presented at the Meeting.

Voting Securities and Principal Holders Thereof

The Company was incorporated pursuant to the *Quebec Mining Companies Act* as MacDonald Mines Limited on December 23, 1936 and continued as MacDonald Mines Exploration Ltd. from October 19, 1992 to October 31, 2011 pursuant to the *Companies Act* (Quebec). On November 1, 2011, the Company continued under the *Canada Business Corporations Act*. The Company's authorized capital consists of an unlimited number of Class "A" Common Shares (the "**Shares**") and an unlimited number of preference shares, issuable in series. As of the date of this Information Circular, there were 85,142,965 Shares issued and outstanding and no preference shares outstanding. Unless the Chairman of the Meeting elects to exercise discretion and accept subsequently received proxies, only Shareholders of record at 5:00 p.m. on July 5, 2019 (the "**Record Date**") who either personally attend the Meeting or who have completed and delivered a valid form of proxy in the manner and subject to the provisions described herein, will be entitled to vote or to have their Shares voted at the Meeting. Each Share carries one vote for all matters at the Meeting. To the knowledge of the directors and officers of the Company, as of the date of this Information Circular, no persons or companies beneficially own, directly or indirectly, or exercise control or direction over, voting securities carrying more than 10% of the voting rights attached to all outstanding Shares of the Company.

Particulars of Matters to be Acted Upon at the Meeting

Unless otherwise noted, approval of matters to be placed before this Meeting will be by an "ordinary resolution". An ordinary resolution is a resolution passed by a simple majority (50% plus 1) of the votes cast by Shareholders of the Company entitled to vote in person or represented by proxy.

(1) ELECTION OF DIRECTORS

The directors of the Company are all elected annually. Each director elected will hold office until the conclusion of the next annual general meeting of the Shareholders, unless a director's office is earlier vacated in accordance with the by-laws of the Company, or the provisions of the *Canada Business Corporations Act*. The Board has determined that the number of directors to be elected at the Meeting is three. The persons named in the following table are Management's nominees to the Board. The table also lists the year they became a director, their principal occupations or employment within the five preceding years, and the number of Shares of the Company beneficially owned, directly or indirectly, by each of them as of July 2, 2019. **Unless a proxy specifies that the Shares it represents are to be withheld from voting in favour of the candidates proposed below, the proxies named in the accompanying form of proxy intend to vote in favour of the candidates proposed below.**

Name, Province and Country of Residence and Position with the Company	Principal Occupation	Date First Appointed	No. of Shares Owned or Controlled ⁽¹⁾
Gordon McKinnon ⁽²⁾⁽³⁾ Ontario, Canada, <i>Director</i>	Chief Executive Officer, President and Director of Canadian Orebodies Inc. (March 2008 to present) President and CEO - Mineral Streams, private mineral royalty and streaming company (October 2013 to September 2015)	May 4, 2017	142,858 ⁽⁴⁾
Kevin Tanas ⁽²⁾⁽³⁾ , Ontario Canada <i>Director</i>	Principal Metals and Mining Consulting at Wood Mackenzie (January 2018 to present); Principal Mining Consultant and Vice President of Business Development - North America of RungePincockMinarco Global (September 2011 to January 2018)	May 4, 2017	Nil ⁽⁵⁾
Quentin Yarie ⁽²⁾ , Ontario, Canada <i>Director, President & CEO</i>	President & CEO, MacDonald Mines Exploration Ltd. (September 2015 to present)	February 7, 2011	3,631,710 ⁽⁶⁾

⁽¹⁾ Not being within the knowledge of the Company, the foregoing information has been furnished by the respective nominees individually.

⁽²⁾ Member of Audit Committee.

⁽³⁾ Member of Compensation Committee.

⁽⁴⁾ Gordon McKinnon also holds 71,429 warrants and 500,000 options.

⁽⁵⁾ Kevin Tanas also holds 500,000 options.

⁽⁶⁾ Quentin Yarie also holds 750,000 options.

Cease Trade Orders and Bankruptcies

To the best of the Company's knowledge, no proposed director of the Company is, or within 10 years before the date hereof, has been: (a) a director, chief executive officer or chief financial officer of any company that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days that was issued while the proposed director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. No proposed director: (a) is at the date hereof, or has been with 10 years before the date hereof, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.; or (b) has, or within 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

To the best of the Company's knowledge, no proposed director of the Company has been subject to any: (a) penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or (b) other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

(2) APPOINTMENT OF AUDITORS AND AUTHORIZE THE DIRECTORS TO FIX THEIR REMUNERATION

It is proposed to appoint MNP LLP, Chartered Accountants, of Toronto, Ontario as auditors of the Company for the fiscal year ending December 31, 2018, and to authorize the board of directors (the “**Board**”) to fix their remuneration. MSCM LLP, Chartered Accountants were first appointed as the Company’s auditors in 2003 when it was known as MNP LLP.

Unless such authority is withheld, the persons named in the enclosed Form of Proxy intend to vote FOR the appointment of MNP LLP, Chartered Accountants, as auditors of the Company for the fiscal year ending December 31, 2019 and to authorize the Board to fix their remuneration.

(3) RE-APPROVAL OF STOCK OPTION PLAN

The Board and Shareholders of the Company have previously approved the Company’s stock option plan (the “**Stock Option Plan**”) for the benefit of the directors, officers, employees and consultants of the Company that complies with the applicable rules and policies of the TSX Venture Exchange (the “**TSX-V**”).

The Stock Option Plan is a “rolling” plan as described in TSX-V Policy 4.4, that being a revolving or regenerating plan under which Shares not exceeding a fixed proportion of the Company’s issued and outstanding Shares may be reserved from time to time for issuance under the Stock Option Plan. Below is a summary of the Stock Option Plan. As required by TSX-V policies, “rolling” plans are subject to annual review and approval by the Shareholders. The Stock Option Plan was last approved by the Shareholders on June 28, 2018. The following is a summary of the Stock Option Plan:

- The maximum number of Shares to be issued pursuant to the Stock Option Plan shall not exceed 10% of the issued and outstanding Shares of the Company at the time of the stock option grant.
- The total number of Shares set aside for the exercise of options on behalf of one person shall at no time represent more than 5% of the Company’s issued and outstanding Shares.
- The exercise price of the Shares, upon exercise of each option granted under the Stock Option Plan, shall be at a price fixed for such options by the Board at the time of the respective grant, but such a price shall be not less than the greater of closing price on the day before the grant and \$0.10.
- Options granted have a maximum term of five years from the date of the grant.
- Options are non-assignable and non-transferable.
- Options vest immediately upon grant (subject to a four month and one day hold period).
- If an optionee ceases to be involved with the Company (other than as a result of termination with cause), any option held by such optionee may be exercised within 90 days from when such optionee ceases to be involved with the Company.
- In the event of optionee’s death, his or her heirs or administrators may exercise any portion of that outstanding option up to a period of one year from the date of the optionee’s death or the termination date of the option, whichever is earlier.
- The allotment of the Shares and the Company’s obligation to issue Shares pursuant to the Stock Option Plan are subject to the Company obtaining the required authorization from the applicable regulatory authorities pertaining to the allotment of those options, to the issuance and distribution of Shares under option, and if need be, to the listing of the Shares under option on any stock exchange on which the Company’s Shares are listed for trading. The Company shall expend its best efforts to obtain all of the required approvals to give effect to the Stock Option Plan.

Within the limitations set forth in the Stock Option Plan, the Board is authorized to provide for the grant, exercise, and method of exercise of options, all on such terms (which may vary as between options) as it shall determine. All decisions and interpretations made by the Board shall be binding and conclusive on

the Company and all persons eligible to participate in the Stock Option Plan. Shareholders are asked to pass the following ordinary resolution authorizing the re-approval of the Stock Option Plan:

“**BE IT HEREBY RESOLVED** as an ordinary resolution of the Company that:

1. the continued use of the Company’s existing stock option plan (the “**Plan**”), all as more particularly described in the management information circular dated July 2, 2019, is hereby ratified, confirmed and approved;
2. the Company be and is hereby authorized to grant stock options pursuant and subject to the terms and conditions of the Plan, entitling the option holders to purchase up to that number of common shares that is equal to 10% of the issued and outstanding shares of the Company at the time of the grant; and
3. any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal or otherwise all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the Plan required by the TSX Venture Exchange or applicable securities regulatory authorities and to complete all transactions in connection with the implementation of the Plan.”

The Board recommends that the Shareholders vote FOR the adoption of this resolution. In order to be approved, this resolution must be approved by not less than a majority of the votes cast at the Meeting. Unless a proxy specifies that the Shares it represents are to be withheld from voting in favour of the resolution proposed above, the proxies named in the accompanying form of proxy intend to vote in favour of this resolution.

(5) PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Management knows of no other matters as of the date of this Information Circular to come before the Meeting other than as set forth above. Should any other matters properly come before the Meeting, the Shares represented by the proxies solicited hereby will be voted on such matters in accordance with the best judgment of the person named as proxy-holder.

Statement of Corporate Governance Practices

The Board is of the view that the Company’s corporate governance policies and practices, outlined below, are consistent with the corporate governance guidelines set out in National Policy 58-201 – *Corporate Governance Guidelines*. The following disclosure is provided in accordance with the corporate governance disclosure prescribed by Form 58-101F2 of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (Venture Issuers).

The Board of Directors

National Instrument 58-101 defines an “independent director” as a director who has no direct or indirect material relationship with the Company. A “material relationship” is in turn defined as a relationship, which could, in the view of the Board, be reasonably expected to interfere with such member’s independent judgment. The Board shall be comprised of three members, of which two “independent directors” within the meaning of National Instrument 58-101. The two independent directors are Gordon McKinnon and Kevin Tanas. The remaining director is considered to be non-independent as they have a material relationship with the Company, Quentin Yarie, President and Chief Executive Officer, of the Company. Certain directors of the Company are also directors of other reporting issuers (or equivalent in a foreign jurisdiction) as follows:

<u>Name of Director</u>	<u>Other reporting issuer (or equivalent in a foreign jurisdiction)</u>
Gordon McKinnon	Canadian Orebodies Inc., Fox River Resources Corporation, Capha Pharmaceuticals Inc. and Noble Mineral Exploration Inc.
Kevin Tanas	Honey Badger Exploration Inc.
Quentin Yarie	Red Pine Exploration Inc., NextSource Materials Inc., Honey Badger Exploration Inc.

Orientation and Continuing Education

The Company does not provide a formal orientation and education program for new directors. New directors are given an opportunity to familiarize themselves with the Company by visiting the Company's corporate offices, meeting with other directors either personally or through phone conversations, reviewing the rules and regulations of the stock exchange where the Shares are listed, and reviewing the Company's by-laws and related documents. Moreover, new directors are invited to speak with the Company's solicitors and auditors to become familiar with their legal responsibilities.

Ethical Business Conduct

The role of the Board is to oversee the conduct of the Company's business, to set corporate policy and to supervise Management, which is responsible to the Board for the day-to-day conduct of business. However, given the size of the Company, material transactions are addressed at the Board level. The Board discharges five (5) specific responsibilities as part of its overall "stewardship responsibility". These are: *Strategic Planning Process*: given the Company's size, the strategic plan is elaborated directly by Management, with input from and assistance of the Board; *Managing Risk*: the Board directly oversees most aspects of the business of the Company and thus does not require the elaboration of "systems" or the creation of committees, other than the Audit Committee of the Board, to effectively monitor and manage the principal risks of all aspects of the business of the Company; *Appointing, Training, and Monitoring Senior Management*: no elaborate system of selection, training and assessment of Management has been established, as those measures would prove too costly; however, the Board closely monitors Management's performance, which is measured against the overall strategic plan, through reports by and regular meetings with Management; *Communication Policy*: it is and has always been the unwritten policy of the Board to communicate effectively with its Shareholders, other stakeholders, and the public generally through statutory filings and mailings, as well as news releases; the Shareholders are also given an opportunity to make comments or suggestions at Shareholder meetings; these comments and suggestions are then factored into the Board's decisions; and *Ensuring the integrity of the Company's Internal Control and Management Information System*: given the involvement of the Board in operations, the reports from and the meetings with Management, the Board can effectively track and monitor the implementation of approved strategies.

The Board's Relations with Management

Both the Chief Executive Officer and the President of the Company is a member of the Board, as is usual in a company of this size. The Board feels that this is not an impediment to the proper discharge of the Board's responsibilities. Furthermore, the frequent interaction between Management and Board members, both inside and outside of Board meetings, ensures that the Board is properly informed and the Board members' experience is brought to bear when needed by the Company. The Board is sensitive to corporate governance issues and seeks to set up the necessary structures to ensure the effective discharge of its responsibilities without creating additional overhead costs or reducing the return on Shareholders' equity. The Board remains committed to ensuring the long-term viability of the Company, as well as the well-being of its employees and to the communities in which it operates. The Board has also adopted a policy of permitting individual directors under appropriate circumstances to engage legal, financial or other expert advisors at the Company's expense.

Nomination of Directors, Assessment & Compensation

The Board performs the functions of a nominating committee with responsibility for the appointment and assessment of directors. The Board believes that this is a practical approach at this stage of the Company's development and given the size of the Board. While there are no specific criteria for Board membership, the Company attempts to attract and maintain directors with business expertise, and in particular, knowledge of mineral exploration, corporate law or finance. Nominations tend to be the result of recruitment efforts by Management or its directors, which are then presented to the Board for consideration. Annually the Board assesses the contribution of the Board as a whole and each individual Director, in order to determine whether each is functioning effectively. If prudent, changes are made. The Board determines the compensation for the Company's directors and officers, based on industry standards and the Company's financial situation. Other than stock options granted to directors from time to time, the directors currently do not receive any remuneration for their acting in such capacity.

Penalties and Sanctions and Personal Bankruptcies

To the best of the Company's knowledge, no proposed director of the Company is, or within 10 years before the date hereof, has been: (a) a director, chief executive officer or chief financial officer of any company that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days that was issued while the proposed director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. No proposed director: (a) is at the date hereof, or has been with 10 years before the date hereof, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, or within 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director. To the best of the Company's knowledge, no proposed director of the Company has been subject to any: (a) penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or (b) other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Audit Committee

National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators (“**NI 52-110**”) requires the Company, as a “venture issuer”, to disclose annually in its Information Circular the disclosure required by Form 52-110F2 with respect to the Company's Audit Committee, its auditors and certain other matters. The Audit Committee is the only standing committee of the Board.

Audit Committee Charter & Composition of the Audit Committee

The responsibilities and operation of the Audit Committee are set out in the Company's Audit Committee Charter, a copy of which is included as Appendix A of this Information Circular. The Board has established an Audit Committee which was comprised of three directors during 2018: Tara Gilfillan (Chair of the Audit Committee), Gordon McKinnon and Kevin Tanas, all of whom are financially literate for purposes of National Instrument 52-110, and all are independent directors. Tara Gilfillan resigned from the Board

effective May 1, 2019. Quentin Yarie has replaced Ms Gilfillan on the Audit Committee. Mr. Yarie is not considered independent as he is the Chief Executive Officer of the Company. As a “venture issuer” for purposes of National Instrument 52-110, the Company is relying on an exemption provided in section 6.1 thereunder from certain requirements regarding the composition of the audit committee, including the requirement that all members qualify as “independent”.

Relevant Education and Experience

Gordon McKinnon

Mr. McKinnon is currently serving as President, CEO and a Director of Canadian Orebodies Inc. He is a principal of McKinnon Prospecting Ltd., a private exploration company, and a Director of Capha Pharmaceuticals Inc., Fox River Resources Corporation, and Noble Mineral Exploration Inc. Gordon was a co-founder of Mineral Streams Inc., a private mineral royalty company that was recently sold to AuRico Metals Inc. Prior to joining Canadian Orebodies, he served as Manager of Corporate Development with Baltic Resources Inc., a company which was acquired for over \$70M. Gordon graduated with an Honours Bachelor degree in Management and Organizational Studies from the University of Western Ontario in 2006.

Kevin Tanas

Mr. Tanas currently serves as Principal, Metals and Mining Consulting for Wood Mackenzie and previously held the position of Vice President of Business Development – North America, and Principal Mining Consultant of RungePincockMinarco Global, a global technical advisory consulting firm. Kevin’s 18 years of experience has encompassed project development, conceptual to detailed engineering, commissioning and operational stages of open pit and underground deposits. His expertise lies in mine design and planning, due diligence review, construction monitoring, and financial modeling. Kevin has acted in a project management capacity and as a Qualified Person providing technical services to base metals, precious metals, iron ore, lateritic ore, coal, and energy sectors. His operational and consulting experience spans North America, South America, Africa and Australia.

Quentin Yarie

Currently, Quentin Yarie occupies the position of President, Chief Executive Officer & Director at Red Pine Exploration, Inc., Chief Executive Officer of Augustine Ventures, Inc. (a subsidiary of Red Pine Exploration, Inc.) and President, Chief Executive Officer & Director at MacDonald Mines Exploration Ltd. He is also on the board of NextSource Materials, Inc. and President, Chief Executive Officer & Director at Honey Badger Exploration, Inc. Mr. Yarie previously was Head-Business Development of Geotech Ltd. and Head-Sales & Business Development at Aeroquest Ltd. (a subsidiary of Geotech Ltd.). Quentin Yarie received an undergraduate degree from Saskatchewan Institute of Applied Science & Technology.

In addition to the background and experience noted with respect to each member of the Audit Committee, all members of the Audit Committee have direct access to the Company’s auditors and to Management in order to raise questions, seek clarifications and otherwise assess the Company’s financial statements and its financial reporting procedures and policies.

Audit Committee Oversight

Since January 1, 2018, the commencement of the Company's fiscal year, to its year ended December 31, 2018, all recommendations of the Audit Committee to nominate or compensate an external auditor were adopted by the Board. The Audit Committee has not adopted any specific policies and procedures regarding the engagement of non-audit services but does review such matters as they arise.

External Auditor Service Fees (By Category)

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

Fiscal year Ended	Audit Fees (1)	Audit Related Fees (2)	Tax Fees (3)	All Other Fees (4)
December 31, 2018	\$ 28,130	Nil	\$ 3,500	Nil
December 31, 2017	\$ 16,725	Nil	\$ 2,000	Nil

Notes:

- (1) The aggregate fees billed for audit services.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit of the Company’s financial statements and are not disclosed in the “Audit Fees” column.
- (3) The aggregate fees billed for tax compliance, tax advice, and tax planning services.
- (4) The aggregate fees billed for professional services other than those listed in the other columns.

Reliance on Certain Exemptions

Since January 1, 2018, the commencement of the Company’s fiscal year, to its year ended December 31, 2018, the Company has not relied on an exemption provided under National Instrument 52-110 whereby approval for a *de minimis* amount of non-audit services is not required, nor has the Company obtained or relied upon any exemption from a securities regulatory authority or regulator from the requirements of National Instrument 52-110, other than the exemption in Section 6.1 of that Instrument.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation of Executive Officers

Under applicable securities legislation, the Company is required to disclose certain financial and other information relating to the compensation of the Chief Executive Officer (“**CEO**”), Chief Financial Officer (“**CFO**”) and the most highly compensated executive officer, other than the CEO and CFO, who was serving as an executive officer at the end of financial year ended December 31, 2018 and whose total compensation exceeded \$150,000, for that financial year (collectively, “**NEO**” or the “**Named Executive Officers**”) and for the directors of the Company.

As of the year-ended December 31, 2018 the Company had 2 individuals that qualified as NEOs: Quentin Yarie, President and CEO, and Petra Decher, interim CFO.

Compensation of Directors

The directors of the Company have no standard compensation arrangements, or any other arrangements, with the Company directors do not receive any fee-based compensation in their capacities as a director although they are eligible to participate in the Stock Option Plan. Other than as disclosed below, the directors had no arrangements with the Company where they were compensated for services as consultants or experts. Compensation to directors who do provide services in the normal course of business are approved by Management. Compensation to NEOs who also act as directors is disclosed under the heading “Statement of Executive Compensation” above.

The following table is a summary of the compensation paid, directly or indirectly, to the Named Executive Officers and directors of the Company for the two most recently completed financial years.

COMPENSATION EXCLUDING COMPENSATION SECURITIES							
Name and Position	Fiscal Year	Salary, Consulting Fees, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of All other compensation (\$)	Total compensation (\$)
Quentin Yarie <i>President & Chief Executive Officer, Director</i>	2018	\$45,319	Nil	Nil	Nil	\$35,988	\$81,307
	2017	\$84,000	12,000	Nil	Nil	\$129,825	\$225,825
Petra Decher ⁽¹⁾⁽²⁾ CFO	2018	51,318	Nil	Nil	Nil	\$23,882	\$75,200
Tara Gilfillan ⁽¹⁾⁽³⁾ , <i>Director</i>	2018	Nil	Nil	Nil	Nil	\$29,990	\$29,990
	2017	Nil	Nil	Nil	Nil	\$43,275	\$43,275
Gordon McKinnon <i>Director</i>	2018	Nil	Nil	Nil	Nil	\$17,994	\$17,994
	2017	Nil	Nil	Nil	Nil	\$34,620	\$34,620
Kevin Tanas <i>Director</i>	2018	Nil	Nil	Nil	Nil	\$17,994	\$17,994
	2017	Nil	Nil	Nil	Nil	\$34,620	\$34,620

Notes:

- (1) Ms Decher resigned effective May 1, 2019. Ms Tara Gilfillan was appointed to replace Ms Petra Decher effective May 2, 2019.
- (2) Ms Gilfillan resigned effective May 1, 2019.

Stock Options and Other Compensation Securities

During the financial year ended December 31, 2018, the following compensation securities were granted or issued to the directors and Named Executive Officers by the Company:

COMPENSATION SECURITIES							
Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities and Percentage of Class	Date of Issue or Grant	Expiry Date	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant (\$)	Closing Price of Security or Underlying Security at year end (\$)
Quentin Yarie <i>President & Chief Executive Officer, Director</i>	Stock Option	600,000 10%	July 18, 2018	July 23, 2023	0.09	0.06	0.03
Petra Decher ⁽¹⁾ , CFO	Stock Option	300,000 5%	July 18, 2018	July 23, 2023	0.09	0.06	0.03
Tara Gilfillan, ⁽¹⁾⁽²⁾ <i>Director</i>	Stock Option	500,000 8%	May 5, 2017	July 23, 2023	0.09	0.06	0.03
Gordon McKinnon <i>Director</i>	Stock Option	300,000 5%	July 18, 2018	July 23, 2023	0.09	0.06	0.03
Kevin Tanas <i>Director</i>	Stock Option	300,000 5%	July 18, 2018	July 23, 2023	0.09	0.06	0.03

Notes:

- (1) Ms. Petra Decher was appointed CFO effective January 1, 2018. Ms Decher resigned effective May 1, 2019. Ms Tara Gilfillan was appointed to replace Ms Petra Decher effective May 2, 2019
- (2) Ms Gilfillan resigned as director effective May 1, 2019

During the financial year ended December 31, 2018, the following compensation securities were exercised by the directors and Named Executive Officers of the Corporation:

COMPENSATION SECURITIES EXERCISED							
Name and Position	Type of Compensation Security	Number of Underlying Securities Exercised	Date of Exercise	Exercise Price per Security (\$)	Closing Price per Security on Date of Exercise (\$)	Difference Between Exercise Price and Closing Price on Date of Exercise (\$)	Total Value on Exercise Date (\$)
Quentin Yarie <i>President & Chief Executive Officer, Director</i>	-	-	-	-	-	-	-
Petra Decher ⁽¹⁾ <i>CFO</i>	-	-	-	-	-	-	-
Tara Gilfillan, ⁽¹⁾⁽²⁾ <i>Director</i>	-	-	-	-	-	-	-
Gordon McKinnon <i>Director</i>	-	-	-	-	-	-	-
Kevin Tanas <i>Director</i>	-	-	-	-	-	-	-

Notes:

- (1) Petra Decher was appointed CFO effective January 1, 2018. Petra Decher resigned effective May 1, 2019. Ms Tara Gilfillan was appointed to replace Petra Decher effective May 2, 2019.
- (2) Tara Gilfillan resigned as director effective May 1, 2019.

Compensation Discussion and Analysis

The main objectives of the Company's compensation program are: (a) to offer a competitive compensation program that will attract and retain senior management with qualifications critical to the Company's long-term success; and (b) to develop a sense of ownership in employees/consultants, thereby encouraging all employees/consultants to act in the best interest of the Company and create shareholder value. The Company does not have a formal compensation program. Compensation packages are designed to encourage and reward employees/consultants on the basis of individual and corporate performance, both in the short and long term and to align their interests with Shareholder's interests. In addition to a salary/consulting fee providing a certain level of income, executive officers and consultants participate in the Stock Option Plan (on the assumption that the performance of the Share price over the long term is an important indicator of long term performance). In order to conserve the Company's cash position, periodically employees/consultants will receive shares in lieu of cash consideration.

Option-based awards

Due to its size, the Company does not have a compensation committee. The Board reviews the performance of the Company from time to time and the level of Option-Based Awards is then determined taking into consideration corporate and individual performance. Previous grants of Option-Based Awards are also taken into consideration in making this determination. The Company has not adopted a formal policy with respect to the purchase of financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by NEOs or directors; however, the Board would strongly discourage such practice by any NEO or director and the Board is not aware of any such instrument having ever been purchased by a NEO or director.

Compensation Table – Narrative Discussion

The Company's NEOs are compensated in several ways. The forms of compensation received are: (a) salary and/or consulting fees which are primarily based on the amount of time spent working on Company matters and on the achievements made by the Company during the year. This could include stock appreciation, the geological prospects of the Company's land holdings, the amount of capital raised during

the year and various other factors; (b) stock options are awarded in order to provide the NEOs continuing incentive to assist in achieving the Company's short term and long term goals and objectives; and (c) Shares issued by the Company in lieu of salary or consulting fees in order to conserve the Company's limited cash resources. All types of compensation are in place to both attract and retain key personnel and to provide incentive to achieve the Company's goal's, one of which is the appreciation of the Company's stock price. The amount of compensation given to NEOs is based upon an assessment of compensation paid the similar individuals in companies who are in a similar business to the Company. While no formal benchmark is followed, the Board primarily reviews a basket of junior mining companies listed on the TSX-V.

Pension Arrangements

The Company does not have any pension arrangements in place for its NEOs.

STOCK OPTIONS GRANTED AND OUTSTANDING

The following table sets out the number of Shares reserved for issuance under the Company's Stock Option Plan, the weighted average exercise price, and the number of Shares available for issuance as of December 31, 2018.

	Number of Securities to be Issued Upon Exercise of Outstanding Options	Weighted Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities in Column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by security holders (the only such plan is the Stock Option Plan)	6,016,500	\$0.134	2,497,797 ⁽¹⁾
Equity compensation plans not approved by security holders (the Company does not have any such plan)	Nil	Nil	Nil
Total	6,016,500	\$0.134	2,497,797 (1)

(1) Based on 85,142,965 Shares issued and outstanding as at December 31, 2018, which allows for the reservation of up to 8,514,297 Shares pursuant to the grant of stock options on the basis that the stock options granted under the Stock Option Plan may not exceed 10% of the number of outstanding Shares at any given time.

The following options to purchase Shares of the Company have been granted to certain directors, officers, employees and consultants, such options being exercisable for a period of up to a maximum five years from the grant date at exercise prices which were, on the business day immediately preceding the grant dates, not less than the greater of market price of the Shares and \$0.10. As at July 2, 2019, options exercisable to purchase 3,820,500 shares of the Company are outstanding as follows:

Number of Options	Exercise Price (\$)	Expiry Date
3,191,500	0.175	May 5, 2022
300,000	0.075	February 20, 2023
656,000	0.090	July 18, 2023

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, no executive officer, nor any of their respective associates or affiliates is or has been at any time indebted to the Company or any of its subsidiaries.

MANAGEMENT CONTRACTS

No senior management functions of the Company were performed to any substantial degree by any person other than the directors and executive officers of the Company or its subsidiaries.

PRESENTATION OF FINANCIAL STATEMENTS

The audited financial statements of the Company for the financial year ended December 31, 2016 and the report of the external auditor thereon will be placed before the Meeting. Receipt at the Meeting of reports to the directors and auditors and the Company's financial statements for its last completed financial year and the auditors' report thereon will not constitute approval or disapproval of any matters referred to therein.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no Director or Officer of the Company, no proposed nominee for election to the Board, no person owning or exercising control over more than 10% of the Company's issued and outstanding Shares, and no associate or affiliate of any such person has had any material interest, direct or indirect, in any material transaction involving the Company within the fiscal year ended December 31, 2016.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed herein, no Director or Officer of the Company, no proposed nominee for election as a Director of the Company, nor any associate or affiliate of such persons, 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.

ADDITIONAL INFORMATION

Additional information relating to the Company is filed on the System for Electronic Data Analysis and Retrieval ("SEDAR") and can be accessed on the internet at www.sedar.com. Financial information is provided in the Company's comparative financial statements and in its management discussion and analysis ("MD&A") for its most recently completed financial year. Shareholders may obtain copies of such financial statements and MD&A on SEDAR at the website www.sedar.com, or by mailing a request to: MacDonald Mines Exploration Ltd., Suite 1001, 145 Wellington Street West, Toronto, Ontario, Canada, M5J 1J1.

DIRECTORS' APPROVAL

The contents of this Notice of Meeting and Information Circular have been approved by the Board.

DATED the 2nd day of July, 2019.

ON BEHALF OF THE BOARD OF DIRECTORS:

(signed) "Quentin Yarie"

Appendix “A” AUDIT COMMITTEE CHARTER

General and Authority - The Audit Committee (the “**Committee**”) is appointed by the Board of Directors of MacDonald Mines Exploration Ltd. (the “**Corporation**”). The Committee is a key component of the Corporation’s commitment to maintaining a higher standard of corporate responsibility. The Committee shall review the Corporation’s financial reports, internal control systems, the management of financial risks and the external audit process. It has the authority to conduct any investigation appropriate to its responsibilities. The Committee shall have the authority to: engage independent counsel and other advisors as it determines necessary to carry out its duties; set and pay the compensation for advisors employed by the Committee; and communicate directly with the internal and external auditors.

Overseeing the External Audit Process – (a) the Committee shall recommend to the Board the external auditor to be nominated, shall set the compensation for the external auditor and shall ensure that the external auditor reports directly to the Committee, (b) the Committee shall be directly responsible for overseeing the work of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting, (c) the Committee shall review the external auditor’s audit plan, including scope, procedures and timing of the audit, (d) the Committee shall pre-approve all non-audit services to be provided by the external auditor, (e) the Committee shall review and approve the Corporation’s hiring policies regarding partners, employees and former partners and employers of the present and former external audit, and (f) the Committee shall review fees paid by the Corporation to the external auditor and other professionals in respect of audit and non-audit services on an annual basis.

Financial Reporting and Internal Controls – (a) The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with generally accepted accounting principles, that the information contained therein is not erroneous, misleading or incomplete and that the audit function has been effectively carried out, (b) the Committee shall report to the Board with respect to its review of the annual audited financial statements and recommend to the Board whether or not same should be approved prior to their being publicly disclosed, (c) the Committee shall review the Corporation’s annual and interim financial statements, management’s discussion and analysis relating to annual and interim financial statements, and earnings press releases prior to any of the foregoing being publicly disclosed by the Corporation, (d) the Committee shall satisfy itself that adequate procedures are in place for the review of the Corporation’s public disclosure of financial information extracted or derived from the Corporation’s financial statements other than the disclosure referred to in Section 3.2(c) of this Charter, and periodically assess the adequacy of these procedures, (e) the Committee shall oversee any investigations of alleged fraud and illegality relating to the Corporation’s finances, (f) the Committee shall establish procedures for: (1) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and (2) the confidential, anonymous submission by employees of the Corporation or concerns regarding questionable accounting or auditing matters, and (g) the Committee shall meet no less frequently than annually with the external auditor and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls, auditing matters and such other matters as the Committee deems appropriate.

Risk Management and Other Responsibilities - The Committee shall inquire of management and the external auditor regarding significant risks or exposures to which the Corporation may be subject, and shall assess the adequacy of the steps management has taken to minimize such risks. The Committee shall perform any other responsibilities consistent with this charter and any applicable laws as appropriate.

Composition - The Committee shall be composed of three or more directors, the majority of whom are not employees, Control Persons or officers of the Corporation or any of its Associates or Affiliates, as such

capitalized terms are defined by the TSX Venture Exchange, (b) if at any time, the Corporation ceases to be exempt from Part 3 of Multilateral Instrument 52-100 - Audit Committees, every audit committee member shall be Independent, as such term is defined in said Instrument, (c) notwithstanding Sections 4.1(a) and 4.1(b) of this Charter, the Committee and its membership shall at all times be so constituted as to meet all current, applicable legal, regulatory and listing requirements, including, without limitation, securities laws and the requirements of the TSX and the TSX Venture Exchange and of all applicable securities regulatory authorities, and (d) committee members shall be appointed by the Board from time to time. One member shall be designated by the Board to serve as Chair.

Meetings – (a) The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable laws. A minimum of two and at least 50% of the members present either in person or by telephone shall constitute a quorum. Further, in order for a quorum to be constituted, the majority of members present must not be employees, Control Persons or officers of the Corporation or any of its Associates or Affiliates, as such capitalized terms are defined by the TSX Venture Exchange, (b) if and whenever a vacancy in the Committee shall exist, the remaining members may exercise all of its powers and responsibilities provided that a quorum (as herein defined) remains in office, (c) the time and place at which meetings of the Committee shall be held, and the procedures at such meetings, shall be determined from time to time by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile or electronic means, by giving 48 hours notice, or such greater notice as may be required under the Corporation's By-Laws, provided that no notice shall be necessary if all the members are present either in person or by telephone or if those absent have waived notice or otherwise indicated their consent to the holding of such meeting, (d) the Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person, who need not be a member, to act as a secretary at any meeting, (e) the Committee may invite such officers, directors and employees of the Corporation as it deems appropriate, from time to time, to attend meetings of the Committee, (f) Any matters to be determined by the Committee shall be decided by a majority of the votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all members of the Committee, and such actions shall be effective as though they had been decided by a majority of the votes cast at a meeting of the Committee called for such purpose.

Reporting to the Board - The Committee shall report regularly to the Board on Committee activities, findings and recommendations. The Committee is responsible for ensuring that the Board is aware of any matter that may have a significant impact on the financial condition or affairs of the Corporation.

Continued Review of the Charter - The Committee shall review and assess the continued adequacy of this Charter annually and submit such proposed amendments as the Committee sees fit to the Board for its consideration.