

## ABACUS MINING & EXPLORATION CORPORATION

### NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Shareholders (the “**Meeting**”) of **ABACUS MINING & EXPLORATION CORPORATION** (the “**Company**”) will be held at Suite 1000, 1050 West Pender Street, Vancouver, BC on Friday, October 23, 2020, at the hour of 10:00 a.m. (Pacific Time), for the following purposes:

1. to receive and consider the Financial Statements of the Company for the financial year ended December 31, 2019, together with the reports of the auditors thereon;
2. to set the number of directors of the Company at four;
3. to elect directors of the Company for the ensuing year;
4. to appoint auditors of the Company for the ensuing year and authorize the directors to fix their remuneration;
5. to consider and, if thought fit, to approve and adopt an ordinary resolution re-approving the stock option plan previously adopted by the Company, such ordinary resolution in the form as set out in the accompanying Management Information Circular; and
6. to transact such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

Accompanying this Notice of Meeting are the Circular, the form of Proxy or Voting Instruction Form, and the Financial Statement Request Form.

**Shareholders who are unable to attend the Meeting in person are requested to read the information on the reverse of the enclosed form of Proxy or Voting Instruction Form and then to complete, date, sign and deposit the form of Proxy or Voting Instruction Form, as applicable, in accordance with the instructions set out in the form of Proxy or Voting Instruction Form and in the Circular.**

BY ORDER OF THE BOARD

(signed) “*Paul Anderson*”  
President, COO

Vancouver, BC  
September 21, 2020



## ABACUS MINING & EXPLORATION CORPORATION

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### MANAGEMENT INFORMATION CIRCULAR

containing information as at September 21, 2020 unless otherwise noted

### SOLICITATION OF PROXIES

#### Solicitation of Proxies by Management

This Management Information Circular (“Circular”) is being furnished in connection with the solicitation of proxies by the management of Abacus Mining & Exploration Corporation (the “Company” or “Abacus”) for use at the Annual General Meeting of the shareholders of the Company to be held on October 23, 2020 (the “Meeting”) at the time and place and for the purposes set forth in the accompanying Notice of Meeting and any adjournment thereof.

#### Cost and Manner of Solicitation

While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone, facsimile or electronically by the directors and regular employees of the Company or other proxy solicitation services. In accordance with National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), arrangements have been made to forward solicitation materials to the beneficial owners of common shares of the Company (“Common shares”). All costs of solicitation will be borne by the Company.

### APPOINTMENT AND REVOCATION OF PROXIES

#### Appointment of Proxy

A shareholder entitled to vote at the Meeting may, by means of a properly executed and deposited proxy, appoint a proxyholder or one or more alternate proxyholders, who need not be shareholders of the Company, to attend and act at the Meeting for the shareholder and on the shareholder’s behalf.

The individuals named in the enclosed form of proxy are the President and the Chief Financial Officer of the Company (the “Management Designees”). **A SHAREHOLDER HAS THE RIGHT TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM OR HER AT THE MEETING AND MAY DO SO BY INSERTING SUCH PERSON’S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY.** A proxy will not be valid unless the completed, dated and signed form of proxy is deposited with Computershare Trust Company of Canada, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment thereof. Proxies may be deposited with Computershare Trust Company of Canada using one of the following methods:

<b>BY MAIL:</b>	<b>Computershare Trust Company of Canada Proxy Department 100 University Avenue, 9<sup>th</sup> Floor Toronto, Ontario, M5J 2Y1</b>
<b>YOU ARE ALTERNATIVELY ABLE TO VOTE BY TELEPHONE OR THE INTERNET. YOU WILL NEED TO PROVIDE YOUR CONTROL NUMBER, HOLDER ACCOUNT NUMBER AND ACCESS NUMBER (located on Proxy form accompanying this Circular)</b>	
<b>BY TELEPHONE:</b>	<b>1-866-732-8683 (Toll Free North America) +312-588-4290 (International Direct Dial)</b>
<b>BY INTERNET:</b>	<b><a href="http://www.investorvote.com">www.investorvote.com</a></b>

### **Revocation of Proxy**

A shareholder who has given a proxy may revoke it by an instrument in writing duly executed by the shareholder or by his attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered to the registered office of the Company, 2800 Park Place, 666 Burrard Street, Vancouver, British Columbia, V6C 2Z7, at any time up to and including the last business day preceding the day of the Meeting, or if adjourned, any reconvening thereof, or to the chair of the Meeting on the day of the Meeting or, if adjourned, any reconvening thereof or in any other manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

In addition, a proxy may be revoked by a shareholder properly completing, executing and depositing another form of proxy bearing a later date at the offices of Computershare Trust Company of Canada within the time period and in the manner set out under the heading "Appointment of Proxy" above or by the shareholder personally attending the Meeting, withdrawing his or her prior proxy and voting the shares.

### **Voting of Proxies and Exercise of Discretion by Proxyholders**

Unless a poll is called for or required by law, voting at the Meeting will be by a show of hands. Common shares represented by a properly completed, executed and deposited proxy are only entitled to be voted on any poll and, where a choice with respect to any matter to be acted upon has been specified in the form of proxy, the shares will, on a poll, be voted or withheld from voting in accordance with the specification so made.

**IF A CHOICE WITH RESPECT TO ANY MATTER IS NOT CLEARLY SPECIFIED IN THE PROXY, THE MANAGEMENT DESIGNEES WILL VOTE THE SHARES REPRESENTED BY THE PROXY "FOR" SUCH MATTER.**

**The enclosed form of proxy when properly completed, executed and deposited and not revoked confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the accompanying Notice of Meeting, and with respect to other matters which may properly come before the Meeting.** In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the Management Designees to vote in accordance with their best judgment on such matters or business. At the date of this Circular, management knows of no such amendment, variation or other matter which may be presented to the Meeting.

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

Only registered holders of Common shares or the persons they validly appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common shares beneficially owned by a person (a "**Non-Registered Holder**") are registered either: (i) in the name of an intermediary (an "**Intermediary**") (including banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans) that the Non-

Registered Holder deals with in respect of the Common shares, or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited) of which the Intermediary is a participant.

*Distribution to Non-Objecting Beneficial Owners (“NOBOs”)*

In accordance with the requirements of the Canadian Securities Administrators and NI 54-101, the Company will have caused its agent to distribute copies of the Notice of Meeting and this Circular (collectively, the “**meeting materials**”) as well as a Voting Instruction Form directly to those Non-Registered Holders who have provided instructions to an Intermediary that such Non-Registered Holder does not object to the Intermediary disclosing ownership information about the beneficial owner.

*These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.*

*By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for Voting Instruction Form enclosed with mailings to NOBOs.*

The meeting materials distributed by the Company’s agent to NOBOs include a Voting Instruction Form. Please carefully review the instructions on the Voting Instruction Form for completion and deposit.

*Distribution to Objecting Beneficial Owners (“OBOs”)*

In addition, the Company will have caused its agent to deliver copies of the meeting materials to the clearing agencies and Intermediaries for onward distribution to those Non-Registered Holders who have provided instructions to an Intermediary that the beneficial owner objects to the Intermediary disclosing ownership information about the beneficial owner.

Intermediaries are required to forward the meeting materials to OBOs unless an OBO has waived his or her right to receive them. Intermediaries often use service companies such as Broadridge to forward the meeting materials to OBOs. Generally, those OBOs who have not waived the right to receive meeting materials will either:

- (a) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile stamped signature), which is restricted as to the number of shares beneficially owned by the OBO, but which is otherwise uncompleted. This form of proxy need not be signed by the OBO. In this case, the OBO who wishes to submit a proxy should properly complete the form of proxy and deposit it with Computershare Trust Company of Canada in the manner set out above in this Circular, with respect to the Common shares beneficially owned by such OBO; **OR**
- (b) more typically, be given a voting registration form which is not signed by the Intermediary and which, when properly completed and signed by the OBO and returned to the Intermediary or its service company, will constitute authority and instructions (often called a “**proxy authorization form**”) which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label containing a bar-code or other information. In order for the form of proxy to validly constitute a proxy authorization form, the OBO must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit the OBO to direct the voting of the Common shares he or she beneficially owns. Management of the Company does not intend to pay for intermediaries to forward to OBOs the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* and, in the case of an OBO, the OBO will not receive the materials unless the OBO’s intermediary assumes the cost of delivery.

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

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

### Voting Securities

The Company's authorized share structure consists of an unlimited number of Common shares without par value. As at **September 21, 2020**, the Company has issued and outstanding 74,014,943 fully paid and non-assessable Common shares, each Common share carrying the right to one vote. **The Company has no other classes of voting securities.**

### Record Date

Any shareholder of record at the close of business on September 21, 2020 (the "**Record Date**") who either personally attends the Meeting or who has submitted a properly executed and deposited form of proxy in the manner and subject to the provisions described above and which has not been revoked shall be entitled to vote or to have his or her shares voted at the Meeting.

### Principal Holders

To the knowledge of the directors or executive officers of the Company, as at September 21, 2020, no person beneficially owns, or controls or directs, directly or indirectly over Common shares carrying 10% or more of the voting rights attached to all outstanding Common shares.

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

Other than as disclosed below or elsewhere in this Circular, none of the persons who have been directors or executive officers of the Company at any time since the beginning of the Company's last completed financial year, no proposed nominee for election as a director of the Company, and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

## STATEMENT OF EXECUTIVE COMPENSATION

### General Provisions

For the purposes of this Circular:

"**Board**" or "**Board of Directors**" means the board of directors of the Company;

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

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

"**COO**" or "**Chief Operating Officer**" of the Company means an individual who acted as chief operating officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

"**equity incentive plan**" means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of International Financial Reporting Standards 2 *Share-based Payment*;

“**executive officer**” of the Company means an individual who is the Chairman or Vice-Chairman of the Board, the President, a Vice-President in charge of a principal business unit, division or function including sales, finance or production, an officer of the Company or any of its subsidiaries who performs a policy making function in respect of the Company, or any other individual who performs a policy making function in respect of the Company;

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

“**incentive plan award**” means compensation awarded, earned, paid or payable under an incentive plan;

“**NEO**” or “**Named Executive Officer**” means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) a COO;
- (d) each of the Company’s three most highly compensated executive officers, including any of its subsidiaries, 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 *Statement of Executive Compensation* for that financial year; and
- (e) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year;

“**non-equity incentive plan**” means an incentive plan or portion of an incentive plan that is not an equity incentive plan;

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

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

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

## **Compensation Discussion and Analysis**

### *Objectives of Compensation Strategy*

The objectives of the Company’s compensation strategy are:

- to continue to attract, retain and motivate executives with the requisite skills, experience and commitment necessary to achieve the Company’s goals and objectives for the exploration of the Company’s Willow project (“**Willow Project**”) and Jersey Valley project (“**Jersey Valley Project**”) in Nevada, and advancement of the Ajax property, which is situated near the city of Kamloops, British Columbia (“**Ajax Project**”);
- to continue to strengthen the Company’s senior management team and structure an independent Board to oversee the affairs of the Company by providing fair, competitive and cost-effective compensation to the Company’s executives;
- to maintain the alignment of the interests of management with those of the shareholders; and

- to provide rewards for outstanding corporate and individual performance.

The Company has established a Compensation Committee which has been given the authority to assess the performance of the Company's senior executives and determine their compensation. The Compensation Committee also reviews, reports and provides recommendations to the Board of Directors.

The Board of Directors has granted the Compensation Committee the authority to:

- develop or approve the corporate goals and objectives relevant to the compensation of the CEO or COO;
- evaluate the CEO or COO's performance and determine or make recommendations to the Board of Directors of the Company with respect to the CEO or COO's compensation level based on the evaluation; and
- make recommendations to the Board with respect to non-CEO or non-COO officer and director compensation, incentive-compensation plans and equity-based plans.

The Compensation Committee consists of two directors, namely Kerry Spong and John McConnell. Kerry Spong and John McConnell are independent directors. The Board believes that the members of the Compensation Committee collectively have the knowledge, experience and background required to fulfill their mandate. A summary of their relevant skills and experience is as follows:

Mr. Kerry Spong is an accountant with over 20 years of experience in public and private practice. He has conducted work for a wide range of mining and mineral exploration companies, and currently serves as CFO and a director of Blackheath Resources Inc.

Mr. McConnell is a professional mining engineer with over 40 years of experience in exploration, development and operations. He served as Vice President of NWT Projects at De Beers Canada Ltd. from 2001 to 2006 and directed development and construction of the Snap Lake Diamond Project. He was President and CEO of Western Keltic Mines Inc. until its takeover by Sherwood Copper Corp. in 2008. He is currently Director, President & CEO of Victoria Gold Corp.

The participation of the members of the Compensation Committee in other reporting issuers as directors is described in Schedule "A".

The Board is satisfied that the composition of the Compensation Committee ensures an objective process for determining compensation. All members of the Compensation Committee have had significant experience in the mining sector, including the junior exploration sector and on other Boards of Directors.

*What the Compensation Strategy is Designed to Reward*

The Compensation Committee endeavors to ensure that the Company's compensation strategy effectively compensates, motivates and rewards senior management of the Company on the basis of individual and corporate performance, both short term and long term, while keeping in mind the duty that the Company owes to its shareholders.

Each Element of Compensation

Compensation includes base salary, grants of stock options and bonuses based on available funds. The amount of bonus paid, if any, is based on individual performance and achievement of corporate responsibilities, accountabilities and overall contribution to the Company.

How the Company Determines the Amount for each Element

The Compensation Committee is responsible for making recommendations to the Board for compensation levels.

When determining compensation policies and individual compensation levels for the Named Executive Officers, the Compensation Committee takes into consideration a variety of factors. These factors include the overall financial and operating performance of the Company, the Compensation Committee and the Board's overall assessment of each executive's individual performance and his contribution towards meeting corporate objectives, levels of responsibility, length of service and industry comparables.

How Each Element Fits the Company's Compensation Objectives

The salary for each Named Executive Officer is primarily determined having regard to his position, responsibilities, the assessment of such individual's performance and overall corporate performance as presented by management to the Board and the Compensation Committee. The base salaries of executive officers are reviewed annually and adjusted when considered appropriate.

The Compensation Committee will consider whether it is appropriate and in the best interests of the Company to award a discretionary cash bonus to the Named Executive Officers and if so, in what amount. A cash bonus may be awarded to reward extraordinary performance that has led to increased value for shareholders through property acquisitions or divestitures, the formation of new strategic or joint venture relationships, capital raising efforts or achieving satisfaction of predetermined and agreed upon performance criteria. Demonstrations of extraordinary personal commitment to the Company's interests, the community and the industry may also be rewarded through a cash bonus.

The Compensation Committee may from time to time recommend the grant of stock options to the Company's executive officers under the Company's stock option plan ("**Stock Option Plan**"). All grants of options are reviewed and approved by the Board. Grants of stock options are intended to enforce and encourage the executive officer's commitment to the Company's growth and the enhancement of share value and to reward executive officers for the Company's performance. The grant of stock options, as a key component of the executive compensation package, enables the Company to attract and retain qualified executives. The Compensation Committee reviews option balances and recommends grants to newly hired executive officers at the time of their employment and considers further grants to executive officers from time to time thereafter to such executive officers. The amount and terms of outstanding options held by an executive are taken into account when determining whether and how new option grants should be made to the executive. The number of Common shares which may be subject to option in favour of any one individual is limited under the terms of the Stock Option Plan.

The Compensation Committee has not formally considered the risks associated with the Company's compensation policies and practices. The Company's compensation policies and practices give greater weight toward long-term incentives to mitigate the risk of encouraging short term goals at the expense of long term sustainability.

The Company does not have a formal policy prohibiting an NEO or director from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation and held, directly or indirectly, by the NEO or director. However, there is an understanding that the Company's NEOs and directors will not purchase such financial instruments, and no NEO or director has purchased any such financial instruments as at the date of this Circular.

### Employment and Services Contracts

Effective August 7, 2014, the Company entered into an agreement with Venturex Consulting and Jeannine P.M. Webb (principal of Venturex Consulting), the CFO of the Company, which agreement was amended on February 16, 2015 to include the services of Secretary; effective November 1, 2017, the Company entered into an employment agreement with Michael D. McInnis, the Executive Chairman of the Company; effective December 1, 2017, the Company entered into agreement with Paul G. Anderson, the President and COO of the Company (collectively, the “**Named Executives**”).

By way of an agreement dated effective August 7, 2014 between the Company, Venturex Consulting and Jeannine P.M. Webb, Ms. Webb’s position as CFO of the Company was affirmed. The agreement was amended effective February 16, 2015 to add the position of Secretary. Ms. Webb is compensated on an hourly rate, and expected to contribute a sufficient number of hours to fulfill her duties as CFO and Secretary of the Company. Pursuant to the agreement, as amended, between the Company and Ms. Webb, either party can terminate the agreement on 90 days’ notice.

By way of an employment agreement dated effective November 1, 2017 between the Company and Mr. McInnis, Mr. McInnis’ position of Executive Chairman was affirmed, which agreement includes provisions for termination on 6 months’ notice and change of control provisions, pursuant to which Mr. McInnis would be entitled to one year’s salary.

By way of an agreement dated effective December 1, 2017 between the Company and Paul G. Anderson, Mr. Anderson’s position as President and COO of the Company was affirmed, which agreement includes provisions for termination on 6 months’ notice and change of control provisions, pursuant to which Mr. Anderson would be entitled to one year’s salary.

Each agreement outlines the Named Executive’s position and responsibility and sets out the term of employment and matters such as compensation and, where appropriate, vacation. Remuneration for these individuals is subject to annual review. At the discretion of the Board of Directors of the Company, Named Executives may receive a cash bonus reflecting favourable performance of the Company and the Named Executive. The Named Executives may also receive incentive options to purchase Common shares, at the discretion of the Board of Directors of the Company and subject to the Stock Option Plan.

The agreements with the Named Executives include provisions that restrict the use of confidential information of the Company by the Named Executives and provide for the return of Company property and documents upon termination of employment.

### **Share-based and option-based awards**

The Company uses the same process to grant option-based awards to executive officers and NEOs. This process is described under “Compensation Discussion and Analysis - How Each Element Fits the Company’s Compensation Objectives”. The Company does not grant share-based awards.

### **Compensation Governance**

The Company’s Compensation Committee assesses performance and determines the remuneration of senior officers. The Compensation Committee also administers the Stock Option Plan. The Compensation Committee may recommend to the Board the granting of stock options to directors of the Company as well as determine directors’ fees, if any, from time to time. Directors may also be compensated in cash and/or equity for their expert advice and contribution towards the success of the Company. The form and amount of such compensation will be evaluated by the Compensation Committee, which will be guided by the following goals: (i) compensation should be commensurate with the time spent by directors in meeting their obligations and reflective of the compensation paid by companies similar in size and business to the Company; and (ii) the structure of the compensation should be simple, transparent and easy for shareholders to understand. Shareholders will be given the opportunity to vote on all new or substantially revised equity compensation plans for directors as required by regulatory policies.

The role of the Compensation Committee is primarily to administer the Stock Option Plan and to determine the remuneration of senior officers of the Company.

Information regarding the Compensation Committee and its members is provided under “Compensation Discussion and Analysis - Objectives of Compensation Strategy”.

Information regarding the compensation consultant or advisor of the Company is provided under “Compensation Discussion and Analysis - How the Company Determine the Amount for each Element”.

No compensation consultant or advisor has, at any time since the Company’s most recently completed financial year, been retained to assist the Board of Directors or the Compensation Committee in determining compensation for any of the Company’s directors or executive officers.

### Summary Compensation

The Company has a Stock Option Plan in place for the purpose of attracting and motivating directors, officers, employees and consultants of the Company and maintaining and advancing the interests of the Company by affording such persons the opportunity to acquire an equity interest in the Company through rights granted under the Stock Option Plan to purchase Common shares of the Company. Other than the Stock Option Plan, the Company does not have any share-based awards or pension plans in place.

The following table sets forth all compensation paid by the Company or a subsidiary of the Company during the Company’s three most recently completed fiscal years in respect of the individuals who were, during the fiscal year ended December 31, 2019, Named Executive Officers of the Company. None of the Named Executive Officers received any “share-based awards” or any non-equity long term incentive plan pay grants in 2019.

#### Summary Compensation Table

Name and principal position	Year	Salary	Share-based awards	Option-based awards	Non-equity incentive plan compensation		Pension value	All other compensation <sup>(7)</sup>	Total Compensation
					Annual incentive plans	Long-term incentive plans			
					(\$)	(\$)			
<b>MICHAEL D. MCINNIS</b> <sup>(4)</sup> Executive Chairman of the Board	2019	50,625	N/A	5,530 <sup>(1)</sup>	N/A	N/A	N/A	Nil	56,155
	2018	123,750	N/A	12,272 <sup>(2)</sup>	N/A	N/A	N/A	Nil	136,022
	2017	22,500	N/A	39,879 <sup>(3)</sup>	N/A	N/A	N/A	135,000	197,379
<b>PAUL G. ANDERSON</b> <sup>(5)</sup> President and COO	2019	115,000	N/A	6,912 <sup>(1)</sup>	N/A	N/A	N/A	Nil	121,912
	2018	191,670	N/A	8,181 <sup>(2)</sup>	N/A	N/A	N/A	Nil	199,851
	2017	Nil	N/A	30,421 <sup>(3)</sup>	N/A	N/A	N/A	16,667	47,088
<b>JEANNINE P. M. WEBB</b> <sup>(6)</sup> CFO and Secretary	2019	Nil	N/A	2,212 <sup>(1)</sup>	N/A	N/A	N/A	27,431	29,643
	2018	Nil	N/A	4,909 <sup>(2)</sup>	N/A	N/A	N/A	38,531	43,440
	2017	Nil	N/A	13,293 <sup>(3)</sup>	N/A	N/A	N/A	66,937	80,230

<sup>(1)</sup> The Company calculated the compensation cost by using the Black-Scholes model assuming a risk free interest rate of 1.30%, a dividend yield of Nil, the expected annual volatility of the Company’s share price of 152% and an expected life of the options of five years.

<sup>(2)</sup> The Company calculated the compensation cost by using the Black-Scholes model assuming a risk free interest rate of 2.12%, a dividend yield of Nil, the expected annual volatility of the Company’s share price of 178% and an expected life of the options of five years.

<sup>(3)</sup> The Company calculated the compensation cost by using the Black-Scholes model assuming a risk free interest rate of 1.17 to 1.75%, a dividend yield of Nil, the expected annual volatility of the Company’s share price of 103.49 to 126.09% and an expected life of the options of five years.

<sup>(4)</sup> Mr. McInnis held the position of Chairman, President and CEO until October 31, 2017; Mr. McInnis was appointed Executive Chairman effective November 1, 2017.

<sup>(5)</sup> Mr. Anderson was appointed President and COO effective December 1, 2017

<sup>(6)</sup> Ms. Webb was appointed CFO on August 7, 2014 and Secretary on February 16, 2015.

<sup>(7)</sup> These amounts include consulting fees.

## Incentive Plan Awards

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

The following table discloses the particulars of all awards for each NEO outstanding at the end of the Company's financial years ended December 31, 2019 including awards granted by the Company or any subsidiary of the Company before this most recently completed financial year:

Name	Option-based Awards				Share-based Awards			
	Number of Securities underlying unexercised options <sup>(1)</sup>	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	
	(#)	(\$)		(\$)	(#)	(\$)	(\$)	
MICHAEL D. McINNIS	83,333	0.300	20-Feb-20	Nil	N/A	N/A	N/A	
	333,333	0.360	28-Dec-20	Nil	N/A	N/A	N/A	
	125,000	0.420	21-Feb-22	Nil	N/A	N/A	N/A	
	75,000	0.220	19-Apr-23	Nil	N/A	N/A	N/A	
	100,000	0.050	13-Aug-24	9,000	N/A	N/A	N/A	
PAUL G. ANDERSON	66,667	0.420	21-Feb-22	Nil	N/A	N/A	N/A	
	150,000	0.250	20-Dec-22	Nil	N/A	N/A	N/A	
	50,000	0.220	19-Apr-23	Nil	N/A	N/A	N/A	
	125,000	0.050	13-Aug-24	11,250	N/A	N/A	N/A	
JEANNINE P. M. WEBB	25,000	0.300	20-Feb-20	Nil	N/A	N/A	N/A	
	58,333	0.360	28-Dec-20	Nil	N/A	N/A	N/A	
	41,667	0.420	21-Feb-22	Nil	N/A	N/A	N/A	
	30,000	0.220	19-Apr-23	Nil	N/A	N/A	N/A	
	40,000	0.050	13-Aug-24	3,600	N/A	N/A	N/A	

<sup>(1)</sup> All of the grants listed above are grants by the Company of options to purchase Common shares pursuant to the Stock Option Plan. Each option entitles the holder to purchase one Common share.

<sup>(2)</sup> "In-the-money options" means the excess of the market value of the Company's shares on December 31, 2019 over the exercise price of the options. The last trading price of the Company's shares on the TSX Venture Exchange ("TSX-V") on December 31, 2019 was \$0.14.

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

The following table summarizes the value of each incentive plan award vested or earned by each NEO during the financial year ended December 31, 2019:

Name	Option-based awards – Value vested during the year <sup>(1)</sup>	Share-based awards – Value vested during the year	Non-equity incentive plan compensation – Value earned during the year
	(\$)	(\$)	(\$)
MICHAEL D. MCINNIS	500	N/A	N/A
PAUL G. ANDERSON	625	N/A	N/A
JEANNINE P. M. WEBB	200	N/A	N/A

<sup>(1)</sup> "Value vested during the year" means the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date. This amount is calculated by determining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.

### Pension Plan Benefits

The Company has no pension plans (whether defined contribution or defined benefit) that provide for payments or benefits to any NEO at, following or in connection with retirement. In addition, the Company has no deferred compensation plans.

### Termination and Change of Control Benefits

Other than as set forth in “Compensation Discussion and Analysis - Employment and Service Contracts”, the Company is not a party to any contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, or a change of control of the Company, its subsidiaries or affiliates or a change in the Named Executive Officer’s responsibilities.

### Director Compensation

The following table provides details of compensation provided by the Company or any subsidiary of the Company to its directors for the financial year ended December 31, 2019. The Company has no pension plans, share-based awards, or other arrangements for non-cash compensation to directors of the Company, except stock options.

#### Director Compensation Table

The following table discloses all amounts of compensation provided by the Company to its directors who are not NEOs for the financial year ended December 31, 2019:

Name	Fees earned <sup>(1)</sup>	Share-based awards	Option-based awards <sup>(2)</sup>	Non-equity incentive plan compensation	Pension value	All other compensation	Total
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
THOMAS A. McKEEVER	Nil	N/A	3,318	N/A	N/A	Nil	3,318
KERRY SPONG	Nil	N/A	3,318	N/A	N/A	Nil	3,318
JOHN McCONNELL	Nil	N/A	3,318	N/A	N/A	Nil	3,318

<sup>(1)</sup> Directors receive \$5,625 per quarter, which Directors’ fees have been suspended effective July 1, 2018. Directors are entitled to be reimbursed for expenses incurred by them in their capacity as directors; these amounts are not treated as compensation by the Company. There are no arrangements for the compensation of directors for committee participation or special assignments.

<sup>(2)</sup> On August 13, 2019 the Company granted incentive stock options to Thomas McKeever, Kerry Spong and John McConnell, whereby each could acquire, in the aggregate, up to 60,000 shares at \$0.05 per share until August 13, 2024. The fair value of these options was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: risk-free interest rate of 1.30%, expected life of five years, expected volatility of 152% and dividend yield of Nil.

#### Share-Based Awards, Option-Based Awards and Non-Equity Incentive Plan Compensation

The following table discloses the particulars of all awards outstanding for each director, who is not an NEO as at the end of the Company’s financial year ended December 31, 2019, including awards granted by the Company or any subsidiary of the Company before this most recently completed financial year:

Name	Option-based Awards				Share-based Awards		
	Number of Securities underlying unexercised options <sup>(1)</sup>	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
	(#)	(\$)		(\$)	(#)	(\$)	(\$)
THOMAS A. McKEEVER	166,666	\$0.360	28-Dec-20	Nil	N/A	N/A	N/A
	83,334	\$0.420	21-Feb-22	Nil	N/A	N/A	N/A
	60,000	\$0.220	19-Apr-23	Nil	N/A	N/A	N/A
	60,000	\$0.050	13-Aug-24	5,400	N/A	N/A	N/A
KERRY SPONG	83,333	\$0.390	16-Nov-20	Nil	N/A	N/A	N/A
	166,666	\$0.360	28-Dec-20	Nil	N/A	N/A	N/A
	83,334	\$0.420	21-Feb-22	Nil	N/A	N/A	N/A
	60,000	\$0.220	19-Apr-23	Nil	N/A	N/A	N/A
JOHN McCONNELL	83,333	\$0.390	16-Nov-20	Nil	N/A	N/A	N/A
	166,666	\$0.360	28-Dec-20	Nil	N/A	N/A	N/A
	83,334	\$0.420	21-Feb-22	Nil	N/A	N/A	N/A
	60,000	\$0.220	19-Apr-23	Nil	N/A	N/A	N/A
	60,000	\$0.050	13-Aug-24	5,400	N/A	N/A	N/A

<sup>(1)</sup> All the grants listed above are grants by the Company of options to purchase Common shares pursuant to the Stock Option Plan. Each option entitles the holder to purchase one Common share.

<sup>(2)</sup> “In-the-money options” means the excess of the market value of the Company’s shares on December 31, 2019 over the exercise price of the options. The trading price of the Company’s shares on the TSX-V on December 31, 2019 was \$0.14.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table summarizes the value of each incentive plan award vested or earned by each director who is not an NEO during the financial year ended December 31, 2019:

Name	Option-based awards – Value vested during the year <sup>(1)</sup>	Share-based awards – Value vested during the year	Non-equity incentive plan compensation – Value earned during the year
	(\$)	(\$)	(\$)
THOMAS A. McKEEVER	300	Nil	Nil
KERRY SPONG	300	Nil	Nil
JOHN McCONNELL	300	Nil	Nil

<sup>(1)</sup> “Value vested during the year” means the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date. This amount is calculated by determining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.

**MANAGEMENT CONTRACTS**

No management functions of the Company or any of its subsidiaries are to any substantial degree performed other than by the directors or executive officers of the Company or its subsidiaries, as the case may be.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of the Company’s compensation plans (consisting of the Stock Option Plan) under which equity securities of the Company are authorized for issuance at December 31, 2019:

### Equity Compensation Plan Information

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)	(b) Weighted-average exercise price of outstanding options, warrants and rights (#)	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (#)
Equity compensation plans approved by securityholders	3,579,162	\$0.31	2,686,916
Equity compensation plans not approved by securityholders	0	N/A	N/A
<b>Total</b>	<b>3,579,162</b>		<b>2,686,916</b>

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

During the financial year ended December 31, 2019, no current or former director, executive officer, employee, proposed management nominee for election as a director of the Company nor any of their respective associates, is, or has been at any time since the beginning of a last completed financial year, indebted to the Company or any of its subsidiary, nor has any such person been indebted to any other entity where such indebtedness is a subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Company or any of its subsidiaries.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For the purposes of this Circular, “**informed person**” means:

- (a) a director or executive officer of the Company;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;
- (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company, or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company other than voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) the Company if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Other than as set out below, no informed person, no proposed director of the Company and no associate or affiliate of any such informed person or proposed director, has any material interest, direct or indirect, in any transaction since the commencement of the Company’s last completed financial year or in any proposed transaction, which, in either case, has materially affected or would materially affect the Company or any of its subsidiaries.

On May 22, 2019, the Company completed a private placement of 3,500,000 units of the Company (“**Units**”) at a price of \$0.05 per Unit for aggregate gross proceeds of \$175,000 (the “**May 2019 Offering**”). Each Unit consisted of one Common share of the Company (a “**Common Share**”) and one Common Share purchase warrant (a “**Warrant**”), with each Warrant

exercisable to purchase one Common Share at a price of \$0.08 per Common Share until May 22, 2022. Pursuant to the May 2019 Offering:

- Paul Anderson purchased 600,000 Units for consideration of \$30,000;
- Michael McInnis purchased 200,000 Units for consideration of \$10,000; and
- Kerry Spong purchased 100,000 Units for consideration of \$5,000.

On December 20, 2019, the Company completed a private placement of 10,870,000 Units at a price of \$0.05 per Unit for aggregate gross proceeds of \$543,500 (the “**December 2019 Offering**”). Each Unit consisted of one Common Share and one Warrant, with each Warrant exercisable to purchase one Common Share at a price of \$0.08 per Common Share until December 20, 2022. Pursuant to the December 2019 Offering:

- Paul Anderson purchased 1,800,000 Units for consideration of \$90,000; and
- Michael McInnis purchased 1,300,000 Units for consideration of \$65,000.

On August 14, 2020, the Company completed a private placement of 6,000,000 Units at a price of \$0.10 per Unit for aggregate gross proceeds of \$600,000 (the “**August 2020 First Offering**”). Each Unit consisted of one Common Share and one-half of one warrant, with each whole Warrant exercisable to purchase one Common Share at a price of \$0.15 until August 14, 2022. Pursuant to the August 2020 First Offering, Paul Anderson purchased 13,000 Units for consideration of \$1,300.

On August 14, 2020, the Company completed a private placement of 5,312,500 Units at a price of \$0.16 per Unit for aggregate gross proceeds of \$850,000 (the “**August 2020 Second Offering**”). Each Unit consisted of one Common Share and one-half of one warrant, with each whole Warrant exercisable to purchase one Common Share at a price of \$0.22 until August 14, 2023. Pursuant to the August 2020 Second Offering:

- Paul Anderson purchased 292,768 Units for consideration of \$46,843; and
- Michael McInnis purchased 292,581 Units for consideration of \$46,813.

#### **AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS**

National Instrument 52-110 - *Audit Committee* of the Canadian Securities Administrators (“**NI 52-110**”) requires the Company, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditors, as set forth in the following.

The Company’s Audit Committee is governed by an Audit Committee Charter, a copy of which is available online at [www.sedar.com](http://www.sedar.com), attached as Schedule “A” to the Company’s information circular dated May 15, 2006.

The Company’s Audit Committee is comprised of three directors, Kerry Spong (Chair), Thomas A. McKeever and John McConnell. As defined in NI 52-110, Kerry Spong, Thomas McKeever and John McConnell are “independent”. Each Audit Committee member possesses education or experience that is relevant for the performance of their responsibilities as Audit Committee members and is financially literate. Thomas A. McKeever has over 40 years of business experience in the global metals and mining industry. Kerry Spong is an Accountant with over 20 years of experience in public and private practice. He has conducted audit work for a wide range of mining and mineral exploration companies, and currently serves as CFO and a director of Blackheath Resources Inc. John McConnell is a professional mining engineer with over 40 years of experience in exploration, development and operations. He served as Vice President of NWT Projects at De Beers Canada Ltd. from 2001 to 2006, directed development and construction of the Snap Lake Diamond Project. He was President and CEO of Western Keltic Mines Inc. until its takeover by Sherwood Copper Corp. in 2008. He is currently Director, President & CEO of Victoria Gold Corp.

Since the commencement of the Company’s most recently completed financial year, the Board of Directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Since January 1, 2019, the Company has not relied on the exemptions contained in sections 2.4, 6.1.1(4), 6.1.1(5) or 6.1.1(6) of NI 52-110, or any exemption from NI 52-110 granted under Part 8 of NI 52-110.

The Audit Committee must pre-approve any engagement of the external auditors for any non-audit services to the Company in accordance with applicable law and policies and procedures to be approved by the Board. The engagement of non-audit services will be considered by the Board on a case by case basis.

In the following table, “Audit Fees” are fees billed by the Company’s external auditors for services provided in auditing the Company’s annual financial statements for the subject year. “Audit-Related Fees” are fees not included in audit fees that are billed by the auditors for assurance and related services that are reasonably related to the performance of the audit or review of the Company’s financial statements. “Tax Fees” are fees billed by the auditors for professional services rendered for tax compliance, tax advice and tax planning. “All Other Fees” are fees billed by the auditors for products and services not included in the foregoing categories.

The fees paid by the Company to its auditors in each of the last two fiscal years, by category, are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees <sup>(1)</sup>	All Other Fees
	(\$)	(\$)	(\$)	(\$)
December 31, 2019	39,567	Nil	10,998	Nil
December 31, 2018	32,447	Nil	10,700	Nil

<sup>(1)</sup> Fees related to the preparation of the Company’s corporate tax returns and ancillary materials in respect of the reporting in Canada and the United States.

The Company is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

## DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (“NI 58-101”) requires issuers to disclose their governance practices in accordance with that instrument. A discussion of the Company’s governance practices within the context of NI 58-101 is set out in Schedule “A” to this Circular.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### Set the Number of Directors

The shareholders of the Company will be asked to vote to set the number of directors at four. **Unless such authority is withheld, the Management Designees, if named as proxyholders, intend to vote the Common shares represented by any such proxy in favour of a resolution setting the number of directors of the Company at four.**

### Election of Directors

The Board of Directors currently consists of four directors. It is intended that four directors will be elected for the ensuing year.

The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as management’s nominees and unless such authority is withheld, the Management Designees intend to vote for the election of these nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director will hold office until the next annual general meeting of the Company or until his successor

is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company, or with the provisions of the *Business Corporations Act* (British Columbia).

As at the date hereof, the members of the Audit Committee are Kerry Spong (Chair), Thomas A. McKeever and John McConnell, the members of the Nominating and Corporate Governance Committee are Thomas A. McKeever and Kerry Spong, the members of the Technical and Merger and Acquisition Committee are Thomas A. McKeever and John McConnell, and the members of the Compensation Committee are John McConnell and Kerry Spong. The Company does not have an Executive Committee.

The following table sets out the names of the nominees for election as directors, the province or state, and country of residence, all offices of the Company now held by each of them, their present principal occupation or employment, the period of time for which each has been a director of the Company, and the number of Common shares or number of securities of each class of voting securities of the Company's subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by each proposed director, as of September 21, 2020:

Name, Present Office and Province and Country of Residence <sup>(1)</sup>	Principal Occupation or Employment <sup>(1)</sup>	Date First Appointed as a Director	No. of Common Shares Beneficially Held or Controlled <sup>(1)</sup>
<b>MICHAEL D. McINNIS</b> Director and Executive Chairman <i>British Columbia, Canada</i>	<ul style="list-style-type: none"> <li>• Professional Engineer from 1975 to present</li> <li>• Riverstone Resources Inc.: President and CEO of from October 1996 to December 2012</li> <li>• Victoria Gold Corp.: Director from December 2008 to present</li> <li>• Canasil Resources Inc: Director from October 2003 to present</li> </ul>	June 27, 2002	1,463,581
<b>THOMAS A. McKEEVER</b> <sup>(2) (3)</sup> <sup>(5)</sup> Director <i>South Carolina, U.S.A.</i>	<ul style="list-style-type: none"> <li>• Businessman</li> <li>• Houston Exploration Company: Director from 2005 to June 2007</li> </ul>	March 15, 2007	288,000
<b>KERRY SPONG</b> <sup>(3) (4) (5)</sup> Director <i>British Columbia, Canada</i>	<ul style="list-style-type: none"> <li>• Self-employed Accountant</li> <li>• Gitennes Explorations Inc.: CFO from July 2004 to present</li> <li>• Canasil Resources Inc.: CFO from November 2006 to present</li> <li>• Blackheath Resources Inc.: Director and CFO from May 2011 to present</li> </ul>	September 15, 2015	335,000
<b>JOHN McCONNELL</b> <sup>(2) (3) (4)</sup> Director <i>Yukon, Canada</i>	<ul style="list-style-type: none"> <li>• Professional mining engineer</li> <li>• Victoria Gold Corp.: Director since July 31, 2007; President and CEO from February 2011 to present; Executive Vice President from January 2009 to February 2011</li> <li>• Hudson Resources Inc.: Director from January 2010 to present</li> </ul>	September 15, 2015	824,000

<sup>(1)</sup> The information as to province and country of residence, present principal occupation or employment and the number of Common shares beneficially owned or controlled, is not within the knowledge of the management of the Company and has been furnished either by the respective nominees or obtained from SEDI at www.SEDI.ca.

<sup>(2)</sup> Member of the Company's Technical and Mergers and Acquisition Committee.

<sup>(3)</sup> Member of the Company's Audit Committee.

<sup>(4)</sup> Member of the Company's Compensation Committee.

<sup>(5)</sup> Member of the Company's Nominating and Corporate Governance Committee.

Cease Trade Orders or Bankruptcies

To the Company's knowledge except as disclosed herein, no proposed director of the Company:

- (a) is, as at the date of the Circular, or has been, within 10 years before the date of the Circular, a director, CEO or CFO of any company (including the Company and any personal holding companies) that,
  - (i) was subject to a cease trade or similar order or an order that denied the relevant company access to an exemption under securities legislation, that was in effect for a period of more than thirty consecutive days (an "**Order**") that was issued while the proposed director was acting in the capacity as director, chief executive director or chief financial officer; or
  - (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) is, as at the date of the Circular, or has been within 10 years before the date of the Circular, a director or executive officer of any company (including the Company and any personal holding companies) 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
- (c) has, within the 10 years before the date of the 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.

Penalties and Sanctions

To the Company's knowledge, no proposed director or personal holding companies of any proposed director of the Company has been subject to:

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

**Appointment of Auditors**

The shareholders of the Company will be asked to vote for the appointment of PricewaterhouseCoopers LLP, Chartered Professional Accountants ("**PwC**"), as auditors of the Company for the ensuing year, and authorize the directors to fix their remuneration. PwC was first appointed as auditor of the Company on February 24, 2020.

Deloitte LLP, Chartered Accountants ("**Deloitte**") previously served as auditors of the Company from December 31, 2016 to February 24, 2020, at which time Deloitte resigned as auditors of the Company. A copy of the reporting package prepared in connection with the change of the Company's auditors, consisting of: (a) the Company's Notice of Change of Auditor; (b) response letter from Deloitte as the former auditor; and (c) response letter from PwC as the successor auditor, is attached as Schedule "B" hereto.

**Unless such authority is withheld, the Management Designees, if named as proxyholders, intend to vote the Common shares represented by any such proxy in favour of a resolution appointing PwC as auditors for the Company for the**

**ensuing year**, to hold office until the close of the next annual general meeting of shareholders or until the firm of PwC is removed from office or resigns.

## **Re-Approval of Stock Option Plan**

### Background

The policies of the TSX-V require that all listed companies adopt either a “rolling” stock option plan reserving a maximum of 10% of the issued shares of the company or a “fixed number” stock option plan reserving a specified number of shares, up to a maximum of 20% of the company’s issued shares as at the date of shareholder approval, with vesting provisions for plans that reserve more than 10%, and thereafter grant all stock options pursuant to the plan. At the Company’s annual general meeting held on January 31, 2019, shareholders approved the adoption of the Company’s 10% “rolling” stock option plan (the “**Plan**”), pursuant to which a maximum of 10% of the issued shares of the Company are to be set aside and reserved for options to purchase Common shares of the Company (“**Options**”) on a rolling basis. Under the policies of the TSX-V, a rolling stock option plan must receive yearly shareholder approval. Accordingly, shareholders are being asked to reapprove the Plan.

The material terms of the Plan are as follows:

### Persons Eligible under the Plan

Under the Plan, bona fide directors, officers and employees of the Company and its affiliates, individuals employed by persons providing management services to the Company and its affiliates, consultants for the Company and its affiliates, and companies for which 100% of the share capital thereof is owned by one or more persons of the kind described in this paragraph (collectively, “**Service Providers**”), may be granted Options by the Board under the Plan (each Service Provider who receives an Option, an “**Optionee**”).

Before being granted an Option, a Service Provider that is not an individual will be required to undertake in writing not to permit any transfer of ownership or option of any of its securities, or to issue more of its securities (so as to indirectly transfer the benefits of an Option), as long as such Option remains outstanding, without written permission of the TSX-V and the Company.

### Administration

The Board is responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising thereunder.

### Maximum Number of Shares Reserved for Issuance

The maximum aggregate number of Common shares that may be reserved for issuance under the Plan (“**Plan Shares**”) at any point in time is 10% of the issued and outstanding Common shares of the Company at the time Plan Shares are reserved for issuance as a result of the grant of an Option, unless amended pursuant to the requirements of the TSX-V Policies, and, if applicable, the NEX Policies.

No Service Provider can be granted an Option if that Option would result in the total number of Options granted to such Service Provider in the previous 12 months, exceeding 5% of the issued and outstanding shares of the Company (unless the Company has obtained disinterested shareholder approval to do so).

In any 12-month period, the aggregate number of Options granted (i) to Service Providers conducting investor relations activities; or (ii) to any one consultant, cannot exceed 2% of the issued and outstanding Common Shares, calculated at the time of grant, without the prior consent of the TSX-V.

In the event an Option granted under the Plan expires unexercised or is terminated by reason of dismissal of the Optionee for cause or is otherwise lawfully cancelled prior to exercise of the Option, the Common shares that were issuable upon exercise of the Option (“**Optioned Shares**”) will be returned to the Plan and will be eligible for re-issuance.

The Company will be required to obtain disinterested shareholder approval before the Plan could result in:

- (a) the aggregate number of Common shares reserved for issuance under Options granted to insiders exceeding 10% of the Outstanding Shares (in the event that the Plan is amended to reserve for issuance more than 10% of the Outstanding Shares);
- (b) the number of Optioned Shares issued to insiders within a one-year period exceeding 10% of the Outstanding Shares (in the event that the Plan is amended to reserve for issuance more than 10% of the Outstanding Shares); or,
- (c) the issuance to any one Optionee, within a 12-month period, of a number of Common Shares exceeding 5% of Outstanding Shares.

Terms and Conditions of Options

- (a) *Option Exercise Price:* The exercise price of an Option (“**Exercise Price**”) will be set by the Board at the time such Option is granted under the Plan, and cannot be less than the Discounted Market Price of the Common shares (as calculated in accordance with the policies of the TSX-V).
- (b) *Term of Options:* An Option can be exercisable for a maximum of 10 years from the date of grant thereof.
- (c) *Option Amendment:* An Exercise Price may be amended only if at least six (6) months have elapsed since the later of the date of commencement of the term of the option, the date the Common shares commenced trading on the TSX-V, and the date of the last amendment of such Exercise Price. An Option must be outstanding for at least one year before the company may extend its term (subject to a maximum term of 10 years). Any proposed amendment to the terms of an Option must be approved by the TSX-V prior to the exercise of such Option. Disinterested shareholder approval must be approved before any reduction in the Exercise Price of an Option previously granted to an Insider becomes effective.
- (d) *Vesting of Options:* Vesting of Options (except for those Options granted to consultants conducting investor relations activities) shall be at the discretion of the Board and, with respect to any particular Options granted under the Plan, in the absence of a vesting schedule being specified at the time of grant, all such Options shall vest immediately. Where applicable, the vesting of Options will generally be subject to the continued employment or provision of services by the Service Provider, at the discretion of the Board, achieving certain milestones determined by the Board, receiving satisfactory performance reviews by the Company or its Affiliates, or the Service Provider remaining a director during the vesting period.

Options granted to consultants conducting investor relations activities will vest: (a) over a period of not less than 12 months as to 25% of on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or (b) such longer vesting period as the Board may determine.

Subject to any necessary regulatory approval, upon a change of control, all Options will become immediately exercisable, notwithstanding any contingent vesting provisions to which such Options may have otherwise been subject. To the extent possible, the Board will give notice to Optionees not less than 30 days prior to the consummation of a change of control.

If a bona fide offer (the “**Offer**”) for Common shares is made to an Optionee or to shareholders generally or to a class of shareholders which includes the Optionee, which Offer constitutes a takeover bid within the meaning of section 92 of the British Columbia Securities Act, as amended from time to time, the Company shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon, subject to any necessary regulatory approval, any Option held by an Optionee may be exercised in whole or in part by the Optionee notwithstanding any contingent vesting provisions to which such Option may have otherwise been subject, so as to permit the Optionee to tender the Optioned Shares received upon such exercise. If:

- (i) the Offer is not completed within the time specified therein; or

- (ii) all of the Optioned Shares tendered by the Optionee pursuant to the Offer are not taken up and paid for by the offeror pursuant thereto;

the Optioned Shares or, in the case of clause (ii) above, the Optioned Shares that are not taken up and paid for, may be returned by the Optionee to the Company and reinstated as authorized but unissued shares and with respect to such returned Optioned Shares, the Option shall be reinstated as if it had not been exercised, and any vesting schedule shall also be reinstated. If any Optioned Shares are returned to the Company under this Section, the Company shall refund the exercise price to the Optionee for such Optioned Shares.

- (e) *Optionee Ceasing to be Service Provider:* No Option may be exercised after the Service Provider has left his employ/office or has been advised that his services are no longer required or his service contract has expired, except as follows:
  - (i) in the case of the death of an Optionee, any vested Option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;
  - (ii) an Option granted to any Service Provider will expire 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any times prior to the expiry of the Option) after the date the Optionee ceases to be employed by or provide services to the Company, but only to the extent that such Option has vested at the date the Optionee ceased to be so employed by or to provide services to the Company; and
  - (iii) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise the Option.
- (f) *Non-Assignable:* Except for in the circumstances in paragraph (e) of this section immediately above, Options are non-assignable or transferable.
- (g) *Options under Previous Plan.* On the effective date of the Plan, the Plan will supersede all prior stock option plans of the Company and all outstanding stock options granted under prior stock option plans of the Company will be rolled over and into and be subject to the terms and conditions of this Plan.

#### Adjustment of the Number of Optioned Shares

The number of Common shares subject to an Option will be subject to adjustment in the events and in the manner following:

- (a) in the event of a subdivision of Common Shares as constituted on the effective date of the Plan, at any time while an Option is in effect, into a greater number of Common Shares, the Company will thereafter deliver at the time of purchase of the Optioned Shares, in addition to the number of Optioned Shares in respect of which the right to purchase is then being exercised, such additional number of Common shares as result from the subdivision without an Optionee making any additional payment or giving any other consideration therefor;
- (b) in the event of a consolidation of the Common shares as constituted on the effective date of the Plan, at any time while an Option is in effect, into a lesser number of Common shares, the Company will thereafter deliver and an Optionee will accept, at the time of purchase of Optioned Shares hereunder, in lieu of the number of Optioned Shares in respect of which the right to purchase is then being exercised, the lesser number of Common Shares as result from the consolidation;
- (c) in the event of any change of the Common Shares as constituted on the effective date of the Plan, at any time while an Option is in effect, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder the number of shares of the appropriate class resulting from the said change as an Optionee would have been entitled to

receive in respect of the number of Common shares so purchased had the right to purchase been exercised before such change;

- (d) in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Company, a consolidation, merger or amalgamation of the Company with or into any other company or a sale of the property of the Company as or substantially as an entirety at any time while an Option is in effect, an Optionee will thereafter have the right to purchase and receive, in lieu of the Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option, the kind and amount of shares and other securities and property receivable upon such capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale which the holder of a number of Common Shares equal to the number of Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option would have received as a result thereof. The subdivision or consolidation of Common shares at any time outstanding (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of the Company for the purposes of adjustment under the Plan;
- (e) an adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in the Plan are cumulative;
- (f) the Company will not be required to issue fractional shares in the event of an adjustment under the Plan. Any fractional interest in a Common share that would, except for in the case of an adjustment under the Plan, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Company; and
- (g) if any questions arise at any time with respect to the Exercise Price or number of Optioned Shares deliverable upon exercise of an Option in any of the events giving rise to an adjustment under the Plan, such questions will be conclusively determined by the Company's auditors, or, if they decline to so act, any other firm of Chartered Accountants, in Vancouver, British Columbia (or in the city of the Company's principal executive office) that the Company may designate and who will be granted access to all appropriate records. Such determination will be binding upon the Company and all Optionees.

The full text of the proposed Plan is available on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com), attached as Schedule "B" to the Company's information circular filed December 21, 2018. The description of the material terms of the Plan above is intended only to provide a summary of the material terms of the Plan. In the event of an inconsistency between the description of the material terms of the Plan above and the text of the Plan, the text of the Plan will prevail.

#### Shareholder Approval

The shareholders of the Company will be asked to consider and, if thought fit, to approve and adopt an ordinary resolution in substantially the following form:

**"RESOLVED, AS AN ORDINARY RESOLUTION THAT:**

1. the stock option plan of the Company, substantially in the form previously approved by shareholders of the Company on January 31, 2019, be and is hereby approved and confirmed; and
2. any director or officer of the Company be and is hereby authorized, for and on behalf of the Company, to execute and deliver all documents and instruments and to take such other actions as such director or officer may determine to be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents or instruments and the taking of any such actions."

**Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote in favour of this ordinary resolution.**

## GENERAL

**Unless otherwise directed, it is Management's intention to vote proxies in favour of the resolutions set forth herein.** All ordinary resolutions require, for the passing of the same, a simple majority of the votes cast at the Meeting by the holders of Common shares.

## OTHER BUSINESS

Management of the Company knows of no matter to come before the Meeting other than those referred to in the Notice of Meeting accompanying this Circular. **However, if any other matters properly come before the Meeting, it is the intention of the Management Designees to vote on the same in accordance with their best judgment of such matters.**

## SHAREHOLDER PROPOSALS

ANY SHAREHOLDER WHO INTENDS TO PRESENT A PROPOSAL AT THE COMPANY'S 2021 ANNUAL GENERAL MEETING OF SHAREHOLDERS MUST SEND THE PROPOSAL TO THE COMPANY'S CORPORATE SECRETARY AT THE REGISTERED OFFICE OF THE COMPANY, 2800 – 666 BURRARD STREET, VANCOUVER, BC V6C 2Z7. IN ORDER FOR THE PROPOSAL TO BE INCLUDED IN THE COMPANY'S PROXY MATERIALS SENT TO THE SHAREHOLDERS, IT MUST BE RECEIVED BY THE COMPANY NO LATER THAN JULY 23, 2021, AND MUST COMPLY WITH THE REQUIREMENTS OF SECTION 188 OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA). THE COMPANY IS NOT OBLIGATED TO INCLUDE ANY SHAREHOLDER PROPOSAL IN ITS PROXY MATERIALS FOR THE 2021 ANNUAL GENERAL MEETING IF THE PROPOSAL IS RECEIVED AFTER THE JULY 23, 2021 DEADLINE.

## ADDITIONAL INFORMATION

Additional information concerning the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information concerning the Company is provided in the Company's comparative annual Financial Statements and Management's Discussion and Analysis for the year ended December 31, 2019.

Shareholders wishing to obtain a copy of the Company's Financial Statements and Management's Discussion and Analysis may contact the Company as follows:

Abacus Mining & Exploration Corporation  
1000 - 1050 West Pender Street  
Vancouver, BC V6E 3S7  
Telephone: (604) 682-0301  
Fax: (604) 682-0307  
[www.amemining.com](http://www.amemining.com)

## DIRECTORS' APPROVAL

The contents of this Management Information Circular and the sending thereof to the shareholders of the Company have been approved by the Board.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "Paul G. Anderson"  
President and COO

Vancouver, British Columbia  
September 21, 2020

## SCHEDULE “A”

### ABACUS MINING & EXPLORATION CORPORATION (the “Company”)

#### DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	OUR CORPORATE GOVERNANCE PRACTICES
<p>1. <b>Board of Directors</b></p>	
<p>a) Disclose the identity of directors who are independent.</p>	<p>a) The Company has three independent directors, namely: Kerry Spong, John McConnell and Thomas McKeever.</p>
<p>b) Disclose the identity of directors who are not independent and describe the basis of that determination.</p>	<p>b) The Company has one director who is not independent because he is, or was within the last three years, an executive officer or consultant of the Company, namely: Michael D. McInnis, the Executive Chairman of the Board and the former Chairman, President, and CEO. Mr. McInnis resigned as Chairman, President and CEO on October 31, 2017.</p>
<p>c) Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors (the “<b>Board</b>”) does to facilitate its exercise of independent judgement in carrying out its responsibilities.</p>	<p>c) The Board presently consists of four members, three of whom who are independent.</p>
<p>d) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.</p>	<p>d) The following directors of the Company are currently also directors of other reporting issuers as listed:</p> <ul style="list-style-type: none"><li>• Michael D. McInnis: Canasil Resources Inc. (TSX-V), Victoria Gold Corp. (TSX-V).</li><li>• Kerry Spong: Blackheath Resources Inc. (TSX-V)</li><li>• John McConnell: Victoria Gold Corp. (TSX-V), Hudson Resources Inc. (TSX-V)</li></ul>
<p>e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the Company’s most recently completed financial year. If the independent directors do not hold such meetings, describe what the Board does to facilitate open and candid discussion among its independent directors.</p>	<p>e) The independent directors of the Board do not hold regularly scheduled meetings. The Board holds meetings as required, at which the opinion of the independent directors is sought and duly acted upon for all material matters relating to the Company.</p>

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	OUR CORPORATE GOVERNANCE PRACTICES
<p>f) Disclose whether or not the chair of the Board is an independent director. If the Board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the Board has neither a chair that is independent nor a lead director that is independent, describe what the Board does to provide leadership for its independent directors.</p> <p>g) Disclose the attendance record of each director for all Board meetings held since the beginning of the Company's most recently completed financial year.</p>	<p>f) The Executive Chairman of the Board, Michael D. McInnis, is not an independent director. However, Thomas McKeever, Kerry Spong and John McConnell are independent directors. The Board provides leadership to its independent directors by encouraging members to bring forth agenda items, having access to members of management and information regarding the Company's activities, and by retaining outside advisors when necessary.</p> <p>g) All Directors attended all Board meetings during the Company's most recently completed financial year, with the exception of Kerry Spong on January 31, 2019 and John McConnell on April 3, 2019.</p>
<p>2. <b>Board Mandate</b> - Disclose the text of the Board's written mandate. If the Board does not have a written mandate, describe how the Board delineates its role and responsibilities.</p>	<p>The Board does not have a written mandate. The Board delineates its role and responsibilities as follows:</p> <ul style="list-style-type: none"><li>a) develop, monitor and, where appropriate, modify the Company's strategic plan;</li><li>b) review and, where appropriate, approve the financial and business goals and objectives, major corporate actions and internal controls of the Company;</li><li>c) regularly monitor the effectiveness of management policies and decisions;</li><li>d) select, evaluate and compensate the CEO and other senior officers and review management succession planning;</li><li>e) assess major risks facing the Company and review options for their mitigation;</li><li>f) ensure that the Company's business is conducted with the highest standards of ethical conduct and in conformity with applicable laws and regulations;</li><li>g) review, with input from the Audit Committee, the financial performance and financing reporting of the Company and assess the scope, implementation and integrity of the Company's internal control systems;</li><li>h) appoint the officers of the Company, ensuring that they are of the calibre required for their roles and planning their succession as appropriate from time to time; and</li><li>i) establish and oversee committees of the Board as appropriate, approve their mandates and approve any compensation of their members.</li></ul>

**CORPORATE GOVERNANCE DISCLOSURE  
REQUIREMENT**

**OUR CORPORATE GOVERNANCE PRACTICES**

**3. Position Descriptions**

- a) Disclose whether or not the Board has developed written position descriptions for the chair and the chair of each Board committee. If the Board has not developed written position descriptions for the chair and/or the chair of each Board committee, briefly describe how the Board delineates the role and responsibilities of each such position.
  
- b) Disclose whether or not the Board and CEO have developed a written position description for the CEO. If the Board and CEO have not developed such a position description, briefly describe how the Board delineates the role and responsibilities of the CEO.

- a) The Board has not developed written position descriptions for the chair and the chair of each Board committee. The role of the chair of each committee is to preside over all meetings of the Board, consult regarding agendas and information sent to the Board and notify other Board members regarding any legitimate shareholder concerns of which he becomes aware.

The Chairs of the Audit Committee, the Nominating and Corporate Governance Committee, the Technical and Merger and Acquisition Committee and the Compensation Committee, in consultation with each committee member, will determine the frequency and length of committee meetings and will develop the committee's agenda.

- b) The Company has a COO who performs the duties typically performed by a CEO. The Board and COO have not developed a written position description for the COO. The directors are kept fully informed of management actions that have a material impact on the operation and performance of the Company. All material contracts and agreements are put before the Board for approval and/or ratification. The Board has charged the COO with the responsibilities for the day to day running of the Company and to propose strategic direction, policies and financial goals for the review, consideration and approval of the Board.

**4. Orientation and Continuing Education**

- a) Briefly describe what measures the Board takes to orient new directors regarding:
  - i. the role of the Board, committees and its directors; and
  - ii. the nature and operation of the Company's business.
  
- b) Briefly describe what measures, if any, the Board takes to provide continuing education for its directors. If the Board does not provide continuing education, describe how the Board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.

- a) The COO is responsible for providing an orientation for new directors. Director orientation and on-going training includes presentations by senior management to familiarize directors with the Company's strategic plans, its properties, its significant financial, accounting and risk management issues, its compliance programs, its principal officers and its internal and independent auditors.
  
- b) The COO is responsible for periodically providing materials to all directors on subjects relevant to their duties as directors of the Company. The directors attend conferences and seminars relevant to their particular expertise.

**CORPORATE GOVERNANCE DISCLOSURE  
REQUIREMENT**

**OUR CORPORATE GOVERNANCE PRACTICES**

**5. Ethical Business Conduct**

- a) Disclose whether or not the Board has adopted a written code for the directors, officers and employees. If the Board has adopted a written code:
  - i. disclose how a person or company may obtain a copy of the code;
  - ii. describe how the Board monitors compliance with its code, or if the Board does not monitor compliance, explain whether and how the Board satisfies itself regarding compliance with its code; and
  - iii. provide a cross-reference to any material change report filed since the beginning of the Company's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.
- b) Describe any steps the Board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.
- c) Describe any other steps the Board takes to encourage and promote a culture of ethical business conduct.

- a) The Company does not have a written code of ethical business conduct for its directors, officers and employees. The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance objectives and goals.

Each director, officer and employee is expected to comply with relevant corporate and securities laws, with the terms of their employment agreement and with the *Corporate Disclosure Policy*, *Insider Trading Policy* and *Whistleblower Policy* adopted by the Board.

- b) Under corporate law, the directors are required to disclose to the Board (and to any applicable committee) any financial interest or personal interest in any contract or transaction that is being considered by the Board or committee for approval that they or an associate may have. The interested director shall abstain from voting on the matter and, in most cases, should leave the meeting while the remaining directors discuss and vote on such matter. Disclosed conflicts of interest are documented in the minutes of the meeting.
- c) The Board has instructed the Company to circulate the Company's *Corporate Disclosure Policy*, *Insider Trading Policy* and *Whistleblower Policy* to all officers and employees of the Company and, where appropriate, to third parties with a connection to the Company.

**6. Nomination of Directors**

- a) Describe the process by which the board identifies new candidates for board nomination
- b) Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.
- c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee

- a) When a Board vacancy occurs or is contemplated, any director may make recommendations to the Board as to qualified individuals for nomination to the Board.  
  
In identifying new candidates, the directors will take into account the mix of director characteristics and diverse experiences, perspectives and skills appropriate for the Company at that time.
- b) The Company currently has a Nominating and Corporate Governance Committee currently consisting of Thomas McKeever and Kerry Spong. Messrs. McConnell and Spong are considered "independent" as that term is defined in NI 52-110.
- c) The Nominating and Corporate Governance Committee's responsibilities are to review on an annual basis the appropriate skills and characteristics required

**CORPORATE GOVERNANCE DISCLOSURE  
REQUIREMENT**

**OUR CORPORATE GOVERNANCE PRACTICES**

of Board members in the context of the current make-up of the Board and any perceived needs. In addition, on an annual basis, the Committee will assess the Board's compliance with laws and policies relating to the independence of certain Board members.

The Board has delegated to the Nominating and Corporate Governance Committee the authority set out in the Nominating Committee Charter which includes the Nominating and Corporate Governance Committee forming and delegating authority to sub-committees and the Nominating and Corporate Governance Committee retaining persons having special competencies to assist the Nominating and Corporate Governance Committee in fulfilling its responsibilities.

The process to be taken by the Nominating and Corporate Governance Committee for nomination of candidates for election to the Board includes the Nominating and Corporate Governance Committee identifying the need to add new Board members, with careful consideration of the mix of qualifications, skills and experiences represented on the Board; the Chair of the Nominating and Corporate Governance Committee coordinates the search for qualified candidates with input from management and other Board members; the Nominating and Corporate Governance Committee may engage a search firm to assist in identifying potential nominees; prospective candidates are interviewed; the Nominating and Corporate Governance Committee will recommend a nominee and seek full Board endorsement of the selected candidate based on its judgment as to which candidate will best serve the interest of the Company's shareholders.

**7. Compensation**

a) Describe the process by which the Board determines the compensation for the Company's directors and officers.

a) The Company's Compensation Committee assesses performance and determines the remuneration of senior officers. The Compensation Committee also administers the Company's stock option plan. The Compensation Committee may recommend to the Board the granting of stock options to directors of the Company as well as determine directors' fees, if any, from time to time. Directors may also be compensated in cash and/or equity for their expert advice and contribution towards the success of the Company. The form and amount of such compensation will be evaluated by the Compensation Committee, which will be guided by the following goals: (i) compensation should be commensurate with the time spent by directors in meeting their obligations and reflective of the compensation paid by companies similar in size and business to the Company; and (ii) the structure of the compensation should be simple, transparent and easy for shareholders to understand. Shareholders will be given the opportunity to vote on all new or substantially revised equity compensation plans for directors as required by regulatory policies.

CORPORATE GOVERNANCE DISCLOSURE REQUIREMENT	OUR CORPORATE GOVERNANCE PRACTICES
<p>b) Disclose whether or not the Board has a compensation committee composed entirely of independent directors. If the Board does not have a compensation committee composed entirely of independent directors, describe what steps the Board takes to ensure an objective process for determining such compensation.</p> <p>c) If the Board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.</p>	<p>b) The Company’s Compensation Committee is comprised of John McConnell (Chair) and Kerry Spong. Messrs. McConnell and Spong are considered “independent” as that term is defined in NI 52-110.</p> <p>c) The role of the Compensation Committee is primarily to administer the Company’s stock option plan and to determine the remuneration of senior officers of the Company. Please refer to the “Compensation Discussion and Analysis” of this Circular for more details regarding the Company’s compensation strategy.</p>
<p>8. <b>Technical</b></p> <p>a) Disclose whether or not the Board has a Technical and Merger and Acquisition Committee composed entirely of independent directors.</p> <p>b) Describe the role of the Company’s Technical and Merger and Acquisition Committee.</p>	<p>a) The Company’s Technical and Merger and Acquisition Committee is comprised of John McConnell and Thomas McKeever, both of whom are considered “independent” as that term is defined in NI 52-110.</p> <p>c) The primary role of the Technical and Merger and Acquisition Committee is to advise the Company on technical matters in respect of the Willow Project, Jersey Valley Project and Ajax Project and the merits of projects under consideration by the Company.</p>
<p>9. <b>Other Board Committees</b> - If the Board has standing committees other than the Audit Committee, the Nominating and Corporate Governance Committee, the Compensation Committee and the Technical and Merger and Acquisition Committee, identify the committees and describe their function.</p>	<p>8. There are no committees of the Board other than the Audit Committee, the Nominating and Corporate Governance Committee, the Compensation Committee and the Technical and Merger and Acquisition Committee.</p>
<p>10. <b>Assessments</b> - Disclose whether or not the Board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessment. If assessments are not regularly conducted, describe how the Board satisfies itself that the Board, its committees, and its individual directors are performing effectively.</p>	<p>9. Assessments are not regularly conducted for the Board, committees, or individual directors. The assessment of the performance of the Board is determined by the Board and the Chairman of the Board based on the expertise, contributions and participation of individual directors in meetings of the Board and its committees. Committee chairmen are responsible for the evaluation of the effectiveness and performance of the committee members.</p>

**SCHEDULE "B"**

**ABACUS MINING & EXPLORATION CORPORATION**

**CHANGE OF AUDITOR REPORTING PACKAGE**

See attached.

**NOTICE OF CHANGE OF AUDITOR**

**ABACUS MINING & EXPLORATION CORP.** (the “Company”) advises that **Deloitte LLP** (the “Former Auditors”) have resigned as auditors of the Company, effective **February 24, 2020**.

Accordingly, the Directors have appointed PricewaterhouseCoopers LLP, of Suite 700, 250 Howe Street, Vancouver, BC, V6C 3S7 as Auditors for the Company.

There was no reservation in any Former Auditors’ report, no qualified opinion or denial of opinion in connection with the audit of the Company for the two most recently completed fiscal years or for any subsequent period.

There was no reportable event cited by the Former Auditors and the Company is not aware of any reportable events and is of the opinion that none exists.

The resignation of the Former Auditors as auditors of the Company has been approved by the Company’s audit committee and its board of directors.

**DATED** this 24<sup>th</sup> day of **February, 2020**.

**ABACUS MINING & EXPLORATION CORP.**

Per: “Paul Anderson”  
Paul Anderson, President and COO



Deloitte LLP  
939 Granville Street  
Vancouver, BC V6Z 1L3  
Canada

Tel: 604-669-4466  
Fax: 778-374-0496  
www.deloitte.ca

March 2, 2020

To: British Columbia Securities Commission  
Alberta Securities Commission  
Financial and Consumer Affairs Authority of Saskatchewan  
Manitoba Securities Commission  
Ontario Securities Commission  
Financial and Consumer Services Commission (New Brunswick)  
Nova Scotia Securities Commission  
Office of the Superintendent of Securities (Prince Edward Island)  
Office of the Superintendent of Securities Service (Newfoundland & Labrador)

Dear Sirs/Mesdames:

As required by subparagraph (5)(a)(ii) of section 4.11 of National Instrument 51-102, we have reviewed the notice of change of auditor of Abacus Mining & Exploration Corporation dated February 24, 2020 (the "Notice") and, based on our knowledge of such information at this time, we are in agreement with the statements contained in the Notice as they relate to Deloitte LLP, Chartered Professional Accountants.

Yours truly,

A handwritten signature in cursive script that reads "Deloitte LLP".

Chartered Professional Accountants



March 2, 2020

To: British Columbia Securities Commission;  
Alberta Securities Commission;  
Financial and Consumer Affairs Authority of Saskatchewan;  
Manitoba Securities Commission;  
Ontario Securities Commission,  
Office of the Superintendent of Securities; Service Newfoundland & Labrador;  
Financial and Consumer Services Commission (New Brunswick);  
Office of the Superintendent of Securities, Government of Prince Edward Island; and  
Nova Scotia Securities Commission

We have read the statements made by Abacus Mining & Exploration Corp. in the change of auditor notice dated February 24, 2020, which we understand will be filed pursuant to Section 4.11 of National Instrument 51-102.

We agree with the statements in the change of auditor notice dated February 24, 2020, except that we have no basis to agree or disagree with the following statement:

“There was no reportable event cited by the Former Auditors and the Company is not aware of any reportable events and is of the opinion that none exists.”

Yours very truly,

*PricewaterhouseCoopers LLP*

**Chartered Professional Accountants**

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*PricewaterhouseCoopers LLP*  
*PricewaterhouseCoopers Place, 250 Howe Street, Suite 1400, Vancouver, British Columbia, Canada V6C 3S7*  
*T: +1 604 806 7000, F: +1 604 806 7806, [www.pwc.com/ca](http://www.pwc.com/ca)*

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

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