

**TREASURY METALS INC.**

The Exchange Tower, 130 King Street West  
Suite 3680, Box 99  
Toronto, Ontario, Canada M5X 1B1

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that the annual meeting of shareholders (the “**Meeting**”) of Treasury Metals Inc. (the “**Company**”) will be held at Treasury Metals Inc., located in The Exchange Tower, 130 King St. West, Suite 3680, Toronto, ON, M5X 1B1 on Wednesday, the 12<sup>th</sup> of June, 2019, at 4:30 p.m. (Toronto Time) for the purpose of:

- (a) receiving the Company’s financial statements for the year ended December 31, 2018, and the report of the auditors thereon;
- (b) to consider, and if thought advisable, to pass an ordinary resolution electing directors of the Company for the ensuing year;
- (c) appointing auditors and authorizing the directors to fix their remuneration; and
- (d) transacting such further and other business as may be properly brought before the Meeting or any adjournment thereof.

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

A shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit his or her duly executed form of proxy with the Company’s transfer agent and registrar, TSX Trust Company, Suite 301, 100 Adelaide St. West, Toronto, Ontario, M5H 4H1 not later than 4:30 p.m. (Toronto time) on Monday, June 10, 2019, or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays, preceding the time of such adjourned meeting.

Shareholders who are unable to attend the Meeting in person are requested to date, complete, sign and return the enclosed form of proxy so that as large a representation as possible may be had at the Meeting.

Only holders of common shares of the Company of record at the close of business on April 26, 2019 (the “**Record Date**”) will be entitled to vote at the Meeting, and, except as otherwise determined from time to time by directors of the Company, no shareholders becoming such after the Record Date will be entitled to receive notice of and vote at the Meeting or any adjournment thereof or to be treated as a shareholder of record for purposes of such other action.

Electronic copies of this notice, the management information circular and other Meeting materials may be found on the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company’s website at [www.treasuremetals.com](http://www.treasuremetals.com).

Shareholders are reminded to review the management information circular before voting.

Shareholders will receive paper copies of a notice package (the “**Notice Package**”) via pre-paid mail containing a notice with information prescribed by National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* and a form of proxy (if a registered shareholder) or a voting instruction form (if a non-registered shareholder). The Company will not use procedures known as “stratification” in relation to the use of notice-and-access. Stratification occurs when an issuer using notice-and-access sends a paper copy of the management information circular to some securityholders with a Notice Package.

Shareholders may obtain paper copies of the management information circular and the Meeting materials free of charge by calling 1-855-664-4654 at any time up until the date of the Meeting, including any adjournment or postponement thereof. Any shareholder wishing to obtain a paper copy of the Meeting materials should submit their request no later than June 3, 2019 in order to receive paper copies of the Meeting materials in time to vote before the Meeting. Shareholders may also use the toll-free number noted above to obtain more information about the notice-and-access. Under the notice-and-access, Meeting materials will be available for viewing on the Company's website for one year from the date of posting.

DATED this 1st day of May, 2019.

**BY ORDER OF THE BOARD**

*(Signed)*

Marc Henderson  
Non-Executive Chairman

**TREASURY METALS INC.**

The Exchange Tower, 130 King Street West  
Suite 3680, Box 99  
Toronto, Ontario, Canada M5X 1B1

**MANAGEMENT INFORMATION CIRCULAR FOR THE  
ANNUAL MEETING OF SHAREHOLDERS**

**SOLICITATION OF PROXIES**

This management information circular (this “**Circular**”) is furnished in connection with the solicitation by the management of Treasury Metals Inc. (the “**Company**”) of proxies to be used at the annual meeting (the “**Meeting**”) of holders of common shares of the Company (“**Common Shares**”) to be held at Treasury Metals Inc., The Exchange Tower, 130 King St. West, Suite 3680, Toronto, ON, M5X 1B1 on Wednesday, the 12<sup>th</sup> day of June, 2019, at 4:30 p.m. (Toronto Time) and at any adjournment thereof for the purposes set forth in the enclosed notice of the Meeting (the “**Notice of Meeting**”). Proxies will be solicited primarily by mail and may also be solicited personally or by telephone by the directors and/or officers of the Company at nominal cost. The cost of solicitation by management will be borne by the Company.

The information contained in this Circular is given as of May 1, 2019, unless indicated otherwise, and (unless otherwise indicated) all dollar amounts in this Circular are in Canadian dollars.

A copy of the Company’s current annual information form (the “**AIF**”) is available on the Internet site of SEDAR (the System for Electronic Document Analysis and Retrieval, that was established by the Canadian Securities Administrators) at [www.sedar.com](http://www.sedar.com). In the alternative, copies will be provided upon request from the Company (at its address above).

The Company has decided to use the notice-and-access method of delivery of meeting materials for the Meeting for registered shareholders and Beneficial Shareholders (as defined below). The notice-and-access method of delivery of Meeting materials allows the Company to deliver the Meeting materials over the Internet in accordance with the notice-and-access rules adopted by the Canadian securities regulatory authorities under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

Registered shareholders will receive a form of proxy and Beneficial Shareholders will receive a voting instruction form, enabling them to vote at the Meeting. However, instead of a paper copy of the Meeting materials, generally shareholders receive only this notice with information on how they may access such materials electronically. The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and will also reduce the cost of printing and mailing materials to shareholders. Shareholders are reminded to view the Meeting materials prior to voting. Materials can be viewed online in the Company’s profile at [www.sedar.com](http://www.sedar.com), or on the Company’s website at [www.treasuremetals.com](http://www.treasuremetals.com).

As noted in the Notice of Meeting, the Company will not be adopting stratification procedures in relation to the use of the notice-and-access provisions.

Registered shareholders or Beneficial Shareholders (either those who object to their identity being known to the issuers of securities which they own or those who do not object to their identity being made known to the issuers of the securities they own) may always request that paper copies of the Meeting materials be sent to them by postal delivery at no cost to them. Requests may be made up to one year from the date the Meeting materials are posted on the Company’s website. In order to receive a paper copy of the Meeting materials or if you have questions concerning notice-and-access, please call the Company toll free

at 1-855-664-4654. Requests should be received by June 3, 2019 in order to receive the Meeting materials in advance of the Meeting date.

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

**The persons named in the enclosed form of proxy represent management of the Company. A shareholder desiring to appoint some other person, who need not be a shareholder of the Company, to represent him or her at the Meeting may do so by filling in the name of such person in the blank space provided in the proxy or by completing another proper form of proxy.** A shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit their duly executed form of proxy with the Company's registrar and transfer agent TSX Trust Company, Suite 301, 100 Adelaide St. West, Toronto, Ontario, M5H 4H1 not later than 4:30 p.m. (Toronto Time) on Monday, June 10, 2019 or, if the Meeting is adjourned not later than 48 hours, excluding Saturdays and holidays, preceding the time of such adjourned Meeting. A proxy should be executed by the shareholder or his or her attorney duly authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized.

In addition to any other manner permitted by law, a proxy may be revoked before it is exercised by instrument in writing executed in the same manner as a proxy and deposited at the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used or with the Chairman of the Meeting on the day of such Meeting or any adjournment thereof and thereupon the proxy is revoked.

A shareholder attending the Meeting has the right to vote in person and, if the shareholder does so, his or her proxy is nullified with respect to the matters such person votes upon and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof.

#### **EXERCISE OF DISCRETION BY PROXIES**

Common Shares represented by proxies in favour of management nominees will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and, if a shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the Common Shares represented by the proxy will be voted accordingly. **Where no choice is specified, the proxy will confer discretionary authority and will be voted for the election of directors, for the appointment of auditors and the authorization of the directors to fix their remuneration, as stated and described below in this Circular.** The enclosed form of proxy also confers discretionary authority upon the persons named therein to vote with respect to any amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting in such manner as such nominee in his judgment may determine. At the time of printing this Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

#### **BENEFICIAL SHAREHOLDERS**

**The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold Common Shares in their own name.** Shareholders who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to in this Circular as "**Beneficial Shareholders**") should note that only proxies deposited by shareholders who appear on the records maintained by the Company's registrar and transfer agent as registered holders of Common Shares will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares will, in all likelihood, not be registered in the shareholder's name. Such Common Shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name of the Canadian Depository for Securities which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted at the direction of the Beneficial

Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Common Shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by their broker (or the agent of the broker) is substantially similar to the instrument of proxy provided directly to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate the responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction form must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

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

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

#### **REGISTERED SHAREHOLDERS; RECORD DATE**

Registered holders of Common Shares as shown on the shareholder list prepared as of the close of business on April 26, 2019 (the "**Record Date**") will be entitled to vote such Common Shares at the Meeting, except to the extent that the person has transferred the ownership of any of his or her Common Shares after the Record Date, and the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he owns the Common Shares, and demands, not later than ten (10) days before the Meeting, or such shorter period before the Meeting that the by-laws of the Company may provide, that his or her name be included in the list before the Meeting, in which case the transferee is entitled to vote their Common Shares at the Meeting.

Registered shareholders may also, rather than returning the proxy received from the Company by mail or hand delivery, elect to submit a form of proxy by use on the telephone or on the Internet. Those registered holders electing to vote by telephone require a touch-tone telephone to transmit their voting preferences. Registered holders electing to vote by telephone or via the Internet must follow the instructions included in the form of proxy received from the Company.

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of Common Shares. At the date hereof, the Company has 145,190,001 Common Shares outstanding, each of which carries one vote per share. To the knowledge of the directors and officers of the Company, no person or corporation beneficially owns or exercises control or direction, directly or indirectly, over more than 10% of the outstanding Common Shares. All ordinary resolutions require, for the passing of same, a simple majority of the votes cast at the Meeting.

### QUORUM FOR MEETING

At any meeting of the shareholders of the Company, a quorum will be two persons present in person or by means of a telephone, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting and each entitled to vote at the meeting and holding or representing by proxy not less than 20% of the votes entitled to be cast at the meeting.

### PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the board of directors of the Company (the “**Board**”), the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting, each of which is described below.

#### 1. RECEIPT OF FINANCIAL STATEMENTS

The audited financial statements of the Company for the fiscal year ended December 31, 2018 and the report of the auditors thereon will be tabled at the Meeting.

#### 2. ELECTION OF DIRECTORS

The Board currently consists of five directors, and the Board has determined that five directors are to be elected at the Meeting. The accompanying form of proxy provides for individual voting on directors rather than slate voting. The Company’s majority voting policy provides that a director of the Company (a “**Director**”) who receives a majority of “withhold” votes must tender his or her resignation and the Board will generally accept that resignation, absent exceptional circumstances, and publicly announce its decision by news release. The table and the notes thereto state the names of all persons nominated by management for election as Directors, their principal occupations or employment during the past five years, the period or periods of service as Directors and the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as of the date hereof. Each Director holds office until his or her successor is elected at the next annual meeting of the Company, or any adjournment thereof, or until his or her successor is elected or appointed.

Name and Municipality of Residence	Director Since	Principal Occupation during the five preceding years	Common Shares Beneficially Owned, Controlled or Directed <sup>(1)</sup>
Doug Bache <sup>(2)(4)</sup> Burlington, Ontario, Canada	August 2009	Mr. Bache is a Director of the Company, Chairman of the Audit Committee, and a member of the Corporate Governance and Nominating Committee. Mr. Bache is President of Maxum Capital Markets Inc., a private merchant bank that offers corporate finance and strategy advisory services primarily to mining companies. Mr. Bache is also a Director of Marathon Gold Corporation and PharmaCielo Ltd. He was president of Valencia Ventures Inc. from April 2006 to June 2008 and was a Director of Aberdeen	608,828

Name and Municipality of Residence	Director Since	Principal Occupation during the five preceding years	Common Shares Beneficially Owned, Controlled or Directed <sup>(1)</sup>
		International Inc. from January 2006 until September 2008. Mr. Bache was also Treasurer of North American Palladium Ltd. from August 2003 to December 2005.	
William Fisher <sup>(3)</sup> Toronto, Ontario, Canada	February 2008	Mr. Fisher is a Director of the Company. Mr. Fisher is the Executive Chairman and CEO of GoldQuest Mining Corporation, and a Director of Horizonte Minerals Plc. He was formerly the non-executive chairman of Rame Energy Ltd. (May 2014 to August 2016) and director of PC Gold (April 2008 to April 2013). He also acted as Chief Executive Officer and a Director of GlobeStar Mining Corporation (August 2001 to February 2008). Mr. Fisher was also Chairman of the Board of Aurelian Resources Inc., which was sold to Kinross Gold Corporation in September 2008.	534,203
Marc Henderson <sup>(3)</sup> ,  Toronto, Ontario, Canada	August 2007	Mr. Henderson is a Director of the Company and Non-Executive Chairman of the Board. Mr. Henderson currently serves as the President, Chief Executive Officer and a Director of Laramide Resources Ltd. and has held this position since May 1995. He was previously (until December 2009) President and CEO of Aquiline Resources Inc. until the sale of that company to Pan American Silver Corp. He is also a Director and Interim CEO of Cypherpunk Holdings Inc., and previously a Director with Plateau Uranium (2014 to 2015), and Director of Midpoint Holdings Ltd. (2010 to 2016).	5,005,148
Christophe Vereecke <sup>(2)(3)(4)</sup>  Paris, France	December 2015	Mr. Vereecke is a Director of the Company, an entrepreneur, and has been involved in the startup of several businesses including co-founder and former chief financial officer of Business Oil Platform, a physical oil trading and logistics company operating in Central and Eastern Europe. Mr. Vereecke's current investment advisory firm specializes in private client fund management focused in the extractive industry, mine royalties, precious metals and the diamond markets. His finance background includes independent consultancy to the wealth management and private equity sectors, and earlier in his career he was a sell side analyst.	700,000
Flora Wood <sup>(2)(4)</sup> Toronto, Ontario, Canada	January 2014	Ms. Wood is a Director of the Company and is currently Director, Investor Relations at Altius Minerals Corporation. She has led Investor Relations and Bondholder Communications activity for publicly traded companies for 15+ years, most recently at Sherritt International and Inmet Mining prior to its acquisition by First Quantum Minerals in 2013. Prior to that, she was with Aquiline Resources Inc. (2007 – 2009), and Laramide Resources (2007 – 2010). Ms. Wood also serves as a director for Aethon Minerals Corp effective in 2018.	322,413

*Notes:*

- <sup>(1)</sup> *The information as to voting securities beneficially owned or controlled or directed, directly or indirectly, not being within the knowledge of the Company, has been furnished by the respective nominees individually.*
- <sup>(2)</sup> *Member of the Company's Audit Committee.*
- <sup>(3)</sup> *Member of the Company's Compensation Committee.*
- <sup>(4)</sup> *Member of the Company's Corporate Governance and Nomination Committee.*

To the best of the Company's knowledge, none of the abovenamed nominees:

- (a) is, as at the date of this Circular, or was within ten (10) years before the date of this Circular, a director or chief executive officer or chief financial officer of any company that:
- (i) was the subject of an order (as defined in Form 51-102F5 of National Instrument 51-102-*Continuous Disclosure Obligations*) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (ii) was subject to an order that was issued after the director or executive officer 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 a director, chief executive officer, or chief financial officer.

To the best of the Company's knowledge, except as disclosed below, none of the abovenamed nominees:

- (a) is at the date hereof, or has been within ten (10) years before the date of this Circular, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the ten (10) years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Mr. Fisher was non-executive Chairman of Rame Energy plc, an AIM listed renewables energy company, with operations in UK and Chile. Rame Energy plc listed in 2014. Following a failed attempt to raise new equity in the aftermath of the UK Brexit referendum, the directors of Rame Energy plc were unable to secure sufficient new working capital to allow the business to continue to trade solvently. On August 4, 2016, the directors applied to the court to have an administrator appointed to allow the business to seek a financing solution. On September 30, 2016, the main operations of the group were sold to a group of international investors.

To the best of the Company's knowledge, none of the above named nominees has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

**Unless the shareholder directs that his or her Common Shares are to be withheld from voting in connection with the appointment of the election of the above-named nominees, the persons named in the enclosed form of proxy intend to vote FOR the above noted nominees.**

Management has no reason to believe that any of the nominees will be unable to serve as a Director but, if a nominee is for any reason unavailable to serve as a Director, proxies in favour of management will be voted in favour of the remaining nominees and may be voted for a substitute nominee unless the shareholder has specified in the proxy that the Common Shares are to be withheld from voting in respect of the election of directors.

### 3. APPOINTMENT OF AUDITORS

RSM Canada LLP (which acquired Collins Barrow LLP) is the auditor of the Company and was first appointed auditor of the Company on June 10, 2009. The following table provides detail in respect of audit, audit related, tax and other fees paid by the Company to the external auditors for professional services:

	Audit Fees <sup>(1)</sup>	Audit-Related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All Other Fees <sup>(4)</sup>
<b>Year ended December 31, 2017</b>	\$40,000	Nil	\$15,824	Nil
<b>Year ended December 31, 2018</b>	\$42,000	Nil	\$74,725	Nil

Notes:

- (1) *The aggregate audit fees billed.*
- (2) *The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audits or reviewing the Company's financial statements including prospectus filings, and are not included under "Audit Fees".*
- (3) *The aggregate fees billed for services related to tax compliance, tax advice and tax planning. The services performed for the fees paid under this category may briefly be described as tax return preparation fees.*
- (4) *The aggregate fees billed for services other than those reported above. The services performed for the fees paid under this category may briefly be described as flow-through accounting services.*

**Unless the shareholder directs that his or her Common Shares are to be withheld from voting in connection with the appointment of the auditor, the persons named in the enclosed form of proxy intend to vote FOR the re-appointment of RSM Canada LLP as the auditor of the Company until the next annual meeting of shareholders and to authorize the directors to fix the auditor's remuneration. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.**

### OTHER MATTERS WHICH MAY COME BEFORE THE MEETING

The Company management knows of no matters to come before the Meeting other than as set forth in the Notice of Meeting. **However, if other matters which are not known to management should properly come before the Meeting, the accompanying proxy will be voted on such matters in accordance with the best judgment of the persons voting the proxy.**

### STATEMENT OF EXECUTIVE COMPENSATION

#### A. Named Executive Officers

For the purposes of this circular, a Named Executive Officer ("NEO") of the Company means each of the following individuals:

- a) the chief executive officer ("CEO") of the Company;
- b) the chief financial officer ("CFO") of the Company;

- c) each of the Company's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6, for that financial year; and
- d) each individual who would be a NEO under any of the paragraphs above but for the fact that the individual was neither an executive officer of the Company nor acting in a similar capacity at the end of that financial year.

During 2018, the Company had the following NEOs: Greg Ferron, Interim CEO, Dennis Gibson, CFO, Chris Stewart, former president and CEO, and Robert MacDonald, former Vice President Goliath Gold Project.

## **B. Compensation Discussion and Analysis**

The Compensation Committee of the Board is responsible for ensuring that the Company has in place an appropriate plan for executive compensation and for making recommendations to the Board with respect to the compensation of the Company's executive officers. The Compensation Committee ensures that the compensation paid to the NEOs is fair and reasonable and is consistent with the Company's compensation philosophy.

Compensation plays an important role in achieving short and long-term business objectives that ultimately drive business success. The Company's compensation philosophy is to foster entrepreneurship at all levels of the organization through, among other things, the granting of stock options, a significant component of executive compensation. This approach is based on the assumption that the performance of the Common Share price over the long term is an important indicator of long-term performance.

The Company's compensation philosophy is based on the following fundamental principles:

- Compensation programs align with shareholder interests – the Company aligns the goals of executives with maximizing long-term shareholder value;
- Performance sensitive – compensation for executive officers should be linked to operating and market performance of the Company and fluctuate with the performance; and
- Offer market competitive compensation to attract and retain talent – the compensation program should provide market competitive pay in terms of value and structure in order to retain existing employees who are performing according to their objectives and to attract new individuals of the highest calibre.

The objectives of the compensation program in compensating the NEOs were developed based on the above-mentioned compensation philosophy and are, as follows:

- to attract and retain highly qualified executive officers;
- to align the interests of executive officers with shareholders' interests and with the execution of the Company's business strategy;
- to evaluate executive performance on the basis of key measurements that correlate to long-term shareholder value; and
- to tie compensation directly to those measurements and rewards based on achieving and exceeding predetermined objectives.

The Compensation Committee reviews data related to compensation levels and programs of various companies that are similar in size to the Company and operate within the mining exploration and development industry, prior to making its decisions. These companies are used as the Company's primary peer group because they have similar business characteristics or because they compete with the Company for employees and investors. The Compensation Committee also relies on the experience of its members as

officers and/or directors at other companies in similar lines of business as the Company in assessing compensation levels. These other companies are identified under the heading “Statement of Corporate Governance Practices – Directorships”.

The purpose of this process is to:

- understand the competitiveness of current pay levels for each executive position relative to companies with similar revenues and business characteristics;
- identify and understand any gaps that may exist between actual compensation levels and market compensation levels; and
- establish a basis for developing salary adjustments and short-term and long-term incentive awards for the Compensation Committee’s approval.

### **Elements of Compensation**

A combination of fixed and variable compensation is used to motivate executives to achieve overall corporate goals. For the 2018 financial year, the three basic components of the executive compensation program were:

- fixed salary;
- annual incentives (cash bonus); and
- stock option-based compensation.

Fixed salary comprises a portion of the total cash-based compensation; however, annual incentives and stock option-based compensation represent compensation that is “at risk” and thus may or may not be paid to the respective executive officer depending on: (i) whether the executive officer is able to meet or exceed his or her applicable performance targets; and (ii) market performance of the Common Shares. To date, no specific formulae have been developed to assign a specific weighting to each of these components. Instead, the Board considers each performance target and the Company’s performance and assigns compensation based on this assessment and the recommendations of the Compensation Committee.

### **Fixed Salary**

The Compensation Committee and the Board approve the salary ranges for the NEOs. The base salary review for each NEO is based on assessment of factors such as current competitive market conditions, compensation levels within the peer group and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. Comparative data for the Company’s peer group is also accumulated from a number of external sources including independent consultants. The Company’s policy for determining salary for executive officers is consistent with the administration of salaries for all other employees.

### **Annual Incentives**

The Company is not currently awarding any annual incentives by way of cash bonuses. However, the Company, in its discretion, may award such incentives in order to motivate executives to achieve short-term corporate goals. The Compensation Committee and the Board approve annual incentives. The success of NEOs in achieving their individual objectives and their contribution to the Company in reaching its overall goals are factors in the determination of their annual bonus. The Compensation Committee assesses each NEO’s performance on the basis of his or her respective contribution to the achievement of the predetermined corporate objectives, as well as to needs of the Company that arise on a day to day basis. This assessment is used by the Compensation Committee in developing its recommendations to the Board with respect to the determination of annual bonuses for the NEOs. Where the Compensation Committee cannot unanimously agree, the matter is referred to the full Board for decision. The Board relies heavily on the recommendations of the Compensation Committee in granting annual incentives.

### **Stock Option-based Compensation**

The stock option plan of the Company (the “Stock Option Plan”) was first approved by shareholders on June 10, 2009. The shareholders most recently ratified, confirmed and approved the Stock Option Plan (as amended and restated to that date) and the unallocated entitlements thereunder at the annual and special meeting of shareholders held on June 13, 2018. The purpose of the Stock Option Plan is to encourage Common Share ownership by directors, senior officers, employees and consultants of the Company and any affiliates and other designated persons. The Stock Option Plan is intended to align the interests of the NEOs with shareholders by linking a component of executive compensation to the longer term performance of the Common Shares. Stock options may be granted under the Stock Option Plan only to directors, senior officers, employees and consultants of the Company and its subsidiaries and other designated persons as designated from time to time by the Board. In order to determine the amount of stock options to be granted under the Stock Option Plan, the Compensation Committee considers: (a) the performance of the Company; (b) the performance of the potential stock option recipient; (c) the parameters of the Stock Option Plan; (d) the policies of the TSX; and (e) previous stock option grants. Giving consideration to these factors, the Compensation Committee makes its recommendation respecting stock option grants to the Board. The Board then takes these recommendations into consideration when making its final decisions

The number of Common Shares which may be reserved for issuance under the Stock Option Plan is limited to 10% of the issued and outstanding Common Shares as at the date of the grant of options. The maximum number of Common Shares which may be reserved for issuance to all insiders of the Company under the Stock Option Plan is 10% of the Common Shares outstanding at the time of the grant (calculated on a non-diluted basis). Any Common Shares subject to an option which is exercised, or for any reason is cancelled or terminated prior to exercise will be available for a subsequent grant under the Stock Option Plan. The option exercise price cannot be less than the market price of the Common Shares on the day immediately preceding the day upon which the option is granted, less any discount permitted by the policies of the TSX. Stock options granted under the Stock Option Plan may be exercised during a period not exceeding ten years, subject to earlier termination upon the termination of the optionee’s employment, upon the optionee ceasing to be an employee, senior officer, director or consultant of the Company or any of its subsidiaries or ceasing to have a designated relationship with the Company, as applicable, or upon the optionee retiring, becoming permanently disabled or dying. The options are non-transferable by any optionee other than pursuant to a will or by the laws of descent and distribution. The Stock Option Plan contains provisions for adjustment in the number of Common Shares issuable thereunder in the event of a subdivision, consolidation, reclassification or change of the Common Shares, or a merger or other relevant changes in the Company’s capitalization. Subject to shareholder approval in certain circumstances, the Board may from time to time amend or revise the terms of the Stock Option Plan or may terminate the Stock Option Plan at any time. The Stock Option Plan does not contain any provision for financial assistance by the Company in respect of options granted thereunder.

### **Compensation and Measurements of Performance**

The Board approves targeted amounts of annual incentives for each NEO at the beginning of each financial year. The targeted amounts are determined by the Compensation Committee based on a number of factors, including comparable compensation of similar companies.

Achievement of predetermined individual and/or corporate targets and objectives, as well as general performance in day to day corporate activities, will trigger the award of a bonus payment to the NEO. The NEO will receive a partial or full incentive payment depending on the number of the predetermined targets met and the Compensation Committee’s and the Board’s assessment of overall performance. The determination as to whether a target has been met is ultimately made by the Board and the Board reserves the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate.

### Risks Associated with Compensation Policies and Practices

As of the date of this Circular, the Board had not considered the implications of any risks associated with policies and practices regarding compensation of its executive officers. However, compensation paid to the NEOs has generally ranked below industry benchmarks, and annual incentive bonuses are withheld in years when shareholder returns suffer, including the year ended December 31, 2018.

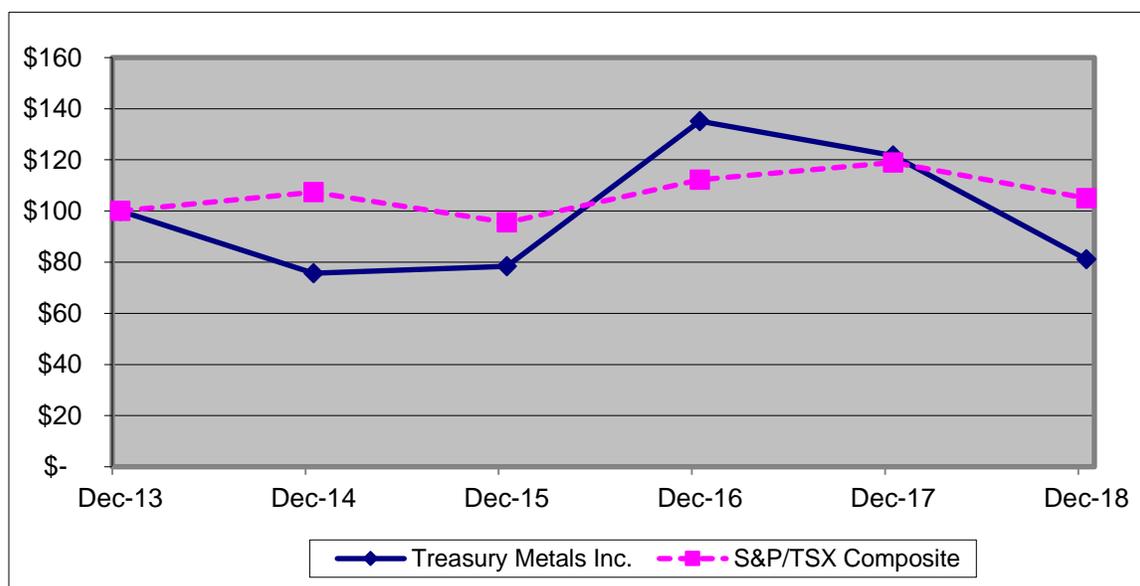
### Financial Instruments

The Company has not, to date, adopted a policy restricting its NEOs and directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by NEOs or directors. As of the date of this Circular, entitlement to grants of incentive options under the Stock Option Plan is the only equity-based security element awarded to NEOs and directors.

### C. Performance Graph

The following graph compares the cumulative shareholder return on a \$100 investment in Common Shares to the cumulative shareholder return of the S&P/TSX Composite Index, on a monthly basis for the five years ended December 31, 2018.

**CUMULATIVE TOTAL RETURN ON \$100 INVESTMENT (Cdn.\$)**



	Dec. 2014	Dec. 2015	Dec. 2016	Dec. 2017	Dec. 2018
Treasury Metals Inc.	76.00	78.00	135.00	122.00	81.00
S&P/TSX Composite Index	107.42	95.51	112.23	119.00	105.01

As noted above, the Compensation Committee considers a number of factors and performance elements when determining compensation for the NEOs. Although the Company's total shareholder return is one performance measure that is reviewed, it is not the only consideration in executive compensation deliberations. As a result, a direct correlation between total shareholder return over a given period and executive compensation levels is not anticipated.

#### D. Burn Rate

The Burn Rate is calculated as the number of stock options granted in the year as a percentage of the weighted average number of Common Shares outstanding during the year. The Burn Rate for the Company for the years 2018, 2017 and 2016 are 3.7%, 0.7%, and 3.9%, respectively.

The number of Stock options issued and outstanding as at December 31, 2018 is 5,425,000 and there are an additional 9,084,000 available to be granted under the Stock Option Plan.

#### E. Summary Compensation Table

The following table contains a summary of the compensation paid to the NEOs of the Company during the three most recently completed financial years.

NEO Name and Principal Position (a)	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-Equity incentive plan compensation (\$)		Pension Value (\$)	All other compensation	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Greg Ferron, Interim CEO <sup>(1)</sup>	2016	80,000	Nil	7,500	Nil	Nil	Nil	Nil	87,500
	2017	118,933	Nil	43,201	Nil	Nil	Nil	Nil	162,134
	2018	164,566	Nil	56,000	Nil	Nil	Nil	Nil	220,566
Dennis Gibson, CFO	2016	87,500	Nil	63,477	Nil	Nil	Nil	Nil	150,977
	2017	90,625	Nil	Nil	Nil	Nil	Nil	Nil	90,625
	2018	104,167	Nil	36,000	Nil	Nil	Nil	Nil	140,167
Chris Stewart, former president and CEO <sup>(2)</sup>	2016	27,462	Nil	284,981	Nil	Nil	Nil	Nil	312,473
	2017	360,000	Nil	Nil	Nil	Nil	Nil	Nil	360,000
	2018	299,400	Nil	Nil	Nil	Nil	Nil	Nil	299,400
Robert MacDonald, former Vice President Goliath Gold Project <sup>(3)</sup>	2016	--	--	--	--	--	--	--	--
	2017	102,740	Nil	100,807	Nil	Nil	Nil	Nil	230,547
	2018	150,000	Nil	Nil	Nil	Nil	Nil	Nil	150,000

Notes:

- (1) The Company appointed Mr. Greg Ferron to the position of Interim Chief Executive Officer effective August 4, 2018. Prior to this appointment, Mr. Ferron was the Vice President Corporate Development.
- (2) The Company appointed Mr. Chris Stewart the President and Chief Executive Officer effective December 5, 2016. He resigned effective August 4, 2018.
- (3) The Company appointed Mr. Robert MacDonald the Vice President Goliath Gold Project effective June 26, 2017. He resigned effective September 30, 2018.

In the column titled Option-based awards, the Company has calculated the “grant date fair value” amounts using the Black-Scholes model, a mathematical valuation model that ascribes a value to a stock option based on a number of factors in valuing the option-based awards, including the exercise price of the option, the price of the underlying security on the date the option was granted, and assumptions with respect to the volatility of the price of the underlying security and the risk-free rate of return. The Company chose this methodology because it is recognized as the most common methodology used for valuing options and doing value comparisons.

Calculating the value of stock options using this methodology is very different from a simple “in-the-money” value calculation. In fact, stock options that are well out-of-the-money can still have a significant “grant date fair value” based on a Black-Scholes valuation, especially where, as in the case of the Company, the price of the share underlying the option is highly volatile. Accordingly, caution must be exercised in comparing “grant date fair value” amounts with cash compensation or an in-the-money option

value calculation. The same caution applies to the Total Compensation amounts in last column above, which are based in part on the grant date fair value amounts set out in Option-based awards column above.

## F. Incentive Plan Awards

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

The following table sets out for each NEO, the incentive stock options (option-based awards) and share-based awards outstanding as at December 31, 2018. These incentive stock options vest 50% every six months from the date of grant. The closing price of the Common Shares on the TSX on December 31, 2018 was \$0.30.

Name	Option-based Awards <sup>(1)</sup>				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(2)</sup>	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Greg Ferron	150,000	0.62	06/29/20	Nil	Nil	Nil	Nil
	700,000	0.40	09/18/20	Nil	Nil	Nil	Nil
Dennis Gibson	450,000	0.40	09/18/20	Nil	Nil	Nil	Nil
Chris Stewart <sup>(3)</sup>	Nil	N/A	N/A	Nil	Nil	Nil	Nil
Robert MacDonald <sup>(4)</sup>	Nil	N/A	N/A	Nil	Nil	Nil	Nil

Note:

- (1) The Company has in place a “rolling” Stock Option Plan whereby the maximum number of Common Shares that may be reserved for issuance pursuant to the Stock Option Plan will not exceed 10% of the issued Common Shares at the time of grant. As at the date hereof, a maximum of 14,509,000 Common Shares may be reserved for issuance pursuant to the Stock Option Plan and 5,425,000 have been reserved for stock options granted and outstanding to date.
- (2) Calculated using the closing price of the Common Shares on the TSX on December 31, 2018 of \$0.30 and subtracting the exercise price of vested, in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Common Shares on the date of exercise.
- (3) Chris Stewart resigned from the Company effective August 4, 2018, and his options terminated 60 days after that date in accordance with the Stock Option Plan.
- (4) Robert MacDonald resigned effective September 30, 2018, and his options terminated 60 days after that date in accordance with the Stock Option Plan.

### Value Vested or Earned During the Year

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 (\$)
Greg Ferron	28,000	Nil	Nil
Dennis Gibson	18,000	Nil	Nil
Chris Stewart	Nil	Nil	Nil
Robert MacDonald	Nil	Nil	Nil

Nil value would have been realized upon exercise of option-based awards, share-based awards or non-equity incentive plan compensation to NEOs on the vesting date during the fiscal year ended December 31, 2018.

## **G. Employment Agreements**

During the fiscal year ended December 31, 2018, the Company had in place the following employment contracts between the Company or any subsidiary or affiliate thereof and its NEOs:

### **Greg Ferron**

Pursuant to an employment agreement effective as of October 15, 2013, the Company engaged the services of Greg Ferron as Vice President Public Relations and Corporate Development of the Company at a salary of \$80,000 per year. Mr. Ferron was to devote approximately 50% of his time to the affairs of the Company, and balance of time to Laramide Resources Ltd. Mr. Ferron is also eligible to participate in the Stock Option Plan and may receive an annual bonus at the discretion of the Board. In the event Mr. Ferron's employment is terminated without cause or upon the occurrence of a change of control of the Company, Mr. Ferron will be entitled to receive a lump sum amount equal to ten months of his then current base salary plus an amount equal to one month's base salary for every year (or partial year) of service to a maximum of eighteen months. For purposes of this calculation, the first year of employment commenced on January 17, 2011, consistent with the first date of employment by Laramide Resources Ltd. Up to October 15, 2013, at which time Mr. Ferron became an employee of Treasury Metals, Treasury Metals reimbursed Laramide Resources for his services. In addition, any unvested stock options held by Mr. Ferron will vest upon termination of employment without cause or upon a change of control and be exercisable on the terms granted; any provisions of the Stock Option Plan restricting the number of option shares which may be purchased before a particular date will be waived. Effective July 1, 2017, Mr. Ferron's role changed such that he would devote two thirds of his time to Treasury Metals and his salary was increased to \$125,333 per annum. Effective August 3, 2018 Mr. Ferron was appointed Interim Chief Executive Officer at an annual salary of \$220,000 with a term to end upon the hiring of a permanent Chief Executive Officer or at the termination of his employment agreement at which time Mr. Ferron will revert to his former position as Vice President Public Relations and Corporate Development of the Company. Mr. Ferron is entitled to short-term incentive performance bonus, and milestone bonus, with criteria established by the Board. Termination payment and other conditions under his new position as Interim Chief Executive Officer are consistent with the terms of his contract as Vice President Public Relations and Corporate Development of the Company. Had a change of control occurred or had Mr. Ferron been terminated as at December 31, 2018, Mr. Ferron would have been entitled to \$330,000.

### **Dennis Gibson**

Pursuant to an employment agreement effective as of October 15, 2013, the Company engaged the services of Dennis Gibson as Chief Financial Officer of the Company at a salary of \$87,500 per year, which was increased to \$100,000 per year effective September 1, 2017, and to \$125,000 per year effective December 16, 2018. Mr. Gibson is to devote approximately 50% of his time to the affairs of the Company. Mr. Gibson is also eligible to participate in the Stock Option Plan and may receive an annual bonus at the discretion of the Board. In the event Mr. Gibson's employment is terminated without cause or upon the occurrence of a change of control of the Company, Mr. Gibson will be entitled to receive a lump sum amount equal to ten months of his then current base salary plus an amount equal to one month's base salary for every year (or partial year) of service to a maximum of eighteen months. For purposes of this calculation, the first year of employment commenced on March 27, 2006, consistent with the first date of employment by Laramide Resources Ltd. Up to October 15, 2013, at which time Mr. Gibson became an employee of Treasury Metals, Treasury Metals reimbursed Laramide Resources for his services. In addition, any unvested stock options held by Mr. Gibson will vest upon termination of employment without cause or upon a change of control and be exercisable on the terms granted; any provisions of the Stock Option Plan restricting the number of option shares which may be purchased before a particular date will be waived. Had a change of control occurred or had Mr. Gibson been terminated as at December 31, 2018, Mr. Gibson would have been entitled to \$187,500.

### **Chris Stewart**

Pursuant to an employment agreement effective as of December 5, 2016, the Company engaged the services of Chris Stewart as President and Chief Executive Officer of the Company at a salary of \$360,000 per year. Pursuant to the agreement, Mr. Stewart is to devote his full working time to the business of the Company. The Company has granted Mr. Chris Stewart stock options to acquire a total of 900,000

Common Shares at an exercise price of \$0.62 per Common Share, 300,000 of which vested effective December 5, 2016, 300,000 of which vested on December 5, 2017, and the remaining 300,000 to vest on December 5, 2018. The stock options expire December 5, 2019. Mr. Stewart is entitled to a short-term incentive performance bonus, and milestone bonuses, with criteria established by the Board. Mr. Stewart is also eligible to participate in the Stock Option Plan and may receive incentive share options and an annual bonus as determined by the Board or the Compensation Committee and in accordance with the Stock Option Plan. In the event Mr. Stewart's employment is terminated without cause or upon the occurrence of a change of control of the Company, Mr. Stewart will be entitled to receive a lump-sum amount equal to one and a half times his then salary he would have been entitled to receive in a without cause termination pursuant to his agreement, up to a maximum of 24 total months; also, he would receive any bonus for the past fiscal year not yet been awarded or paid, if any, under any bonus plan or arrangements of the Company, plus an amount pro-rated to the date of termination of the projected bonus which would have been paid to Mr. Stewart pursuant to any such plan or arrangements for the fiscal year in which the termination or resignation for good reason occurs (on the assumption that 100% of the bonus pursuant to such plan or arrangement would have been achieved for such fiscal year). Mr. Stewart is also entitled to any unvested stock or share options that have not vested as of the date that the notice of termination is provided shall immediately vest and be exercisable in accordance with the applicable plan; and, pursuant to the employee agreement, Mr. Stewart shall continue to receive, to the terms of the applicable plans, all health, dental and life insurance benefits, or if not capable of being extended, then reimbursement for costs incurred to obtain replacement coverage for the shorter of i) a period that is one and a half times longer than the notice period prescribed in his agreement, up to a maximum of 24 months or ii) the longer of 30 days after he commences employment with a new employer or the minimum period prescribed by the Employment Standards Act, 2000 (Ontario). Had a change of control had occurred as at December 31, 2017, Mr. Stewart would have been entitled to \$630,000 and had Mr. Stewart been terminated, he would have been entitled to \$420,000. Mr. Stewart resigned effective August 3, 2018, with no further amounts due.

#### **Robert MacDonald**

Pursuant to an employment agreement effective as of June 16, 2017, the Company engaged the services of Robert MacDonald as Vice President – Goliath Project of the Company at a salary of \$200,000 per year. Mr. MacDonald is to devote his full working time to the affairs of the Company. He also received 350,000 stock options at an exercise price of C\$0.62 per Common Share, 116,667 which vested on June 29, 2017, and the remainder of which shall vest in two installments (116,667 stock options, and 116,666 stock options, respectively) on his first and second employment anniversary date with the Company. The stock options expire 3 years from the date of grant and each option may be exercised for one Common Share. Mr. MacDonald is also entitled to participate in the Stock Option Plan and to receive incentive share options as determined by the Board or the Compensation Committee and in accordance with the plan established by the Company. In the event Mr. MacDonald's employment is terminated without cause, Mr. MacDonald will be entitled to receive a lump-sum net of applicable taxes of the equivalent to: i) during the first year of employment, an amount equal to eight months of his then current base salary; ii) after the first year of employment, an amount equal to ten months of his then current base salary plus an amount equal to one month of his then current base salary for every year (or partial year) of additional years of service, to a maximum of an amount equal to eighteen months service. Had a change of control occurred or had Mr. MacDonald been terminated as at December 31, 2017, Mr. MacDonald would have been entitled to \$133,000. Mr. MacDonald resigned effective September 30, 2018, with no further amounts due.

#### **H. Pension Plan Benefits**

There are no pension plan benefits in place for the NEOs.

#### **I. Termination and Change of Control Benefits**

Compensation plans with NEOs resulting from the termination of employment of such person or a change in control of the Company are described above in "Employment Agreements".

## J. Director Compensation

The following table describes director compensation for non-executive directors for the year ended December 31, 2018.

Name	Fees earned (\$)	Option-based awards (\$)	All other compensation (\$)	Total compensation (\$)
Doug Bache	25,000	30,000	Nil	55,000
William Fisher	21,000	30,000	Nil	51,000
Marc Henderson	41,000	40,000	Nil	81,000
Chris Stewart <sup>(1)</sup>	Nil	Nil	Nil	Nil
Christophe Vereecke	20,500	18,000	Nil	38,500
Flora Wood	19,500	30,000	Nil	49,500
Blaise Yerly <sup>(2)</sup>	11,291	Nil	Nil	11,291

Notes:

(1) As a non-independent director, Chris Stewart did not receive director compensation.

(2) Blaise Yerly resigned as a director effective June 13, 2018.

The directors of the Company are compensated based on a retainer of \$15,000 per year plus committee retainers of \$4,000 per year for each committee on which they serve. In addition, the Chairman of the Audit Committee receives an additional fee of \$6,000 per year and the Chairman of the Compensation Committee receives an additional fee of \$1,000 per year. In October 2013, the Board agreed that the mandate of the Compensation Committee should be expanded to include the role of a Governance Committee and that going forward the fees for this combined committee shall be based on a per meeting fee of \$1,000 rather than on a retainer basis. The expanded role of a Governance Committee was created with the mandate of setting and implementing governance policy, and ensuring that the Board continues to serve the Company as its stage of development matures. Effective May 1, 2015, the Chairman also receives an additional remuneration as Chairman of \$20,000 per annum. Effective, August 2017, the Board established a Corporate Governance and Nominating Committee.

### Option-based and Share-based Awards to Directors

The following table sets out for each independent director the incentive stock options (option-based awards) and share-based awards outstanding as of December 31, 2018. These incentive stock options vest 50% every six months from the date of grant, with the exception of options granted July 2016 which fully vested at the time of grant. The closing price of the Common Shares on the TSX on December 31, 2018 was \$0.30.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Doug Bache	375,000	0.40	09/18/20	Nil	Nil	Nil	Nil
William Fisher	375,000	0.40	09/18/20	Nil	Nil	Nil	Nil
Marc Henderson	500,000	0.40	09/18/20	Nil	Nil	Nil	Nil
Chris Stewart <sup>(1)</sup>	Nil	N/A	N/A	N/A	N/A	Nil	N/A
Christophe Vereecke	225,000	0.40	09/18/20	Nil	Nil	Nil	Nil
Flora Wood	375,000	0.40	09/18/20	Nil	Nil	Nil	Nil
Blaise Yerly <sup>(2)</sup>	Nil	N/A	N/A	N/A	N/A	Nil	N/A

Notes:

(1) As a non-independent director, Chris Stewart did not receive Option-based Awards or Share-based Awards.

(2) Blaise Yerly resigned as a director effective June 13, 2018, and his outstanding options expired unexercised 60 days after his resignation date in accordance with the Company's Stock Option Plan.

### Value Vested or Earned During the Year

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 (\$)
Doug Bache	15,000	N/A	N/A
William Fisher	15,000	N/A	N/A
Marc Henderson	20,000	N/A	N/A
Chris Stewart <sup>(1)</sup>	Nil	N/A	N/A
Christophe Vereecke	9,000	N/A	N/A
Flora Wood	15,000	N/A	N/A
Blaise Yerly <sup>(2)</sup>	Nil	N/A	N/A

Notes:

(1) As a non-independent director, Chris Stewart did not receive Option-based Awards or Share-based Awards.

(2) Blaise Yerly resigned as a director effective June 13, 2018, and his outstanding options expired unexercised 60 days after his resignation date.

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

The following table sets forth certain details as at the end of the fiscal year ended December 31, 2018 with respect to compensation plans pursuant to which equity securities of the Company were authorized for issuance.

Plan Category	Number of Common Shares to be issued upon exercise of outstanding options and rights	Weighted-average exercise price of outstanding options and rights	Number of Common Shares remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders <sup>(1)</sup>	5,425,000	\$0.42	5,425,000
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	5,425,000	\$0.42	5,425,000

Note:

(1) The Stock Option Plan provides that the number of Common Shares issuable pursuant to the Stock Option Plan shall be equal to 10% of the issued and outstanding Common Shares.

### **INSURANCE AND INDEMNIFICATION**

Liability insurance is maintained for the Directors of the Company. The current policy of insurance is in effect until September 15, 2019, and the premium of \$24,500 (covering the annual period from September 15, 2018 to September 15, 2019) has been paid by the Company. The aggregate insurance coverage obtained under the policy is limited to \$5,000,000. Under the policy, there is no deductible for individual Directors. However, a deductible of \$24,500 must be absorbed by the Company. No claims have been made or paid under such policy.

The Company has entered into indemnity agreements with each of its Directors, which provide for the indemnification of such individuals from and against liability and costs in respect of any action or suit against them in connection with the execution of their duties as a Director for the Company, subject to certain customary limits. As of the date of this Circular, no claims for indemnification have been made.

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

None of the Company's directors, executive officers or employees, or former directors, executive officers or employees, nor any associate of such individuals, is as at the date hereof, or has been, during the financial year ended December 31, 2018, indebted to the Company in connection with a purchase of securities or otherwise. In addition, no indebtedness of these individuals to another entity has been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding of the Company.

## **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

No person who has been a director or an officer of the Company at any time since the beginning of its last completed financial year or any associate of any such director or officer 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, except as disclosed in this Circular.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

No informed person of the Company, proposed director, director, executive officer or principal shareholder of the Company, or associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction since the commencement of the financial year ended December 31, 2018 or has a material interest, direct or indirect, in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

## **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Company. The Board has confirmed the strategic objective of the Company is seeking out and exploring mineral bearing deposits with the intention of developing and mining the deposit or proving the feasibility of mining the deposit for others.

National Instrument 58-101-*Disclosure of Corporate Governance Practices* (“**NI 58-101**”) requires the Company to disclose its corporate governance practices by providing in the Circular the disclosure required by Form 58-101F1. National Policy 58-201-*Corporate Governance Guidelines* (“**NP 58-201**”) established corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. The Company will continue to review and implement corporate governance guidelines as the business of the Company and the size of its staff progresses and becomes more active in operations.

NI 58-101 requires that the issuer disclose whether or not the issuer has adopted term limits for the board of directors or other mechanisms of board renewal. Each director (if elected) of the Company serves until the next annual meeting of Shareholders or until his or her successor is duly elected or appointed. The Board does not currently have a limit on the number of consecutive terms for which a director may sit. The Board expects appropriate levels of turnover through normal processes in the future. Rather than instituting a policy of defining fixed terms or mandatory retirement for directors, the Board will continue ongoing reviews of performance of the Board as a whole, as well as individual performance”.

### **Board of Directors**

All five (5) current members of the Board are considered independent. NI 58-101 suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as “independent” directors. An “independent” director is a director who has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a director's independent judgment. As disclosed above, the Board is comprised of all independent directors. In making the foregoing determinations with respect to the independence of the Company's individual directors, the circumstances of each director have been

examined in relation to a number of factors, including a review of the resumes of the directors and the corporate relationships and other directorships held by each of them and their prior involvement (if any) with management of the Company.

The independent judgment of the Board in carrying out its responsibilities is the responsibility of all directors. The Board facilitates independent supervision of management through meetings of the Board and through frequent informal discussions among independent members of the Board and management. In addition, the Board has free access to the Company's external auditors, legal counsel and to any of the Company's officers. Marc Henderson is the Chair of the Board and is considered independent of the Company. The primary roles and responsibilities of the Chair of the Board include: (a) Chairing Board and shareholder meetings; (b) attending meetings of the committees of the Board if convenient; (c) planning and organizing Board activities including Board meeting agendas; and (d) serving as the Board's spokesperson with the President and Chief Executive Officer.

### **Board Diversity Policy**

In 2014, amendments to NI 58-101 were adopted requiring new disclosure of the representation of women on the Board and in executive officer positions. As at the date of this Circular, one of the Company's five directors is a woman (20%), and none (0%) of the executive officers of the Company is a woman.

The Company recognizes the benefits of having a diverse Board, and to date has sought to increase diversity at the Board level informally through the recruitment efforts of the Corporate Governance and Nominating Committee, without a written diversity policy in place. Due to the current limited size of the Board, the Board does not consider it necessary to have a gender diversity policy, but will consider adopting a policy in the future. Furthermore, the Company has not set any objectives for achieving gender diversity. Should a gender diversity policy be considered appropriate for the Company in the future due to increases in the size of the organization, the policy will specifically deal with the objectives for achieving diversity. In order to further its objectives in this regard, the Company is investigating the possibility of adopting a written diversity policy with the objective of increasing diversity at the Board level, with particular emphasis on gender diversity. The Board remains receptive to increasing the representation of women on the Board, taking into account the skills, background, experience and knowledge desired at that particular time by the Board and its committees.

The Company does not support the adoption of quotas or targets regarding gender representation on the Board or in executive officer positions. All Board appointments are made on merit, in the context of the skills, experience, independence, knowledge and other qualities which the Board as a whole requires to be effective, with due regard for the benefits of diversity (including the level of representation of women on the Board). With respect to executive officer appointments, the Company recruits, manages and promotes on the basis of an individual's competence, qualification, experience and performance, also with due regard for the benefits of diversity (including the level of representation of women in executive officer positions).

### **Roles and Responsibilities of the Board**

The Board participates fully in assessing and approving strategic plans and prospective decisions proposed by management. A significant portion of each regular Board meeting is devoted to strategic plans and opportunities available to the Company. Such discussions enable Directors to gain a fuller appreciation of planning priorities and provide the opportunity for directors to give constructive feedback to management.

In order to ensure that the principal business risks borne by the Company are appropriate, the Board receives and comments on periodic reports from management as to the Company's assessment and management of such risks. The Board considers risk issues and approves corporate policies addressing the management of risk. The Board also reviews the methods and procedures established by management with respect to the control of key risks.

The Board regularly monitors the financial performance of the Company, including receiving and reviewing detailed financial information contained in management reports. The Board, directly and through the Audit Committee, assesses the integrity of the Company's internal control and management information systems.

The Board receives reports regarding the training and monitoring of senior management of the Company and any subsidiaries. Input is received at meetings of the Audit Committee, the Compensation Committee and the Board regarding the performance of senior management. Both the Compensation Committee and the Board have specifically assumed responsibility for reviewing the performance of senior management.

### **Meetings of the Board of Directors**

The independent directors of the Company do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. However, in order to facilitate open and candid discussion among the independent directors, the independent directors do hold in camera sessions at Board meetings, where the non-independent members and any management participants are asked to recuse themselves from the meeting. In addition, independent directors have met with each other informally or by phone to discuss specific Company initiatives. In the future, independent directors may also consider holding regularly scheduled meetings at which non-independent directors and members of management are not in attendance.

Currently, the Board is satisfied that it exercises its responsibilities for independent oversight of management. The ability to establish ad hoc committees comprised solely of independent directors provides the Board with the ability to meet independently of management whenever deemed necessary or appropriate and the chair of each such ad hoc committee provides leadership for such committee. If determined necessary or appropriate, at the end of or during each meeting of the Board or a committee of the Board, the members of management of the Company and the non-independent directors of the Company who are present at such meeting leave the meeting in order for the independent directors to meet. In addition, other meetings of the independent directors may be held from time to time if required. No separate meetings of the independent directors have been held since the beginning of the Company's most recently completed financial year, other than by conference call.

The attendance record of each director at all board meetings held since the beginning of the Company's financial year ended December 31, 2018 is as follows:

<b>Director</b>	<b>Board Meetings Attended/Board Meetings Held</b>	<b>Audit Committee Meetings Attended / Audit Committee Meetings Held</b>	<b>Compensation Committee Meetings Attended / Compensation Committee Meetings Held</b>	<b>Corporate Governance &amp; Nominating Committee Meetings Attended / Corporate Governance &amp; Nominating Committee Meetings Held<sup>1</sup></b>
Doug Bache	4/4	4/4	N/A	--
William Fisher	4/4	N/A	1/1	N/A
Marc Henderson	4/4	N/A	1/1	N/A
Christophe Vereecke	4/4	4/4	1/1	--
Flora Wood	4/4	4/4	N/A	--
Blaise Yerly <sup>(2)</sup>	2/2	N/A	N/A	N/A

Note:

- (1) The Corporate Governance and Nomination Committee was established August 10, 2017. It did not have a formal meeting in the year ended December 31, 2018.
- (2) Blaise Yerly resigned as a member of the board of directors effective June 13, 2018, and had attended both board meetings prior to his resignation date.

## **Directorships**

Four of the five nominated directors of the Company sit on other boards besides the Company's.

<b>Director</b>	<b>Reporting Issuer (or equivalent)</b>
Doug Bache	Marathon Gold Corporation, PharmaCielo Ltd.
William Fisher	Horizonte Minerals Plc, GoldQuest Mining Corp.
Marc Henderson	Laramide Resources Ltd., Cypherpunk Holdings Inc.
Christophe Vereecke	None
Flora Wood	Aethon Minerals Corp.

## **Position Descriptions**

Given the small size of the Company's infrastructure, the Board does not feel that it is necessary at this time to formalize position descriptions for the Chairman of each committee of the Board, or the President and Chief Executive Officer in order to delineate their respective responsibilities. Accordingly, the roles of the executive officers of the Company are delineated on the basis of the customary practice.

## **Orientation and Continuing Education**

The Board does not have a formal orientation or education program for its new members or members on an ongoing basis. The Board's continuing education is typically derived from correspondence with the Company's legal counsel to remain up to date with developments in relevant corporate and securities law matters. Additionally, historically board members have been nominated who are familiar with the Company and the nature of its business.

## **Ethical Business Conduct**

The Board has adopted a Code of Business Conduct and Ethics (the "Code") applicable to all directors, officers and employees of the Company. The Code addresses issues such as the following:

- (a) conflicts of interest;
- (b) protection and proper use of corporate assets and opportunities;
- (c) fair dealing with the Company's customers, suppliers, subcontractors and competitors;
- (d) compliance with laws, rules and regulations; and
- (e) reporting of any illegal or unethical behavior.

A copy of the Code is available for review at [www.sedar.com](http://www.sedar.com). The directors of the Company are responsible for monitoring compliance with the Code and for regularly assessing its adequacy.

There has not been any material change reports filed since the beginning of the Company's most recently completed financial year that pertain to any conduct of a director or executive officer that constitutes a departure from the Code.

Directors recuse themselves from discussions where they have a conflict of interest or may be perceived to have a conflict of interest. The Chair may also request that a director recuse himself or abstain from voting on an issue if the Chair feels that there may be a conflict.

## **Corporate Governance and Nomination Committee**

The Corporate Governance and Nomination Committee currently consists of Doug Bache, Christophe Vereecke and Flora Wood, each considered an independent director. The Corporate Governance and Nomination Committee identifies, interviews, and makes recommendations to the Board respecting new Board members. The nominees are generally the result of recruitment efforts by the members of the

Corporate Governance and Nomination Committee and the Board including both formal and informal discussions among the Corporate Governance and Nomination Committee members, Board members, and management.

### **Compensation Committee**

The Compensation Committee currently consists of William Fisher, Marc Henderson and Christophe Vereecke, and each is considered an independent director. The Compensation Committee assists the Board in settling compensation of directors and senior executives, and developing and submitting to the Board recommendations with regard to other employee benefits. The Compensation Committee reviews on an annual basis the adequacy and form of compensation of the senior executives and directors to ensure that such compensation reflects the responsibilities, time commitment and risk involved in being an effective executive officer or director, as applicable. For an overview of experience of each member of the Compensation Committee, refer to their respective biographies in Section 3 “*Election of Directors*”.

### **Audit Committee**

Further information regarding the Audit Committee is contained in the Company’s AIF dated April 1, 2019 under the heading “Audit Committee Information” and a copy of the Audit Committee charter is attached to the AIF as Schedule “C”. The AIF is available under the Company’s profile at [www.sedar.com](http://www.sedar.com).

The Audit Committee consists of Doug Bache (Chair), Christophe Vereecke and Flora Wood, each of whom is considered an independent director. All three members of the Audit Committee are financially literate, given their prior and current experience as officers or directors of other public company issuers, and/or their professional experience in financial services and investing. Relevant education and experience of each Audit Committee member may be found in section 11.2 “Composition of the Audit Committee” of the AIF. The Audit Committee operates under guidelines established by Multilateral Instrument 52-110-*Audit Committees*. In addition to carrying out its statutory legal responsibilities (including review of the Company’s annual financial statements), the Audit Committee reviews accounting policies and issues and all financial reporting, including interim financial statements and the Company’s annual and interim management’s discussion and analysis. The Audit Committee meets with the Company’s external auditors (with and without management) and with members of management at least once a year to assist it in the effective discharge of its duties. The Audit Committee also recommends to the Board the firm to be appointed as the Company’s auditor and the terms of its remuneration. Information with respect to external auditor service fees may be found in section 11.4 “Audit Fees” of the AIF. Information with respect to pre-approval policies and procedures is contained in section 11.3 “Pre-Approval Policies and Procedures” of the AIF.

### **Assessments**

Currently the Board takes responsibility for monitoring and assessing its effectiveness and the performance of individual directors and committees. This includes reviewing the Board’s decision-making processes and the quality of information provided by management, as well as:

- overseeing strategic planning;
- monitoring the performance of the Company’s assets;
- evaluating the principal risks and opportunities associated with the Company’s business and overseeing the implementation of appropriate systems to manage these risks;
- approving specific acquisitions and divestitures;
- evaluating senior management; and
- overseeing the Company’s internal control and management information systems.

Monitoring and assessing effectiveness occurs on a semi regular basis, at meetings of the Board as well as via informal discussion amongst Board members.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Chief Executive Officer of the Company in order to request copies of the Company's financial statements and management's discussion and analysis at The Exchange Tower, 130 King Street West, Suite 3680, Box 99, Toronto, Ontario M5X 1B1, Toronto, Ontario; Telephone: (416) 214-4654 or toll-free (North America) at 1-855-664-4654; Facsimile: (416) 599-4959. Financial information about the Company may be found in the Company's financial statements and management's discussion and analysis for its most recently completed financial year.

### **DIRECTORS' APPROVAL**

The contents and the sending of this Circular have been approved by the Board.  
DATED this 1st day of May, 2019.

*(Signed)*  
Marc Henderson  
Non-Executive Chairman





