



**ANACONDA MINING INC.**

**NOTICE OF MEETING**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**WITH RESPECT TO**

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

**TO BE HELD ON THURSDAY, MAY 12, 2022**

Dated April 1, 2022



ANACONDA MINING INC.

NOTICE OF ANNUAL AND SPECIAL GENERAL MEETING  
OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that the annual and special meeting (the “**Meeting**”) of the shareholders of Anaconda Mining Inc. (the “**Corporation**”) will be held on May 12, 2022 virtually via live audio webcast available online using the TSX meeting platform at <https://virtual-meetings.tsxtrust.com/1275> (Meeting ID#1275) at 10:00 a.m. (Toronto time) for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for the financial year ended December 31, 2021, together with the auditors’ report thereon;
2. to elect the directors of the Corporation for the ensuing year;
3. to appoint PricewaterhouseCoopers LLP as the auditors of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix the remuneration to be paid to the auditors;
4. to consider and, if deemed advisable, to approve, with or without variation, a special resolution, the text of which is set forth in the accompanying management information circular (the “**Circular**”), to amend to the articles of the Corporation to effect a change of its name from “Anaconda Mining Inc.” to “Signal Gold Inc.”, or such other name as the board of directors of the Corporation in its discretion may resolve and as may be acceptable to applicable regulatory authorities, including the Toronto Stock Exchange; and
5. to transact such other business as may properly come before the Meeting or any adjournment thereof.

A “special resolution” is a resolution passed by a majority of not less than two-thirds of the votes cast by shareholders who voted in respect of that resolution at the Meeting.

Accompanying this notice of meeting (“**Notice of Meeting**”) are the management information circular and a form of proxy, which includes a request form for use by shareholders who wish to receive annual financial statements of the Corporation.

**With the ongoing impact of the COVID-19 pandemic, the Corporation has decided to conduct the Meeting virtually** via live audio webcast to ensure the health and safety of shareholders, employees and the communities in which we live. The Board of Directors and management of the Corporation believe that enabling shareholders to attend the Meeting virtually will also lead to greater shareholder attendance and participation.

Shareholders will be able to listen to the Meeting, all in real time, via live webcast available online using the TSX meeting platform at <https://virtual-meetings.tsxtrust.com/1275> (Meeting ID#1275; Password: anaconda2022). Registered shareholders and duly appointed proxy holders who participate in the Meeting virtually will also be able to ask questions and vote. Shareholders will be able to access the Meeting using an internet connected device such as a laptop, computer, tablet or mobile phone, and the Meeting platform will be supported across browsers and devices that are running the most updated version of the applicable software plugins (except for Internet Explorer).

It is important to note that shareholders accessing the Meeting virtually must remain connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure internet connectivity for the duration of the Meeting.

Following the conclusion of the formal business to be conducted at the Meeting, the Corporation will invite questions and comments from registered shareholders and duly appointed proxy holders participating through the TSX meeting platform who may submit their questions or comments by clicking on the “Ask a Question” button within the TSX meeting platform to type their message or question. Messages or questions can be submitted at anytime during the Q&A session and until such time as the Chair ends the session.

**The Corporation urges all shareholders to vote by proxy in advance of the Meeting in accordance with the instructions set out below and to participate in the Meeting virtually using the details provided below:**

Date and Time: Thursday, May 12, 2022, at 10:00 a.m. (Toronto time)

Webcast: <https://virtual-meetings.tsxtrust.com/1275>

Meeting ID: 1275

Meeting Password: anaconda2022

ANACONDA MINING INC.

NOTICE OF ANNUAL AND SPECIAL GENERAL MEETING  
OF SHAREHOLDERS

\*Participants should log in approximately 10 to 15 minutes prior to the scheduled start time.

Registered shareholders and duly appointed proxyholders are entitled to vote at the Meeting may attend and vote at the Meeting virtually by following the steps listed below:

1. Type in <https://virtual-meetings.tsxtrust.com/1275> on your browser at least 10 to 15 minutes before the Meeting starts.
2. Click on “**I have a control number**”.
3. Enter your 12-digit control number (on your proxy form).
4. Enter the Meeting Password: anaconda2022 (case sensitive).
5. When the ballot is opened, click on the “Voting” icon. To vote, simply select your voting direction from the options shown on screen and click “**Submit**”. A confirmation message will appear to show your vote has been received.

Beneficial shareholders entitled to vote at the Meeting may attend and vote at the Meeting virtually by following the steps listed below:

1. Appoint yourself as proxyholder by writing your name in the space provided on the form of proxy or Voting Instruction Form (“**VIF**”).
2. Sign and send it to your intermediary by the voting deadline, following the submission instructions on the VIF.
3. Obtain a control number by contacting TSX Trust Company by emailing [tsxtrustproxyvoting@tmx.com](mailto:tsxtrustproxyvoting@tmx.com) the “Request for Control Number” form, which can be found at <https://tsxtrust.com/resource/en/75>.
4. Type in <https://virtual-meetings.tsxtrust.com/1275> on your browser at least 10 to 15 minutes before the Meeting starts.
5. Click on “**I have a control number**”.
6. Enter the control number provided by email from [tsxtrustproxyvoting@tmx.com](mailto:tsxtrustproxyvoting@tmx.com).
7. Enter the Meeting Password: anaconda2022 (case sensitive).
8. When the ballot is opened, click on the “Voting” icon. To vote, simply select your voting direction from the options show on screen and click “**Submit**”. A confirmation message will appear to show your vote has been received.

If you are a registered shareholder of the Corporation and unable to attend the Meeting, please exercise your right to vote by: (a) completing, dating, signing and returning the form of proxy in the enclosed proxy return envelope to TSX Trust Company, 100 Adelaide Street West, Suite 301, Toronto, Ontario, Canada, M5H 4H1, (b) logging on to [www.voteproxyonline.com](http://www.voteproxyonline.com) and entering your control number as instructed on the login page, or (c) faxing the completed form of proxy to (416) 595-9593. A completed proxy must be received at TSX Trust Company no later than 10:00 a.m. (Toronto time) on May 10, 2022 or at least 48 hours (excluding Saturdays, Sundays and holidays) preceding any adjournment of the Meeting. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxies.

If you are a non-registered shareholder of the Corporation and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your securities on your behalf (an “**intermediary**”), please complete and return the materials in accordance with the instructions provided to you by your intermediary.

**ANACONDA MINING INC.**

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

Guests can also listen to the Meeting by following the steps below:

1. Type in <https://virtual-meetings.tsxtrust.com/1275> on your browser at least 10 to 15 minutes before the Meeting starts.
2. Click on “**I am a Guest**”.

If you have any questions or require further information with regard to voting your Shares, please contact TSX Trust Company toll-free in North America at 1-866-600-5869 or by email at [tsxtis@tmx.com](mailto:tsxtis@tmx.com).

**BY ORDER OF THE BOARD**

*“Jonathan Fitzgerald”*

Jonathan Fitzgerald

Chairman of the Board of Directors

Toronto, Ontario  
April 1, 2022

## MANAGEMENT INFORMATION CIRCULAR

April 1, 2022

### GENERAL PROXY INFORMATION

This management information circular (the “**Circular**”) has been prepared by management of Anaconda Mining Inc. (the “**Corporation**”) to everyone who was a shareholder of record of the Corporation on March 23, 2022 (the “**Record Date**”), which is the date that has been fixed by the Board of Directors of the Corporation as the date to determine the shareholders who are entitled to receive notice of and to vote at the Meeting (as defined below).

This Circular is furnished in connection with the solicitation by management of Anaconda Mining Inc. of proxies to be used at the annual and special meeting (the “**Meeting**”) of the shareholders of the Corporation to be held on May 12, 2022 virtually via live audio webcast available online using the TSX meeting platform at <https://virtual-meetings.tsxtrust.com/1275> (Meeting ID#1275; Password: anaconda2022), at 10:00 a.m. (Toronto time) for the purposes set forth in the notice of the Meeting that accompanies this Circular (the “**Notice of Meeting**”). It is expected that the solicitation will be made primarily by mail, using notice and access, but proxies may also be solicited personally by directors, officers or regular employees of the Corporation. The total cost of the solicitation will be borne directly by the Corporation.

**With the ongoing public health impact of the COVID-19 pandemic, the Corporation is conducting the Meeting virtually** via live audio webcast to ensure the health and safety of shareholders, employees and the communities in which we live. The Board of Directors and management of the Corporation believe that enabling shareholders to attend the Meeting virtually will also lead to greater shareholder attendance and participation.

Shareholders will be able to listen to the Meeting, all in real time, via live audio webcast available online using the TSX meeting platform at <https://virtual-meetings.tsxtrust.com/1275>. Registered shareholders and duly appointed proxy holders who participate in the Meeting virtually will also be able to ask questions and vote. Shareholders will be able to access the Meeting using an internet connected device such as a laptop, computer, tablet or mobile phone, and the Meeting platform will be supported across browsers and devices that are running the most updated version of the applicable software plugins (except for Internet Explorer).

If you are a non-registered shareholder who intends to vote at the virtual meeting, you will need to appoint yourself as per the instructions on the Voter Information Form (“**VIF**”)/proxy, complete the Request for Control Number form (<https://tsxtrust.com/resource/en/75>) and submit the form to TSX Trust at [tsxtrustproxyvoting@tmx.com](mailto:tsxtrustproxyvoting@tmx.com) in advance of the proxy cut-off. TSX Trust will provide you with a unique control number that will allow you to log in and vote at the meeting. If you are a non-registered shareholder and you do not follow these instructions you will only be able to log in as a guest.

It is important to note that shareholders accessing the Meeting virtually must remain connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure internet connectivity for the duration of the Meeting.

Following the conclusion of the formal business to be conducted at the Meeting, the Corporation will invite questions and comments from registered shareholders and duly appointed proxy holders participating through the TSX meeting platform who may submit their questions or comments by clicking on the “Ask a Question” button within the TSX meeting platform to type their message or question. Messages or questions can be submitted at anytime during the Q&A session and until such time as the Chair ends the session.

**The Corporation urges all shareholders to vote by proxy in advance of the Meeting in accordance with the instructions set out below and participate in the Meeting virtually using the details provided below:**

Date and Time:	Thursday, May 12, 2022, at 10:00 a.m. (Toronto time)
Webcast:	<a href="https://virtual-meetings.tsxtrust.com/1275">https://virtual-meetings.tsxtrust.com/1275</a>
Meeting ID:	1275
Meeting Password:	anaconda2022

\*Participants should log in approximately 10 to 15 minutes prior to the scheduled start time.

Registered shareholders and duly appointed proxy holders entitled to vote at the Meeting may attend and vote at the Meeting virtually by following the steps listed below:

1. Type in <https://virtual-meetings.tsxtrust.com/1275> on your browser at least 10 to 15 minutes before the Meeting starts.
2. Click on **“I have a control number”**.
3. Enter your 12-digit control number (on your proxy form).
4. Enter the Meeting Password: anaconda2022 (case sensitive).
5. When the ballot is opened, click on the “Voting” icon. To vote, simply select your voting direction from the options shown on screen and click **“Submit”**. A confirmation message will appear to show your vote has been received.

Beneficial shareholders entitled to vote at the Meeting may attend and vote at the Meeting virtually by following the steps listed below:

1. Appoint yourself as proxyholder by writing your name in the space provided on the form of proxy or Voting Instruction Form (**“VIF”**).
2. Sign and send it to your intermediary, following the voting deadline and submission instructions on the VIF.
3. Obtain a control number by contacting TSX Trust Company by emailing [tsxtrustproxyvoting@tmx.com](mailto:tsxtrustproxyvoting@tmx.com) the “Request for Control Number” form, which can be found at <https://tsxtrust.com/resource/en/75>.
4. Type in <https://virtual-meetings.tsxtrust.com/1275> on your browser at least 10 to 15 minutes before the Meeting starts.
5. Click on **“I have a control number”**.
6. Enter the control number provided by email from [tsxtrustproxyvoting@tmx.com](mailto:tsxtrustproxyvoting@tmx.com).
7. Enter the Meeting Password: anaconda2022 (case sensitive).
8. When the ballot is opened, click on the “Voting” icon. To vote, simply select your voting direction from the options show on screen and click **“Submit”**. A confirmation message will appear to show your vote has been received.

Guests can also listen to the Meeting by following the steps below:

1. Type in <https://virtual-meetings.tsxtrust.com/1275> on your browser at least 10 to 15 minutes before the Meeting starts.
2. Click on **“I am a Guest”**.

### **Mailing of Circular**

The Circular will be mailed on or before April 11, 2022 to each of the shareholders of record on March 23, 2022, who have previously requested paper copies of the meeting materials. All other shareholders will only receive a notice with information on how to view the meeting materials electronically. See “Notice and Access” below. The Corporation will pay for the distribution of the meeting materials by clearing agencies and intermediaries to objecting beneficial shareholders.

### **Notice and Access**

The Corporation is delivering the meeting materials by providing the shareholders with a notice and posting the materials on SEDAR, and under “Annual General Meeting” on the Corporation’s “Investor” page at [www.anacondamining.com](http://www.anacondamining.com), and at <https://docs.tsxtrust.com/2010>. The materials will be available on the website starting on or before April 11, 2022 and will remain available on the website for one full year. The use of the notice and access procedures under applicable securities laws will reduce the Corporation’s printing and mailing costs and is more environmentally friendly by reducing the use of paper.

The meeting materials can also be accessed with the Corporation’s public filings on [www.sedar.com](http://www.sedar.com). The Corporation will mail paper copies of the meeting materials to any shareholder who previously requested paper

copies. Shareholders who received the notice only and would like a paper copy of the full materials may send the Corporation a request as set out below.

### **Additional Documents**

The Corporation files an annual information form with the Canadian securities regulators. In addition, the Corporation's financial information is provided in its audited annual consolidated financial statements and management's discussion and analysis ("MD&A") for the financial year ended December 31, 2021. The Corporation will provide shareholders with, free of charge, a copy of the Corporation's annual audited consolidated financial statements and MD&A, its annual information form and/or the Circular on request. Requests should be directed to:

20 Adelaide St. East, Suite 915  
Toronto, ON, M5C 2T6  
Attention: Robert Dufour, Chief Financial Officer

OR

Email: [rdufour@anacondamining.com](mailto:rdufour@anacondamining.com)

Shareholders can also get copies of documents required to be filed by the Corporation in Canada, as well as additional information about the Corporation, by (1) accessing its public filings on SEDAR at [www.sedar.com](http://www.sedar.com) or (2) going to the Corporation's "Investor" page at [www.anacondamining.com](http://www.anacondamining.com). Shareholders wishing to receive physical copies of the meeting materials will need to ensure their request is received by May 5, 2022.

### **Appointment and Revocation of Proxies**

The persons named in the form of proxy accompanying this Circular are directors and/or officers of the Corporation. **A shareholder of the Corporation has the right to appoint a person other than the persons specified in such form of proxy (who need not be a shareholder of the Corporation) to attend and act on behalf of such shareholder at the Meeting.** Such right may be exercised by striking out the names of the persons specified in the form of proxy, inserting the name of the person to be appointed in the blank space provided in the form of proxy, signing the form of proxy, and returning it in the manner set forth in the form of proxy.

A shareholder who has given a proxy may revoke it by:

- (a) depositing an instrument in writing, including another completed form of proxy, executed by such shareholder or shareholder's attorney authorized in writing or by electronic signature, either:
  - (i) at the registered office of the Corporation at any time up to 5:00 p.m. (Eastern time) on the last business day preceding the date of the Meeting or any adjournment thereof, or
  - (ii) with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment thereof;
- (b) transmitting, by telephonic or electronic means, a revocation that complies with (i) or (ii) above and that is signed by electronic signature, provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of the shareholder or the attorney, as the case may be; or
- (c) any other manner provided by law.

### **Exercise of Discretion**

The persons named in the enclosed form of proxy will vote (or withhold from voting) the shares in respect of which they are appointed by proxy on any ballot that may be called for in accordance with the instructions contained therein. If the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly. **In the absence of such specifications, such shares will be voted FOR on each of the matters referred to herein.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments to or variations of matters identified in the Notice of Meeting and with respect to other matters, if any, which may properly come before the Meeting or any adjournment thereof. At the date of this Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting. However,



if any other matters that are not now known to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxy.

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

**The information set forth in this section is of significant importance to many holders of common shares, as a substantial number of shareholders do not hold shares in their own name.** Shareholders who do not hold their common shares in their own name (referred to herein 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 shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. More particularly, a person is a Beneficial Shareholder in respect of common shares, which are held on behalf of that person but which are registered either: (a) in the name of an intermediary that the Beneficial Shareholder deals with in respect of the common shares (intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs, TFSA’s and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“**CDS**”)), of which the intermediary is a participant. In Canada, the vast majority of such shares are registered under the name of CDS, which acts as nominee for many Canadian brokerage firms. Common shares held by brokers or their nominees can only be voted upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their nominees are prohibited from voting shares held for Beneficial Shareholders. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person or that the common shares are duly registered in their name.**

Applicable Canadian securities regulatory policy requires 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 common shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is identical to the form of proxy provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder.

In Canada, the majority of brokers now delegate responsibility for obtaining instructions from Beneficial Shareholders to Broadridge Investor Communication Solutions (“**Broadridge**”). Broadridge typically supplies a special sticker to be attached to the proxy forms and asks Beneficial Shareholders to return the completed proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder receiving such a proxy from Broadridge cannot use that proxy to vote shares directly at the Meeting. The proxy must be returned to Broadridge in advance of the Meeting in order to instruct Broadridge how to vote the shares.**

These securityholder materials are being sent to both registered and non-registered owners of common shares. The Corporation is sending proxy materials directly to non-objecting Beneficial Shareholders under National Instrument 54-101 of the Canadian Securities Administrators (“**NI 54-101**”). The Corporation will pay for the distribution of the meeting materials by clearing agencies and intermediaries to objecting Beneficial Shareholders. If you are a Beneficial Shareholder, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the common shares on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

### **Record Date**

The directors have fixed March 23, 2022, as the Record Date for the determination of shareholders entitled to receive notice of the Meeting. Only shareholders of record on such Record Date are entitled to vote at the Meeting.

### **Interests of Certain Persons in Matters to be Acted Upon**

No (a) director or executive officer of the Corporation who has held such position at any time since January 1, 2021; (b) proposed nominee for election as a director of the Corporation; or (c) associate or affiliate of a person in (a) or

(b), has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors.

### **Voting Securities and Principal Holders Thereof**

As of the date of this Circular, there were 181,115,834 common shares of the Corporation issued and outstanding. Each common share has the right to one vote on each matter at the Meeting.

To the knowledge of the directors and officers of the Corporation and through a verification of SEDI filings as at the date of this Circular, no person beneficially owns, or controls or directs, directly or indirectly, 10% or more of the issued and outstanding common shares of the Corporation.

## **BUSINESS OF THE MEETING**

### **Receiving the Audited Consolidated Financial Statements**

The Corporation's audited consolidated financial statements, including the auditor's report thereon, for the financial year ended December 31, 2021 will be placed before the Meeting. The audited consolidated financial statements are available on the Corporation's website at [www.anacondamining.com](http://www.anacondamining.com) and on SEDAR at [www.sedar.com](http://www.sedar.com) under the Corporation's profile. Upon request, the Corporation will promptly provide a copy of any such document free of charge to a shareholder of the Corporation.

### **Election of Directors**

The articles of the Corporation provide that the Corporation is authorized to have between a minimum of three and a maximum of nine directors. The directors are authorized to determine the number of directors from time to time and the number of directors to be elected at the annual meeting of shareholders. The board of directors of the Corporation (the "**Board**") currently consists of six (6) directors. At the Meeting, the shareholders of the Corporation will be asked to elect six (6) directors for the ensuing year.

It is proposed that the persons whose names are set forth below be elected to the Board. All directors elected at the Meeting will hold office until the next annual meeting of shareholders of the Corporation or until their successors are elected or appointed.

The persons named in the enclosed form of proxy intend to cast the votes to which the shares represented by such proxy are entitled **FOR** the election of the nominees whose names are set forth below, unless the shareholder who has given such proxy has directed that the shares be withheld from voting in the election of directors.

The Board has adopted a majority voting policy to promote enhanced director accountability. Each shareholder is entitled to cast their votes for, or withhold their votes from, the election of each director. If the number of shares "withheld" for any nominee exceeds the number of shares voted "for" the nominee, then, notwithstanding that such director was duly elected as a matter of corporate law, he or she shall tender his or her written resignation to the Board, such resignation to be effective upon acceptance by the Board. The Board shall refer the resignation to the Corporate Governance Committee for consideration. The Corporate Governance Committee will consider such offer of resignation and the director's suitability to continue to serve as a Board member after considering, among other things, the stated reasons, if any, why certain shareholders "withheld" votes for the director, the qualifications of the director, such director's contribution to the Corporation and the Corporation's governance guidelines and any regulatory guidelines. The Board shall consider the recommendation from the Corporate Governance Committee and consider such additional information and factors that the Board considers to be relevant.

The following table and notes thereto state the names of all the persons proposed to be nominated for election as directors of the Corporation, all of the positions and offices with the Corporation now held by them, their present principal occupations or employment for the last five (5) years and the number of common shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised, by each of them as of the date of this Circular. The information as to shares beneficially owned has been furnished to the Board by the respective nominees.

These nominees have consented to being named in this Circular and to serving if elected. The Corporation's management does not contemplate that any of the nominees will be unable or unwilling to serve as a director, but if that should occur for any reason prior to the Meeting, the common shares represented by properly submitted proxies given in favour of such nominee(s) may be voted by the persons whose names are printed in the form of proxy, at their discretion, in favour of another nominee.

The Corporation's by-laws include an advance notice requirement for nominations of directors by shareholders in certain circumstances. As at the date hereof, the Corporation has not received notice of any director nominations in connection with the Meeting within the time periods prescribed by the by-laws. Assuming no nominations are received by April 12, 2022, the only persons eligible to be nominated for election to the Board are the below nominees.

<b>Name, Province or State and Country of Residence</b>	<b>Position(s) held with Corporation</b>	<b>Principal Occupation, Business or Employment</b>	<b>Year became a Director</b>	<b>Number of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly<sup>(1)</sup></b>
Kevin Bullock Ontario, Canada	Director, President and Chief Executive Officer	President and Chief Executive Officer of the Corporation	2019	1,576,854
Jonathan Fitzgerald Ontario, Canada	Director and Non-Executive Chairman	President of Stope Capital Advisors	2017	474,000
Rick Howes Ontario, Canada	Director	Chair of Torex Gold, Director of Hudbay Minerals Inc, Former President and Chief Executive Officer of Dundee Precious Metals Inc.	2021	Nil
P.E. ("Ted") Kavanagh New York, USA	Director	Former Director of Metals & Mining Finance, Americas for Société Générale	2021	Nil
Lewis Lawrick Ontario, Canada	Director	President & Chief Executive Officer of Magna Terra Minerals Inc. and Managing Director of Thorsen-Fordyce Merchant Capital Inc. (private investment company)	2007	2,568,925 <sup>(2)</sup>
Mary-Lynn Oke Ontario, Canada	Director	Director, Jaguar Mining Inc., Finance Consultant	2020	76,666

**Notes:**

- (1) The information as to the number of common shares beneficially owned, or controlled or directed, directly or indirectly, by the proposed directors, not being within the knowledge of the Corporation, has been furnished by such directors.
- (2) Mr. Lawrick beneficially holds 1,973,995 common shares, through Thorsen-Fordyce Merchant Capital Inc., a private company controlled by Mr. Lawrick, 2,375 common shares through VLL Investments Inc., a private company controlled by Mr. Lawrick, and 592,555 common shares are held personally.

Each of the foregoing individuals has been engaged in the principal occupation set forth above opposite his name during the past five years or in a similar capacity with a predecessor organization, except for:

- Mr. Bullock acted as Chief Executive Officer of Mako Mining Inc. (previously Golden Reign Resources) from January 2016 until March 2019.
- Ms. Oke served as Vice President of Finance and Chief Financial Officer, Manitoba Business Unit for HudBay Minerals Inc., from July 2012 to January 2018.

As at the date of this Circular, the directors and executive officers of the Corporation as a group, beneficially owned, or controlled or directed, directly or indirectly 5,734,568 common shares of the Corporation, being approximately 3.2% of the issued and outstanding common shares. The information as to the number of common shares beneficially owned, directly or indirectly, or over which control or direction is exercised, by the directors and executive officers, but which are not registered in their names and not being within the knowledge of the Corporation, has been furnished by such directors and officers.

The committees of the Board are constituted as follows:

<b>Corporate Governance</b>	<b>Audit</b>	<b>Compensation</b>	<b>Safety</b>
Jonathan Fitzgerald (Chair) Rick Howes Lewis Lawrick	Mary-Lynn Oke (Chair) Lewis Lawrick Ted Kavanagh	Lewis Lawrick (Chair) Rick Howes Mary-Lynn Oke	Kevin Bullock (Chair) Rick Howes Ted Kavanagh

**Corporate Cease Trade Orders**

To the Corporation’s knowledge, no proposed director of the Corporation is, as of the date hereof, or has been within ten years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

- (a) 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 and that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) 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 and 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.

**Bankruptcies and Other Proceedings**

To the Corporation’s knowledge, no proposed director of the Corporation:

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

**Penalties or Sanctions**

To the Corporation’s knowledge, no proposed director of the Corporation has been subject to:

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

## Appointment of Auditors

The auditors of the Corporation are PricewaterhouseCoopers LLP, who were first appointed as auditors of the Corporation by the Board on June 26, 2017. It is proposed that PricewaterhouseCoopers LLP be re-appointed as the auditors of the Corporation at the Meeting to hold office until the next annual meeting of shareholders or until their successor is appointed.

Unless the shareholder has specified in the accompanying form of proxy that the shares represented by such proxy are to be withheld from voting in the appointment of auditors, the persons named in the accompanying form of proxy will vote **FOR** the appointment of PricewaterhouseCoopers LLP as auditors of the Corporation to hold office until the next annual meeting of shareholders and to authorize the directors to fix the remuneration of the auditors.

Disclosure of fees received by PricewaterhouseCoopers LLP from the Corporation for the financial years ended December 31, 2021 and December 31, 2020 is set out under the heading “Audit Committee Information – External Auditor Service Fees (By Category)” in the Annual Information Form of the Corporation dated February 24, 2022, which is available under the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

## Name Change

On February 23, 2022, the Board approved a resolution which, among other things, authorized a change of the Corporation’s name to “Signal Gold Inc.”.

At the Meeting, the shareholders will be asked to consider and, if deemed advisable, to approve, with or without variation, a special resolution authorizing the Corporation to file articles of amendment under the Business Corporations Act (Ontario) (the “**OBCA**”) to change the name of the Corporation from “Anaconda Mining Inc.” to “Signal Gold Inc.”, or to such other name as the Board deems appropriate and as may be approved by applicable regulatory authorities, including the Toronto Stock Exchange. The Board feels that the Name Change is in the best interests of the Company in order to reflect the recent changes in the Company’s business activities, with an emphasis on growth through development.

The OBCA requires that the name change be approved by a special resolution of shareholders, either in person or by proxy at the Meeting. To be effective, the Name Change Resolution (as defined below) must be approved by 66 $\frac{2}{3}$ % of the votes cast in respect thereof by shareholders present in person or by proxy at the Meeting. If shareholders do not approve the Name Change Resolution at the Meeting, the name of the Corporation will remain “Anaconda Mining Inc.” and its articles will remain unamended for such purpose.

The Corporation has notified the Toronto Stock Exchange of the proposed name change. Subject to shareholder and Toronto Stock Exchange approval of the name change, it is expected that the common shares will commence trading on the Toronto Stock Exchange under the new name and under the stock symbol “SGNL” at the opening of business two or three days subsequent to the effecting of the name change by the Corporation, subject to the receipt by the Toronto Stock Exchange of the necessary documentation.

The Board may determine not to implement the Name Change Resolution at any time after the Meeting and after receipt of necessary regulatory approvals, but prior to the issuance of a certificate of amendment, without further action on the part of the shareholders.

Under the OBCA, the shareholders do not have any dissent and appraisal rights with respect the Name Change Resolution.

The following is the text of the special resolution, which will be put forward for approval by the shareholders at the Meeting (the “**Name Change Resolution**”):

“BE IT RESOLVED, as a special resolution of the Corporation’s shareholders, that:

1. the Corporation is hereby authorized to file Articles of Amendment pursuant to the Business Corporations Act (Ontario) to change its name from “Anaconda Mining Inc.” to “Signal Gold Inc.”, or such other name

that the Board deems appropriate and as may be approved by applicable regulatory authorities, including the Toronto Stock Exchange, if the Board considers it to be in the best interest of the Corporation to implement such a name change;

2. notwithstanding that this resolution has been duly passed by the Shareholders, the Board is hereby authorized and empowered, if it decides not to proceed with this resolution, to revoke this resolution in whole or in part at any time prior to it being given effect without further notice to, or approval of, the shareholders; and
3. any one director or officer of the Corporation, for and on behalf of the Corporation, is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal or otherwise all documents and instruments and take all such other actions as may be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents and instruments and the taking of any such actions.”

The Board unanimously recommends that shareholders vote **FOR** the Name Change Resolution.

Unless the shareholder has specified in the accompanying form of proxy that the shares represented by such proxy are to be against or voted otherwise, the persons named in the accompanying form of proxy will vote **FOR** the Name Change Resolution.

#### **Other Matters**

Management does not know of any other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the Common Shares represented by the proxies solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the proxies.

## STATEMENT OF EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

#### Summary of Executive Compensation Program

The Corporation's executive compensation program is designed to provide both short-and-long-term rewards to the Corporation's executive officers that are consistent with their individual and corporate performance and their contribution to the Corporation's objectives. Executive compensation consists primarily of a combination of base salary, performance bonuses and security-based award plans, together with health, pension and insurance benefits. The Corporation has a Compensation Committee, which is described below under the heading "Statement of Corporate Governance Practices – Board Committees – Compensation Committee".

The Compensation Committee was formed on March 31, 2008 and is composed of independent directors. The members of the committee are currently Lewis Lawrick, Mary-Lynn Oke, and Rick Howes. Each member of the Compensation Committee has experience that is relevant to their responsibilities as members of the Compensation Committee. In the course of their professional life, the members of the Compensation Committee have been involved in either the establishment or monitoring of various compensation programs within the mining sector.

The Compensation Committee is responsible for assisting the Board in fulfilling its oversight responsibilities in relation to, among other things:

- the selection and retention of executive officers,
- policies, programs and procedures for compensating and incentivizing executive officers,
- oversight of the executive compensation structure and benefit plans and programs,
- review of director compensation and recommendations for adjustments to such compensation, and
- any additional matters delegated by the Board to the Compensation Committee.

The objective of the compensation program is to be competitive with similar companies and attract, motivate and retain talented executives who will be able to fulfill the strategic objectives of the Corporation. The elements of the Corporation's compensation program include salaries, performance bonuses and security-based awards, such as options and share units; together with health, pension and insurance benefits which are based on the specific benefit plan of the Corporation.

Salaries form the primary component of the Corporation's compensation program. The Compensation Committee and the Board of Directors undertake periodic reviews of salary levels for the Named Executive Officers, internally and externally, including benchmarking against comparable companies within the Corporation's industry peer group (see below).

Long-term incentive compensation in the form of stock options and share units is generally granted once per year to Named Executive Officers, as well as to employees, consultants and directors. The Corporation has adopted a Share Unit Plan to further directly align the long-term compensation of directors, officers and employees with the shareholders of the Corporation. Share ownership opportunities through the Share Unit Plan and Stock Option Plan align the interests of senior management with the interests of shareholders and enables the Corporation to attract and retain individuals with requisite experience and abilities, and to reward individuals for their current and future performance.

## Independent Review of Compensation

The Compensation Committee and the Board and the Board of Directors undertake periodic reviews of its compensation program, internally and externally, to assess how its program compares to industry peers, and its effectiveness in attracting and retaining quality personnel. The Corporation had previously retained an independent compensation consulting firm in 2017 to perform such an analysis. In 2021, given the significant changes in the structure and size of the Corporation and time elapsed since the previous independent analysis, the Compensation Committee retained Global Governance Advisors Inc. (“GGA”) in March of 2021 to undertake an updated independent review, with specific aims of assisting the Compensation Committee with the following:

- Review of compensation philosophy for Anaconda, including the determination of an updated compensation peer group
- Benchmarking both executive and board compensation against the compensation philosophy and the peer group
- Review short and long-term incentive plans compared to the Corporation’s peer group, industry trends, and emerging proxy voting guidelines of institutional shareholders
- Compare current compensation program against best practice compensation governance guidelines
- Align variable pay, short-term and long-term incentives to the market and peer group

The Board has reviewed and considered the details and recommendations of GGA’s reports which were finalized in July of 2021. In addition to this work for the Compensation Committee, GGA also provided analysis and advice to management on the broader compensation structure for Anaconda to ensure market competitiveness and alignment with executives. The fees associated with GGA’s work in 2020 and 2021 were as follows:

Type of Fee	Global Governance Advisors	
	2020	2021
Executive Compensation-Related Fees	\$0	\$33,000
Other Fees	\$0	\$12,000
<b>Total</b>	<b>\$0</b>	<b>\$45,000</b>

The compensation program will be reviewed on an annual basis, with the assistance of the Compensation Committee and Vice President of Human Resources, to ensure competitiveness with its peer group to attract and retain talented personnel, while ensuring alignment with the Corporation’s shareholders.

### Peer Group

As part of the independent review undertaken by GGA in 2021, the Compensation Committee and Board of Directors established the following peer group for the purpose of the compensation review:

Almaden Minerals Ltd	Harte Gold Corp	Northern Vertex Mining Corp	Superior Gold Inc
Ascot resources Ltd	Integra Resources Corp	Perpetua Resources Corp	Treasury Metals Inc
Alvino Silver & Gold Mines Ltd	Jaguar Mining Inc	Probe Metals Inc	
Falco Resources Ltd	Marathon Gold Corp	Rambler Metals and Mining PLC	
Fiore Gold Ltd	Nighthawk Gold Corp	Skeena Resources Ltd	

The peer group may be amended time to time as required, for example due to material changes to the peer companies or corporate transactions.

### Named Executive Officers (“NEOs”)

Set out below are particulars of compensation paid to the Corporation’s President and Chief Executive Officer and Chief Financial Officer and Corporate Secretary (collectively, the “Named Executive Officers” or “NEOs”).



During the fiscal year ended December 31, 2021, the Corporation had the following Named Executive Officers: Kevin Bullock (President, Chief Executive Officer and Director) and Robert Dufour (Chief Financial Officer and Corporate Secretary).

### **Elements of NEO Compensation**

#### ***Base Salary***

The base salary of executive officers is determined by contract agreement and is reviewed annually by the Board. In general, the base salary is determined by negotiation and is influenced by the levels of compensation paid to executive officers of other publicly-traded junior mining companies considered by the Compensation Committee and the Board to be in the Corporation's peer group, taking into account market capitalization, property portfolio size, geographic location and stage of projects. The base salary for each executive officer is determined based on the person's level of responsibility, the importance of the position to the Corporation, the amount of the individual's time dedicated to the Corporation and the individual's contribution to the Corporation's performance.

#### ***Short-Term Incentives – Performance Based Cash Incentive***

At the recommendation of the Compensation Committee, and at the discretion of Board, the Board has adopted an Annual Incentive Plan, which outlines the establishment of a bonus pool for all of senior executives and mid-level managers, and the specific criteria which determine the size of the bonus pool in any given fiscal year. The Compensation Committee considers company performance against corporate objectives and other criteria, as well as using its experience and judgment, in setting the amount of the bonus pool available to be distributed to executive officers and employees, in particular the Corporation's ability to generate free cash flow, and the Corporation's share price performance, both in absolute terms and relative to its industry peer group. The bonus pool is allocated to executives and employees based on position and the achievement of specific individual performance objectives.

The performance objectives are not fully determinative of the amount and allocation of cash bonuses. The Compensation Committee also considers managements' recommendations for bonuses, both in respect of overall quantum and performance generally, as well as all other material factors and circumstances, in setting bonuses and will use its discretion in evaluating the same. The Corporation uses both formal and informal performance reviews and other tools to track individual performance. These tools emphasise the achievement of specific performance objectives and the demonstration of the Corporation's values. Upon determining the quantum of the bonus pool for any given fiscal year, the Compensation Committee will set the Chief Executive Officer's bonus level and will seek senior management's input as to bonus allocations to other executive officers and individual employees. The Board will then review and, if satisfactory, approve the Compensation Committee's recommendations for bonus awards. The Compensation Committee annually reviews its bonus policies, including in respect of the bonus performance criteria.

#### ***Long-Term Incentives – Equity Compensation Plans***

The Corporation has provided long-term incentives to Named Executive Officers by way of grants of share units under the Share Unit Plan and stock options under the Stock Option Plan. The Corporation adopted the Share Unit Plan in 2019 (approved and ratified by shareholders in 2019) to further directly align the long-term compensation of the Named Executive Officers with the shareholders of the Corporation. The objective in granting share units and stock options is to encourage a direct ownership interest in the Corporation over a period of time, which acts as a financial incentive to consider the long-term interest of the Corporation and its shareholders. The Share Unit Plan and Stock Option Plan is described under the heading "Securities Authorized for Issuance Under Equity Compensation Plans". The Compensation Committee makes recommendations from time to time to the Board in respect of stock option and share unit grants, taking into consideration the number and value of outstanding stock options and share units already held by each executive officer.

### **Compensation Risk and Hedging Policies**

The Compensation Committee has not specifically considered the implications of the risks associated with its compensation policies and practices. However, there are a number of practices in place to mitigate risk as it relates to compensation, including:

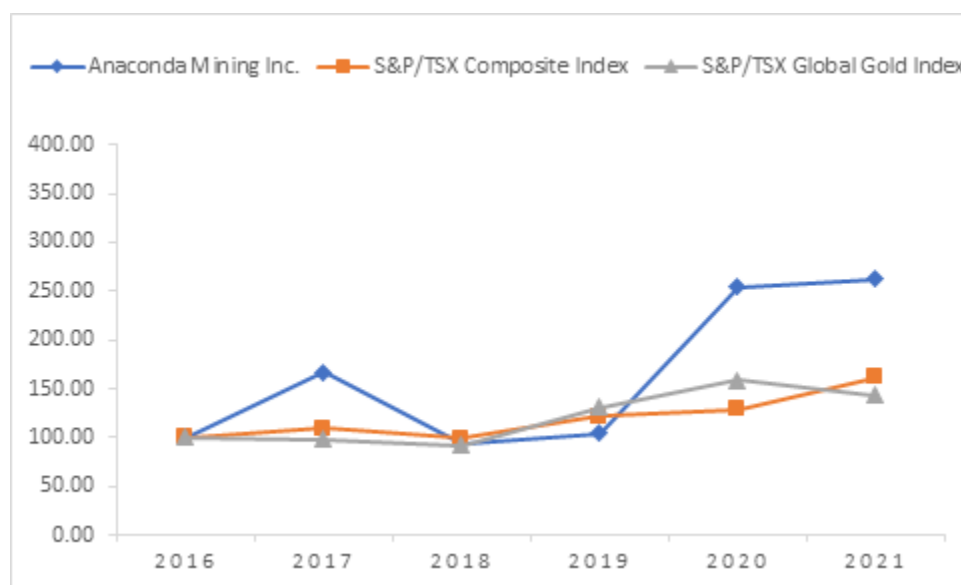
- a balanced compensation of fixed and variable pay, which incorporate both short-term and long-term incentives;
- the Board having final approval for executive and senior management short term and long-term incentive payments;
- options and share units generally being granted with a five-year term, with share units generally vesting over a 3-year period (updated from what was previously a 18-month vesting period) and options generally vesting over a 18-month vesting period;
- limiting severance payments to twice base salary and bonus; and
- normally scheduled blackout periods relating to the release of financial information and controlling the periods during which employees can exercise stock options.

As outlined in the Corporation's Securities Trading, Corporate Disclosure and Confidentiality Policy, Named Executive Officer's and directors are prohibited from hedging securities of the Corporation that they beneficially own, directly or indirectly, or exercise control or direction over, including trading in publicly-traded options, puts, calls or other derivative instruments related to the Corporation's securities. As the Corporation continues to grow, the Corporate Governance Committee will continue to consider and implement more sophisticated compensation and corporate governance policies, as deemed appropriate.

### Performance Graph

The common shares of the Corporation commenced trading on the TSX in April 2007. The chart below compares the percentage change in the Corporation's total shareholder return on a \$100 investment in common shares to the total return of the S&P/TSX Composite Index, the S&P/TSX Composite Index and the S&P/TSX Global Gold Index Fund for the period commencing January 1, 2016 and ending December 31, 2021.

#### **Comparison of Cumulative Total Shareholder Return on a \$100 Investment in Common Shares of the Corporation and the S&P/TSX Composite Index, the S&P/TSX Gold Global Index Fund**



	2016	2017	2018	2019	2020	2021
<b>Anaconda Mining Inc.</b>	100.00	166.67	93.75	104.17	254.17	262.50
<b>S&amp;P/TSX Composite Index</b>	100.00	109.10	99.40	122.14	128.98	161.34
<b>S&amp;P/TSX Global Gold Index</b>	100.00	98.00	91.75	130.74	158.35	143.22

The Compensation Committee considers various factors in determining the compensation of its Named Executive Officers and share performance is one measure considered, while recognizing the volatility of the share performance in the junior mining sector. The Corporation operates in a commodity business and the share price can be directly impacted by the market price of gold and other precious metals, which fluctuate widely and are affected by numerous factors that are difficult to predict and beyond the Corporation's control.

The Corporation's compensation policies and philosophy provides a significant portion of each senior executive's compensation package in the form of stock options and share units, to align senior management with long-term value creation to the benefit of all shareholders and stakeholders.

As a junior gold mining company, the Corporation is focused on building long-term value for shareholders by the development of its Goldboro Gold Project, maximizing the potential of its Point Rouse Project, and successful exploration at the Tilt Cove Gold Project. Compensation is paid to its executive officers for furthering these objectives.

**Named Executive Officers' Summary Compensation Table**

The following table (presented in accordance with *Form 51-102F6 – Statement of Executive Compensation* (“**Form 51-102F6**”) under National Instrument 51-102 – *Continuous Disclosure Obligations*) sets forth all direct and indirect compensation for, or in connection with, services provided to the Corporation and its subsidiaries for the years ended December 31, 2021, 2020, and 2019, in respect of each of the Named Executive Officers.

Name and principal position	Year	Salary (\$)	Share-based awards (\$) <sup>(1)</sup>	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$) <sup>(3)</sup>	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans <sup>(2)</sup> (\$)	Long-term incentive plans (\$)			
Kevin Bullock, President and Chief Executive Officer <sup>(4)</sup>	2021	335,577	113,768	Nil	50,000	Nil	10,067	Nil	509,412
	2020	325,000	21,000	Nil	100,000	Nil	6,500	Nil	452,500
	2019	237,500	103,950	Nil	Nil	Nil	4,750	Nil	346,200
Robert J. Dufour, Chief Financial Officer and Corporate Secretary	2021	237,692	92,400	Nil	40,000	Nil	7,131	Nil	377,223
	2020	225,000	21,000	Nil	75,000	Nil	4,500	Nil	325,500
	2019	225,000	102,375	Nil	Nil	Nil	4,500	Nil	331,875

**Notes:**

- (1) The fair values of the share units granted have been measured using the market value of the shares on the date that the share units were granted and do not represent the actual amounts received by the NEOs. The actual amount received will be determined by the market value of the shares on the date that the share units vest and the corresponding shares are received by the NEOs.
- (2) All awards granted under the non-equity annual incentive plan represent performance bonuses and were paid in the fiscal year following the year in which they were earned.
- (3) Pension value relates to contributions made by the Corporation on behalf of the NEOs to their registered retirement savings plan.
- (4) On April 1, 2019, Kevin Bullock was appointed as Chief Executive Officer and a director of the Corporation, replacing Dustin Angelo as Chief Executive Officer.

**Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards**

The following tables (presented in accordance with Form 51-102F6) sets forth for each NEO all awards outstanding at the end of the most recently completed financial year ended December 31, 2021, including awards granted, but not necessarily vested, before the most recently completed financial year.

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>
Kevin Bullock, President and Chief Executive Officer	25,000	0.24	June 21, 2022	9,750
	43,750	0.46	January 19, 2023	7,438
Robert J. Dufour, Chief Financial Officer and Corporate Secretary	125,000	0.28	May 23, 2022	43,750
	150,000	0.46	January 19, 2023	25,500

**Notes:**

- (1) Based on the December 31, 2021 common share closing price of \$0.63 less the price of the option, times the number of options in that tranche.

Name	Share-based Awards		
	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) <sup>(1)</sup>	Market or payout value of vested share-based awards not paid out or distributed (\$) <sup>(1)</sup>
Kevin Bullock, President and Chief Executive Officer	98,500	62,055	N/A
Robert J. Dufour, Chief Financial Officer and Corporate Secretary	80,000	50,400	68,250

**Notes:**

- (1) Based on the December 31, 2021 common share closing price of \$0.63, times the number of share units.

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

The following table (presented in accordance with Form 51-102F6) sets forth details of the value vested or earned during the most recently completed financial year ended December 31, 2021.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation value earned during the year (\$) <sup>(1)</sup>
Kevin Bullock, President and Chief Executive Officer	N/A	88,619	50,000

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation value earned during the year (\$) <sup>(1)</sup>
Robert J. Dufour, Chief Financial Officer and Corporate Secretary	N/A	81,867	40,000

**Notes:**

- (1) Comprised of cash bonus awarded at the discretion of the Compensation Committee, forming part of the total compensation for the financial year for the Named Executive Officers in question.

**Pension Value – Value Vested or Earned During the Year**

On June 1, 2013, the Corporation established a voluntary group retirement plan which included a registered retirement savings plan (“RRSP”) eligible to all employees. Under the plan, the Corporation matches employee RRSP contributions up to a maximum of 3% of employee cash earnings paid by the Corporation, which include base pay and cash bonus payment but exclude stock option grants and taxable benefits. All contributions by the Corporation vest immediately in the employee’s RRSP and are subject to certain withdrawal restrictions. The Corporation’s normal retirement age is 65 years.

The following table (presented in accordance with Form 51-102F6) sets forth for each NEO the payments or benefits, following or in connection with retirement, excluding defined benefit plans for the most recently completed financial year.

Name	Accumulated value at start of year (\$)	Compensatory (\$)	Accumulated value at year end (\$)
Kevin Bullock, President and Chief Executive Officer	11,250	10,067	21,317
Robert J. Dufour, Chief Financial Officer and Corporate Secretary	16,640	7,131	23,771

**Employment Agreements, Termination and Change of Control Benefits**

***Kevin Bullock***

The Corporation entered into an executive employment agreement with Mr. Bullock on April 1, 2019, as further amended on August 1, 2021, and December 20, 2021. The agreement is for an indefinite term until terminated in accordance with the terms of the agreement. It provided for an annual base salary of \$350,000 and benefits such as vacation, health and insurance, directors’ and officers’ liability insurance and reimbursement of expenses. Additional compensation is awarded at the discretion of the Board. If Mr. Bullock wishes to resign, he is required to provide at least three months’ prior written notice, unless waived by the Corporation (in which case the Corporation will pay Mr. Bullock the compensation required to be paid in lieu of the period of notice). The Corporation may at any time, without notice or payment in lieu thereof or termination or severance pay of any kind, terminate Mr. Bullock’s employment for cause. In addition, the Corporation may, at any time and for any reason, terminate Mr. Bullock’s employment without cause by paying a lump sum payment equal to six (6) months base salary, plus an additional month’s base salary for every year of service, up to a maximum of twelve (12) months base salary. In the event of a sale of substantially all the assets or other transaction, merger, combination or similar transaction or event that results in a “change of control” or “change of ownership” of the Corporation’s business which in turn results in Mr. Bullock’s employment with the Corporation being terminated, Mr. Bullock will be entitled to a lump sum payment equal to twenty-four (24) months base salary and twenty-four (24) months of his short-term incentive bonus target amount.

Mr. Bullock has agreed to hold, safeguard and maintain all confidential information relating to the Corporation and affairs gained by Mr. Bullock in any manner or from any source during or through the course of his employment as strictly confidential. Mr. Bullock agreed not to disclose or use for his benefit or purposes (or for the benefit or purposes of any person or entity) any such confidential information except as may be reasonably necessary in the performance of his duties and in the best interests of the Corporation or as otherwise may be authorized expressly in writing by the Corporation. Such obligations survive the termination of Mr. Bullock's employment for any reason whatsoever and remain in full force and effect in perpetuity.

***Robert J. Dufour***

The Corporation entered into an executive employment agreement with Mr. Dufour effective as of May 23, 2017, as further amended on August 1, 2021, and January 12, 2022. The agreement is for an indefinite term until terminated in accordance with the terms of the agreement. It provided for an annual base salary of \$225,000 and benefits such as vacation, health and insurance, directors' and officers' liability insurance and reimbursement of expenses. Additional Compensation is awarded at the discretion of the Board. If Mr. Dufour wishes to resign, he is required to provide at least three months' prior written notice, unless waived by the Corporation (in which case the Corporation will pay Mr. Dufour the compensation required to be paid in lieu of the period of notice). The Corporation may at any time, without notice or payment in lieu thereof or termination or severance pay of any kind, terminate Mr. Dufour's employment for cause. In addition, the Corporation may, at any time and for any reason, terminate Mr. Dufour's employment without cause by paying a lump sum payment equal to six (6) months base salary, plus an additional month's base salary for every year of service, up to a maximum of twelve (12) months base salary. In the event of a sale of substantially all the assets or other transaction, merger, combination or similar transaction or event that results in a "change of control" or "change of ownership" of the Corporation's business which in turn results in Mr. Dufour's employment with the Corporation being terminated, Mr. Dufour will be entitled to a lump sum payment equal to eighteen (18) months base salary and eighteen (18) months of his short-term incentive bonus target amount.

Mr. Dufour has agreed to hold, safeguard and maintain all confidential information relating to the Corporation and/or gained by Mr. Dufour in any manner or from any source during or through the course of his employment as strictly confidential. Mr. Dufour agreed not to disclose or use for his benefit or purposes (or for the benefit or purposes of any person or entity) any such confidential information except as may be reasonably necessary in the performance of his duties and in the best interests of the Corporation or as otherwise may be authorized expressly in writing by the Corporation. Such obligations survive the termination of Mr. Dufour's employment for any reason whatsoever and remain in full force and effect in perpetuity.

### ***Estimated Incremental Payments on Termination Without Cause***

The following table provides details regarding the estimated incremental payments from the Corporation to each of the Named Executive Officers on a termination of employment without cause based on their current executive employment agreements, assuming termination occurred on December 31, 2021.

<b>Termination Without Cause</b>					
	<b>Base Salary (\$)</b>	<b>Annual Incentive (\$)</b>	<b>Options<sup>(1)</sup> (\$)</b>	<b>Share Units<sup>(2)</sup> (\$)</b>	<b>Total (\$)</b>
Kevin Bullock	233,333	Nil	Nil	62,055	295,388
Robert J. Dufour	212,500	Nil	Nil	50,400	262,900

#### **Notes:**

- (1) This amount reflects the aggregate dollar value that would have been realized if the options which vested on December 31, 2021 due to a termination of employment, were exercised on December 31, 2021. The value is calculated as the difference between the closing price of the common shares on the TSX on December 31, 2021 and the exercise price of the options.
- (2) This amount reflects the aggregate dollar value that would have been realized if the share units vested on December 31, 2021 due to a termination of employment. The value is calculated as the closing price of the common shares on the TSX on December 31, 2021, which was \$0.63.

### ***Payments on Termination Following a Change in Control***

The employment agreements between the Corporation and each NEO contain payment provisions relating to a “change of control” of the Corporation as more fully described above. The change of control payment provisions were included in each NEO’s employment agreement in order to attract and retain the most highly qualified individuals to act as an NEO of the Corporation. A change of control alone does not trigger the payment provisions, but rather the payments are payable if the change of control occurs and the NEO’s employment is terminated by the Corporation within 90 days of the change in control, or a new management team is appointed as a result of such a change of control. The change of control payment provisions are designed to protect the NEO financially in the event of a loss of employment following a change of control.

The following table provides details regarding the estimated incremental payments from the Corporation to each of the Named Executive Officers on a termination of employment following a change in control based on their current executive employment agreements, assuming termination occurred on December 31, 2021.

<b>Termination Following a Change in Control</b>					
	<b>Base Salary (\$)</b>	<b>Annual Incentive (\$)</b>	<b>Options<sup>(1)</sup> (\$)</b>	<b>Share Units<sup>(2)</sup> (\$)</b>	<b>Total (\$)</b>
Kevin Bullock	700,000	350,000	Nil	62,055	1,112,055
Robert J. Dufour	382,500	172,125	Nil	50,400	605,025

#### **Notes:**

- (1) This amount reflects the aggregate dollar value that would have been realized if the options which vested on December 31, 2021 due to a termination of employment, were exercised on December 31, 2021. The value is calculated as the difference between the closing price of the common shares on the TSX on December 31, 2021 and the exercise price of the option.
- (2) This amount reflects the aggregate dollar value that would have been realized if the share units vested on December 31, 2021 due to a termination of employment. The value is calculated as the closing price of the common shares on the TSX on December 31, 2021, which was \$0.63.



## Director Compensation

### **Director Compensation Table**

The following table (presented in accordance with Form 51-102F6) sets forth all amounts of compensation provided to the directors (other than Mr. Bullock) for the Corporation's most recently completed financial year ended December 31, 2021.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Michael Byron <sup>(1)</sup>	23,025	46,945	Nil	N/A	N/A	Nil	69,970
Jonathan Fitzgerald	39,792	60,475	Nil	N/A	N/A	Nil	100,267
Rick Howes <sup>(1)</sup>	2,332	2,989	Nil	N/A	N/A	Nil	5,321
Ted Kavanagh <sup>(2)</sup>	4,049	6,250	Nil	N/A	N/A	Nil	10,299
Lewis Lawrick	29,167	51,183	Nil	N/A	N/A	Nil	80,350
Mary-Lynn Oke	39,761	54,933	Nil	N/A	N/A	Nil	94,694

#### **Notes:**

- (1) On December 9, 2021, Rick Howes was appointed to the Board and Dr. Michael Byron tendered his resignation from the Board.  
(2) On November 16, 2021, P.E. ("Ted") Kavanagh was appointed to the Board.

Pursuant to the Corporation's compensation policy, for the period of January 1, 2021 to July 31, 2021, each director was entitled to an annual retainer of \$15,000, plus \$750 for each Board and committee meeting attended. The Chairman of the Board was entitled to an additional annual retainer of \$25,000. The Chairs of the Audit Committee, the Compensation Committee, and the Corporate Governance Committee were entitled to annual retainers of \$20,000, \$5,000, and \$5,000 each, respectively. During this period, the Corporation paid 50% of the fees in cash and issued 50% of the fees as share units of the Corporation.

Effective August 1, 2021, the Board adopted an updated compensation policy for non-executive directors based on the results of the independent review conducted by GGA. Pursuant to the updated policy, for each year going forward (including the period from August 1, 2021 to December 31, 2021, which compensation has been proportionately adjusted in the table above to reflect each policy applicable in 2021), the Chairman of the Board is entitled to an annual retainer of \$50,000 and share units of the Corporation with a value of \$60,000. All other non-executive directors are entitled to an annual retainer of \$30,000 and share units of the Corporation with a value of \$50,000. The Chairs of the Audit Committee, the Compensation Committee, and the Corporate Governance Committee are entitled to annual retainers of \$20,000, \$6,000, and \$5,000 in cash each, respectively. Members of the Audit Committee, the Compensation Committee, and the Corporate Governance Committee are entitled to annual retainers of \$5,000, \$5,000, and \$4,000 in cash each, respectively.

The committees of the Board were constituted as follows for the financial year ended December 31, 2021:

Corporate Governance	Audit	Compensation	Safety
Jonathan Fitzgerald (Chair) Rick Howes Lewis Lawrick	Mary-Lynn Oke (Chair) Lewis Lawrick Ted Kavanagh	Lewis Lawrick (Chair) Rick Howes Mary-Lynn Oke	Kevin Bullock (Chair) Rick Howes Ted Kavanagh

Mr. Fitzgerald earned the following fees during the year ended December 31, 2021: \$8,750 for serving on the Board; \$35,417 for serving as Chairman of the Board; \$5,000 for serving as Chair of the Corporate Governance Committee; and \$3,000 for attending four (4) Board meetings. Mr. Fitzgerald was issued share units of the Corporation in relation to \$12,375 of such fees.

Mr. Byron earned the following fees during the year ended December 31, 2021: \$23,025 for serving on the Board, Audit Committee, and Compensation Committee; and \$6,000 for attending four (4) Board meetings, three (3) Audit Committee meetings, and one (1) Compensation Committee meeting. Mr. Byron was issued share units of the Corporation in relation to \$6,000 of such fees.

Mr. Lawrick earned the following fees during the year ended December 31, 2021: \$25,000 for serving on the Board and Audit Committee; \$5,417 for serving as Chair of the Compensation Committee; and \$6,000 for attending four (4) Board meetings, three (3) Audit Committee meetings, and one (1) Compensation Committee meeting. Mr. Lawrick was issued share units of the Corporation in relation to \$7,250 of such fees.

Mr. Howes earned the following fees during the year ended December 31, 2021: \$2,332 for serving on the Board, Audit Committee, and Corporate Governance Committee.

Mr. Kavanagh earned the following fees during the year ended December 31, 2021: \$4,049 for serving on the Board and Audit Committee.

Ms. Oke earned the following fees during the year ended December 31, 2021: \$24,761 for serving on the Board and Compensation Committee; \$20,000 for serving as Chair of the Audit Committee; and \$6,000 for attending four (4) Board meetings, three (3) Audit Committee meetings, and one (1) Compensation Committee meeting. Ms. Oke was issued share units of the Corporation in relation to \$11,000 of such fees.

#### ***Incentive Plan Awards for Directors***

The directors of the Corporation are eligible to receive stock options and share units under the Corporation's Stock Option Plan and Share Unit Plan described below under the heading "Securities Authorized for Issuance Under Equity Compensation Plans".

### ***Outstanding Share-Based Awards and Option-Based Awards***

The following table (presented in accordance with Form 51-102F6) sets forth for each director that is not a NEO all awards outstanding at the end of the most recently completed financial year ended December 31, 2021, including awards granted before the most recently completed financial year.

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>
Michael Byron <sup>(2)</sup>	25,000 43,750	0.24 0.46	June 21, 2022 January 19, 2023	9,750 7,438
Jonathan Fitzgerald	125,000 75,000	0.24 0.46	June 21, 2022 January 19, 2023	48,750 12,750
Rick Howes <sup>(2)</sup>	Nil	N/A	N/A	N/A
Ted Kavanagh <sup>(3)</sup>	Nil	N/A	N/A	N/A
Lewis Lawrick	37,500 62,500	0.24 0.46	June 21, 2022 January 19, 2023	14,625 10,625
Mary-Lynn Oke	Nil	N/A	N/A	N/A

**Notes:**

- (1) Based on December 31, 2021 common share closing price of \$0.63 and calculated as the difference between the market value of the stock price at the end of the year and the exercise price of the option.
- (2) On December 9, 2021, Rick Howes was appointed to the Board and Dr. Michael Byron tendered his resignation from the Board.
- (3) On November 16, 2021, P.E. ("Ted") Kavanagh was appointed to the Board.

Name	Share-based Awards		
	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) <sup>(1)</sup>	Market or payout value of vested share-based awards not paid out or distributed (\$) <sup>(1)</sup>
Michael Byron <sup>(2)</sup>	Nil	N/A	149,275
Jonathan Fitzgerald	229,411	144,529	148,050
Rick Howes <sup>(2)</sup>	Nil	N/A	N/A
Ted Kavanagh <sup>(3)</sup>	Nil	N/A	N/A
Lewis Lawrick	144,504	91,038	138,600
Mary-Lynn Oke	74,769	47,104	14,700

**Notes:**

- (1) Based on December 31, 2021 common share closing price of \$0.63 and calculated as the difference between the market value of the stock price at the end of the year and the exercise price of the option.
- (2) On December 9, 2021, Rick Howes was appointed to the Board and Dr. Michael Byron tendered his resignation from the Board.
- (3) On November 16, 2021, P.E. ("Ted") Kavanagh was appointed to the Board.

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

The following table (presented in accordance with Form 51-102F6) sets forth details of the value vested or earned by each director that is not a NEO during the most recently completed financial year ended December 31, 2021.

<b>Name</b>	<b>Option-based awards – Value vested during the year (\$)</b>	<b>Share-based awards – Value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the year (\$)</b>
Michael Byron <sup>(1)</sup>	N/A	23,100 <sup>(3)</sup>	N/A
Jonathan Fitzgerald	N/A	46,800 <sup>(3)</sup>	N/A
Rick Howes <sup>(1)</sup>	N/A	N/A	N/A
Ted Kavanagh <sup>(2)</sup>	N/A	N/A	N/A
Lewis Lawrick	N/A	38,900 <sup>(3)</sup>	N/A
Mary-Lynn Oke	N/A	26,234 <sup>(3)</sup>	N/A

**Notes:**

- (1) On December 9, 2021, Rick Howes was appointed to the Board and Dr. Michael Byron tendered his resignation from the Board.
- (2) On November 16, 2021, P.E. ("Ted") Kavanagh was appointed to the Board.
- (3) Dr. Michael Byron, Jonathan Fitzgerald, and Lewis Lawrick all elected to defer the receipt of their vested share units until their respective resignations or upon a change of control of the Corporation in accordance with the provisions of the Corporation's Share Unit Plan. Mary-Lynn Oke elected to defer the receipt of share units with a value vested during the year of \$15,967 until her resignation or upon a change of control of the Corporation in accordance with the provisions of the Corporation's Share Unit Plan.

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

### **Securities Authorized for Issuance Under Equity Compensation Plans**

The following table (presented in accordance with Form 51-102F5 under NI 51-102) sets forth all compensation plans under which equity securities of the Corporation were authorized for issuance as of December 31, 2021.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options and rights</b>	<b>Weighted-average exercise price of outstanding options</b>	<b>Number of securities remaining available for future issuance under equity compensation plans</b>
Equity compensation plans approved by security holders – Stock Option Plan	2,489,584 <sup>(1)</sup>	0.43	N/A <sup>(2)</sup>
Equity compensation plans approved by security holders - Share Unit Plan	1,750,798 <sup>(3)</sup>	0.46	N/A <sup>(2)</sup>
<b>Total</b>	<b>4,240,382</b>	<b>0.44</b>	<b>13,790,284<sup>(2)</sup></b>

**Notes:**

- (1) Represents approximately 1.38% of the issued and outstanding common shares as at December 31, 2021. From January 1, 2022 to the date of this Circular, 370,000 stock options were granted and 283,750 stock options were exercised.
- (2) Represents common shares available for future issuance under the Equity Compensation Plans as at December 31, 2021. Both the Stock Option Plan and Share Unit Plan use the same 10% pool of issued and outstanding common shares. Represents approximately 2.4% of the issued and outstanding common shares as at December 31, 2021.
- (3) Represents approximately 0.97% of the issued and outstanding common shares as at December 31, 2021. From January 1, 2022 to the date of this Circular, 1,362,392 share units were granted and 412,444 share units were redeemed.

## Equity Compensation Plans

The Corporation has adopted the Stock Option Plan and Share Unit Plan. The Incentive Plans are each a “rolling evergreen” plan and provide that the number of common shares of the Corporation available for issuance from treasury under the Incentive Plans shall not exceed 10% of the issued and outstanding common shares of the Corporation at the time of grant. Any increase in the issued and outstanding common shares of the Corporation will result in an increase in the available number of common shares issuable under the Incentive Plans. Any issuance of common shares from treasury pursuant to the settlement of stock options or share units granted pursuant to the Incentive Plans shall automatically replenish the number of common shares issuable under the Incentive Plans. When each stock option or share unit is exercised, cancelled, or terminated, a common share shall automatically be made available for the grant of a stock option or share unit under the Incentive Plans.

As of the date of this Circular, the maximum aggregate number of common shares which may be issued under the Incentive Plans was 18,109,083 of which 2,575,834 stock options and 2,700,746 share units were outstanding (representing approximately 2.9% of the issued and outstanding common shares), and 12,832,503 common shares were available for issuance (representing approximately 7.1% of the issued and outstanding common shares). As of December 31, 2021, 13,790,284 common shares were available for the grant of stock options or share units to directors, officers, employees and service providers in connection with the Incentive Plans.

The following table provides details of the burn rate under the Stock Option Plan and Share Unit Plan for the year ended December 31, 2021, 2020 and 2019:

Fiscal year ended	Burn rate <sup>(1)</sup>	Number of options granted <sup>(2)</sup>	Number of share units granted	Weighted average number of common shares outstanding <sup>(2)</sup>
Year ended December 31, 2021	0.8%	545,000	803,435	172,002,625
Year ended December 31, 2020	1.1%	578,750	1,019,520	142,618,926
Year ended December 31, 2019	2.5%	225,000	2,953,921	126,485,569

### Notes:

- (1) Calculated by dividing the number of stock options granted under the Stock Option Plan and the number of share units granted under the Share Unit Plan during the applicable period by the weighted average number of common shares outstanding for the applicable period.

## Stock Option Plan

The purpose of the Stock Option Plan is to assist the Corporation to attract, retain and motivate directors, senior officers, key employees or other service providers of the Corporation and its subsidiaries and affiliates by providing them with the opportunity, through share options, to acquire an increased proprietary interest in the Corporation.

Eligible participants under the Stock Option Plan (“**optionees**”) are such senior officers, directors and key employees of the Corporation and its subsidiaries and affiliates, as well as any other person or company engaged to provide ongoing management or consulting services to the Corporation or to its subsidiaries and affiliates, as the Board shall from time to time determine in its sole discretion.

The aggregate number of common shares reserved for issuance pursuant to all options granted to any one optionee shall not exceed 5% of the issued and outstanding common shares (on a non-diluted basis) at the time of such grant. The number of common shares issuable to insiders, at any time, under the Stock Option Plan or when combined with all other share compensation arrangements, shall not exceed 10% of the issued and outstanding common shares (on a non-diluted basis), and the number of common shares issued to insiders within any one year period, under the Stock Option Plan or when combined with all other share compensation arrangements, cannot exceed 10% of the issued and outstanding common shares (on a non-diluted basis).

The option price per common share is to be determined by the Board provided that such price is not less than the closing market price of the common shares on the TSX one trading date prior to the date on which the option is granted. The vesting period of all options shall be determined by the Board. The term of an option shall not be less than one year and not more than 10 years from the date the option is granted (subject to certain provisions of the Stock Option Plan). If at any time, the term of an option ends during a period during which designated employees of the Corporation cannot trade common shares as a result of the Corporation's policy respecting restrictions on employee trading which is in effect at that time (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Corporation, or in respect of an insider, that insider, is subject) (a "**Black-Out Period**") or within 10 business days following a Black-Out Period, the ending date of the term of the option shall be deemed to be the date that is the tenth business day following such Black-Out Period.

The options are non-transferable and non-assignable.

In the event of the resignation of an optionee as an employee, resignation or removal of an optionee as a director or officer, or the discharge of an optionee as an employee by reason of a wilful and substantial breach of such optionee's employment duties, prior to the expiry date, all options granted to such optionee shall in all respects forthwith cease and terminate. In the event of the termination of employment of an optionee other than in the foregoing circumstances, such optionee may exercise options at any time up to and including the 30th day (or such later day as the Board in its sole discretion may specifically determine for such optionee) following the effective date of termination of employment or the expiry date, whichever is earlier. In the event of the death of an optionee while in the employment, or as a director or officer, prior to the expiry date, the options may be exercised by the legal representatives of such optionee at any time up to and including the date, which is the first anniversary of the date of death or the expiry date, whichever is earlier.

The Board may amend, vary or discontinue the Stock Option Plan at any time either prospectively or retrospectively, provided, however, that no such amendment may increase the maximum number of common shares that may be optioned under the Stock Option Plan, change the manner of determining the option price, extend the term of any option beyond 10 years from the date of the granting of such option, extend the period during which options may be granted or, without the prior written consent of the optionee, alter or impair any option previously granted to an optionee under the Stock Option Plan. Any such amendment, variance or discontinuance of the Stock Option Plan shall be subject to the approval thereof by the TSX or such other stock exchange on which the common shares are then listed for trading.

Notwithstanding the foregoing, shareholder approval is required in accordance with the rules of the TSX or such other stock exchanges on which the common shares are then listed for trading, in circumstances where an amendment, variance or change to the Stock Option Plan or an option would:

- (a) increase the maximum number of common shares that may be optioned under the Stock Option Plan,
- (b) grant additional powers to the Board to amend the Stock Option Plan or entitlements under the Stock Option Plan without shareholder approval,
- (c) reduce the option price of options or other entitlements under the Stock Option Plan held by insiders,
- (d) extend the term of options held by insiders, or
- (e) change the insider participation limits which result in the shareholder approval to be required on a disinterested basis.

The Board has the power and authority to approve amendments relating to the Stock Option Plan or a specific option without further approval of the shareholders of the Corporation, to the extent that such amendments relate to, among other things, the terms and conditions of vesting, the termination provisions, accelerating the expiry date, application of adjustment provisions of the Stock Option Plan, amendments of a "housekeeping" or "clerical" nature, changes to the eligible participants, amendments to the Stock Option Plan that are reasonably necessary to allow optionees to

receive fair and favourable tax treatment under relevant tax legislation, the mechanics of exercise of options, and introduction of a cashless exercised feature payable in securities.

### **Share Unit Plan**

The purpose of the Share Unit Plan is to assist the Corporation in attracting, incentivizing and retaining those key directors, officers, employees and consultants who are considered by the Board to be key to the growth and success of Corporation, and to align the interests of the key directors, officers, employees and consultants with those of the shareholders through longer term equity ownership in Corporation.

The Share Unit Plan provides for the issuance of share units of the Corporation (“**Share Units**”) to employees, directors and officers of the Corporation and any of its subsidiaries and affiliates, consultants, and management company employees and, except in relation to a consultant company, includes a company that is wholly-owned by such persons.

The Share Unit Plan provides that Share Units may be granted by the Board or any committee designated by the Board to administer the Share Unit Plan. Share Units are units created by means of an entry on the books of corporation representing the right to receive one Common Share (subject to adjustments) issued from treasury per Share Unit. All grants of Share Units must be evidenced by a confirmation Share Unit grant letter issued to the Share Unit holder by the Corporation and agreed to by the Share Unit holder.

The maximum number of Common Shares available for issuance under the Share Unit Plan or any other security-based compensation arrangement (pre-existing or otherwise, but excluding the Orex Stock Option Plan) shall not exceed 10% of the Common Shares (including any underlying outstanding Share Units). Any increase in the issued and outstanding Common Shares will result in an increase in the number of Share Units issuable under the Share Unit Plan.

Any issuance of Common Shares from treasury, including issuances of Common Shares in respect of which Share Units are settled, expired or cancelled, shall automatically replenish the number of Share Units issuable under the Share Unit Plan.

The number of Share Units granted and any applicable vesting conditions are determined in the discretion of the Board or a committee designated by the Board, with the number of Share Units granted being determined by the Board or committee on the grant date. In granting Share Units, the Board or the committee may include any other terms, conditions and/or vesting criteria which are not inconsistent with the Share Unit Plan. Share Units are settled by way of the issuance of Common Shares from treasury as soon as practicable following the vesting date which is considered the maturity date as determined by the Board or the committee in accordance with the terms of the Share Unit Plan. Individuals granted Share Units who are Canadian residents or as otherwise may be designated in the Share Unit grant letter (with the exception of U.S. taxpayers) are permitted to elect to defer the maturity date and issuance of all or any part of the Common Shares issuable to them, provided proper notice is provided to the Board or the committee in accordance with the terms of the Share Unit Plan. If the deferral is elected the issuance of the Common Shares will occur on the earlier of (i) the date to which the participant has elected to defer receipt of Common Shares in accordance with the Share Unit Plan; and (ii) the date of the participant’s retirement, resignation, termination with cause or termination without cause or a change of control of the Corporation (the “**Deferred Payment Date**”).

In the event that a cash dividend is paid to shareholders on the Common Shares while a Share Unit is outstanding, each participant will be credited with additional Share Units equal to the aggregate amount of any cash dividends that would have been paid to the individual if the Share Units had been Common Shares, divided by the market price of the Common Shares on the date on which dividends were paid by Corporation.

The additional Share Units will vest and be settled on the participant’s maturity date or, if applicable, the Deferred Payment Date of the particular Share Unit award to which the additional Share Units relate.

No cash payment will be made to a participant if cash dividends are paid to shareholders.

The termination provisions under the Share Unit Plan are as follows subject to any determination otherwise by the Board:

- In the event of retirement, any unvested Share Units will automatically vest on the date of retirement, and the Common Shares underlying such Share Units will be issued as soon as reasonably practical thereafter;
- In the event of the death, any unvested Share Units will automatically vest on the date of death, and the Common Shares underlying all Share Units will be issued to the estate of the deceased as soon as reasonably practical thereafter;
- In the event of disability (as may be determined in accordance with the policies, if any, or general practices of Corporation or any subsidiary), any unvested Share Units will automatically vest on the date on which the participant is determined to be totally disabled, and the Common Shares underlying the Share Units will be issued as soon as reasonably practical thereafter;
- In the event of termination without cause of a Share Unit holder, (i) any unvested Share Units that are not subject to performance vesting criteria will automatically vest on the date on which the individual is terminated and the Common Shares underlying the Share Units will be issued as soon as reasonably practical thereafter, and (ii) any unvested Share Units that are subject to performance vesting criteria will vest in accordance with their normal vesting schedule, except, in either case, as may otherwise be stipulated in the applicable Share Unit grant letter or as may otherwise be determined by the Board; and
- In the event of termination with cause or resignation, all of the Share Units shall become void, and the holder shall have no entitlement and will forfeit any rights to any issuance of Common Shares under the Share Unit Plan, except as may otherwise be stipulated in the applicable Share Unit grant letter or as may otherwise be determined by the Board or the committee in its sole and absolute discretion. Share Units that have vested but that are subject to an election to set a Deferred Payment Date shall be issued forthwith following the termination with cause or the resignation of the Share Unit holder.

In the event of a change of control, all unvested Share Units issued and outstanding shall automatically and immediately vest on the date of such change of control.

The grant of Share Units under the Share Unit Plan is subject to a restriction such that the number of Common Shares: (i) issued to insiders of Corporation, within any one-year period, and (ii) issuable to insiders of Corporation, at any time, under the Share Unit Plan, or when combined with all of Corporation's other security based compensation arrangements, shall not exceed 10% of Corporation's total issued and outstanding Common Shares, respectively. Except as permitted under the Share Unit Plan or by a will or by the laws of descent and distribution, no Share Unit and no other right or interest of a Share Unit holder (excluding, for greater certainty, Common Shares previously issued to a Share Unit holder in accordance with the Share Unit Plan) is assignable or transferable.

The amendment provisions of the Share Unit Plan provide the Board or the committee with the power, subject to the requisite regulatory approval, to make the following amendments to the provisions of the Share Unit Plan and any Share Unit grant letter without Shareholder approval (without limitation):

- Amendments of a housekeeping nature,
- Additions or changes to any vesting provisions of a Share Unit,
- Changes to the termination provisions of a Share Unit or the Share Unit Plan, and
- Amendments to reflect changes to applicable securities or tax laws.

However, any of the following amendments require shareholder approval:

- Increasing the number of Common Shares or maximum percentage of Common Shares which may be issued pursuant to the Share Unit Plan (other than by virtue of adjustments permitted under the Share Unit Plan),
- Permitting Share Units to be transferred other than for normal estate settlement purposes,
- Removing or exceeding of the insider participation limits,
- Materially modifying the eligibility requirements for participation in the Share Unit Plan, or
- Modifying the amending provisions of the Share Unit Plan.



## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

### ***THE FOLLOWING INFORMATION IS PROVIDED IN ACCORDANCE WITH FORM 58-101F1 – CORPORATE GOVERNANCE DISCLOSURE UNDER NATIONAL INSTRUMENT 58-101 – DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES (“NI 58-101”)***

As of December 31, 2021, the Board was composed of six (6) directors: Kevin Bullock, Jonathan Fitzgerald, Rick Howes, Ted Kavanagh, Mary-Lynn Oke, and Lewis Lawrick, and was chaired by Mr. Fitzgerald. On November 16, 2021, P.E. ("Ted") Kavanagh was appointed to the Board. On December 9, 2021, Rick Howes was appointed to the Board and Dr. Michael Byron tendered his resignation from the Board.

During the fiscal year ended December 31, 2021, Jonathan Fitzgerald, Rick Howes, Ted Kavanagh, Mary-Lynn Oke, and Lewis Lawrick met the definition of independence under NI 58-101 and were considered by the Board to be independent. Kevin Bullock was not considered independent because he is a senior executive officer of the Corporation. As a result, as at the date of this Circular, five out of six directors (or 83%) were independent within the meaning of NI 58-101. At all meetings of the Board and its committees during the fiscal year ended December 31, 2021, the independent directors had an opportunity to meet without non-independent directors and members of management. During the fiscal year ended December 31, 2021, the independent directors did not hold such meetings however they held in-camera sessions without management at various times during the year as part of quarterly board meetings. The Board has appointed Jonathan Fitzgerald to the role of Chairman, and in this role, Mr. Fitzgerald chairs the Board meetings of the Corporation.

#### **Board Meetings and Attendance**

The Board meets regularly to review the activities and financial results of the Corporation and as necessary to review and consider significant impending actions of the Corporation. During the financial year ended December 31, 2021, the Board met formally seven (7) times and also acted through unanimous resolutions; the Audit Committee met four (4) times; and the Compensation Committee met one (1) time. The Committees of the Board also acted through unanimous resolutions during the year, including the Corporate Governance Committee which addressed various executive and board personnel matters throughout the year.

The members of the Board and their attendance are set forth below:

<b>Director</b>	<b>Independent<sup>(1)</sup></b>	<b>Meeting Attendance</b>
Kevin Bullock	No	7 out of 7
Michael Byron <sup>(2)</sup>	Yes	6 out of 6 <sup>(2)</sup>
Jonathan Fitzgerald	Yes	7 out of 7
Rick Howes <sup>(2)</sup>	Yes	1 out of 1 <sup>(2)</sup>
Ted Kavanagh <sup>(3)</sup>	Yes	1 out of 1 <sup>(3)</sup>
Lewis Lawrick	Yes	7 out of 7
Mary-Lynn Oke	Yes	7 out of 7

#### **Notes:**

- (1) To be considered independent, a member of the Board must not have any direct or indirect or “material relationship” with the Corporation. A material relationship is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member’s independent judgment.
- (2) On December 9, 2021, Rick Howes was appointed to the Board and Dr. Michael Byron tendered his resignation from the Board.
- (3) On November 16, 2021, P.E. ("Ted") Kavanagh was appointed to the Board.

## Other Directorships

As of December 31, 2021, the following directors of the Corporation were also directors of other issuers that are reporting issuers (or the equivalent) in Canada or elsewhere:

Director	Reporting issuer (or the equivalent)
Kevin Bullock	B2 Gold Corp.
Jonathan Fitzgerald	Daystar Technologies Inc., Epcylon Technologies Inc.
Rick Howes	Torex Gold, Hudbay Minerals Inc.
P.E. ("Ted") Kavanagh	Southern Empire Resources
Lewis Lawrick	Magna Terra Minerals Inc., NorthWest Copper Corp.
Mary-Lynn Oke	Jaguar Mining Inc.

## Board Mandate

The Board is elected by the shareholders of the Corporation and is responsible for managing the business and affairs of the Corporation and, in doing so, must act honestly and in good faith with a view to enhancing long-term shareholder value. Pursuant to the Mandate of the Board (the "**Board Mandate**"), a copy of which is attached to this Circular as Schedule "B", the Board is primarily responsible for the development and adoption of the strategic direction of the Corporation. Specifically, the Board is charged with responsibility for: (a) to the extent feasible, satisfying itself as to the integrity of the Chief Executive Officer and other executive officers and that the Chief Executive Officer and other executive officers create a culture of integrity throughout the organization; (b) adopting a strategic planning process and approving, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the business; (c) identifying the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to manage these risks; (d) overseeing succession planning (including appointing, training and monitoring senior management); (e) adopting a communication policy for the Corporation; (f) overseeing the Corporation's internal control and management information systems; and (g) developing the Corporation's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Corporation.

During the fiscal year ended December 31, 2018, the Board undertook a review of all key corporate governance policies, including the Board Mandate, individual Committee Charters, the Corporations' Code of Conduct and Business Ethics, Securities Trading, Disclosure and Confidentiality Policy, and Whistleblower Policy. All updated Mandates, Charters and Policies were unanimously approved by the Board, and have been made publicly available on the Corporation's website.

## Position Descriptions

As part of the Board Mandate (which is attached as Schedule "B"), the Board has developed a written position description for the Chairman of the Board. The Chairman acts as an effective leader of the Board and ensures that the Board's agenda enables it to successfully carry out its duties. As part of the adoption of the Charters for the various Board Committees, the Board developed written descriptions of the responsibilities of the Chairs of those Committees. The Board has not developed a written position description for the Chief Executive Officer, however the responsibilities of the Chief Executive Officer are set forth in the employment agreement thereof.

## Ethical Business Conduct

The Board expects directors, officers and employees to act ethically at all times and to from time to time acknowledge their adherence to the Corporation's codes and policies, including the Corporation's Code of Conduct and Business Ethics as approved by the Board. A copy of the Code of Conduct and Business Ethics is available on the Corporation's website. Compliance with the Code of Conduct and Business Ethics is achieved as follows: Each director is responsible for ensuring that they individually comply with the terms of the Code, while the Board is

responsible for ensuring that the directors, as a group, and all officers comply with the Code and the executive officers of the Corporation are responsible for ensuring compliance with the Code by employees. Since the beginning of the Corporation's last financial year, it has not filed a Material Change Report relating to any conduct of a director or executive officer that constitutes a departure from the Code.

To ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or officer has a material interest, independent directors are given the opportunity to meet without non-independent directors and members of management at all Board and committee meetings. In addition, the Board complies with the conflict of interest provisions of its governing corporate legislation and relevant securities regulatory instruments and stock exchange policies (which require that interested directors recuse themselves from the consideration of, and voting on, such matters).

### **Director Term Limits**

The Corporation has not instituted director term limits. The Corporation believes that in taking into account the nature and size of the Board and the Corporation, it is more important to have relevant experience than to impose set time limits on a director's tenure, which may create vacancies at a time when a suitable candidate cannot be identified and as such would not be in the best interests of the Corporation. In lieu of imposing term limits, the Corporation regularly monitors director performance through annual evaluations and regularly encourages sharing and new perspectives through regularly scheduled Board meetings, meetings with only independent directors in attendance, as well as through continuing education initiatives. On a regular basis, the Corporation analyzes the skills and experience necessary for the Board and evaluates the need for director changes to ensure that the Corporation has highly knowledgeable and motivated Board members, while ensuring that new perspectives are available to the Board.

### **Female Representation in Management and on the Board**

The Corporation has not implemented a diversity policy; however, it continues to consider implementing such a policy in the near future to ensure that the Corporation is able to attract the highest quality candidates. Such a diversity policy is anticipated to promote the benefits of, and need for, extending opportunities to all internal personnel and outside candidates, without distinction as to gender, race, colour, religion, sexual orientation, family or marital status, political belief, age, national or ethnic origin, citizenship, disability, or any other basis and will strive for diversity of experience, perspective and education. The diversity policy would not only focus on the best quality individuals for the position but would also encourage representation of women on the Board and in executive officer positions.

The Corporation currently has one Board member (17% of the Board), one executive, and one senior manager who are female. The Corporate Governance Committee has not considered specific levels of representation of women in its executive officer positions or on its Board in previous nominations (including a targeted number or percentage), however the Board believes diversity is key to attract the best quality individuals and to encourage the representation of women in the Corporation. The Corporation's focus has always been, and will continue to be, working to attract the highest quality executive officers and Board candidates with special focus on the skills, experience, character and behavioural qualities of each candidate. Further, through the anticipated implementation of a diversity policy, the Corporate Governance Committee and Board will consider diversity in the selection criteria of new Board members and executive officers.

### **Board Committees**

To assist it in exercising its responsibilities, the Board established the following standing committees of the Board: an audit committee (the "**Audit Committee**"), a compensation committee (the "**Compensation Committee**"), and a corporate governance committee (the "**Corporate Governance Committee**"). The Board also recently constituted a safety committee to assist with the oversight of occupational health and safety matters (the "**Safety Committee**").

### **Audit Committee**

The Audit Committee is currently composed of Ms. Oke (Chair), Mr. Lawrick, and Mr. Kavanagh, all of whom are considered financially literate and independent (as such terms are defined in NI 52-110). The responsibilities of the Committee include: (a) assisting the Board's oversight of the Corporation's financial integrity, (b) managing the relationship between the Corporation and the external auditors, and (c) preparing any report relating to the Audit Committee that is required to be included in the Corporation's annual information form. The Audit Committee's charter is set out in the annual information form dated March 30, 2021, which is available on SEDAR at [www.sedar.com](http://www.sedar.com) under the Corporation's profile.

### **Compensation Committee**

The Compensation Committee is currently composed of Mr. Lawrick (Chair), Mr. Howes, and Ms. Oke, all of whom are independent (as such terms are defined in NI 52-110). It oversees the remuneration policies and practices of the Corporation and its principal responsibilities include: (a) comparing the nature and amount of the Corporation's directors' and executive officers' compensation to performance against goals set for the year while considering relevant comparative information, independent expert advice and the financial position of the Corporation, (b) making recommendations to the Board in respect of director and executive officer remuneration matters, and (c) administering the Stock Option Plan and granting options thereunder.

The Compensation Committee is mandated to review the compensation of the directors on an annual basis. The Committee review includes consideration of the adequacy, amount and form of compensation which a director receives, directly or indirectly, and whether such compensation realistically reflects the time commitment, responsibilities and risks of each director.

With respect to compensation of senior officers, the Compensation Committee is responsible for reviewing and approving the performance evaluations of the Corporation's senior officers and approving the individual compensation packages provided to senior officers. In conducting its analysis, the Committee will consider the compensation provided to senior officers in comparable organizations.

### **Safety Committee**

The Safety Committee is currently composed of Mr. Bullock (Chair), Mr. Howes, and Mr. Kavanagh, all of whom are independent (as such terms are defined in NI 52-110) with the exception of Mr. Bullock. It oversees the safety policies and practices of the Corporation, and its principal responsibilities include: (a) the health and safety of the Corporation's employees and contractors and assisting with the identification of risks and cultivating a culture of safety, and (b) making recommendations to the Board in respect of safety matters.

### **Corporate Governance Committee**

The Corporate Governance Committee is currently composed of Messrs. Fitzgerald (Chair), Howes, and Lawrick, all of whom are currently independent Board members. It is responsible, among other things, for: (a) identifying and making recommendations to the Board as to the structure of the Board and the committees of the Board to be constituted from time to time and the structure of those committees and (b) reviewing the charter of each committee of the Board and making recommendations to the Board with respect thereto in order to ensure that all aspects of corporate governance of the Corporation and its management and the performance of the Corporation's obligations to its shareholders, employees and members of the public are being effectively reviewed.

### **Nomination of Directors**

The Corporate Governance Committee is responsible for: (a) periodically comparing the tangible and intangible skills and qualities of the existing Board members with the analysis of required skills and identifying opportunities for improvement and (b) identifying individuals qualified to become new Board members and recommending to the Board the new director nominees for the next annual meeting of shareholders.

## **Board Assessment**

The Corporate Governance Committee is also responsible for making an annual assessment of the overall performance and effectiveness of the Board and each committee, the Chairman of the Board, each committee Chair and each director, and reporting on such assessments to the Board. The objective of the assessments is to ensure the continued effectiveness of the Board in the execution of its responsibilities and to contribute to a process of continuing improvement.

## **Orientation and Continuing Education**

The Corporate Governance Committee is responsible for reviewing and making recommendations to the Board regarding orientation and education programs to be undertaken for all new members of the Board and continuing education programs to be made available to members of the Board. In addition, the Corporate Governance Committee periodically reviews the composition of the Board to ensure the directors have the skill sets and knowledge necessary to meet their obligations as directors and oversee the execution of the Corporation's business goals.

## **OTHER INFORMATION**

### **Directors' and Officers' Liability Insurance**

The Corporation maintains directors' and officers' liability insurance for the officers and directors of the Corporation, which provides aggregate coverage in the amount of \$13 million in each policy year with a \$50,000 deductible, for a total annual premium for the policy of \$75,400.

### **Interest of Informed Persons in Material Transactions**

Management of the Corporation is not aware of a material interest, direct or indirect, of any director or officer of the Corporation, any proposed nominee for election as a director of the Corporation, any principal shareholder, or any associate or affiliate of any such person, in any transaction since the beginning of the fiscal year ended December 31, 2021 or in any proposed transaction that has materially affected or could materially affect the Corporation.

Certain of the directors and officers of the Company and its subsidiaries also serve as directors, officers and/or advisors of and to other companies involved in natural resource exploration and development. Consequently, there exists the possibility for such directors and officers to be in a position of conflict.

Lewis Lawrick is the President, Chief Executive Officer and a director of Magna Terra Minerals Inc. ("Magna Terra"). Another employee of the Corporation is the Chief Financial Officer of Magna Terra. The Corporation owns a 21% interest in Magna Terra. Mr. Lawrick has declared their interest to the Board of the Corporation with respect to their involvement with Magna Terra and have refrained from voting on all matters related to Magna Terra at any meetings of the Board of the Corporation.

The Corporation expects that any decision made by any such directors and officers involving the Corporation will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Corporation and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest or which are governed by the procedures set forth in the *Business Corporations Act* (Ontario) and any other applicable law.

### **Additional Information**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com) under the Corporation's profile. Financial information is provided in the Corporation's audited consolidated financial statements of the Corporation and the MD&A for the financial year ended December 31, 2021.

In addition, copies of the Corporation's financial statements and MD&A may be obtained upon request to the Chief Financial Officer of the Corporation by phone at 647-388-1842 or by email at [rdufour@anacondamining.com](mailto:rdufour@anacondamining.com). The Corporation may require the payment of a reasonable charge if the request is made by a person who is not a shareholder of the Corporation.

### **DIRECTORS' APPROVAL**

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

**BY ORDER OF THE BOARD**

*"Jonathan Fitzgerald"*

Toronto, Ontario  
April 1, 2022

Jonathan Fitzgerald  
Chairman of the Board of Directors

## Schedule A

### BOARD OF DIRECTORS MANDATE

#### 1. Objective and Scope

The Board of Directors (the “Board”) has the responsibility for the overall stewardship of Anaconda Mining Inc. (the “Company”), its business conduct, and the activities of management, which is responsible for the day-to-day conduct of the business. The fundamental objectives of the Board are to enhance and preserve long term shareholder value, and to ensure that the Company meets its obligations on an ongoing basis and operates in a reliable and safe manner. In performing its functions, the Board should also consider the legitimate interests of its other stakeholders, such as employees, customers and communities.

#### 2. Procedures and Organization

The Board has the authority to exercise all powers of the Corporation that are required by the Business Corporations Act (Ontario) or Articles of the Corporation. The Board may delegate to Senior Management or to a committee certain of its authorities, but it will communicate with respect to matters that cannot be delegated and that require prior approval of the Board. This will require that the Corporation’s annual strategic, operating and capital plans, significant capital expenditures, and all transactions or other matters of a material nature and dealing with non-arm’s length parties, must be presented by Senior Management for approval by the Board. The Board also retains the responsibility for managing its own affairs including selecting its chair (“Chair”) and nominating candidates for election to the Board and constituting committees of the Board.

A quorum for the transaction of business at any meeting of the Board shall be a majority of the number of directors then in office. The Corporate Secretary of the Company (or in their absence, the person appointed by the Board to take minutes) shall have the responsibility for taking minutes of all meetings of the Board and for circulating drafts of such minutes to the Chair promptly following each meeting. The Corporate Secretary of the Company (or in his or her absence, the person appointed by the Board to take minutes) shall present draft minutes from the previous meeting at the next succeeding Board meeting for comments, approval and execution.

#### 3. Duties and Responsibilities

The Board’s principal duties and responsibilities fall into a number of categories which are outlined below.

##### ➤ Legal Requirements

The Board, together with management, has the responsibility to ensure all legal requirements are met, all documents and records are properly prepared and approved, and all corporate records are properly maintained.

The Board has the statutory responsibility to:

- a. To manage, supervise and assume responsibility for the management of the business of the Corporation;
- b. To act honestly and in good faith and in the best interests of the Corporation;
- c. To exercise the care, diligence and skill of a reasonably prudent person; and
- d. To act in accordance with its obligations contained in the Business Corporations Act (Ontario), the Securities Act (Ontario), the regulations of the Exchange, and all such other relevant legislation and regulations.

##### ➤ Independence

In order that the Board can function independently of Senior Management, it will seek to maintain a majority of the Board as “independent”, as defined by National Instrument 58-101 – Disclosure of Corporate Governance Practices (“NI 58-101”). The Board, in consultation with the Corporate Governance Committee, will annually review the relationship of each director and the Company to determine if each director is or remains “independent” as defined by NI 58-101.

The Board will disclose annually whether the Board of Directors has a majority of independent Directors.

➤ **Strategic Planning**

The Board has the responsibility to ensure that there are long term goals and a strategic planning process in place for the Company and to participate, at least annually, with management, directly or through the Board's committees, in developing and approving the plan by which the Company proposes to achieve its goals, which plan considers, among other things, the opportunities and risks of the Company's business. Annual operating and capital plans are developed by Senior Management and are reviewed and approved by the Board.

➤ **Identification and Management of Risks**

The Board will identify principal risks to the Corporation's business and will with Senior Management establish systems and procedures to ensure that these risks are appropriately monitored and controlled. These systems and procedures will include the responsible use of the Corporation's assets and financial resources, and will be in compliance with all regulatory obligations and regulations.

➤ **Supervision and Succession of Management**

The Board is responsible for the supervision of Senior Management and will take reasonable steps to ensure that the operations of the Corporation are conducted in accordance with strategic plans and objectives set by the Board. Appointment of the CEO and CFO will be approved by the Board. The Board will assess the performance of the Senior Officers of the Corporation and ensure that they are professional, focused and capable of successfully managing the Corporation;

The Board will ensure that appropriate and reasonable plans have been made for management succession and development.

➤ **Internal Controls and Disclosure**

While the Board is called upon to manage or supervise Senior Management, the business of the Corporation is carried out by the CEO, CFO and others in Senior Management. These individuals are charged with the day-to-day leadership and management of the Corporation and its subsidiaries and are expected to achieve overall objectives and policies established by the Board. The CEO's prime responsibility is to lead the Corporation, formulate strategies and policies and present them to the Board for approval. \ The Board approves the strategies of the Corporation and its subsidiaries, the policies within which it is managed, provides counsel to Senior Management to achieve objectives and evaluates performance. Reciprocally, the CEO keeps the Board fully-informed in a timely and candid manner on all matters which are of interest to the Board, on progress of the Corporation towards the achievement of its objectives and of all potential or actual deviations from the goals, objectives and/or policies established by the Board. Once the Board has approved the strategies and policies, it acts in a unified and cohesive manner in supporting, advising and guiding the CEO, CFO and others in Senior Management.

The Board operates by delegating certain of its authorities, including spending authorizations, to Senior Management and by reserving certain powers to itself. Subject to the Business Corporations Act (Ontario) and Articles, the Board retains the responsibility for managing its own affairs, developing its own agendas and procedures and recommending Directors' compensation. Its principal duties fall into the general categories described below.

The Board, through the Audit Committee, will be responsible for the integrity of the internal control and management information systems of the Corporation. The duties of the Audit Committee are located at Tab 11.

The Board is responsible for approving a communications policy that includes a framework for investor relations and a public disclosure policy. Refer to Corporate Disclosure Policy at Tab 3.

The Board is responsible for reviewing and assessing disclosure of the Corporation's financial performance to shareholders and stakeholders.



➤ **Division of Responsibilities**

The Board has the power to appoint and delegate responsibilities to committees where appropriate to do so. The Board shall be responsible for ensuring that the Company's officers and the directors are qualified and appropriate in keeping with the Company's corporate governance policies.

To assist it in exercising its responsibilities, the Board has established the following standing committees of the Board:

- Audit Committee
- Corporate Governance Committee
- Compensation Committee

The Board may establish other standing or ad hoc committees from time to time which will function in accordance with such committee's charter.

Each committee shall have a written charter that clearly establishes its purpose, responsibilities, composition, structure and functions. Each committee charter shall be reviewed by the Board at least annually. The Board is responsible for appointing the committee members, including the chair of each committee.

➤ **Appointment and Monitoring of Senior Management**

The Board has the responsibility:

- a. For the appointment and replacement of the CEO, and CFO, for monitoring his/her performance, approving his/her compensation and providing advice and counsel to this executive in the execution of his/her duties.
- b. To determine its expectations of Senior Management and take reasonable steps to ensure that they understand these expectations.
- c. The Board through the Corporate Governance Committee has the responsibility for reviewing and recommending the appointment and replacement of Directors.

➤ **Policies, Procedures and Compliance**

The Board has the responsibility:

- a. To approve all significant policies and procedures and to monitor compliance with these policies and procedures.
- b. To take such reasonable steps necessary to ensure that the Corporation operates at all times within applicable laws and regulations, and to the highest ethical and moral standards.

➤ **Reporting and Communication**

The Board has the responsibility to take such reasonable steps to ensure that:

- a. to ensure the Company has developed, and the Board has approved, a Corporate Disclosure Policy, to enable the Company to communicate effectively with its shareholders and other stakeholders;
- b. Operational and financial performance of the Corporation is adequately reported to exchanges and stakeholders on a timely and regular basis, as required by law.
- c. Financial performance is reported fairly and in accordance with Generally Accepted Accounting Principles.
- d. Reporting to exchanges and stakeholders of any developments that could or would be reasonably expected to have a significant and material impact on the Corporation.
- e. Policies and procedures are in place that allow for effective communication with exchanges and stakeholders.

➤ **Monitoring and Acting**

The Board has the responsibility:

- a. to monitor the Company's progress towards its goals and objectives and to revise and alter its direction through management in response to changing circumstances;
- b. to take action when performance falls short of its goals and objectives or when other special circumstances warrant; and
- c. to ensure that the Company has implemented adequate internal control and management information systems which ensure the effective discharge of the Board's responsibilities.

➤ **Membership and Composition**

The Board of Directors will:

- a. examine the size of the Board with a view to determining the impact of the number of Directors upon the effectiveness of the Board; and
- b. determine the status of each Director as dependent or independent and, to the extent practicable, take steps to ensure that a majority of the Directors are independent.

The Board, through the Corporate Governance Committee, in determining its composition, shall be mindful of the nature of its business and the specialized knowledge that the Board should possess or need to acquire.

➤ **Education and Assessment**

Members of the Board are expected to attend all meetings of the Board in person or by phone and to have reviewed board materials in advance and be prepared to discuss such materials.

The Board has responsibility to ensure that a process is in place so that all new Directors receive a comprehensive orientation and fully understand the role of the Board and its committees, the nature and operation of the Company's business, and the contribution that individual directors are required to make. New Directors, as part of their orientation, may meet with Senior Management to discuss the business of the Corporation and receive historical and current operating and financial information, and may tour offices and locations of the Corporation.

Members of the Board will be required to annually assess their own effectiveness and contribution as directors, and the effectiveness of the Board and its committees.

#### **4. Third Party Advisors**

The Board, and any individual director with the approval of the Board, may retain at the expense of the Company independent counsel and advisers in appropriate circumstances.

#### **5. Role of Chairman**

The Chair of the Board will provide leadership to directors in discharging their duties as set out in this Mandate, including by:

- chair Board meetings and be the spokesman for the Company at the Annual General Meeting
- establish the agenda for Board meetings in consultation with the CEO and CFO
- ensure that the Board is participating in setting the aims, strategies and policies of the Company
- make certain that the Board has the necessary information to ensure effective decision making and provide counsel for management
- ensure that administrative tasks such as the timely circulation of Board papers are carried out
- direct Board discussions so that there is effective use of time and that critical issues are discussed including 'in camera' discussions (without management) as required
- be kept fully informed by the CEO of current events and on all matters which may be of interest to the Board

- regularly review with the CEO and other such members of Senior Management as the CEO recommends, progress on important initiatives and significant issues facing the Company

Reviewed and Approved by the Board of Directors on June 15, 2020.

