



**NOTICE
AND
MANAGEMENT INFORMATION CIRCULAR
FOR THE
ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON DECEMBER 9, 2020**

SAMCO GOLD LIMITED

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

The Annual and Special Meeting (the “**Meeting**”) of the shareholders of Samco Gold Limited (the “**Corporation**”) will be held at the offices of Abacus Trust and Management Services Limited, Geneva Place, 2nd Floor, 333 Waterfront Drive, Road Town, Tortola, British Virgin Islands on Wednesday, December 9, 2020, at 11:00 a.m. (Road Town time) for the following purposes:

- to receive the audited consolidated financial statements of the Corporation for the year ended December 31, 2019, together with the auditors’ report thereon;
- to elect the directors of the Corporation;
- to appoint MNP LLP, Chartered Accountants, as auditors of the Corporation for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditors;
- to consider and, if thought appropriate, pass an ordinary resolution substantially in the form set out in the accompanying management information circular to re-approve the Corporation’s existing stock option plan; and
- to transact such other business as may properly come before the Meeting or any adjournment thereof.

The accompanying management information circular dated November 6, 2020, provides additional information relating to the matters to be dealt with at the Meeting and forms part of this notice.

Registered shareholders who are not able to be present at the Meeting may exercise their right to vote by signing and returning the enclosed form of proxy to the Corporation’s registrar and transfer agent, Computershare Investor Services Inc. at 100 University Avenue, 8th floor, Toronto, Ontario, M5J 2Y1, Canada, so as to arrive not later than 11:00 am (Road Town time) on the second business day preceding the date of the Meeting or any adjournment thereof.

Non-registered beneficial shareholders should follow the instructions of their intermediaries in order to vote their shares.

BY ORDER OF THE BOARD OF DIRECTORS

“Charles Koppel”

Dated at London, U.K., the 6th day of November, 2020 Executive Chairman & Chief Executive Officer

MANAGEMENT INFORMATION CIRCULAR

Dated November 6, 2020

GENERAL PROXY INFORMATION

Solicitation of Proxies

This management information circular (this “Circular”) is furnished in connection with the solicitation by the management of Samco Gold Limited (the “Corporation”) of proxies to be used at the annual and special meeting (the “Meeting”) of shareholders of the Corporation to be held at the offices of Abacus Trust and Management Services Limited, Geneva Place, 2nd Floor, 333 Waterfront Drive, Road Town, Tortola, British Virgin Islands on Wednesday, December 9, 2020 at 11:00 a.m. (Road Town time), and at all adjournments thereof, 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 but proxies may also be solicited personally by directors, officers or regular employees of the Corporation. Such persons will not receive any extra compensation for such activities. The Corporation may also retain, and pay a fee to, one or more proxy solicitation firms to solicit proxies from the shareholders of the Corporation in favour of the matters set forth in the Notice of Meeting. The Corporation may pay brokers or other persons holding common shares of the Corporation in their own names, or in the names of nominees, for their reasonable expenses for sending proxies and the Circular to beneficial owners of common shares and obtaining proxies therefor. The total cost of the solicitation will be borne directly by the Corporation.

Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are employees of Abacus Trust and Management Services Limited, the Corporation’s corporate service provided in the British Virgin Islands. **A shareholder has the right to appoint a person (who need not be a shareholder of the Corporation) other than the persons specified by management in such form of proxy 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:

- (a) by depositing an instrument in writing, including another completed form of proxy, executed by such shareholder or shareholder’s attorney authorized in writing either:
 - (i) with the Corporation’s registrar and transfer agent at any time up to and including the deadline for the submission of proxies for the Meeting as indicated in the Notice of Meeting and form of proxy; 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; or
- (b) in any other manner permitted by law.

Exercise of Discretion

The persons named in the enclosed form of proxy will vote 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 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. At the date of the 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 common 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 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 common 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 voting instruction form (“**VIF**”) and asks Beneficial Shareholders to return the completed VIF to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. **A Beneficial Shareholder receiving such a VIF cannot use that proxy to vote common shares directly at the Meeting. The VIF must be returned well in advance of the Meeting in order to provide instructions on how to vote the common shares.**

These materials are being sent to both registered and non-registered owners of common shares. The Corporation is not sending proxy-related Meeting materials to Beneficial Shareholders who have declined to receive them (known as “**Objecting Beneficial Owners**”) in order to save mailing costs and abide by the instructions of its declining Beneficial Shareholders. Objecting Beneficial Owners will not receive proxy-related Meeting materials unless the intermediary assumes the cost of delivery. 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. As a result, you should have received a scannable VIF from our transfer agent, Computershare Investor Services (the “**Transfer Agent**”) with this Circular. **These VIFs are to be completed and returned to the Transfer Agent in the envelope provided. In addition, the Transfer Agent provides both telephone voting and internet voting as described on the VIF itself which contains complete instructions.** The

Transfer Agent will tabulate the results of the VIFs received and will provide appropriate instructions at the Meeting with respect to the common shares represented by the VIFs they receive.

If you are a Beneficial Shareholder and wish to attend the Meeting in person or appoint some other person or company, who need not be a shareholder, to attend and act on your behalf at the Meeting or any adjournment or postponement thereof, please follow the instructions contained in the VIF.

Record Date

The directors have fixed November 4, 2020 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.

Voting Securities and Principal Holders Thereof

As of the date of this Circular, there were 82,657,687 common shares of the Corporation (the “**Common Shares**”) 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, the only persons or companies beneficially owning, or exercising control or direction over, directly or indirectly, 10 per cent. or more of the issued and outstanding Common Shares are as follows:

Name	Number of Common Shares Beneficially Owned or Controlled or Directed	Percentage of Outstanding Common Shares
Charles Koppel	38,800,003	46.94%
Sentient Executive GP IV, Limited	18,553,894	22.45%

Interests of Certain Persons or Companies in Matters to be Acted Upon

Except as otherwise disclosed below, management of the Corporation is not aware of a material interest, direct or indirect, by way of beneficial ownership of Common Shares or otherwise, of any director or officer of the Corporation at any time since the beginning of the Corporation’s last financial year, of any proposed nominee for election as a director of the Corporation, or of any associate or affiliate of any such person, in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

At the Meeting, shareholders will be asked to consider and, if thought appropriate, pass an ordinary resolution approving the Corporation’s stock option plan. Under the stock option plan, directors and officers of the Corporation are eligible for grants of options.

BUSINESS OF THE MEETING

Financial Statements

Shareholders will receive and consider the audited financial statements of the Corporation for the fiscal year ended December 31, 2019, together with the auditor’s report thereon.

Election of Directors

At the Meeting, it is proposed that three directors, Messrs. Koppel, Hick and Tomlinson (“**Management’s Nominees**”), be elected to the board of directors of the Corporation (the “**Board**”). Each of the foregoing persons is currently a director of the Corporation. Each director’s term of office will expire at the next annual meeting of shareholders of the Corporation or when his successor is duly elected or appointed, unless his office is vacated earlier in accordance with the memorandum and articles of the Corporation or he becomes disqualified to act as a director of the Corporation.

Unless the shareholder has specified in the enclosed form of proxy that the Common Shares represented by such proxy are to be withheld from voting in the election of directors, the persons named in the enclosed form of proxy intend to vote **FOR** the election of Management's Nominees.

The following table sets forth the names, province/state and country of residence of Management's Nominees; their principal occupations or employment; the year in which they became directors of the Corporation; their committee memberships; and the number of Common Shares beneficially owned or over which control or direction is exercised by them, each as at the date of this Circular.

For information regarding compensation, options, equity ownership and current directorships of each of the following persons, please see "Statement of Executive Compensation" and "Statement of Corporate Governance Practices".

Name, Province or State and Country of Residence	Position(s) held with Corporation	Principal Occupation, Business or Employment	Year became a Director	Number of Voting Securities Beneficially Owned or Controlled or Directed ⁽³⁾
Charles Koppel London, U.K.	Executive Chairman, Chief Executive Officer and Director	Officer of the Corporation	2009	38,800,003 ⁽⁴⁾
John Hick ⁽¹⁾⁽²⁾ Toronto, Canada	Director	Corporate director and independent consultant	2014	Nil
Kevin Tomlinson ⁽¹⁾⁽²⁾ London, U.K.	Director	Investment banker, Stifel Nicolaus & Company, mining consultant and holder of certain independent directorships	2012	20,000

Notes:

- (1) Denotes a member of the Audit Committee.
- (2) Denotes a member of the Compensation Committee.
- (3) 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, including those which are not registered in their names and not being within the knowledge of the Corporation, has been furnished by such directors.
- (4) 7,623,085 of these Common Shares are held by Samco Investments Limited, of which Mr. Koppel is the principal shareholder.

Securities laws require the Corporation to disclose whether a proposed director has: (i) been a director or an executive officer of a company that has been subject to a cease trade or other order or become bankrupt; (ii) been bankrupt; (iii) been subject to any penalties or sanctions relating to securities legislation or has entered into a settlement agreement with a securities regulatory authority; and (iv) been subject to any other penalties or sanctions that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director. To the Corporation's knowledge (based on information furnished by the proposed directors), no disclosure is required in respect of the proposed directors, other than as follows:

Mr. Hick was a director of Timminco Limited ("**Timminco**") when it filed and was granted protection under the Companies Creditors Arrangement Act ("**CCAA**") on January 3, 2012. As a result of the CCAA filing, the Toronto Stock Exchange delisted the company effective February 6, 2012. As part of the CCAA proceedings, all of the directors of Timminco resigned on August 16, 2012.

Mr. Hick was also a non-executive director of Carpathian Gold Inc. ("**Carpathian**") a Canadian incorporated and TSX-listed company, when on April 16, 2014, the Ontario Securities Commission issued a permanent management cease trade order, which superseded a temporary management cease trade order dated April 4, 2014, against the Interim CEO and the CFO of Carpathian. The permanent management cease trade order was issued in connection with Carpathian's failure to file its (i) audited annual financial statements for the period ended December 31, 2013, (ii) management's discussion and analysis relating to the audited annual financial statements for the period ended December 31, 2013, and (iii) corresponding certifications of the foregoing filings as required by National Instrument 52-109 – Certification of Disclosure in the Issuer's Annual and Interim Filings. The management cease trade order was lifted on June 19, 2014, following the filing of the required continuous disclosure documents on June 17, 2014.

Mr Tomlinson was a non-executive director of Besra Gold Inc (“**Besra**”) a TSX and ASX listed company when on December 17, 2014, the Ontario Securities Commission issued a Temporary Order ceasing all trading in the securities of Besra Gold Inc. The order was made because the company had failed to file its continuous disclosure materials as required by the OSC. On March 4, 2015, the Ontario Securities Commission advised that the company’s application for a variation in the terms of the cease trade order were approved. The revised order permitted the company to proceed with the proposed financing with funds utilized to remedy existing defaults with the OSC, specifically the preparation and submission of the 2014 audited accounts and management’s discussion and analysis. On May 17, 2016, Besra obtained Court approval in Toronto for its restructuring proposal and is seeking a variation of the cease trade order issued by the Ontario Securities Commission in December 2014.

Confirmation and Appointment of Auditors

The auditors of the Corporation are MNP LLP, who were first appointed as auditors of the Corporation on February 12, 2019. Unless the shareholder has specified in the enclosed form of proxy that the Common Shares represented by such proxy are to be withheld from voting in the appointment of auditors, the persons named in the enclosed form of proxy intend to vote **FOR** the appointment of MNP 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.

Annual Approval of the Existing Stock Option Plan

The Corporation has in place a “rolling” stock option plan (the “**Option Plan**”), which, under the policies of the TSX Venture Exchange, requires annual approval at the annual meeting of shareholders of the Corporation.

The Option Plan is a “rolling” stock option plan, pursuant to which the number of Common Shares that may be issued upon exercise of options may not exceed 10 per cent. of the issued and outstanding Common Shares on a non-diluted basis at any time and such aggregate number of Common Shares automatically increases or decreases as the number of issued and outstanding Common Shares of the Corporation changes.

As of the date of this Circular, a total of 8,265,768 Common Shares were reserved for issuance under the Option Plan (10 per cent. of the issued and outstanding Common Shares), of which a total of 3,973,925 Common Shares were subject to options outstanding (being approximately 48.08 per cent. of the issued and outstanding Common Shares). As of the date of this Circular, a total of 4,291,843 Common Shares remained available for issuance upon the exercise of options which may be granted in the future under the Option Plan.

The Option Plan was established by the Board prior to the Corporation’s initial public offering to promote the profitability and growth of the Corporation, facilitating the efforts of the Corporation to obtain and retain key individuals by encouraging their ownership of the Corporation’s shares so that they benefit from increases in the value of the Corporation’s shares. If the Option Plan is not approved by the shareholders at the Meeting, the Corporation will not be able to grant any further options under the Option Plan and the Corporation will have to consider other methods of compensation, such as increased cash compensation.

The following summary of the Option Plan is qualified in its entirety by the full text of the Option Plan attached as Schedule “A” to the Corporation’s management information circular dated May 23, 2013:

- (i) The maximum number of Common Shares issuable pursuant to outstanding options under the Option Plan, shall be equal to 10 per cent. of the Common Shares issued and outstanding from time to time. In addition, without disinterested shareholder approval: (i) the number of Common Shares reserved for issuance pursuant to the Option Plan, and all other compensation or incentive mechanisms involving the issuance or potential issuance of Common Shares to insiders shall not exceed 10 per cent. of the outstanding Common Shares at the time of granting the options; (ii) the number of Common Shares which may be issued to insiders within a one-year period shall not exceed 10 per cent. of the outstanding Common Shares at the time of granting the options; (iii) the number of Common Shares which may be issued to any one insider and such insider’s associates within a one-year period shall not exceed 5 per cent. of the outstanding Common Shares at the time of granting the options; and (iv) no reduction shall be made in the exercise price of the options granted to any person who is an insider at the time of the proposed reduction.

- (ii) All options issuable under the Option Plan have a maximum term of ten years from the date of issue.
- (iii) The vesting schedule for any option outstanding under the Option Plan shall be determined by the Board acting in its sole discretion, and shall be stated in the option agreement to be entered into between each optionee and the Corporation.
- (iv) The exercise price of all options issued under the Option Plan shall be determined by the Board at the grant date of each option and, in any event, will be determined in accordance with the rules of all applicable securities regulatory authorities including any stock exchange on which the Common Shares are listed.

The policies of the TSX Venture Exchange require that the Option Plan be approved by a majority of the votes cast at the Meeting. Accordingly, a resolution substantially in the form set out below must be passed by more than 50 per cent. of the votes cast by the shareholders of the Corporation being entitled to vote in person or by proxy at the Meeting. Management of the Corporation recommends that the shareholders approve the following resolution:

“RESOLVED THAT:

1. the Option Plan is hereby re-approved, subject to any amendments, changes, additions and alterations thereto as may be required by the TSX Venture Exchange;
2. any one director or officer of the Corporation be authorized and directed to perform such acts and deeds and things and execute all such documents, agreements and other writings as may be required to give effect to the true intent of this resolution.”

The Board recommends that shareholders vote **FOR** the above resolution. Unless a shareholder has specified in the enclosed form of proxy that the Common Shares represented thereby are to be voted against the above resolution, the persons named in the enclosed form of proxy intend to vote **FOR** the re-approval of the Option Plan at the Meeting.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The overall objectives of the Corporation’s compensation program include: (a) attracting and retaining talented executive officers who can assist with the Corporation’s corporate and exploration strategy; (b) aligning the interests of those executive officers with those of the Corporation; and (c) linking individual executive officer compensation to the performance of the Corporation. The Corporation’s compensation program is currently designed to compensate executive officers for performance of their duties and to reward them for performance of the Corporation.

The elements of compensation that may be awarded to, earned by, paid to, or payable to the Corporation’s “named executive officers” or “NEOs” (as such term is defined in Form 51-102F6 (as defined below)) are: (a) base salary; (b) option-based awards; (c) performance bonuses; and (d) termination and change of control benefits.

Base salary is a fixed element of compensation payable to each NEO for performing his position’s specific duties. The amount of base salary for each of the NEOs was determined through negotiation of an employment agreement. While base salary is intended to fit into the Corporation’s overall compensation objectives by serving to attract and retain talented executive officers, the size of the Corporation and the nature and stage of its business also impact the level of base salary. To date, the level of base salary has not impacted the Corporation’s decisions about any other element of compensation.

Option-based awards are a variable element of compensation that reward each NEO having regard to the performance of the Corporation. Option-based awards are intended to fit into the Corporation’s overall compensation objectives by aligning the interests of the NEOs with those of the Corporation, and linking individual compensation to the performance of the Corporation. The Compensation Committee is responsible for setting and amending any equity incentive plan under which an option-based award is granted. The Corporation has in place the Option Plan for the

benefit of eligible directors, officers, employees and consultants of the Corporation and its designated affiliates, including the NEOs. See “Business of the Meeting – Annual Approval of the Existing Stock Option Plan”. Individual option grants are determined by the Board, with recommendations from the Compensation Committee, taking into account the objectives described above. To date, any options previously granted under the Option Plan have not impacted the Corporation’s decisions about any other element of compensation, however, the Corporation may take into account previous grants when considering additional grants under the Option Plan.

Performance bonuses are a variable element of compensation potentially payable to each NEO for superior performance by that individual. The amount of any bonus for each of the NEOs is determined in the sole discretion of the Board based on criteria as determined by the Board. While bonuses are intended to fit into the Corporation’s overall compensation objectives by rewarding superior performance, the size and financial position of the Corporation and the nature and stage of its business also impact the bonus determinations. No bonuses were awarded to any NEO in the year ended December 31, 2019, and such determination has not impacted the Corporation’s decisions about any other element of compensation.

The Corporation also provides termination and, in certain instances, change of control, benefits. See “Termination and Change of Control Benefits” below.

Compensation Governance

The Corporation has a compensation committee (the “**Compensation Committee**”) composed of two directors, Messrs. Tomlinson (Chair) and Hick, each of whom is considered “independent” within the meaning of section 2.4 of Form 51-102F6 – *Statement of Executive Compensation*. Mr. Tomlinson was appointed to the Compensation Committee upon his appointment to the Board on January 16, 2012, and Mr. Hick was appointed to the Compensation Committee upon his appointment to the Board on March 3, 2014. Skills and experience that enable the Compensation Committee to make decisions on the suitability of the Corporation's compensation policies and practices include:

Name	Skills and Experience
Mr. Tomlinson (Chair)	Former Chairman of Medusa Mining Ltd. (ASX, TSX and AIM listed) and chair of its compensation committee. Former Deputy Chairman and Lead Independent Director of Besra Gold Inc. (formerly Olympus Pacific Minerals Inc.) (TSX and ASX listed) and Chair of its compensation committee. Former Non-Executive Director of Centamin plc and member of the compensation as well as health, safety environment and sustainability committees (LSE and TSX listed). Former Non-Executive Director of Orbis Gold Ltd. (ASX listed). Current Chairman of Infinity Lithium Ltd. (ASX listed). Current Chairman of Cardinal Resources Ltd. (ASX and TSX listed).
Mr. Hick	Mr. Hick has over 35 years of experience in the mining industry in both senior management positions and as an independent director. He has, in the past, held senior management positions in a number of mining companies, including President & CEO of Medoro Resources Ltd., CEO of Rio Narcea Gold Mines Ltd., President & CEO of Geomaque Exploration Inc./Defiance Mining Corp., and President of TXV Gold Inc. He has participated as a member of numerous compensation committees of other mining companies.

The Compensation Committee was established by the Board to assist the Board in fulfilling its responsibilities relating to compensation matters, including the recruitment, compensation and performance evaluation of the CEO and other senior officers of the Corporation, the development of the Corporation’s compensation structure for the CEO and other senior officers of the Corporation, and the development of the Corporation’s compensation structure for non-management directors.

The responsibilities of the Compensation Committee include the following:

- reviewing the Corporation’s overall compensation philosophy;

- reviewing and approving corporate goals and objectives relevant to CEO compensation (taking into account both short-term and long-term compensation goals), evaluating the CEO’s performance in light of stated corporate goals and objectives and recommending to the Board the CEO’s compensation level based on this evaluation;
- making recommendations for approval by the Board with respect to succession planning for the CEO (including, when necessary, the appointment of a new CEO or the dismissal of the existing CEO);
- in consultation with the Executive Chairman, overseeing the evaluation of the Corporation’s executive officers and determining the compensation of executive officers other than the Executive Chairman;
- reviewing the adequacy, amount and form of compensation paid to each director (and considering whether such compensation realistically reflects the time commitment, responsibilities and risks of directors) and making recommendations to the Board thereon;
- making recommendations to the Board with respect to the adoption or amendment of incentive compensation plans; and
- making recommendations to the Board with respect to the adoption or amendment of equity-based compensation plans, including the designation of those who may participate in such plans and the issuance of options in accordance with such plans.

The Compensation Committee has the authority to retain and receive advice from compensation consultants to carry out its duties, but has not retained any such external consultants to assist in determining compensation for the Corporation’s directors and officers in the financial year ended December 31, 2019.

Risk Management

The Board is responsible for identifying the principal risks of the Corporation’s business and ensuring the implementation of appropriate systems to manage these risks. Through the Compensation Committee, the Board is involved in the design of compensation policies to meet the specific compensation objectives discussed above and considers the risks relating to such policies, if any. The Compensation Committee is ultimately responsible for ensuring compliance of the compensation policies and practices of the Corporation. To date, the Board and Compensation Committee have not identified any risks arising from the Corporation’s compensation policies and practices that would be reasonably likely to have a material adverse effect on the Corporation.

Financial Instruments

The Corporation’s Share Trading Policy requires pre-approval for trades by insiders, including the entering into of any “equity monetization” transactions or purchases of financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities.

Anticipated Changes to Compensation Policies and Practices:

The Corporation does not intend to make any significant changes to its compensation policies and practices for fiscal 2020.

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 financial years ended December 31, 2019, 2018 and 2017 in respect of the Corporation’s NEOs, being the Executive Chairman and Chief Executive Officer of the Corporation and the Chief Financial Officer of the Corporation.

Name and principal position	Year ended Dec 31	Salary (US\$)	Option-based awards (US\$)	Non-equity incentive plan compensation (US\$)		All other compensation (US\$)	Total compensation (US\$)
				Annual incentive plans	Long-term incentive plans		
Charles Koppel, Executive Chairman and CEO	2019	83,333	-	-	-	-	83,333
	2018	200,000	5,954 ⁽¹⁾	-	-	-	205,954
	2017	200,000	-	-	-	-	200,000
Matthias Hauger, Chief Financial Officer	2019	83,333	-	-	-	-	83,333
	2018	200,000	8,512 ⁽¹⁾	-	-	-	208,512
	2017	200,000	-	-	-	-	200,000

Note:

- (1) The Black-Scholes valuation model was used to determine the fair value of the options as of the grant date. The Black-Scholes valuation model was deemed appropriate as there are no market-based performance criteria associated with the options, which under IFRS 2 would need to be incorporated into the fair value of the options. As such, the Corporation used a range of inputs for the model as of January 30, 2018 consisting of an exercise price of CDN\$0.10, price per share of \$0.02 (being the closing price for Common Shares on TSXV on the grant date), expected option life of five years, risk-free rate of 2.08%, dividend yield of 0% and volatility of 77%. The risk-free rate was determined with reference to the implied yield on zero-coupon government bond issues with a remaining term equal to the expected term of the options from the grant date, which in this case was determined to be the yield on Canadian sovereign debt with a term to maturity commensurate with the relevant expected life of the options. Future volatility for the Company was estimated using historical volatility calculated as the mean five year, 50-day median volatilities calculated for a basket of comparable entities. Grant date fair values were calculated in Canadian dollars and translated into United States dollars at a rate of CDN\$1 = US\$0.8107, being the average daily rate of exchange for United States dollars in terms of Canadian dollars as of January 29, 2018, the day immediately prior to the grant date.

Employment Agreements

Mr. Charles Koppel entered into an employment agreement with the Corporation effective April 1, 2011. Pursuant to the terms of the employment agreement, Mr. Koppel serves as the Executive Chairman (and since August 13, 2013, as the Chief Executive Officer) of the Corporation and is entitled to receive a base salary of US\$200,000 per year. Mr. Koppel is also eligible, at the sole discretion of the Corporation's Board, for performance bonuses and for option grants governed by the Option Plan. Mr. Koppel is entitled to be reimbursed for reasonable travel and other expenses incurred in connection with the conduct of the business of the Corporation.

Mr. Matthias Hauger entered into an employment agreement with the Corporation effective May 1, 2011. Pursuant to the terms of the employment agreement, Mr. Hauger serves as Chief Financial Officer of the Corporation and is entitled to receive a salary of US\$200,000 per year. Mr. Hauger is also eligible, at the sole discretion of the Corporation's Board, for performance bonuses and for option grants governed by the Option Plan. Mr. Hauger is entitled to be reimbursed for reasonable travel and other expenses incurred in connection with the conduct of the business of the Corporation.

Under their respective employment agreements, each of the NEOs will observe complete secrecy and the strictest confidence with respect to the business or affairs of the Corporation, including but not limited to all subsidiaries of the Corporation, and the business and affairs of any third party with which the Corporation is dealing.

The employment agreement of each NEO contains a 12-month non-solicitation provision, a 12 month, 50 kilometre non-competition provision and a 24 month non-appropriation of corporate opportunities provision.

The employment agreement of each NEO also includes termination and change of control benefits. See “Termination and Change of Control Benefits” below.

Incentive Plan Awards

Option-Based Awards

The following table sets forth for each NEO all awards outstanding at the end of the most recently completed financial year ended December 31, 2019. Option-based awards are stock options granted pursuant to the Corporation’s stock option plan. For a description of the Corporation’s stock option plan, see “Business of the Meeting – Annual Approval of the Existing Stock Option Plan”.

Name	Number of securities underlying unexercised options (#)	Option exercise price (CDNS)	Option expiration date	Value of unexercised in-the-money options (CDNS) ⁽¹⁾
Charles Koppel, Executive Chairman and CEO	1,223,925	0.10	January 30, 2023	Nil
Matthias Hauger, CFO	1,750,000	0.10	January 30, 2023	Nil

Note:

- (1) Based on a 2019 year-end common share closing price of CDN\$0.05. Although the Corporation’s financial statements are reported in US\$, the Corporation’s Common Shares are listed on the TSX Venture Exchange and thus trade in CDNS.

Incentive Plan Awards – Value Vested or Earned During the Year

The outstanding stock options of the Corporation as set out in the above table were subject to a three-month vesting period, therefore all option-based awards vested on April 30, 2018. No value vested during the year ending December 31, 2019.

Termination and Change of Control Benefits

The occurrence of any one or more of the following events constitutes a change of control (a “**Change of Control**”) under the employment agreement of each NEO:

1. A consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its affiliates and another corporation or other entity, as a result of which the holders of shares of the Corporation prior to the completion of the transaction hold less than fifty per cent. (50%) of the outstanding shares of the successor corporation after completion of the transaction;
2. The sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of assets, rights or properties of the Corporation and/or any of its subsidiaries which have an aggregate book value greater than seventy-five per cent. (75%) of the book value of the assets, rights and properties of the Corporation and its subsidiaries on a consolidated basis to any other person or entity, other than a disposition to a wholly-owned subsidiary of the Corporation in the course of a reorganization of the assets of the Corporation and its subsidiaries;
3. A resolution is adopted to wind-up, dissolve or liquidate the Corporation;
4. Any person, entity or group of persons or entities acting jointly or in concert (an “**Acquiror**”) acquires or acquires control (including without limitation the right to vote or direct the voting) of voting securities of the Corporation which, when added to the voting securities owned of record or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or associates and/or affiliates of the Acquiror to cast or to direct the casting

of thirty-five per cent. (35%) or more of the votes attached to all of the Corporation’s outstanding voting securities which may be cast to elect directors of the Corporation or the successor corporation;

5. As a result of or in connection with:
 - (a) a contested election of directors; or
 - (b) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its affiliates and another corporation or other entity;
6. The nominees named in the most recent management information circular of the Corporation for election to the Board of Directors of the Corporation shall not constitute a majority of the Board of Directors of the Corporation; or
7. The Board of Directors of the Corporation adopts a resolution to the effect that a “Change of Control” as defined herein has occurred or is imminent.

If, within six (6) months following the Change of Control, an NEO resigns, the Corporation terminates the NEO’s employment or the Corporation provides notice to the NEO that it no longer requires the services of the NEO, then the NEO shall be entitled to a payment equal to his then base salary (assuming a December 31, 2019, triggering event, US\$200,000 would be payable to each of the Corporation’s CEO and CFO) such payment to be made to the NEO within 15 days of such resignation or termination, as the case may be, or such later date as the NEO advises the Corporation. Any outstanding stock options held by the NEO will vest immediately and remain exercisable for the duration of their original term.

The Executive Chairman’s employment agreement continues until terminated by the Corporation upon at least six (6) months’ written notice (or payment six months’ base salary in lieu of) or by Mr. Koppel upon at least 90 days’ written notice or is otherwise terminated in accordance with its terms.

The Chief Financial Officer’s employment agreement continues until terminated by the Corporation upon at least six (6) months’ written notice (or payment six months’ base salary in lieu of) or by Mr. Hauger upon at least 90 days’ written notice or is otherwise terminated in accordance with its terms.

The following table sets forth all amounts of compensation provided to the directors for the Corporation’s most recently completed financial year ended December 31, 2019.

Name	Fees earned (US\$)	Option-based awards (US\$)	All other compensation (US\$)	Total (US\$)
John Hick	Nil	-	-	Nil
Michel Marier ⁽¹⁾	Nil	-	-	Nil
Kevin Tomlinson	Nil	-	-	Nil

Note:

(1) Mr. Marier’s tenure as a Director ended on November 6, 2020.

Independent directors have in the past received an annual stipend for their services to the Corporation acting as a director, the annual amount of which is determined by the Board of Directors at the time the independent director joins the Board. No stipends were paid to directors for the year ended December 31, 2019.

Incentive Plan Awards for Directors

The directors of the Corporation are eligible to receive stock options under the Corporation's Stock Option Plan described above under the heading "Business of the Meeting – Annual Approval of the Existing Stock Option Plan".

Option-Based Awards

The following table sets forth for each non-executive director all awards outstanding at the end of the most recently completed financial year ended December 31, 2019. Option-based awards are stock options granted pursuant to the Corporation's stock option plan. For a description of the Corporation's stock option plan, see "Business of the Meeting – Annual Approval of the Existing Stock Option Plan".

Name	Number of securities underlying unexercised options (#)	Option exercise price (CDN\$)	Option expiration date	Value of unexercised in-the-money options (CDN\$) ⁽¹⁾
John Hick	500,000	0.10	January 30, 2023	Nil
Michel Marier ⁽²⁾	Nil	-	-	Nil
Kevin Tomlinson	500,000	0.10	January 30, 2023	Nil

Notes:

- (1) Based on a 2019 year-end common share closing price of CDN\$0.05. Although the Corporation's financial statements are reported in US\$, the Corporation's Common Shares are listed on the TSX Venture Exchange and thus trade in CDN\$.
- (2) Mr. Marier's tenure as a Director ended on November 6, 2020.

Incentive Plan Awards – Value Vested or Earned During the Year

The 500,000 stock options granted by the Corporation to each of Mr. Hick and Mr. Tomlinson set out in the above table were subject to a 3-month vesting period. No value vested during the year ending December 31, 2019.

Other Information

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth all compensation plans under which equity securities of the Corporation are authorized for issuance as of the end of the most recently completed financial year ended December 31, 2019.

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans not approved by shareholders – Stock Option Plan	N/A	N/A	N/A
Equity compensation plans approved by shareholders	3,973,925	CDN\$0.10	4,291,843
Total	3,973,925	CDN\$0.10	4,291,843

Indebtedness of Directors and Executive Officers

No current or former director, executive officer or employee of the Corporation or its subsidiary or associate of such an individual is as of the date of this Circular, or was at any time during the most recently completed financial year, indebted to the Corporation or indebted to another entity with such indebtedness being the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or its subsidiary.

Interests of Informed Persons in Material Transactions

No director, executive officer, or person or corporation that beneficially owns, or controls or directs, directly or indirectly, more than 10 per cent. of any class or series of the Corporation's issued and outstanding voting securities or any associate or affiliates of any of the foregoing persons or companies, had any material interest, directly or indirectly, in any transaction of the Corporation since January 1, 2019 to the date hereof that has materially affected or is reasonably expected to materially affect the Corporation other than as described below.

On March 22, 2019, the Corporation announced that it had entered into a six-month convertible loan facility with Mr. C. Koppel. Under the facility, to be used for working capital and general corporate purposes while the Corporation explores new business opportunities, the Corporation could request an aggregate total of up to \$450,000 until September 30, 2019, which it did. Initially the principal amount of the facility was convertible into common shares of the Corporation, but as of October 1, 2019, the option to convert had expired. The maturity date of the facility was extended to March 31, 2020, and the facility is now due.

AUDIT COMMITTEE

Audit Committee's Charter

The Audit Committee's role is to act in an objective, independent capacity as a liaison between the auditors, management and the board of directors and to ensure the auditors have a facility to consider and discuss governance and audit issues with parties not directly responsible for operations. On May 25, 2011, the Audit Committee adopted a charter delineating its responsibilities, a copy of which is attached as Schedule "A" hereto.

Composition of the Audit Committee

At present, the Audit Committee consists of Messrs. John Hick (Chair) and Kevin Tomlinson. Both members of the Audit Committee are independent within the meaning of that term as defined in sections 1.4 and 1.5 of National Instrument 52-110 *Audit Committee* ("NI 52-110"). Both members of the Audit Committee are financially literate as required by Section 3.1(4) of NI 52-110.

Relevant Education and Experience

Mr. Hick has considerable experience in both senior management and director capacities with a number of public companies over the last 35 years, prior to which he was actively engaged in the practice of law in Ontario. During his career, he has also been the President and/or CEO of a number of public companies where he had direct involvement in, and responsibilities for, the financial results and public reporting of such companies. In addition to serving as a director, he has served on the audit committees of a number of such public companies. Mr. Tomlinson has had prior experience in serving as Chairman of a reporting issuer and experience with the internal controls and procedures for financial reporting. Mr. Tomlinson also draws on his extensive experience as an investment banking professional specializing in the mining industry and is a Fellow of the Chartered Institute for Securities & Investment.

Each of the members of the Audit Committee has a general understanding of the accounting principles used by the Corporation to prepare its financial statements and seeks clarification from the Corporation's auditors, where required. Each of the members of the Audit Committee also has direct experience in understanding accounting principles for private and reporting companies and experience in supervising one or more individuals engaged in the accounting for

estimates, accruals and reserves and experience preparing, auditing analyzing or evaluating financial statements similar to those of the Corporation.

Audit Committee Oversight

Since January 1, 2019, there has not been any recommendation of the Audit Committee to nominate or compensate an external auditor that was not adopted by the Board.

Reliance on Certain Exemptions

The Corporation has not relied on any exemptions under section 2.4 *De Minimis Non-audit Services* of NI 52–110, in whole or in part, or under Part 8 of NI 52-110, since January 1, 2019.

Pre-Approval Policies and Procedures

The Audit Committee’s policies and procedures for the engagement of non-audit services is that services of up to US\$25,000 require the approval of the Chair of the Audit Committee and a report on such services is to be provided to the Audit Committee forthwith thereafter and to the Board at the next Board meeting and services of over US\$25,000 require the approval of a majority of the Audit Committee and a report on such services is to be provided to the Board at the next Board meeting.

External Auditor Services Fees (By Category)

The following tables sets out the “audit fees”, “audit-related fees”, “tax fees” and “other fees” billed by the Corporation’s external auditor for the years ended December 31, 2019 and 2018.

	Audit Fees	Audit-Related Fees	Tax Fees	Other Fees
For the Year ended December 31, 2019	CDN\$19,250	Nil	Nil	Nil
For the Year ended December 31, 2018	CDN\$35,000	Nil	Nil	Nil

Exemption

The Corporation is relying upon the exemption set out in section 6.1 of NI 52–110 that provides that the Corporation, as a venture issuer, is not required to comply with Part 5 (Reporting Obligations) of NI 52–110.

STATEMENT OF CORPORATE GOVERNANCE

Board of Directors

The Board is comprised of three directors. The Board considered the independence of each of its directors under NI 52-110 and concluded that a majority of the directors were independent for Board purposes. To be considered independent for Board purposes, the Board must conclude that a director does not have either a direct or indirect material relationship with the Corporation which, in the view of the Board, could be reasonably expected to interfere with the exercise of the director’s independent judgment.

The Board determined that the following two directors were independent for Board purposes: Messrs. John Hick and Kevin Tomlinson.

The Board determined that the following director was not independent: Mr. Charles Koppel, who was not considered to be independent due to his position as an executive officer of the Corporation.

The Board has taken steps to ensure that adequate structures and processes are in place to permit it to function independently of management of the Corporation, including establishing an audit committee and a compensation committee comprised entirely of independent directors. In addition, the independent directors hold in camera sessions without management present at meetings of the Board when considered necessary.

Directorships

Certain directors of the Corporation have been directors of other issuers that are reporting issuers (or the equivalent) in Canada and elsewhere. Information as to present public company directorships is set out below.

<u>Name of Director</u>	<u>Public Company Directorships</u>
John Hick	Diamond Estates Wines & Spirits Ltd. Eurotin Inc. Mako Mining Corporation Quebec Precious Metals Corporation
Kevin Tomlinson	Cardinal Resources Limited Infinity Lithium Ltd. Xanadu Mines Ltd.

Orientation and Continuing Education

When new directors are appointed to the Board, the existing directors provide a brief orientation consisting of a telephone conference and a review of material transactions effected to-date by the Corporation, as well as the general nature and proceedings of the Board. The existing Board also requires the Corporation's legal counsel to provide a summary of the new directors' duties and responsibilities as members of the Board.

Given the experience of the existing Board, the Corporation does not contemplate providing continuing education for directors at this time.

Ethical Business Conduct

The Board has adopted a written code of business conduct and ethics (the "Code") for the directors, officers, employees and consultants of the Corporation each of whom is required by the Code to report any actual or potential violation of the Code or of any law or regulation to the Chair of the Audit Committee and to co-operate with any investigation by the Corporation.

Nomination of Directors

The Corporation does not at this time have in place a formal process to identify new candidates for board nomination or a person responsible for identifying new candidates. Given the direct corporate governance experience of the existing board of directors, each director will utilize his own judgment in determining whether or not to put forth a person as a candidate for the board of directors of the Corporation and the appropriate forum for carrying out this task.

Compensation

The Board determines the compensation of the Corporation's directors and executive officers based on the recommendations of the Compensation Committee. The Compensation Committee is composed entirely of independent directors. See "Statement of Executive Compensation" above.

Other Board Committees

At this time, the board of directors does not have any standing committees other than the audit committee and compensation committee.

Assessments

Given the current stage of development of the Corporation, the Corporation does not yet have any formal policies or procedures in place to assess whether the Board, its committees, and its individual directors are performing effectively. In the event that the business of the Corporation increases in size and scale, then the Board will determine whether it is appropriate to adopt such policies and procedures and/or engage an outside consulting firm to make recommendations regarding the foregoing.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information is provided in the Corporation's audited annual financial statements and management's discussion and analysis as at and for the year ended December 31, 2019.

In addition, copies of the Corporation's audited annual financial statements and management's discussion and analysis as at and for the year ended December 31, 2019, may be obtained upon request to the Corporate Secretary of the Corporation. 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.

DATED as of November 6, 2020

ON BEHALF OF THE BOARD OF DIRECTORS

"Charles Koppel"

Dated at London, U.K., the 6th day of November, 2020 Executive Chairman & Chief Executive Officer

**APPENDIX “A”
AUDIT COMMITTEE CHARTER**

1. Mandate and Purpose of the Committee

The Audit Committee (the “**Committee**”) of the board of directors (the “**Board**”) of Samco Gold Limited (the “**Company**”) is a standing committee of the Board whose primary function is to assist the Board in fulfilling its oversight responsibilities relating to:

- (i) the integrity of the Company’s financial statements;
- (ii) the Company’s compliance with legal and regulatory requirements, as they relate to the Company’s financial statements;
- (iii) the qualifications, independence and performance of the Company’s auditor;
- (iv) internal controls and disclosure controls;
- (v) the performance of the Company’s internal audit function; and
- (vi) performing the additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

2. Authority

The Committee has the authority to:

- (i) engage and compensate independent counsel and other advisors as it determines necessary or advisable to carry out its duties; and
- (ii) communicate directly with the Company’s auditor.

The Committee has the authority to delegate to individual members or subcommittees of the Committee.

3. Composition and Expertise

The Committee shall be composed of a minimum of three members, each of whom is a director of the Company. The Committee shall be comprised of members, a majority of whom are not officers, employees or Control Persons (as such term is defined in the policies of the TSX Venture Exchange) of the Company. In addition, a majority of members shall be independent as such term is defined in Sections 1.4 and 1.5 of National Instrument 52-110 (*Audit Committees*).

Committee members shall be appointed annually by the Board at the first meeting of the Board following each annual meeting of shareholders. Committee members hold office until the next annual meeting of shareholders or until they are removed by the Board or cease to be directors of the Company.

The Board shall appoint one member of the Committee to act as Chair of the Committee. If the Chair of the Committee is absent from any meeting, the Committee shall select one of the other members of the Committee to preside at that meeting.

4. Meetings

Any member of the Committee or the auditor may call a meeting of the Committee. The Committee shall meet at least four times per year and as many additional times as the Committee deems necessary to carry out its duties. The Chair shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and senior management.

Notice of the time and place of every meeting shall be given in writing to each member of the Committee, at least 72 hours (excluding holidays) prior to the time fixed for such meeting. The Company's auditor shall be given notice of every meeting of the Committee and, at the expense of the Company, shall be entitled to attend and be heard thereat. If requested by a member of the Committee, the Company's auditor shall attend every meeting of the Committee held during the term of office of the Company's auditor.

A majority of the Committee shall constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present in person or by means of such telephonic, electronic or other communications facility that permits all persons participating in the meeting to communicate adequately with each other during the meeting.

The Committee may invite such directors, officers and employees of the Company and advisors as it sees fit from time to time to attend meetings of the Committee.

The Committee shall meet without management present whenever the Committee deems it appropriate.

The Committee shall appoint a Secretary who need not be a director or officer of the Company. Minutes of the meetings of the Committee shall be recorded and maintained by the Secretary and shall be subsequently presented to the Committee for review and approval.

5. Committee and Charter Review

The Committee shall conduct an annual review and assessment of its performance, effectiveness and contribution, including a review of its compliance with this Charter. The Committee shall conduct such review and assessment in such manner as it deems appropriate and report the results thereof to the Board.

The Committee shall also review and assess the adequacy of this Charter on an annual basis, taking into account all legislative and regulatory requirements applicable to the Committee, as well as any guidelines recommended by regulators or the TSX Venture Exchange and shall recommend changes to the Board thereon.

6. Reporting to the Board

The Committee shall report to the Board in a timely manner with respect to each of its meetings held. This report may take the form of circulating copies of the minutes of each meeting held.

7. Duties and Responsibilities

(i) Financial Reporting

The Committee is responsible for reviewing and recommending approval to the Board of the Company's annual and interim financial statements, management's discussion and analysis ("MD&A") and related news releases, before they are released.

The Committee is also responsible for:

- (A) being satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in the preceding paragraph, and for periodically assessing the adequacy of those procedures;

- (B) if required, engaging the Company's auditor to perform a review of the interim financial statements and receiving from the Company's auditor a formal report on the auditor's review of such interim financial statements;
- (C) discussing with management and the Company's auditor the quality of International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"), not just acceptability of IFRS;
- (D) discussing with management any significant variances between comparative reporting periods; and
- (E) in the course of discussion with management and the Company's auditor, identifying problems or areas of concern and ensuring such matters are satisfactorily resolved.

(ii) Auditor

The Committee is responsible for recommending to the Board:

- (A) the auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
- (B) the compensation of the Company's auditor.

The Company's auditor reports directly to the Committee. The Committee is directly responsible for overseeing the work of the Company's auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the Company's auditor regarding financial reporting.

(iii) Relationship with the Auditor

The Committee is responsible for reviewing the proposed audit plan and proposed audit fees. The Committee is also responsible for:

- (A) establishing effective communication processes with management and the Company's auditor so that it can objectively monitor the quality and effectiveness of the auditor's relationship with management and the Committee;
- (B) receiving and reviewing regular feedback from the auditor on the progress against the approved audit plan, important findings, recommendations for improvements and the auditor's final report;
- (C) obtaining and reviewing annually, an annual report from the external auditors describing the external auditors' internal quality control procedures and any material issues raised by the most recent internal quality control review or peer review of the external auditors, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the external auditors and any steps taken to deal with any such issues;
- (D) reviewing, at least annually, a report from the auditor on all relationships and engagements for non-audit services that may be reasonably thought to bear on the independence of the auditor; and
- (E) meeting in camera with the auditor whenever the Committee deems it appropriate.

(iv) Accounting Policies

The Committee is responsible for:

- (A) reviewing the Company's accounting policy note to ensure completeness and acceptability with IFRS as part of the approval of the financial statements;
- (B) discussing and reviewing the impact of proposed changes in accounting standards or securities policies or regulations;
- (C) reviewing with management and the auditor any proposed changes in major accounting policies and key estimates and judgments that may be material to financial reporting;
- (D) discussing with management and the auditor the acceptability, degree of aggressiveness/conservatism and quality of underlying accounting policies and key estimates and judgments; and
- (E) discussing with management and the auditor the clarity and completeness of the Company's financial disclosures.

(v) Risk and Uncertainty

The Committee is responsible for reviewing, as part of its approval of the financial statements:

- (A) uncertainty notes and disclosures; and
- (B) MD&A disclosures.

The Committee, in consultation with management, will identify the principal business risks and decide on the Company's "appetite" for risk. The Committee is responsible for reviewing related risk management policies and recommending such policies for approval by the Board. The Committee is then responsible for communicating and assigning to the applicable Board committee such policies for implementation and on-going monitoring.

The Committee is responsible for requesting the auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are managed or controlled.

(vi) Controls and Control Deviations

The Committee itself is responsible for reviewing:

- (A) the plan and scope of the annual audit with respect to planned reliance and testing of controls; and
- (B) major points contained in the auditor's management letter resulting from control evaluation and testing.

The Committee is also responsible for receiving reports from management when significant control deviations occur.

In consultation with the external auditors, the Audit Committee is responsible for reviewing the adequacy of the Company's internal control structures and procedures designed to ensure compliance with applicable laws and regulations.

The Committee will review:

- (C) the internal control report prepared by management, including management's assessment of the effectiveness of the Company's internal control structure and procedures for financial reporting (collectively Internal Controls over Financial Reporting - ICFR); and
- (D) the Company's Disclosure Controls and Procedures (DC&P).

(vii) Compliance with Laws and Regulations

The Committee is responsible for reviewing regular reports from management and others (e.g. auditors) concerning the Company's compliance with financial related laws and regulations, such as:

- (A) tax and financial reporting laws and regulations;
- (B) legal withholdings requirements;
- (C) environmental protection laws; and
- (D) other matters for which directors face liability exposure.

8. Non-Audit Services

All non-audit services to be provided to the Company or its subsidiary entities by the Company's auditor must be pre-approved by the Committee.

9. Submission Systems and Treatment of Complaints

The Committee is responsible for establishing procedures for:

- (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
- (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

10. Hiring Policies

The Committee is responsible for reviewing and approving the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditor of the Company.