

**GOLDSOURCE MINES INC.**  
**ANNUAL GENERAL MEETING OF SHAREHOLDERS**  
**INFORMATION CIRCULAR**

**GENERAL INFORMATION**

This Information Circular is furnished to the holders (“shareholders”) of common shares (“Common Shares”) of Goldsource Mines Inc. (the “Company”) by management of the Company in connection with the solicitation of proxies to be voted at the annual general meeting (the “Meeting”) of the shareholders to be held at Suite 501, 570 Granville Street, Vancouver, British Columbia on Tuesday, June 15, 2021 at 10:00 a.m. (Vancouver time) and at any adjournment thereof, for the purposes set forth in the accompanying Notice of Meeting.

**PROXIES**

**Solicitation of Proxies**

**The enclosed Proxy is solicited by and on behalf of management of the Company. The persons named in the enclosed Proxy form are management-designated proxyholders. A registered shareholder desiring to appoint some other person (who need not be a shareholder) to represent the shareholder at the Meeting may do so either by inserting such other person’s name in the blank space provided in the Proxy form or by completing another form of proxy.** To be used at the Meeting, proxies must be received by Computershare Trust Company of Canada (“Computershare”), Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 by 10:00 a.m. (Vancouver time) on June 11, 2021 or, if the Meeting is adjourned, by 10:00 a.m. (Vancouver time), on the second last business day prior to the date on which the Meeting is reconvened. Solicitation will be primarily by mail, but some proxies may be solicited personally or by telephone by regular employees or directors of the Company at a nominal cost. The cost of solicitation by management of the Company will be borne by the Company.

**Notice and Access Process**

The Company has decided to take advantage of the notice-and-access provisions (“Notice and Access”) under the Canadian Securities Administrators’ National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”) for the delivery of the Information Circular to its shareholders for the Meeting. The use of the alternative Notice and Access procedures in connection with the Meeting helps reduce paper use, as well as the Company’s printing and mailing costs.

Under Notice and Access, instead of receiving printed copies of the Information Circular, shareholders receive a notice (“Notice and Access Notification”) with information on the Meeting date, location and purpose, as well as information on how they may access the Information Circular electronically or request a paper copy. The Company will arrange to mail paper copies of the Information Circular to those registered and beneficial shareholders who have existing instructions on their account to receive paper copies of the Company’s proxy-related materials.

## Non-Registered Holders

Only registered holders of Common Shares or the persons they appoint as their proxyholders are permitted to vote at the Meeting. In many cases, however, Common Shares beneficially owned by a holder (a “Non-Registered Holder”) are registered either:

- (a) in the name of an Intermediary (an “Intermediary”) that the Non-Registered Holder deals with in respect of the shares. Intermediaries include banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans, or
- (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (CDS)) of which the Intermediary is a participant.

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as “NOBOs”. Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Company are referred to as “OBOs”.

In accordance with the requirements of NI 54-101, the Company has elected to send the Notice and Access Notification in connection with the Meeting directly to the NOBOs and indirectly through Intermediaries to the OBOs.

The Intermediaries (or their service companies) are responsible for forwarding the Notice and Access Notification to each OBO, unless the OBO has waived the right to receive proxy-related materials from the Company. Intermediaries will frequently use service companies to forward proxy-related materials to the OBOs. Generally, an OBO who has not waived the right to receive proxy-related 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 and must be completed, but not signed, by the OBO and deposited with Computershare; or
- (b) more typically, be given a voting instruction form (“VIF”) 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 voting instructions which the Intermediary must follow.

The Company will not be paying for Intermediaries to deliver to OBOs (who have not otherwise waived their right to receive proxy-related materials) copies of proxy-related materials and related documents (including the Notice and Access Notification). Accordingly, an OBO will not receive copies of proxy-related materials and related documents unless the OBO’s Intermediary assumes the costs of delivery.

**Applicable proxy-related materials are being sent to both registered shareholders of the Company and Non-Registered Holders. If you are a Non-Registered Holder, and the Company or its agent has sent the applicable proxy-related materials 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 instructions.**

The Notice and Access Notification and any proxy-related materials sent to NOBOs who have not waived the right to receive proxy-related materials are accompanied by a VIF, instead of a proxy form. By returning the VIF in accordance with the instructions noted on it, a NOBO is able to instruct the voting of the common shares of the Company owned by the NOBO.

VIFs, whether provided by the Company or by an Intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF. The purpose of this procedure is to permit Non-Registered Holders to direct the voting of the common shares of the Company which they beneficially own. Should a Non-Registered Holder who receives a VIF wish to attend the Meeting or have someone else attend on the Non-Registered Holder's behalf, the Non-Registered Holder may request a legal proxy as set forth in the VIF, which will grant the Non-Registered Holder, or the Non-Registered Holder's nominee, the right to attend and vote at the Meeting.

**Non-Registered Holders should return their voting instructions as specified in the VIF sent to them. Non-Registered Holders should carefully follow the instructions set out in the VIF, including those regarding when and where the VIF is to be delivered.**

Although Non-Registered Holders may not be recognized directly at the Meeting for the purpose of voting common shares of the Company registered in the name of their broker, agent or nominee, a Non-Registered Holder may attend the Meeting as a proxyholder for a registered shareholder and vote common shares in that capacity. Non-Registered Holders who wish to attend the Meeting and indirectly vote their common shares as proxyholder for the registered shareholder should contact their broker, agent or nominee well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their common shares as a proxyholder.

### **Revocability of Proxies**

A registered shareholder who has given a Proxy may revoke it by an instrument in writing that is:

- (a) executed by the shareholder giving same or by the shareholder's attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and
- (b) delivered either to the registered office of the Company (19th Floor, 885 West Georgia Street, Vancouver, British Columbia V6C 3H4) at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, or to the chairman of the Meeting on the day of the Meeting or any adjournment thereof before any vote in respect of which the Proxy is to be used shall have been taken,

or in any other manner provided by law.

NOBOs who wish to revoke their voting instructions should contact Computershare at telephone number 1-800-564-6253. OBOs who wish to revoke a voting instruction form or a waiver of the right to receive proxy-related materials should contact their Intermediaries for instruction.

### **Voting of Proxies**

Common Shares represented by a shareholder's Proxy form will be voted or withheld from voting in accordance with the shareholder's instructions on any ballot that may be called for at the Meeting and, if the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

**In the absence of any instructions, the management-designated proxyholder named on the Proxy form will cast the shareholder's votes in favour of the passage of the resolutions set forth herein and in the Notice of Meeting.**

The enclosed Proxy form confers discretionary authority upon the persons named therein with respect to (a) amendments or variations to matters identified in the Notice of Meeting and (b) other matters which may properly come before the Meeting or any adjournment thereof. At the time of printing of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting.

### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

Only Common Shares carry voting rights at the Meeting with each Common Share carrying the right to one vote. The Board of Directors has fixed April 26, 2021 as the record date ("Record Date") for the determination of shareholders entitled to receive notice of and to vote at the Meeting and at any adjournment thereof, and only shareholders of record at the close of business on that date are entitled to such notice and to vote at the Meeting. As of the Record Date, 407,247,109 Common Shares were issued and outstanding as fully paid and non-assessable.

To the knowledge of the directors and executive officers of the Company, as at the Record Date, no person beneficially owned, or controlled or directed, directly or indirectly, shares carrying 10% or more of the voting rights attached to the Company's issued and outstanding Common Shares.

### **VOTES NECESSARY TO PASS RESOLUTIONS AT THE MEETING**

Under the Company's Articles, the quorum for the transaction of business at the Meeting consists of two shareholders entitled to vote at the Meeting, whether present in person or represented by proxy. Under the *Business Corporations Act* (British Columbia) and the Company's Articles, a simple majority of the votes cast at the Meeting (in person or by proxy) is required in order to pass the resolutions referred to in the accompanying Notice of Meeting.

### **APPOINTMENT OF AUDITOR**

The persons named in the enclosed Proxy form intend to vote for the appointment of Davidson & Company LLP, Chartered Professional Accountants, as the auditor of the Company to hold office until the next annual general meeting of shareholders of the Company. Davidson & Company LLP was first appointed as auditor of the Company on January 9, 2014.

### **ELECTION OF DIRECTORS**

The number of directors of the Company is currently fixed at five. The persons named below are the five nominees of management for election as directors, all of whom are current directors of the Company. Each nominee elected will hold office as a director until the next annual general meeting or until the director's successor is elected or appointed unless the director's office is earlier vacated under any of the relevant provisions of the Articles of the Company or the *Business Corporations Act* (British Columbia). It is the

intention of the persons named as proxyholders in the enclosed Proxy form to vote for the election to the Board of Directors of those persons hereinafter designated as nominees for election as directors. The Board of Directors does not contemplate that any of such nominees will be unable to serve as a director; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, **proxies in favour of management designees will be voted for another nominee in their discretion unless the shareholder has specified in such shareholder's Proxy that such shareholder's shares are to be withheld from voting in the election of directors.**

The following table sets out the name of each of the persons proposed to be nominated for election as a director; all positions and offices in the Company presently held by him; his present principal occupation, business or employment; the period during which he has served as a director; and the number of Common Shares that he has advised are beneficially owned, or controlled or directed, directly or indirectly, as at the Record Date.

<b>Name, place of residence and positions with the Company</b>	<b>Principal occupation, business or employment</b>	<b>Period served as a director</b>	<b>Common Shares beneficially owned or controlled</b>
DREW ANWYLL <sup>(1)(2)</sup> Ontario, Canada Director	Chief Operating Officer of Generation Mining Limited, a mineral development company; President, Drew Anwyll Consulting, a mining consulting firm	Since November 18, 2019	800,000
N. ERIC FIER British Columbia, Canada Director, Executive Chairman and Vice President of Finance ("VP Finance")	Executive Chairman and VP Finance of the Company; Chief Executive Officer of SilverCrest Metals Inc., a mineral exploration and development company; and President of Maverick Mining Consultants Inc., a management consulting company	Since June 22, 2016	11,151,738
HAYTHAM H. HODALY <sup>(1)(2)</sup> British Columbia, Canada Director	Senior Vice President, Corporate Development of Wheaton Precious Metals Corp., a precious metals streaming company	Since March 28, 2017	Nil
GRAHAM C. THODY <sup>(1)(2)</sup> British Columbia, Canada Lead Director	Retired Chartered Professional Accountant; Chair of the Board of SilverCrest Metals Inc. and UEX Corporation, a uranium and cobalt exploration and development company	Since December 29, 2003	1,072,400
IOANNIS TSITOS British Columbia, Canada Director and President	President of the Company; President of Laurium Mining Services Inc., a management consulting company; and Director of several publicly listed mineral exploration companies	Since February 28, 2014	1,184,462

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- (1) Member of Audit Committee.
  - (2) Member of Corporate Governance and Compensation Committee.

Pursuant to the Advance Notice Policy of the Company adopted by the Board of Directors on May 9, 2016, subject to shareholder approval which was obtained on June 22, 2016, any additional director nominations for the Meeting must be received by the Company in compliance with the Advance Notice Policy by May 17, 2021. The Company will publish details of any such additional director nominations through a public announcement in accordance with the Advance Notice Policy.

### **Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

None of the proposed directors is, as at the date of this Information Circular, or has been, within the ten years preceding the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that

- (a) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (collectively, an “Order”), when such Order was issued while the person was acting in the capacity of a director, chief executive officer or chief financial officer of the relevant company; or
- (b) was subject to an Order that was issued after such person ceased to be a director, chief executive officer or chief financial officer of the relevant company, and which resulted from an event that occurred while the person was acting in the capacity of a director, chief executive officer or chief financial officer of the relevant company.

No proposed director is, as at the date of this Information Circular, or has been, within the ten years preceding the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed director has, within the ten years preceding the date of this Information 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 that person.

No proposed director 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 security holder in deciding whether to vote for a proposed director.

## CORPORATE GOVERNANCE DISCLOSURE

The following description of the corporate governance practices of the Company is provided further to the Canadian Securities Administrators' National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“NI 58-101”) and the disclosure prescribed for “Venture Issuers” such as the Company.

### Board of Directors

The Board of Directors currently consists of five directors, three of whom, Drew Anwyll, Haytham H. Hodaly, and Graham C. Thody, are considered independent. N. Eric Fier and Ioannis Tsitos are not considered independent as each is an executive officer of the Company. With Mr. Fier being Executive Chairman, Mr. Thody acts as Lead Director. If the existing directors of the Company are elected as proposed under “Election of Directors”, following the Meeting, the Company will continue to have three independent directors (Messrs. Anwyll, Hodaly and Thody) and two directors who are not considered independent (Messrs. Fier and Tsitos). With the recommendation of the Chairman and the advice of legal counsel, the Board of Directors will evaluate situations on a case-by-case basis to determine whether the exercise of independent judgment is appropriate or necessary under the circumstances. If deemed necessary or appropriate by the Board, the Board may appoint such special committees comprised of independent directors to consider any particular matter or transaction.

### Directorships

The existing and proposed directors of the Company who are presently directors of other reporting issuers in Canada or elsewhere are as set out below:

<b>Director / Proposed Director</b>	<b>Other Reporting Issuers</b>
Drew Anwyll	Red Pine Exploration Inc.
N. Eric Fier	SilverCrest Metals Inc.
Graham C. Thody	SilverCrest Metals Inc. UEX Corporation
Ioannis Tsitos	Altamira Gold Corp. AsiaBaseMetals Inc. Pampa Metals Corporation Soma Gold Corp.

### Orientation and Continuing Education

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company's properties, business, and industry.

Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business.

## **Ethical Business Conduct**

The Company has adopted a Code of Business Conduct and Ethics which applies to the directors, officers and employees of the Company. The Board expects that fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law, as well as provisions under corporate legislation for required disclosures by directors and senior officers to the Company of transactions with the Company in which they may have an interest and of any other conflicts of duties and interests, will also ensure that these persons conduct themselves in the best interests of the Company.

## **Nomination of Directors**

Any director is free to nominate individuals for election or appointment to the Board, however, the Corporate Governance and Compensation Committee has the principal responsibility with respect to selection and nomination of director nominees. The Committee is also responsible for developing qualification criteria for Board members for recommendation to the Board in accordance with the Canadian Securities Administrators' National Policy 58-201 – *Corporate Governance Guidelines*. The Committee also has the sole authority to retain and terminate any search firm to be used to identify director candidates and has the authority to approve the search firm's fees and other retention terms.

In making its recommendations to the Board regarding director nominees, the Committee shall consider:

- (a) the appropriate size of the Board;
- (b) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess;
- (c) the competencies and skills that the Board considers each existing director to possess;
- (d) the competencies and skills each new nominee will bring to the Board, and
- (e) whether or not each new nominee can devote sufficient time and resources to the nominee's duties as a director of the Company.

## **Compensation**

The Corporate Governance and Compensation Committee reviews annually the adequacy and form of compensation of the directors and executive officers of the Company to ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective director or executive officer.

In evaluating (or making recommendations to the Board of Directors with respect to) the level of compensation for the executive officers, the Corporate Governance and Compensation Committee reviews and considers the Company's corporate goals and objectives relevant to compensation for its executive officers and evaluates the performance of each executive officer in light of those corporate goals and objectives. If applicable, in considering the compensation for executive officers other than the Executive Chairman, the Committee takes into account the recommendation of the Executive Chairman.

All compensation arrangements between the Company and any director or executive officer of the Company or between any subsidiary of the Company and any director or executive officer of the Company must be approved by the Corporate Governance and Compensation Committee.

## Other Board Committees

The Board of Directors of the Company has no standing committees other than the Audit Committee and the Corporate Governance and Compensation Committee.

## Assessments

The effectiveness of the Board of Directors as a whole, any committee of the Board and individual directors is assessed on an ongoing basis by the Board, the Corporate Governance and Compensation Committee and senior management.

## AUDIT COMMITTEE DISCLOSURE

Pursuant to the *Business Corporations Act* (British Columbia) and the Canadian Securities Administrators' National Instrument 52-110 – *Audit Committees* ("NI 52-110"), the Company is required to have an audit committee.

### Audit Committee Charter

Pursuant to NI 52-110, the Company's audit committee is required to have a charter. A copy of the Company's Audit Committee Charter is set out in Appendix A to this Information Circular.

### Composition of the Audit Committee

As at the date of this Information Circular, the following is information on the members of the Company's Audit Committee:

<u>Name</u>	<u>Independent</u>	<u>Financial Literacy</u>
Graham C. Thody (Chair)	Yes	Yes
Drew Anwyll	Yes	Yes
Haytham Hodaly	Yes	Yes

### Relevant Education and Experience

The following describes the relevant education and experience of the members of the Audit Committee:

**Graham C. Thody** – Mr. Thody is a member of the British Columbia Institute of Chartered Professional Accountants as well as the Canadian Institute of Chartered Professional Accountants. Mr. Thody has also served as a Director and Executive Member of the Lions Gate Hospital Foundation, as well as the Chair of its Finance Committee. He holds a Bachelor of Commerce degree (Marketing) from the University of British Columbia. He was a Partner of Nemeth Thody Anderson, an accounting firm of Vancouver, BC, from 1979 until his retirement in 2007. His practice focus included audits of reporting companies, corporate finance (including initial public offerings), corporate mergers and acquisitions as well as domestic and international tax matters. He was President and Chief Executive Officer of UEX Corporation from November 2009 until his retirement in January 2014. He is currently a director of two other reporting companies which are involved in mineral exploration and development throughout North America and is currently the Chairman of the Board of both of these companies and Chairman of the Audit Committee of one of these companies.

**Drew Anwyll** – Mr. Anwyll is a mining engineer with over 30 years of broad experience in both head offices and operations. During his career in the gold mining industry, he has worked in both open pit and underground mines across Canada, South Africa, Papua New Guinea and Solomon Islands in operations / production, project management and construction, project start-up and corporate development. He is currently the Chief Operating Officer at Generation Mining. In addition he was President of Blue Thunder Mines and was previously Senior Vice President – Technical Services and Vice President of Operations at Detour Gold Corporation along with senior Management-level positions at Placer Dome, Barrick Gold and Allied Gold. He is currently on the board and on the Audit Committee of Red Pine Exploration. He is a Professional Engineer (Ontario) and holds a Bachelor's and a Master's degree of Engineering from McGill University. He has partially completed the Chartered Directors Program, an Executive Program from the DeGroote School of Business at McMaster University.

**Haytham Hodaly** – Mr. Hodaly has a Masters in Engineering, specializing in Mineral Economics. Since 2012, he has been the Senior Vice President of Corporate Development of Wheaton Precious Metals Corp. Prior to joining Wheaton Precious Metals Corp., Mr. Hodaly spent more than 16 years in the North American securities industry, most recently as Director and Mining Analyst, Global Mining Research, at RBC Capital Markets. Prior to this, Mr. Hodaly held the position of Co-Director of Research and Senior Mining Analyst at Salman Partners Inc., in addition to holding the titles of Vice President and Director of the firm. He provides the Company with a solid base in corporate finance and development.

### **Reliance on Certain Exemptions**

At no time since January 1, 2020 has the Company relied on the exemption in section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), subsection 6.1.1(4) of NI 52-110 (*Circumstance Affecting the Business or Operations of the Venture Issuer*), subsection 6.1.1(5) of NI 52-110 (*Events Outside Control of Member*), subsection 6.1.1(6) of NI 52-110 (*Death, Incapacity or Resignation*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemption*) of NI 52-110 by a securities regulatory authority or regulator.

### **Audit Committee Oversight**

At no time since January 1, 2020 was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Company's Board of Directors.

### **Pre-approval Policies and Procedures for Non-Audit Services**

The Audit Committee has specifically pre-approved the auditor's review of the Company's corporate tax returns and other non-audit services for fees of up to \$15,750 for the next fiscal year.

## External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditor in each of the last two financial years of the Company for services in each of the categories indicated are as follows:

Financial Year Ended	Audit Fees	Audit Related Fees <sup>(1)</sup>	Tax Fees <sup>(2)</sup>	All Other Fees <sup>(3)</sup>
December 31, 2020	\$30,366	Nil	\$8,250	Nil
December 31, 2019	\$30,366	Nil	\$6,350	Nil

- (1) Pertains to assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and that are not reported under "Audit Fees".
- (2) Pertains to professional services for tax compliance, tax advice, and tax planning. The nature of the services comprising the fees disclosed under this category relates to the preparation of the T2 Corporate Tax Returns of the Company and its Canadian subsidiary, Eagle Mountain Gold Corp., together with related schedules.
- (3) Pertains to products and services other than services reported under the other categories.

## Venture Issuers Exemption

If and when required, the Company is relying upon the exemption in section 6.1 of NI 52-110 which exempts "venture issuers" from the requirements of Part 3 (*Composition of Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

## DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

### Director and Named Executive Officer Compensation Excluding Compensation Securities

#### *Named Executive Officers*

Set out below are particulars of compensation paid to the following persons (the "Named Executive Officers" or "NEOs"):

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer ("CEO");
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer ("CFO");
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer (other than the CEO and CFO) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with applicable securities rules, for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and not acting in a similar capacity, at the end of that financial year.

In respect of the Company’s financial year ended December 31, 2020, the Company had four Named Executive Officers, namely, N. Eric Fier (Executive Chairman and VP Finance, acting as CEO and as CFO for certain periods), Ioannis Tsitos (President, acting as CEO for certain period), Stephen Parsons (CEO from November 13, 2020), and Nicholas Campbell (former CFO).

***Table of Compensation Excluding Compensation Securities***

The following table sets out compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company or a subsidiary of the Company, to each NEO and director, in any capacity, for each of the Company’s financial years ended December 31, 2020 and 2019.

<b>Table of compensation excluding compensation securities</b>							
<b>Name and position</b>	<b>Year</b>	<b>Salary, consulting fees, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
N. Eric Fier <sup>(5)</sup> Executive Chairman, VP Finance and Director	2020	90,000 <sup>(1)</sup>	50,000	Nil	(2)	Nil	140,000
	2019	77,500 <sup>(1)</sup>	Nil	Nil	(2)	Nil	77,500
Ioannis Tsitos President and Director	2020	180,000 <sup>(1)</sup>	30,000	Nil	(3)	Nil	210,000
	2019	167,500 <sup>(1)</sup>	30,000	Nil	(3)	Nil	197,500
Stephen Parsons <sup>(6)</sup> CEO	2020	29,063	Nil	Nil	(2)	Nil	29,063
Nicholas Campbell <sup>(4)</sup> Former CFO	2020	Nil	Nil	Nil	(2)	43,713 <sup>(4)</sup>	43,713
	2019	Nil	60,000	Nil	(2)	17,500 <sup>(4)</sup>	77,500
Drew Anwyll <sup>(7)</sup> Director	2020	12,000	Nil	Nil	(2)	Nil	12,000
	2019	3,000	Nil	Nil	(2)	Nil	3,000
Haytham Hodaly Director	2020	12,000	Nil	Nil	(2)	Nil	12,000
	2019	6,000	Nil	Nil	(2)	Nil	6,000
Graham C. Thody Director	2020	12,000	Nil	Nil	(2)	Nil	12,000
	2019	6,000	Nil	Nil	(2)	Nil	6,000

- (1) Amount paid as a consulting fee to management company controlled by the executive officer. See “Director and Named Executive Officer Compensation— Employment, Consulting and Management Agreements or Arrangements” for further details. Such amount represents all of the consulting fees paid to the management company which can be attributed to the applicable person’s services as an executive officer of the Company. No compensation amounts received by executive officers who are also directors relate to their roles as directors of the Company.
- (2) Perquisites that are not generally available to all employees did not exceed \$15,000.
- (3) Perquisites that are not generally available to all employees did not exceed 10% of the NEO’s total salary for the financial year.
- (4) The disclosed amounts represent the Company’s reimbursement to SilverCrest Metals Inc., with whom Mr. Campbell was employed, for services provided by Mr. Campbell to the Company further to a cost sharing agreement between the Company and SilverCrest Metals Inc. dated October 1, 2015, as amended. The Company and SilverCrest Metals Inc. share certain salaries,

administrative services, and other reimbursable expenses. Mr. Campbell ceased to be CFO of the Company on June 15, 2020 and the disclosed amount for 2020 includes a termination payment made to Mr. Campbell.

- (5) Mr. Fier became interim VP Finance of the Company on June 15, 2020. On November 23, 2020, ceased to be Chief Operating Officer of the Company and his positions as Executive Chairman and VP Finance of the Company were confirmed.
- (6) Mr. Parsons became the CEO of the Company on November 13, 2020.
- (7) Mr. Anwyll became a director of the Company on November 18, 2019.

## Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued to each NEO and director by the Company or one of its subsidiaries in the financial year ended December 31, 2020, for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries and the total amount of compensation securities held as at the Company's financial year end of December 31, 2020.

Compensation Securities granted in the year ended December 31, 2020								Total amount of compensation securities held as at December 31, 2020
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class <sup>(1)</sup>	Date of issue or grant (M/D/Y)	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date (M/D/Y)	
N. Eric Fier Executive Chairman, VP Finance and Director	Options	900,000	12/10/2020	\$0.13	\$0.13	\$0.12	12/10/2025	2,700,000 options
Ioannis Tsitos, President and Director	Options	850,000	12/10/2020	\$0.13	\$0.13	\$0.12	12/10/2025	2,450,000 options
Stephen Parsons CEO	Options	1,000,000 <sup>(2)</sup>	11/13/2020	\$0.125	\$0.125	\$0.12	11/13/2025	1,000,000 options
Nicholas Campbell Former CFO	Options	Nil	N/A	N/A	N/A	N/A	N/A	1,250,000 options
Drew Anwyll Director	Options	400,000	12/10/2020	\$0.13	\$0.13	\$0.12	12/10/2025	1,300,000 options
Haytham Hodaly Director	Options	400,000	12/10/2020	\$0.13	\$0.13	\$0.12	12/10/2025	1,900,000 options
Graham C. Thody Director	Options	650,000	12/10/2020	\$0.13	\$0.13	\$0.12	12/10/2025	1,900,000 options

(1) The numbers indicated represent the number of options and the same number of Common Shares underlying the related options. Aggregate options granted to each optionee in 2020 represent less than 2% of the Company's issued and outstanding Common Shares as at December 31, 2020. All options fully vested as at the date of grant, with the exception of the options granted to Stephen Parsons.

(2) These stock options vest over a three-year period with one-third vesting on each of the first, second and third anniversaries after the date of grant.

No compensation security has been re-priced, cancelled and replaced, had its term extended, or otherwise been materially modified, in the most recently completed financial year.

There are no restrictions or conditions for converting, exercising or exchanging the compensation securities disclosed in the above table, unless specified.

No NEO or director of the Company exercised any compensation security during 2020.

## Stock Option Plans and Other Incentive Plans

Options may be granted to purchase Common Shares on terms that the Board of Directors may determine, with recommendations from the Corporate Governance and Compensation Committee and subject to the limitations of the Company's prevailing stock option plan and the requirements of applicable regulatory authorities. The Corporate Governance and Compensation Committee is mandated to review and make recommendations to the Board regarding the remuneration of executive officers, the granting of stock options to directors, executive officers, employees and consultants of the Company, and compensation policies, including the stock option plan.

Individual grants of stock options are determined by an assessment of the individual's current and expected future performance, level of responsibilities, the importance of the proposed optionee's position and contribution to the Company, and previous option grants and exercise prices.

The Company has a "rolling 10%" Stock Option Plan (the "Option Plan") which was adopted by the Board of Directors on April 11, 2014 and first approved by the shareholders of the Company on June 11, 2014. The Option Plan includes the following provisions:

- The Option Plan is administered by a "Committee" which means the Board of Directors of the Company or such committee of the Board of Directors that the Board of Directors has designated to administer the Option Plan;
- Options may be granted to employees, directors, executive officers and consultants of the Company or of a subsidiary of the Company (and such other persons permitted by the TSX Venture Exchange ("TSX-V") to be granted options) who are in the opinion of the Committee in a position to contribute to the success of the Company or any subsidiary of the Company or who, by virtue of their service to the Company or to any subsidiary of the Company (or to any predecessors of the Company or a subsidiary of the Company) are, in the opinion of the Committee, worthy of special recognition;
- The number of Common Shares to be reserved and authorized for issuance pursuant to options granted under the Option Plan is 10% of the issued and outstanding Common Shares from time to time;
- The aggregate number of optioned Common Shares granted within a 12-month period to any one optionee must not exceed 5% of the issued and outstanding Common Shares;
- The number of optioned Common Shares granted within a 12-month period to any one consultant must not exceed 2% of the issued and outstanding Common Shares;
- The aggregate number of optioned Common Shares granted within a 12-month period to optionees who are employed to provide investor relations activities must not exceed 2% of the issued and outstanding Common Shares of the Company;
- The aggregate number of optioned Common Shares granted within a 12-month period to insiders of the Company must not exceed 10% of the issued and outstanding Common Shares;

- The exercise price for options granted under the Option Plan will not be less than the market price of the Common Shares less applicable discounts permitted by the TSX-V. The Company has followed the practice of granting all stock options at or above the market price of the Common Shares;
- Options may be exercisable for a term of up to ten years, subject to earlier termination in the event of death or the optionee's cessation of services to the Company or to extension if the expiry date is within a trading blackout period imposed by the Company to that date which is 10 business days after the trading blackout;
- Options granted under the Option Plan are non-assignable and non-transferable, except by will or the laws of descent and distribution;
- Options granted to any optionee who is a director, executive officer, employee or consultant shall expire the earlier of: (a) that date which is 90 days after the optionee ceases to be in at least one of such categories unless an earlier date is provided for in the optionee's option agreement; and (b) the expiry of the option period. The Committee may extend the mentioned 90-day period in respect of any option for a specified period up to one year;
- For so long as the Common Shares are listed on the TSX-V, any Common Shares issued pursuant to the exercise of options that (a) were granted to an optionee who was a director, officer, promoter or significant shareholder of the Company; or (b) had an exercise price per share that was less than the market price, would be subject to a four-month hold period commencing on the date of grant of the option;
- The Committee may, in its discretion but subject to any necessary regulatory approvals, provide for the extension of the exercisability of an option for any period that is not beyond the applicable expiry date of the option, accelerate the vesting or exercisability of an option, eliminate or make less restrictive any restrictions governing an option, waive any restriction or other provision of the Option Plan or an option or otherwise amend or modify the option in any manner that is either (a) not adverse to such optionee or (b) consented to by such optionee;
- The vesting schedule for each option shall be determined by the Committee at the time the option is granted and shall be specified in the option agreement in respect of the option; and
- If there is a takeover bid or tender offer made for all or any of the issued and outstanding Common Shares, then the Committee may, by resolution, permit all outstanding options to become immediately exercisable in order to permit the Common Shares issuable under such options to be tendered to such bid or offer.

As the Option Plan is a "rolling percentage plan", the TSX-V requires the Option Plan to be approved yearly by the shareholders of the Company. The Option Plan was last approved by the shareholders of the Company at the 2020 annual general meeting and renewal shareholder approval will be sought at the Meeting. See "Particulars of Other Matters To Be Acted Upon — Stock Option Plan".

## **Employment, Consulting and Management Agreements or Arrangements**

### ***N. Eric Fier, Executive Chairman, VP Finance and Director***

By agreement dated June 16, 2010, as amended, the Company entered into a management agreement (the “Maverick Agreement”) with Maverick Mining Consultants Inc. (“Maverick”), a company wholly-owned by N. Eric Fier, whereby the Company retained Maverick to provide executive, managerial and consulting services to the Company and, in particular, to provide the executive services of Mr. Fier. In consideration for the services of Maverick, the Company agreed to pay Maverick consulting fees at the base rate of \$120,000 per year plus applicable taxes, payable in equal monthly instalments. The Maverick Agreement is subject to annual renewal unless earlier terminated in accordance with its terms. Maverick agreed with the Company to a reduction of its annual base consulting fee by 25% effective June 1, 2019 until such time as business activity of the Company increased, at which time payment of the full original annual base consulting fee of \$120,000 would resume.

### ***Ioannis Tsitos, President and Director***

Since March 2014, the Company has had a management agreement (the “Laurium Agreement”) with Laurium Mining Services Inc. (“Laurium”), a company wholly-owned by Ioannis Tsitos, whereby the Company retains Laurium to provide executive, managerial and consulting services to the Company and, in particular, to provide the services of Mr. Tsitos to serve as President of the Company. For 2020, the annual base rate under the Laurium Agreement was \$180,000. The Laurium Agreement is subject to annual renewal unless earlier terminated in accordance with its terms.

### ***Stephen Parsons, CEO***

On November 13, 2020, the Company entered into an employment agreement dated November 13, 2020 (the “Parsons Agreement”) with Stephen Parsons in connection with his duties and responsibilities as CEO of the Company. The Company agreed to pay Mr. Parsons a salary of \$225,000 per year (subject to annual review) and to grant him 1,000,000 stock options upon signing the agreement. Mr. Parsons is also eligible for an annual discretionary bonus of up to 25% of his annual base salary based on the Company achieving its annual targets, his individual performance and according to the annual bonus plan as determined by the Compensation Committee. The Parsons Agreement is subject to a 6-month probationary period during which time either party can terminate the agreement and, thereafter, is otherwise for an indefinite term and includes other provisions such as paid vacation time, eligibility for benefits, and confidentiality provisions of indefinite application. The Parsons Agreement also contains non-competition and non-solicitation clauses effective during the term of employment and effective two years and 12 months, respectively, following the termination of the Parsons Agreement.

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

Each of the Maverick Agreement, the Laurium Agreement, and the Parsons Agreement (collectively, the “Management Agreements”) currently in effect have termination and change of control provisions. The table below summarizes the estimated incremental payments related to termination scenarios under the Maverick Agreement and the Laurium Agreement assuming the events occurred on December 31, 2020 (the termination and change of control provisions under the Parsons Agreement were then inapplicable during the probationary period).

Consultant (NEO or Director)	Termination without Cause	Change of Control
Maverick (N. Eric Fier)	\$255,000	\$340,000 <sup>(1)</sup>
Laurium (Ioannis Tsitos)	\$210,000	\$420,000 <sup>(2)</sup>

- (1) Payable in the event of termination within six months of a change of control or resignation within three months of a change of control.
- (2) Payable in the event of termination within six months of a change of control.

The Maverick and Laurium Agreements provide that the consultant (each a “Consultant”) under the respective agreements may terminate its engagement with the Company upon three months’ written notice to the Company, unless the Company is in material default under the agreement, in which event the Consultant may, if such default has not been cured by the Company within 15 days of notification of such default, terminate its engagement upon 30 days’ written notice to the Company.

The Parsons Agreement provides that Mr. Parsons may terminate his employment with the Company upon three months’ written notice to the Company.

The Maverick Agreement also provides that the Company may terminate its engagement with Maverick:

- (a) upon three months’ written notice to Maverick; or
- (b) immediately upon written notice of said termination provided that the Company pays Maverick an amount equal to one-half times of the then applicable annual base rate consulting fee; however, this amount would be adjusted in the event of a change of control of the Company, as described below.

The Laurium Agreement also provides that the Company may terminate its engagement with Laurium:

- (a) immediately upon written notice to Laurium in the event of a material breach by Laurium; or
- (b) for any other reason, immediately upon written notice of said termination provided that the Company pays Laurium an amount equal to one times both the then applicable annual base rate consulting fee plus any bonus paid or payable to Laurium in respect of the most recently completed financial year; however, this amount would be adjusted in the event of a change of control of the Company, as described below

The Parsons Agreement also provides that the Company may terminate the employment of Mr. Parsons:

- (a) for cause (as defined in the Parsons Agreement), immediately upon written notice to Mr. Parsons; and
- (b) for any other reason, provided that, if the termination occurs after the 6-month probationary period and before 12 months of service to the Company, Mr. Parsons is entitled to receive an amount equal to 6 months of annual base salary and the cash equivalent of accrued vacation pay and, if the termination occurs on or after 12 months of service to the Company (including the probationary period), Mr. Parsons is entitled to receive 12 months of annual base salary, the pro rata amount of the previous year’s annual bonus (if any) and the cash equivalent of accrued vacation pay.

Each Management Agreement also provides that if there is a change of control of the Company (as defined in the respective Management Agreements) and within six months after such event, the Company delivers written

notice to Mr. Fier, Mr. Tsitos, or Mr. Parsons terminating its respective agreement, the Company shall, upon the effective date of termination,

- (a) pay to Maverick the greater of (i) any remaining balance of the term of the Maverick Agreement at the then applicable base rate payable to Maverick, and (ii) an amount equal to two times the then applicable base rate;
- (b) pay to Laurium an amount equal to two times both the then applicable base rate plus any bonus paid or payable to Laurium in respect of the most recently completed financial year; and
- (c) subject to completion of the 6-month probationary period, pay to Mr. Parsons an amount equal to two times annual base salary, plus the pro rata amount of the previous year's annual bonus and the cash equivalent of accrued unused vacation. Mr. Parsons would also be entitled to receive such amount if, within six months of such change of control of the Company after his probationary period, there is a material negative change in Mr. Parsons' position, title, job description, authority, reporting relationship, duties or responsibilities and Mr. Parsons resigns in response.

### ***Directors***

Prior to June 1, 2019, the Company had no standard arrangement pursuant to which the non-executive directors of the Company are paid cash compensation by the Company for their services in their capacity as directors or committee members. Commencing June 1, 2019 it was recommended by the Corporate Governance and Compensation Committee that, in addition to stock option grants, each independent director be paid an annual fee in equal quarterly installments. For 2019 and 2020, the annual fee was \$12,000 (or pro rata amount payable).

### **Oversight and Description of Director and Named Executive Officer Compensation**

The Company has established a Corporate Governance and Compensation Committee that is currently comprised of three members (Haytham Hodaly, Graham C. Thody and Drew Anwyll), all of whom are independent directors. These persons have the necessary experience to enable them to make decisions on the suitability of the Company's compensation policies or practices.

### ***Executive and Employee Compensation Objectives and Philosophy***

The Board of Directors recognizes that the Company's success depends greatly on its ability to attract, retain and motivate superior performing employees, which can only occur if the Company has an appropriately structured and implemented compensation program.

The principal objectives of the Company's executive compensation program are as follows:

- (a) to attract and retain qualified executive officers, which includes having compensation that is competitive within the marketplace;
- (b) to align executives' interests with those of the shareholders; and
- (c) to reward demonstration of both leadership and performance.

The Company does not have a formal compensation program with set benchmarks. Individual compensation is not directly tied to performance goals which are based on any specific objective and identifiable measure, such as the Company's share price or earnings per share. However, the Company does have a compensation program which seeks to reward an executive officer's current and future expected performance. Individual performance is reviewed for all executive officers based largely on a qualitative evaluation of the Company's achievement of corporate milestones and objectives.

### ***Compensation Review Process***

The Corporate Governance and Compensation Committee is tasked with the responsibility of, among other things, recommending to the Board compensation policies and guidelines for the Company and for implementing and overseeing compensation policies approved by the Board.

The Corporate Governance and Compensation Committee reviews annually and makes recommendations to the Board in respect of the compensation paid by the Company to its directors and executive officers. The committee is responsible for reviewing and considering corporate goals and objectives relevant to compensation for all executive officers, evaluating their performance in light of those corporate goals and objectives, and determining (or making recommendations to the Board with respect to) the level of compensation for the executive officers based on this evaluation. In considering executive officers other than the CEO, the committee shall take into account the recommendation of the CEO.

With the approval of the Corporate Governance and Compensation Committee, the Board may from time to time engage outside advisors at the expense of the Company to assist with the evaluation of compensation of directors and officers. The Corporate Governance and Compensation Committee also reviews, and recommends to the Board for its approval any severance or similar termination payments proposed to be made to any current or former executive officer.

All compensation arrangements between the Company and any director or executive officer of the Company or between any subsidiary of the Company and any director or executive officer of the Company must be approved by the Corporate Governance and Compensation Committee.

The Board acknowledges that, as a junior natural resource company, all management compensation to date has been derived solely from cash in the Company's treasury, acquired by way of equity financings to date, and the grant of incentive stock options to management personnel and employees. With the exception of Mr. Campbell, salary compensation to the Named Executive Officers has been provided for under the respective Management Agreements (see "Employment, Consulting and Management Agreements or Arrangements" for details of such contracts). The Management Agreements have specified terms and annual base salary rates which the Company is obligated to pay, subject to the termination provisions thereunder. Upon the occurrence of certain events, the Company's early termination of the Management Agreements may also trigger additional balloon payments, which could adversely impact the Company's working capital. However, in order to provide necessary oversight and to mitigate against the risks posed by the Management Agreements, the Board has adhered to the policy of requiring all independent Board and committee members to evaluate and approve of all executive compensation arrangements and awards prior to their commitment. The Board has also adopted a policy which requires the Corporate Governance and Compensation Committee to review the terms of the Management Agreements on an annual basis. At present, the Board has determined that the current executive compensation levels are not excessive and are in line with other companies of similar stature. With respect to the longer-term component of executive compensation, options granted to executive officers under the Company's Stock Option Plan serve to align the interests of those persons with the shareholders. As options are generally priced at or

above market value at the time of grant and are generally subject to vesting schedules as determined by the Board, the benefits of such compensation, if any, may not be realized by the executive until a significant period of time has passed.

### ***Elements of Executive Compensation Program***

The Company's compensation program consists of the following elements:

- (a) base salary or consulting fees;
- (b) performance bonus payments; and
- (c) equity participation through the Company's Stock Option Plan.

### ***Base Salary or Consulting Fees***

With the exception of Mr. Campbell, the Named Executive Officers of the Company have been compensated either directly to the individual or indirectly through consulting fees payable by the Company to respective management companies. For the principal terms of the Management Agreements, see "Employment, Consulting and Management Agreements or Arrangements".

In determining the annual base salary or consulting fees, as applicable, the Board of Directors, with the recommendation of the Corporate Governance and Compensation Committee, considered the following factors:

- (a) the particular responsibilities related to the position;
- (b) salaries paid by other companies in the mining industry which were similar in size as the Company, at the same stage of development as the Company and considered comparable to the Company;
- (c) the experience level of the Named Executive Officer; and
- (d) the amount of time and commitment which the Named Executive Officer devoted to the Company and is expected to devote to the Company in the future.

The Corporate Governance and Compensation Committee annually reviews the base salaries and consulting fees payable to the Named Executive Officers based on the aforementioned criteria to ensure that compensation levels are competitive and fair.

### ***Performance Bonus Payments***

Performance bonuses are payable in cash or through equity-based compensation, and the amount payable is based on the Corporate Governance and Compensation Committee's assessment of the Company's performance for the year. Factors considered in determining bonus amounts generally include individual performance, financial criteria (such as successful financings, project management performance) and operational criteria (such as significant mineral property acquisitions, successful mineral property exploration and development, resource growth and the attainment of other corporate milestones).

In determining to award performance bonuses, including the amounts thereof, the Board of Directors uses its discretion and takes into consideration the Company's annual achievements, without assigning any quantifiable weight or factor in respect of any particular achievement or corporate milestone.

In connection with certain milestones achieved during the 2020 financial year, the Board of Directors, with the recommendation of the Corporate Governance and Compensation Committee, awarded performance bonuses payable at the end of 2020 to Laurium (for Mr. Tsitos' performance as President) and Maverick (for Mr. Fier's performance as Executive Chairman, COO and VP Finance). In awarding the performance bonuses, the Board considered the following significant achievements of the Company in 2020:

- The discovery of the Powis and Toucan Targets in February and April 2020 respectively, as well as the May 2020 expansion to the Friendly Prospect and the July 2020 expansion of the Eagle Mountain and Salbora Deposits.
- In March 2020, the Company completed a brokered private placement of an aggregate of 60,026,500 units at \$0.11 per unit for gross proceeds of \$6,602,915.
- The completion of an updated Mineral Resource Estimate for the Eagle Mountain Gold Project (announced in February 2021). The Resource Update included an estimated 848,000 oz of gold grading 1.14 gpt contained in Indicated Resources and 868,000 oz of gold grading 1.09 gpt in Inferred Resources.

### ***Equity Participation***

The Company provides for equity participation in the Company through its Stock Option Plan. See "Stock Option Plans and Other Incentive Plans". The granting of stock options is intended to encourage the maximization of shareholder value by better aligning the interests of the executive officers with the interests of shareholders.

### **Pension Disclosure**

The Company does not provide a pension to any NEO or director.

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

The following table sets out information on the Company’s equity compensation plans under which Common Shares are authorized for issuance as at December 31, 2020.

<b>Equity Compensation Plan Information</b>			
<b>Plan Category</b>	<b>Number of Securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by security holders	17,450,000	\$0.11	21,634,710 <sup>(1)</sup>
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	<b>17,450,000</b>		<b>21,634,710</b>

(1) Based on the total number of Common Shares to be reserved and authorized for issuance pursuant to options granted under the Option Plan being 10% of the issued and outstanding Common Shares from time to time (being 39,084,710 Common Shares as at December 31, 2020).

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

As at the date hereof, no director or executive officer of the Company, no proposed nominee for election as a director of the Company, no associate of any such director, executive officer or proposed nominee (including companies controlled by them), no employee of the Company or any of its subsidiaries, and no former executive officer, director or employee of the Company or any of its subsidiaries, is indebted to the Company or any of its subsidiaries (other than for “routine indebtedness” as defined under applicable securities legislation) or is indebted to another entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

**INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Except as described below, no informed person (i.e. insider) of the Company, no proposed director of the Company, and no associate or affiliate of any informed person or proposed director has had any material interest, direct or indirect, in any transaction since January 1, 2020 or in any proposed transaction which has materially affected or would materially affect the Company.

**March 2020 Private Placement**

On March 24, 2020, the Company completed a brokered private placement (the “March 2020 Private Placement”) of an aggregate of 60,026,500 units at \$0.11 per unit for gross proceeds of \$6,602,915. Each unit consisted of one Common Share of the Company and one-half of one common share purchase warrant of the

Company, with each whole warrant being exercisable to purchase one additional Common Share at \$0.16 until September 24, 2022. Certain then insiders of the Company (“Insider Placees”) purchased a total of 2,500,000 units under the March 2020 Private Placement, as follows:

<b>Insider Placee</b>	<b>Number of Units Acquired</b>
Nicholas Campbell (Former CFO)	1,000,000
Maverick Mining Consultants Inc. (controlled by N. Eric Fier, Executive Chairman, VP Finance and Director)	700,000
Drew Anwyll (Director)	400,000
Bernard Poznanski (Corporate Secretary)	400,000

The Insider Placees participated in the March 2020 Private Placement in order to assist the Company in raising the required funds to pursue its business objectives and for investment purposes. The subscription of the Insider Placees contributed \$275,000 of gross proceeds to the Company’s treasury. The participation of the Insider Placees in the March 2020 Private Placement received applicable disinterested director’s approval.

## **MANAGEMENT CONTRACTS**

No management functions of the Company are to any substantial degree performed by a person other than the directors or executive officers of the Company directly or through their respective management consulting companies.

## **PARTICULARS OF OTHER MATTERS TO BE ACTED UPON**

### **Stock Option Plan**

Pursuant to the TSX-V’s Policy 4.4 entitled “Incentive Stock Options”, the Company’s Stock Option Plan (the “Option Plan” herein) has to be approved by the shareholders of the Company yearly in that it is a “rolling 10%” plan (i.e. up to 10% of the outstanding Common Shares from time to time may be reserved for issuance for options granted under the Plan). The Option Plan was first approved by the shareholders of the Company at the Annual General Meeting of the Company on June 11, 2014. A copy of the Option Plan may be obtained by sending a written request to the President of the Company at the Company’s head office located at Suite 501, 570 Granville Street, Vancouver, British Columbia V6C 3P1. See “Director and Named Executive Officer Compensation — Stock Option Plans and Other Incentive Plans” for a summary of the terms of the Option Plan.

The text of the proposed resolution to approve and confirm the Option Plan (the “Stock Option Plan Resolution”) is as follows:

“BE IT RESOLVED THAT the Company’s Stock Option Plan, previously approved by the shareholders of the Company, is hereby approved and confirmed and that the Board of Directors

of the Company be authorized to make any changes thereto as may be required by the TSX Venture Exchange.”

A simple majority of the votes cast at the Meeting (in person or by proxy) is required in order to pass the Stock Option Plan Resolution.

**The Board of Directors recommends a vote “FOR” the approval of the Stock Option Plan Resolution. In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed form of proxy intend to vote FOR the approval of the Stock Option Plan Resolution.**

#### **OTHER MATTERS**

Management of the Company is not aware of any other matters to come before the Meeting other than as set forth in the Notice of the Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed Proxy form to vote the shares represented thereby in accordance with their best judgment on such matter.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

Financial information relating to the Company is provided in the Company’s comparative annual financial statements and management’s discussion and analysis for its financial year ended December 31, 2020 which are available on SEDAR and may also be obtained by sending a written request to the President of the Company at the Company’s head office located at Suite 501, 570 Granville Street, Vancouver, British Columbia V6C 3P1.

DATED as of the 30th day of April, 2021.

BY ORDER OF THE BOARD

*“N. Eric Fier”*

N. ERIC FIER  
Executive Chairman

## APPENDIX A

### GOLDSOURCE MINES INC. (the “Company”)

#### Audit Committee Charter

##### **Mandate**

The primary function of the audit committee (the “Committee”) is to assist the Board of Directors (“Board”) in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company’s systems of internal controls regarding finance and accounting and the Company’s auditing, accounting and financial reporting processes. The Committee’s primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements;
- review and appraise the performance of the Company’s external auditor; and
- provide an open avenue of communication among the Company’s auditor, financial and senior management and the Board.

##### **Composition**

The Committee shall be comprised of at least three directors as determined by the Board, all of whom shall be “independent” directors except as permitted by applicable securities regulatory guidelines (including applicable exemptions while the Company is a “venture issuer” within the meaning of applicable securities legislation). A quorum of the Committee shall be a majority of the members. Each member of the Committee will be a member of the Board. In the event of an equality of votes, the Chair of the Committee shall not have a second casting vote.

The members of the Committee shall be elected by the Board at its first meeting following the annual shareholders’ meeting. Unless a Chair is elected by the Board, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

##### **Meetings**

The Committee shall meet at least once annually, or more frequently as circumstances dictate or as may be prescribed by securities regulatory requirements. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditor in separate sessions.

##### **Responsibilities and Duties**

To fulfill its responsibilities and duties, the Committee shall:

1. Documents/Reports

- (a) review and update, if applicable or necessary, this Audit Committee Charter annually;
- (b) review with management and the independent auditor the Company's annual and interim financial statements, management's discussion and analysis, any annual and interim earnings press releases and any reports or other financial information to be submitted to any governmental and/or regulatory body, or the public, including any certification, report, opinion, or review rendered by the external auditor for the purpose of recommending their approval to the Board prior to their filing, issue or publication. The Chair of the Committee may represent the entire Committee for purposes of this review in circumstances where time does not allow the full Committee to be available;
- (c) review analyses prepared by management and/or the external auditor setting forth significant financial reporting issues and judgements made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements;
- (d) review the effect of regulatory and accounting initiatives, as well as off balance sheet structures, on the financial statements of the Company;
- (e) review policies and procedures with respect to directors' and officers' expense accounts and management perquisites and benefits, including their use of corporate assets and expenditures related to executive travel and entertainment, and review the results of the procedures performed in these areas by the external auditor, based on the terms of reference agreed upon by the external auditor and the Committee;
- (f) review expenses of the Board Chair, President, Chief Executive Officer and Chief Financial Officer annually; and
- (g) ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, as well as review any financial information and earnings guidance provided to analysts and rating agencies, and periodically assess the adequacy of those procedures.

2. External Auditor

- (a) review annually, the performance of the external auditor who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company;
- (b) obtain annually, a formal written statement of external auditor setting forth all relationships between the external auditor and the Company;
- (c) review and discuss with the external auditor any disclosed relationships or services that may have an impact on the objectivity and independence of the external auditor;
- (d) take, or recommend that the Board take, appropriate action to oversee the independence of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting;

- (e) recommend to the Board the selection and, where applicable, the replacement of the external auditor nominated annually for shareholder approval;
- (f) recommend to the Board the compensation to be paid to the external auditor;
- (g) at each meeting, where desired, consult with the external auditor, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;
- (h) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company;
- (i) review with management and the external auditor the audit plan for the year-end financial statements; and
- (j) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditor. The authority to pre-approve non-audit services may be delegated by the Committee to one or more independent members of the Committee, provided that such pre-approval must be presented to the Committee's first scheduled meeting following such pre-approval. Pre-approval of non-audit services is satisfied if:
  - (i) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than 5% of the total amount of fees paid by the Company and subsidiaries to the Company's external auditor during the fiscal year in which the services are provided;
  - (ii) the Company or a subsidiary did not recognize the services as non-audit services at the time of the engagement; and
  - (iii) the services are promptly brought to the attention of the Committee and approved, prior to completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee.

### 3. Financial Reporting Processes

- (a) in consultation with the external auditor, review with management the integrity of the Company's financial reporting process, both internal and external;
- (b) consider the external auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
- (c) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditor and management;
- (d) review significant judgments made by management in the preparation of the financial statements and the view of the external auditor as to appropriateness of such judgments;

- (e) following completion of the annual audit, review separately with management and the external auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- (f) review any significant disagreement among management and the external auditor in connection with the preparation of the financial statements;
- (g) review with the external auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- (h) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
- (i) review certification process;
- (j) establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
- (k) establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

4. Other

- (a) review any material related party transactions;
- (b) engage independent counsel and other advisors as it determines necessary to carry out its duties; and
- (c) to set and pay compensation for any independent counsel and other advisors employed by the Committee.