



NOTICE OF MEETING  
INFORMATION CIRCULAR  
FOR THE  
ANNUAL GENERAL MEETING  
OF  
LOS ANDES COPPER LTD.

to be held on  
October 10, 2019



Marine Building  
Suite 1260 – 355 Burrard St,  
Vancouver, BC V6C 2G8 Canada  
Phone +1.604.681.2802 Fax +1.604.682.2802  
[www.losandescopper.com](http://www.losandescopper.com)

## Report to Shareholders

### To the Shareholders of Los Andes Copper Ltd.

During the year ended September 30, 2018, Los Andes Copper Ltd. (“Los Andes” or the “Company”) continued working on the Preliminary Economic Assessment (PEA) and started the metallurgical test work for the Pre-Feasibility Study.

On April 26, 2018, Los Andes announced the issue of 26,800,000 units priced at \$0.33 per Unit. Each unit consisted of one common share of the Company and one detachable share purchase warrant entitling the holder thereof to purchase one half of an additional common share of the Company at a price of \$0.50 per share for a period of 5 years. As additional consideration to the Company, the 26,800,000 common share purchase warrants issued pursuant to a private placement completed on December 8, 2016 were delivered to Los Andes for cancellation without issuance. The transaction was closed in two tranches on May 7 and June 7, 2018. The \$8,844,000 raised funded the work program of the Company and provided funds to cover working capital requirements.

On September 4, 2018 the Company purchased an additional 250 litres per second of consumptive water rights – similar to the existing rights already owned by the Company. The purchase price was US\$ 1,300,000.

On December 29, 2017, the Superintendencia de Medio Ambiente (“SMA”) issued a resolution accepting the plan proposed by Compañía Minera Vizcachitas Holding (“CMVH”). On April 2017, the SMA had filed a notice of violation requesting that the Company obtain an environmental approval for the 2015-2017 drilling campaign. The Declaration of Environmental Impact (DIA) was prepared and filed on June 4, 2018.

Subsequent to September 2018, on April 17, 2019 Chile’s Environmental Evaluation Service (Servicio de Evaluacion Ambiental - “SEA”) approved the DIA for the drill work carried out on the Company’s Vizcachitas project during 2015-2017.

All members of the Regional Environmental Committee (Comision de Evaluacion Ambiental), unanimously moved to grant environmental approval for the Drilling Campaign. More than a dozen governmental agencies then conducted a review of and provided comments on the environmental approval package. The Company provided the studies and reports that addressed each of the observations raised by these agencies (including Agriculture, Health, Environmental Affairs and Water Management, among others), evidencing compliance with Chilean environmental regulations. This process culminated with the receipt of unanimous approval from all the members of the Regional Environmental Committee.

The environmental review process was an opportunity to confirm to all regulatory agencies that the Vizcachitas project has diligently conducted its operations, with special care being given to environmental and social matters. The regulators’ unanimous approval is a substantial endorsement for the project going forward.

Once the DIA for the 2015-2017 drilling had been approved, a DIA for the Pre-Feasibility drilling was filed on May 31, 2019 with Chile’s Environmental Evaluation Service. The DIA is now going through the regulatory review process with the corresponding governmental agencies.

On June 13, 2019 the Company published The Preliminary Economic Assessment prepared for the Company’s Vizcachitas Project under the National Instrument 43-101 Reporting Standards. The PEA with an Effective Date of May 10, 2019 and titled “Preliminary Economic Assessment of the Vizcachitas Project”, was prepared by Tetra Tech.

The Project considers an open pit mine and concentrator plant that produces copper and molybdenum concentrates. The PEA evaluated three cases with mill throughputs of 55 ktpd, 110 ktpd and 200 ktpd. The 110 ktpd case has been recommended to advance into pre-feasibility. This case not only delivers the best economic results, with an After-Tax NPV 8% of US\$ 1.8 billion, an IRR of 20.77% and a payback period of 3.4 years, but also optimizes the mining and technical aspects for a mineral deposit of the size of Vizcachitas.

The highlights of this report are:

- After-Tax NPV 8% of US\$ 1.8 billion and IRR of 20.77% at US\$ 3.00/lb Copper
- Payback period of 3.4 years from initial operations; 5.4 years from initial construction
- 45 year mine life
- 0.53% CuEq average headgrade to mill over first 5 years of operation
- C1 Cash Cost (net of by-product credits) of US\$ 1.36/lb for first 8 years of operation; US\$ 1.58/lb for LOM
- 1,284 million tonnes of Measured and Indicated Resources with a 0.45% CuEq grade and 0.40% Cu grade (at 0.25% Cu cut-off grade)

The full Preliminary Economic Assessment report is available on our Internet site:

<https://www.losandesopper.com/site/assets/files/3479/2019-06-13-pea-vizcachitas.pdf>

The Company is already working on the pre-feasibility study for the Vizcachitas project. Following the 40 samples processed for the PEA a further 40 samples were selected and sent to SGS for analysis. This second set of samples is being tested with a similar suite of tests to the first batch but with coarser grinds for the rougher variability testing ranging from P80 = 180 to 280 microns as apposed to P80 = 150 to 240 microns.

The management team which will be responsible for leading the development phase of the Vizcachitas Project has been assembled. This highly experienced senior management team consists of:

- Fernando Porcile - Executive Chairman
- Manuel Matta – Director of the Vizcachitas Project
- Antony Amberg – Chief Geologist
- Jose Tomas Letelier – Director of Corporate Affairs and Sustainability

The management team is focused on advancing Vizcachitas to a PFS level and preparing the permitting packages for the Project. We believe the team that we have in place holds all the aspects required, and the track record, to achieve our goals of advancing the Project.

With the successful publication of the updated Preliminary Economic Assessment that has further validated the scale and value of the Project. We believe that Vizcachitas has strong advantages over other currently undeveloped projects: its location in a stable, mining-friendly country along a prolific copper belt, and access to excellent infrastructure.

I would like to thank the Board of Directors for their continued guidance and you, the shareholders, for your continued support.

*"Antony Amberg"*

Antony Amberg

President

September 5, 2019



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### **NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

TAKE NOTICE that the 2019 Annual General Meeting (the "*Meeting*") of the shareholders of Los Andes Copper Ltd. (the "*Company*") will be held at Marine Building, 1260-355 Burrard Street, Vancouver, BC, on Thursday, October 10, 2019, at 10:00 a.m. (Pacific Time) for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company for the financial year ended September 30, 2018 together with the report of the auditors of the Company thereon;
2. To determine the number of directors at six (6) and to elect the directors;
3. To appoint the auditor for the ensuing year and to authorize the directors to fix the remuneration of the auditor;
4. To pass an ordinary resolution ratifying and approving the Company's Stock Option Plan, as more fully set out in the Information Circular;
5. To transact any other business that may properly come before the Meeting and any adjournment thereof.

Accompanying this Notice are an Information Circular, a form of Proxy or Voting Instruction Form ("*VIF*") and a Financial Statement Request Form. The accompanying Information Circular provides information relating to the matters to be addressed at the meeting and is incorporated into this Notice.

A shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxyholder to attend and vote in his stead. If you are unable to attend the Meeting or any adjournment thereof in person, please read the Notes accompanying the form of Proxy enclosed herewith and then complete and return the Proxy within the time set out in the Notes. The enclosed form of Proxy is solicited by Management but, as set out in the Notes, you may amend it if you so desire by striking out the names listed therein and inserting in the space provided the name of the person you wish to represent you at the Meeting. Please advise the Company of any change in your address.

**DATED at Vancouver, British Columbia, on this 5<sup>th</sup> day of September, 2019**

**BY ORDER OF THE BOARD OF DIRECTORS OF**

**LOS ANDES COPPER LTD.**

*"Antony Amberg"*  
**Antony Amberg**  
**President & CEO**



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### **INFORMATION CIRCULAR**

(Containing information as at September 5, 2019)

## **GENERAL PROXY INFORMATION**

### **Solicitation of Proxies**

This information circular (the "*Information Circular*") is furnished in connection with the solicitation of proxies (each a "*Proxy*") by the management of Los Andes Copper Ltd. (the "*Company*") for use at the 2019 Annual General Meeting (the "*Meeting*") of shareholders of the Company to be held at the time and place and for the purposes set out in the Notice of Meeting distributed with this Information Circular. No director of the Company has informed management that he intends to oppose any action intended to be taken by management at the Meeting.

The solicitation of Proxies will be primarily by mail, but Proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company at nominal cost. In accordance with National Instrument 54-101 of the Canadian Securities Administrators ("*National Instrument 54-101*"), arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the common shares in the capital of the Company (the "*Shares*") held of record by such persons and the Company may reimburse such persons for reasonable fees and disbursements incurred by them in so doing. All costs of this solicitation will be borne by the Company.

### **Appointment of Proxyholders**

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

The individuals named in the accompanying form of Proxy are directors and/or officers of the Company. **A shareholder wishing to appoint some other person (who need not be a shareholder) to represent him or her at the Meeting has the right to do so, either by striking out the names of management's nominees and inserting such person's name in the blank space provided in the form of Proxy or by completing another form of Proxy.** Such a shareholder should notify the nominee of his or her appointment, obtain his or her consent to act as proxy and instruct him or her on how the shareholder's Shares are to be voted. In any case, the form of Proxy should be dated and executed by the shareholder or his/her attorney authorized in writing, or if the shareholder is a corporation, under its corporate seal, or by an officer or attorney thereof duly authorized.

**A Proxy will not be valid for the Meeting or any adjournment thereof unless the completed form of Proxy is delivered, by mail, by hand or by fax, to Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1 Fax number: (within North America) 1-866-249-7775 (outside North America) 416-263-9524, not later than 48 hours (excluding Saturdays, Sundays and holidays) before the commencement of the Meeting or the adjournment thereof at which the Proxy is to be used. A Shareholder may also follow the instructions on the form of proxy to vote by telephone or internet.**

### **Revocability of Proxies**

In addition to revocation in any other manner permitted by law, a shareholder who has given a Proxy may revoke it by either executing a Proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the shareholder or the shareholder's authorized attorney in writing; or, if the shareholder is a company, under its corporate seal by an officer or attorney duly authorized; and by depositing the Proxy bearing a later date with Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, that precedes any reconvening thereof, or to the chair of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law. In addition, a Proxy may be revoked by the shareholder personally attending the Meeting and voting the shareholder's Shares. A revocation of a Proxy will not affect a matter on which a vote is taken before the revocation.

### **Exercise of discretion**

On a poll, the nominees named in the accompanying form of Proxy will vote or withhold from voting the Shares represented thereby in accordance with the instructions of the **shareholder on any ballot that may be called for. If a shareholder specifies a choice with respect to any matter to be acted upon, such shareholder's Shares will be voted accordingly. The Proxy will confer discretionary authority on the nominees named therein with respect to each matter or group of matters identified therein for which a choice is not specified other than the appointment of the auditor and the election of directors, any amendment to or variation of any matter identified therein and any other matter that properly comes before the Meeting.**

**In respect of a matter for which a choice is not specified or where both choices have been specified in the Proxy, the nominees named in the accompanying form of Proxy will vote Shares represented by the Proxy at their own discretion for the approval of such matter.**

As of the date of this Information Circular, management of the Company knows of no amendment, variation or other matter that may come before the Meeting, but if any amendment, variation or other matter properly comes before the Meeting each nominee in the accompanying form of Proxy intends to vote thereon in accordance with the nominee's best judgment.

### **Proxy Voting Options**

Shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person. Submitting a Proxy by mail, internet voting or by hand delivery are the only methods by which a shareholder may appoint a person as Proxy other than a director or officer of the Company named on the form of Proxy.

Registered shareholders electing to submit a Proxy must complete, date and sign the form of Proxy. It must then be delivered by mail or by hand to the Company's transfer agent, Computershare Investor Services Inc., Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 (the "*Transfer Agent*"), not later than 48 hours (excluding Saturdays, Sundays and holidays) before the commencement of the Meeting or the adjournment thereof. A Shareholder may also follow the instructions on the form of proxy to vote by telephone or internet.

### **Advice to Beneficial Shareholders**

The information set forth in this section is of significant importance to many shareholders of the Company, as a substantial number of shareholders do not hold Shares in their own name. Shareholders who do not hold their Shares in their own name (referred to in this Information Circular, collectively, as "*Beneficial Shareholders*") should note that only Proxies deposited by shareholders whose names appear on the records of the Company as the registered holders of Shares can be recognized and acted upon at the Meeting. If Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Shares will not be registered in the shareholder's name on the records of the Company. Such Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In the United States the vast majority of such shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited; and which acts as nominee for many Canadian brokerage firms). Beneficial Shareholders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. The form of

proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the form of Proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("*Broadridge*") in the United States and in Canada. Broadridge typically applies a special sticker to proxy forms, mails those forms to the Beneficial Shareholders and requests the Beneficial Shareholders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Broadridge proxy cannot use that proxy to vote Shares directly at the Meeting. That proxy must be returned to Broadridge well in advance of the Meeting in order to have the Shares voted.**

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

This Information Circular and accompanying materials are being sent to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own ("*Objecting Beneficial Owners*", or "*OBOs*") and those who do not object to their identity being made known to the issuers of the securities they own ("*Non-Objecting Beneficial Owners*", or "*NOBOs*"). Subject to the provision of National Instrument 54-101, issuers may request and obtain a list of their NOBOs from intermediaries via their transfer agents. Pursuant to National Instrument 54-101, issuers may obtain and use the NOBO list for distribution of proxy-related materials directly (not via Broadridge) to such NOBOs. If you are a Beneficial Shareholder, and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the Shares on your behalf.

The Company has decided to take advantage of the provisions of National Instrument 54-101 that permit it to deliver proxy related materials directly to its NOBOs. By choosing to send these materials to you directly, the Company (and not the intermediary holding Shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. As a result if you are a NOBO of the Company, you can expect to receive a scannable Voting Instruction Form ("*VIF*") from the Transfer Agent. Please complete and return the VIF to the Transfer Agent in the envelope provided or by facsimile. The Transfer Agent will tabulate the results of the VIF's received from the Company's NOBOs and will provide appropriate instructions at the Meeting with respect to the Shares represented by the VIFs they receive.

The Company is not sending its proxy-related materials to the registered shareholders or Beneficial Shareholders using "notice and access", as defined in National Instrument 54-101.

Management of the Company intends to pay for intermediaries to forward to OBOs under National Instrument 54-101 the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*; accordingly, OBOs will receive said materials.

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

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year of the Company, or any proposed nominee for election as a director of the Company, or any associate or affiliate 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 on at the Meeting other than the election of directors, the appointment of auditors and the approval of the Company's Stock Option Plan, as may be set out herein.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The Company has set the close of business on September 5, 2019 as the record date (the "*Record Date*") for determination of persons entitled to receive notice of the Meeting. Only the registered holders of Shares, and those Beneficial Shareholders entitled to receive notice pursuant to National Instrument 54-101 through their intermediaries, as at that date, are entitled to receive notice of and to vote at the Meeting unless after that date a shareholder of record transfers his or her Shares and the transferee, upon producing properly endorsed certificates evidencing such Shares or otherwise establishing that he or she owns such Shares, requests

at least 10 calendar days prior to the Meeting that the transferee's name be included in the list of shareholders entitled to vote, in which case such transferee is entitled to vote such Shares at the Meeting.

The Company is authorized to issue an unlimited number of Shares. As of the date hereof, 271,658,136 Shares are issued and outstanding, each carrying the right to one vote. The Company has no other class of voting securities and no group of shareholders has the right to elect a specified number of directors. There are no cumulative or similar voting rights attached to the Shares.

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, these nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

**On a show of hands, every individual who is present and is entitled to vote as a shareholder or as a representative of one or more corporate shareholders will have one vote, and on a poll every shareholder present in person or represented by a proxy and every person who is a representative of one or more corporate shareholders, will have one vote for each Share registered in that shareholder's name on the list of shareholders as at the Record Date, which is available for inspection during normal business hours at Computershare Investor Services Inc. and will be available at the Meeting. Shareholders represented by proxy holders are not entitled to vote on a show of hands.**

To the knowledge of the directors and executive officers of the Company, only the following shareholder beneficially owns Shares carrying 10% or more of the voting rights attached to any class of voting securities of the Company:

Shareholder Name	Number of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly	Percentage of Outstanding Shares
Turnbrook Mining Limited <sup>(1)</sup>	143,736,144	52.9%

Note:

(1) Eduardo Covarrubias, Francisco Covarrubias and Paul Miquel, all of whom are directors of the Company, are also directors of Turnbrook Mining Limited ("Turnbrook Mining"). Two private companies of which Eduardo Covarrubias and Francisco Covarrubias are minority shareholders collectively hold approximately 65% of the shares of Turnbrook Mining. Paul Miquel is a shareholder of a private company which is another minority shareholder of Turnbrook Mining.

## **ELECTION OF DIRECTORS**

The directors of the Company are elected annually and hold office until the next annual general meeting of the shareholders or until their successors in office are duly elected or appointed. The term of office of each director expires at the Meeting.

Shareholder approval will be sought to fix the number of directors of the Company at six (6).

The persons named below will be presented for election at the Meeting as management's nominees and the persons proposed by management as proxyholders in the accompanying form of proxy 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 elected 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 the provisions of the *Business Corporations Act* (British Columbia).

The following table sets out the names of management's nominees for election as a director (a "*proposed director*"), the province or state, as applicable, and country of residence, their principal occupations, the date each first became a director of the Company, and the number of Shares beneficially owned by each, directly or indirectly, or over which control or direction is exercised, as at the date hereof. The table also sets out the members of the Company's Audit Committee. Management does not contemplate that any of these nominees will be unable to serve as a director.



Name, Province or State and Country of residence and position	Principal occupation or employment	Director Since	Number of shares beneficially owned, or controlled or directed, directly or indirectly <sup>(4)</sup>
<b>Eduardo Covarrubias</b> Santiago, Chile Director	Entrepreneur	December 21, 2010	Nil <sup>(1)</sup>
<b>Fernando Porcile</b> Santiago, Chile Chairman & Director	Self Employed Consultant	May 21, 2019	Nil
<b>Gonzalo Delaveau</b> <sup>(3)</sup> Santiago, Chile Director	Founding Partner, Honorato, Delaveau & Cia.; Chairman of fund manager Nevasa HMC S.A.	December 21, 2010	1,372,066 <sup>(5)</sup>
<b>Francis O'Kelly</b> <sup>(2)</sup> Santiago, Chile Director	Self Employed Consultant	May 9, 2007	69,695
<b>Francisco Covarrubias</b> <sup>(1)(3)</sup> Santiago, Chile Director	Entrepreneur, Independent Consultant	September 9, 2011	69,695
<b>Paul Miquel</b> <sup>(6)</sup> Santiago, Chile Director	Country Head, Chile, Peru and Colombia - Soci�t� G�n�ral�,	May 3, 2013	942,567 <sup>(7)</sup>

Notes:

- (1) Mr. Covarrubias is a minority shareholder of two private companies which collectively hold approximately 65% of the shares of Turnbrook Mining. Turnbrook Mining holds 52.9% of the issued and outstanding Shares.
- (2) Chairman of the Audit Committee.
- (3) Member of the Audit Committee.
- (4) The information as to the number of shares beneficially owned, or controlled or directed, directly or indirectly, not being within the knowledge of the Company, has been furnished by the respective directors individually.
- (5) 1,277,098 of these Shares are owned indirectly.
- (6) Mr. Miquel is a shareholder of a private company which holds a minority interest in the shares of Turnbrook Mining. Turnbrook Mining holds 52.9% of the issued and outstanding Shares.
- (7) 879,690 of these Shares are owned indirectly.

To the knowledge of the Company, none of the proposed directors of the Company (or any of their personal holding companies):

- (a) is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company, including the Company, that:
  - (i) was subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days while that person was acting in the capacity as director, executive officer or chief financial officer; or
  - (ii) was the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation in each case for a period of 30 consecutive days, that was issued after the person ceased to be a director, chief executive officer or chief financial officer in the company and which resulted from an event that occurred while that person was acting in the capacity as director, executive officer or chief financial officer; or
- (b) is as at the date of this Information Circular or has been within the 10 years before 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; or

- (c) has, within the 10 years before 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, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

None of the proposed directors (or any of their personal holding companies) 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.

The following proposed directors of the Company hold directorships in other reporting issuers as set out below:

Name of Director	Name of Other Reporting Issuers
Eduardo Covarrubias	N/A
Fernando Porcile	N/A
Gonzalo Delaveau	N/A
Francis O'Kelly	N/A
Francisco Covarrubias	N/A
Paul Miquel	N/A

#### **STATEMENT OF EXECUTIVE COMPENSATION**

For the purposes of this Information Circular, a "Named Executive Officer", or "NEO", means each of the following individuals:

- (a) each individual who, during any part of the Company's financial year ended September 30, 2018, served as chief executive officer ("CEO") of the Company, including an individual performing functions similar to a CEO;
- (b) each individual who, during any part of the Company's financial year ended September 30, 2018, served as chief financial officer ("CFO") of the Company, including an individual performing functions similar to a CFO;
- (c) the most highly compensated executive officers of the Company and its subsidiaries, other than the individuals identified in paragraphs (a) and (b), as at September 30, 2018 whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for the financial year ended September 30, 2018; and
- (d) each individual who would be a NEO under paragraph (c) above but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, as at September 30, 2018.

The Company has two Named Executive Officers: Antony Amberg, the Company's President and CEO; and Aurora Davidson, the Company's CFO. The Summary Compensation table below provides information for the two most recently completed financial years ended September 30, 2018 and September 30, 2017 regarding compensation paid to or earned by each of the Named Executive Officers.

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

The following table details all compensation paid to the Corporation's Named Executive Officers and directors for the fiscal years ended September 30, 2018 and September 30, 2017.

<b>Table of Compensation Excluding Compensation Securities</b>							
<b>Name and position</b>	<b>Year<sup>(1)</sup></b>	<b>Salary, consulting fee, 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>
Antony Amberg President and CEO	2018	231,011 <sup>(2)</sup>	Nil	Nil	Nil	Nil	231,011
	2017	237,147 <sup>(3)</sup>	Nil	Nil	Nil	Nil	237,147
Aurora Davidson CFO	2018	42,000 <sup>(4)</sup>	Nil	Nil	Nil	Nil	42,000
	2017	42,000 <sup>(4)</sup>	Nil	Nil	Nil	Nil	42,000
Eduardo Covarrubias Director	2018	230,721 <sup>(5)</sup>	Nil	Nil	Nil	Nil	230,721
	2017	237,321 <sup>(5)</sup>	Nil	Nil	Nil	Nil	237,321
Klaus Zeitler <sup>(6)</sup> Chairman and Director	2018	72,000 <sup>(7)</sup>	Nil	Nil	Nil	Nil	72,000
	2017	72,000 <sup>(7)</sup>	Nil	Nil	Nil	Nil	72,000
Francis O'Kelly Director	2018	Nil	Nil	5,500	Nil	Nil	5,500
	2017	Nil	Nil	6,000	Nil	Nil	6,000
Francisco Covarrubias Director	2018	Nil	Nil	5,500	Nil	Nil	5,500
	2017	Nil	Nil	6,000	Nil	Nil	6,000
Paul Miquel Director	2018	Nil	Nil	5,000	Nil	Nil	5,000
	2017	Nil	Nil	5,000	Nil	Nil	5,000
Gonzalo Delaveau Director	2018	Nil	Nil	5,000	Nil	Nil	5,000
	2017	Nil	Nil	6,000	Nil	Nil	6,000

### Notes:

- (1) Financial years ended September 30.
- (2) In 2018, this amount is comprised of the aggregate of \$231,011 in fees for consulting services provided to the Company by Sociedad Cartografica Limitada, a company controlled by Mr. Amberg, and salaries of \$115,275 paid in Chile to Mr. Amberg by the Company's subsidiary, Compañía Minera Vizcachitas Holding.
- (3) In 2017, this amount is comprised of the aggregate of \$116,917 in fees for consulting services provided to the Company by Sociedad Cartografica Limitada (effective January 1, 2017) and Karlsson Corporation (up to December 31, 2016), companies controlled by Mr. Amberg, and salaries of \$120,230 paid in Chile to Mr. Amberg by the Company's subsidiary Compañía Minera Vizcachitas Holding.
- (4) This amount is comprised of fees for consulting services provided to the Company by Delphis Financial Strategies Inc., a company controlled by Ms. Davidson.
- (5) This amount is comprised of fees for consulting services provided to the Company by Kasheema International Ltd., of which Mr. Covarrubias is the principal.
- (6) Dr. Zeitler resigned as Chairman and Director effective May 21, 2019.
- (7) This amount is comprised of fees for consulting services provided to the Company by Zeitler Holdings Corp., a company controlled by Dr. Zeitler.

## **Stock Options and Other Compensation Securities**

The following table sets out all compensation securities granted or issued to each NEO and director by the Company for services provided or to be provided, directly or indirectly, to the Company in the most recently completed financial year.

<b>Compensation Securities</b>							
<b>Name and position</b>	<b>Type of compensation security</b>	<b>Number of compensation securities, number of underlying securities, and percentage of class</b>	<b>Date of issue or grant</b>	<b>Issue, conversion or exercise price (\$)</b>	<b>Closing price of security on date of grant (\$)</b>	<b>Closing Price of Security on date at year end (\$)</b>	<b>Expiry Date</b>
Antony Amberg President and CEO	Stock options	500,000	July 6, 2018	\$0.50	\$0.29	\$0.27	July 6, 2023
Aurora Davidson CFO	Nil	Nil	N/A	N/A	N/A	N/A	N/A
Eduardo Covarrubias Director	Nil	Nil	N/A	N/A	N/A	N/A	N/A
Klaus Zeitler Chairman and Director	Nil	Nil	N/A	N/A	N/A	N/A	N/A
Francis O'Kelly Director	Nil	Nil	NA	N/A	N/A	N/A	N/A
Francisco Covarrubias Director	Nil	Nil	NA	N/A	N/A	N/A	N/A
Paul Miquel Director	Nil	Nil	NA	N/A	N/A	N/A	N/A
Gonzalo Delaveau Director	Nil	Nil	NA	N/A	N/A	N/A	N/A

## **Exercise of Compensation Securities by Directors and NEOs**

No compensation securities were exercised by the Company's Named Executive Officers or directors during the financial year ended September 30, 2018.

## **Stock Option Plans and Other Incentive Plans**

The Board of Directors of the Company (the "*Board*") has previously adopted the Company's stock option plan effective March 30, 2007, as amended (the "*Plan*"), which is a "rolling" stock option plan pursuant to which a maximum of 10% of the issued and outstanding Shares are reserved for issuance upon the exercise of incentive stock options ("*Options*"). The purpose of the Plan is to allow the Company to grant Options to directors, officers, employees and consultants of the Company and its subsidiaries or employees of companies providing management or consulting services to the Company or its subsidiaries (each, an "*Eligible Optionee*") as additional compensation, and as an opportunity to participate in the success of the Company. The granting of such Options is intended to align the interests of such persons with that of the shareholders. Options are exercisable over periods of up to five years as determined by the Board and are required to have an exercise price no less the greater of \$0.10 and the closing market price of the Shares prevailing on the day preceding the day that the option is granted less a discount of up to 25%, the amount of the discount varying with market price in accordance with the policies of the TSX Venture Exchange (the "*Exchange*").

The Plan contains no vesting requirements but permits the Board to specify a vesting schedule in its discretion. The Plan provides that if a change of control, as defined therein, occurs, all Options shall immediately become vested and may thereupon be exercised in whole or in part by the option holder.

In addition, the Plan provides as follows:

- (a) the number of Shares which may be issued to any one individual pursuant to the exercise of options may not exceed 5% of the issued common shares on a yearly basis;

- (b) the number of Shares which may be issued to any one consultant pursuant to the exercise of options may not exceed 2% of the issued Shares on a yearly basis;
- (c) the number of Shares which may be issued, in the aggregate, to a person conducting investor relations activities may not exceed 2% of the issued Shares on a yearly basis; and
- (d) if an optionee ceases to be an Eligible Optionee, any options held by such Optionee shall expire no later than 90 days from the date such optionee ceases to be an Eligible Optionee (or 30 days if the optionee is engaged in investor relations activities).

The Plan was last approved by the Company's shareholders at the Company's last annual general meeting held on November 15, 2018. Exchange policy requires that all such rolling stock option plans be approved by shareholders on an annual basis, and consequently the Company is seeking shareholder approval of the Plan at the Meeting.

### **Employment, Consulting and Management Agreements and External Management Companies**

Other than as set out below, the Company does not have a contract with an NEO that provides for termination and change of control benefits.

Pursuant to a contract made as of the 1<sup>st</sup> day of April, 2007 (the "*Delphis Contract*") between the Company and Delphis Financial Strategies Inc. ("*Delphis*"), a company in respect of which Ms. Aurora Davidson is principal, the Company agreed to pay to Delphis a fee of \$3,000 per month plus applicable taxes. Effective January 1, 2013 the monthly fee paid to Delphis was increased to \$3,500 plus applicable taxes. The Delphis Contract contains termination provisions, which may be summarized as follows:

- (a) Delphis may terminate the Delphis Contract by giving notice to the Company at least three months prior to termination;
- (b) The Company may terminate the Delphis Contract immediately upon the death of Ms. Davidson or for cause, upon which Delphis is entitled to the prorated portion of its fee through the date of termination and reimbursement for expenses properly incurred prior to the date of termination plus the prorated portion of its fee for an additional period of one month. Cause is defined as existing if:
  - (i) Delphis commits a breach of any of the material provisions contained in the Delphis Contract;
  - (ii) Delphis is guilty of any misconduct or neglect in the discharge of its duties pursuant to the Delphis Contract;
  - (iii) Delphis becomes bankrupt or makes any arrangements or assignments with its creditors; or
  - (iv) Delphis or Ms. Davidson is convicted of any criminal offence or misdemeanor involving moral turpitude.
- (c) The Company may terminate the Delphis Contract in any other circumstance on six months' notice to Delphis, provided that if Delphis is terminated or voluntarily resigns for "Good Reason" within 90 days following a "Change in Control", the Company is required to pay to Delphis an amount equal to twelve months payment of the fee then in effect (the "Control Payment"). "Good Reason" is defined to mean (1) a reduction in the fee, (2) a material reduction in Delphis's responsibilities or duties or (3) a requirement that Delphis relocate its residence from its present location. The Delphis Contract states that a "Change in Control" will be evidenced by the election or appointment of a majority of new directors of the Company or the acquisition by any person or by any person and such person's associates or related bodies corporate, as such terms are defined in the *Securities Act* (British Columbia), and whether directly or indirectly, of shares of the Company which, when added to all other shares of the Company at the time held by such person and such person's associates and related bodies corporate, totals for the first time fifty percent (50%) or more of the outstanding shares of the Company. The Delphis Contract further provides that the Company is not required to make the Control Payment to Delphis if, after a Change in Control, Delphis is offered a reasonably equivalent position with the surviving corporation and does not accept such position.

The Company's subsidiary, Vizcachitas Ltd. ("*VL*"), and Kasheema International Ltd. ("*Kasheema*"), a company in respect of which Mr. Eduardo Covarrubias ("*Covarrubias*") is the principal, entered into a contract as of January 17, 2011 (the "*Kasheema Contract*") which provided for a fee of US \$10,000 plus any applicable taxes per month. The Kasheema Contract was amended as of July 20, 2012 to provide for a fee of US \$15,000 plus any applicable taxes per month, and contains termination provisions which may be summarized as follows:

- (a) VL or Kasheema may terminate the Kasheema Contract by giving notice to the other party at least two months prior to termination; and

- (b) VL may terminate the Kasheema Contract immediately upon the death of Covarrubias or for cause, upon which Kasheema is entitled to reimbursement for expenses properly incurred prior to the date of termination. "Cause" is defined as existing if:
- (i) Kasheema commits a breach of any of the material provisions contained in the Kasheema Contract;
  - (ii) Kasheema is guilty of any misconduct or neglect in the discharge of its duties pursuant to the Kasheema Contract;
  - (iii) Kasheema becomes bankrupt or makes any arrangements or assignments with its creditors; or
  - (iv) Kasheema or Covarrubias is convicted of any criminal offence or misdemeanor involving moral turpitude.

Pursuant to a contract made as of the 1<sup>st</sup> day of January 2017 (the "*SCL Contract*") between the Company and Sociedad Cartografica Limitada ("*SCL*"), a company in respect of which Mr. Antony Amberg is principal, the Company agreed to pay to SCL a fee of US\$7,500 per month plus applicable taxes. The SCL Contract contains termination provisions, which may be summarized as follows:

- a) Either party may terminate the SCL Contract by giving notice to the other party at sixty days prior to the termination date;
- b) The Company may terminate the SCL Contract immediately upon the death of Mr. Amberg or for cause, provided that if terminated for death or for cause, Mr. Amberg will be entitled to the reimbursement for expenses properly incurred prior to the date of termination. Cause is defined as existing if:
  - i) SCL commits a breach of any of the material provisions contained in the SCL Contract;
  - ii) SCL is guilty of any misconduct or neglect in the discharge of its duties pursuant to the SCL Contract;
  - iii) SCL becomes bankrupt or makes any arrangements or assignments with its creditors; or
  - iv) SCL or Mr. Amberg is convicted of any criminal offence or misdemeanor involving moral turpitude.

The SCL Contract superseded a contract between the Company and Karlsson Corporation, a company in respect of which Mr. Antony Amberg was principal, with essentially the same terms and conditions as the SCL Contract.

### **Pension Plan Benefits**

The Company has no pension plan arrangements or benefits with respect to any of its NEOs, directors or employees.

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

The compensation for the Company's Named Executive Officers and for its directors are determined by the Board as a whole. The Board evaluates the consulting fees paid to its Named Executive Officers on a regular basis, and, in such evaluation, compares the fees charged the Named Executive Officers against the rates of other consultants that provide similar services. A peer group is not used to determine compensation.

Other than the compensation disclosed above under "Director and Named Executive Officer Compensation, Excluding Compensation Securities" and "Employment, Consulting and Management Agreements and External Management Companies", no additional compensation was paid to the Named Executive Officers during the year ended September 30, 2018. None of such compensation is tied to any performance criteria or goals.

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

The following table summarizes relevant information as of September 30, 2018 with respect to compensation plans under which equity securities are authorized for issuance:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	1,425,000	\$0.50	25,740,814
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
<b>TOTAL</b>	1,425,000	\$0.50	25,740,814

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

As at the financial year ended September 30, 2018 and as at the date hereof, no director, executive officer, proposed nominee for director or employee of the Company or any associate or affiliate of any of them has been indebted to the Company either pursuant to an employee stock purchase plan or otherwise.

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

Other than disclosed herein, none of the directors or executive officers of the Company, nor any proposed nominee for election as a director of the Company, nor any person who beneficially owns, directly or indirectly, Shares carrying more than 10% of the voting rights attached to all of the outstanding Shares, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, in any transactions since the commencement of the Company's most recently completed financial year, or in any proposed transaction which, in either case, has or will materially affect the Company.

## **APPOINTMENT OF AUDITOR**

DeVisser Gray LLP, Chartered Professional Accountants, of Vancouver, British Columbia are the auditors of the Company. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the appointment of DeVisser Gray LLP, Chartered Professional Accountants, as the auditors of the Company to hold office for the ensuing year at a remuneration to be fixed by the directors.

## **MANAGEMENT CONTRACTS**

Except as set out below, there are no management functions of the Company or any of its subsidiaries which are, to any substantial degree, performed other than by the directors or executive officers of the Company.

The Company incurred \$115,736 in consulting fees payable to Sociedad Cartografica Limitada a company controlled by Mr. Amberg, and the Company's subsidiary Compañia Minera Vizcachitas Holding paid salaries of \$115,275 paid to Mr. Amberg from October 1, 2017 to September 30, 2018.

The Company incurred \$42,000 in consulting fees payable to Delphis, a company controlled by Aurora Davidson, Chief Financial Officer of the Company, for financial and management consulting services provided to the Company from October 1, 2017 to September 30, 2018.

The Company incurred \$230,721 in consulting fees payable to Kasheema International Ltd., a company of which Eduardo Covarrubias, a director of the Company, is the principal, for business consulting services provided to the Company from October 1, 2017 to September 30, 2018.

## **AUDIT COMMITTEE**

### **Mandate of the Audit Committee**

The primary function of the Audit Committee is to assist the 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 Audit Committee is also responsible for monitoring compliance with applicable laws and regulations and the systems of internal controls. The Audit Committee has the authority to retain special legal, accounting or other consultants to advise the Audit Committee. The Audit Committee may request any director, officer or employee of the Company, or the Company's outside counsel or independent auditor, to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee. The Board has adopted an Audit Committee Charter, a full copy of which is attached to this information circular as Schedule "A".

### **Operation, Composition, Appointments, Compensation and Meetings of the Audit Committee**

The Audit Committee reports to the Board. The full Board is kept informed of the Audit Committee's activities by a report following each Audit Committee meeting.

The Audit Committee consists of not less than three Directors as determined by the Board. The Company's Audit Committee is presently comprised of Frank O'Kelly (Chairman), Francisco Covarrubias and Gonzalo Delaveau. Mr. O'Kelly is an independent director based upon the test for independence set forth in section 1.5 of National Instrument 52-110 Audit Committees ("*NI 52-110*") and Messrs. Covarrubias and Delaveau are non-independent directors based upon the same test. Messrs. O'Kelly, Delaveau and Covarrubias are "financially literate", meaning that they are able to read and understand the Company's financial statements and to understand the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Frank O'Kelly is an independent financial and technical consultant based in Santiago Chile. Gonzalo Delaveau is a lawyer based in Santiago, Chile who has been involved in the mining and energy industry for a number of years. Mr. Delaveau has advised and participated in several mining and energy transactions including, among others, the acquisition of shares of the Company by Turnbrook Corporation and has advised on a number of transactions worldwide involving significant financings and acquisitions by major corporations and financial institutions. Francisco Covarrubias has an MBA from the Melbourne Business School, Australia, and has extensive experience in the financial industry.

Members of the Audit Committee are appointed at a meeting of the Board typically held immediately after the Company's annual shareholders' meeting; provided that any member may be removed or replaced at any time by the Board and shall in any event cease to be a member of the Audit Committee upon ceasing to be a member of the Board. Where a vacancy occurs at any time in the membership of the Audit Committee, it may be filled by the Board.

### **Audit Committee Oversight**

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

### **Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. Because the Company is a "venture issuer" as defined in NI 52-110, the Company is relying on the exemption in section 6.1 of NI 52-110 from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.



### **External Auditor Service Fees (By Category)**

The Audit Committee, in its Audit Committee Charter, has adopted specific policies and procedures for the engagement of non-audit services.

DeVisser Gray LLP, Chartered Professional Accountants, were the external auditors of the Company responsible for the Company's financial statements for the financial year ended September 30, 2018.

The following table charts the external auditors' fees for the two financial years ending September 30 of each 2017 and 2016 by category:

Financial Year Ended	Audit Fees <sup>(1)</sup>	Audit-related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All other Fees <sup>(4)</sup>
September 30, 2018	\$26,500	Nil	\$2,995	Nil
September 30, 2017	\$26,500	Nil	\$2,985	Nil

Notes:

- (1) Aggregate audit fees billed by the external auditor in each of the last two financial years.
- (2) Aggregate audit-related fees billed in each of the last two financial years billed for assurances and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under audit fees.
- (3) Aggregate fees billed in each of the last two financial years for professional services rendered for tax compliance, tax advice and tax planning.
- (4) Aggregate fees billed in each of the last two financial years for products and services provided other than the services reported under the three previous columns.

### **CORPORATE GOVERNANCE DISCLOSURE**

National Instrument 58-101 Disclosure of Corporate Governance Practices ("*NI 58-101*") requires reporting issuers to disclose the corporate governance practices, on an annual basis, that they have adopted. The Company's approach to corporate governance is set forth below.

#### **Independence of Members of Board**

The Company's Board currently consists of six directors, three of whom are independent based upon the tests for independence set forth in section 1.4 of NI 52-110. Fernando Porcile, Gonzalo Delaveau and Francis O'Kelly, are independent. Eduardo Covarrubias, Francisco Covarrubias and Paul Miquel are not independent because they are each a director of Turnbrook Mining, the Company's majority shareholder. Eduardo Covarrubias is also not independent because he received direct compensation from the Company within the last three years. Francisco Covarrubias is also not independent because he is an immediate family member of a person who served as an executive officer of the Company within the last three years.

#### **Management Supervision by Board**

The size of the Company is such that all the Company's operations are conducted by a small management team, of which the President is also represented on the Board. The Board considers that management is effectively supervised by the directors on an informal basis as the non-management directors are actively and regularly involved in reviewing and supervising the operations of the Company and have regular and full access to management.

#### **Participation of Directors in Other Reporting Issuers**

The participation of the directors in other reporting issuers is described in the table provided under "Election of Directors" in this Information Circular.

#### **Orientation and Continuing Education**

While the Company does not have formal orientation and training programs, new Board members are provided with:

1. information respecting the functioning of the Company's board of directors, committees and copies of the Company's corporate governance policies;
2. access to recent, publicly filed documents of the Company; and
3. access to management.

Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

### **Ethical Business Conduct**

The Board views the encouragement and promotion of a culture of ethical business conduct as good corporate governance and as an integral component to the success of the Company and to being able to meet its responsibilities to shareholders. The Board and management work together to ensure that the Company's operations are carried out in an open and ethical manner.

### **Nomination of Directors**

The Board has responsibility for identifying potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the mining industry are consulted for possible candidates.

### **Compensation**

The compensation for the Company's Chief Executive Officer and for its directors are determined by the Board as a whole. The Board evaluates the consulting fees paid to its Chief Executive Officer and directors on a regular basis, and, in such evaluation, compares the fees charged the Chief Executive Officer and its directors against the fees charged by chief executive officers and directors of other mineral exploration companies. A peer group is not used to determine compensation.

### **Board Committees**

The Company has no committees other than the Audit Committee.

As the directors are actively involved in the operations of the Company and the size of the Company's operations does not warrant a larger board of directors, the Board has determined that additional committees are not necessary at this stage of the Company's development.

### **Assessments**

The Board does not consider that formal assessments would be useful at this stage of the Company's development.

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

### **Ratification and Approval of the Stock Option Plan**

The Board implemented the Plan effective March 30, 2007, and the Plan was amended by the Board effective January 4, 2014 and again on December 3, 2013. The Plan was approved by the Exchange and was last approved by the shareholders of the Company at the Company's 2018 annual general meeting, and there have been no changes to the Plan since those approvals were obtained. For a description of the Plan, see "Statement of Executive Compensation - Stock Option Plans and Other Incentive Plans" above.

At the Meeting, shareholders will be asked to pass a resolution in the following form:

**"RESOLVED** as an ordinary resolution, that the Company ratify and approve, subject to regulatory approval, the Company's Stock Option Plan pursuant to which the directors may, from time to time, authorize the issuance of options to directors, officers, employees and consultants of the Company and its subsidiaries to a maximum of 10% of the issued and outstanding common shares at the time of the grant, with a maximum of 5% of the Company's issued and outstanding common shares being reserved to any one person on a yearly basis."

The full text of the Plan is available for viewing up to the date of the Meeting at the Company's offices at Suite 1260-355 Burrard Street, Vancouver, BC, and will also be available for review at the Meeting. In addition, a copy of the Plan, will be mailed, free of charge, to any holder of Shares who requests a copy, in writing, from the President of the Company. Any such requests should be mailed to the Company, at its head office, to the attention of the President.

Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote in favour of the above resolutions

The Board recommends that shareholders vote FOR the resolution ratifying and approving the Plan.

#### **Other Matters**

The Company will consider and transact such other business as may properly come before the Meeting or any adjournment thereof. Management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting the Shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the Proxy.

#### **ADDITIONAL INFORMATION**

Financial information on the Company is provided in the Company's comparative financial statements and management discussion and analysis for the most recently completed financial year ended September 30, 2018. Additional information relating to the Company, including its comparative financial statements and management discussion and analysis, is available on SEDAR at [www.sedar.com](http://www.sedar.com). Copies of the Company's financial statements and management discussion and analysis may also be obtained upon request from management of the Company at its offices.

The Company's mailing address and business office is located at Marine Building, Suite 1260, 355 Burrard Street, Vancouver, British Columbia, Canada, V6C 2G8.

**SCHEDULE "A"**  
**Audit Committee Charter**  
*(Effective January 27, 2005)*

*A. Audit Committee Purpose*

The Board of Directors of the Corporation has an overall responsibility to oversee the affairs of the Company for the benefit of the shareholders. The Audit Committee is appointed by the Board to assist the Board in fulfilling its oversight responsibilities. The Audit Committee's primary duties and responsibilities are to:

- Ensure the effectiveness of the overall process of identifying and addressing principal business risk and the adequacy of the related disclosure
- Monitor the integrity of the Company's financial reporting process and systems of internal controls regarding finance, accounting and legal compliance
- Monitor the independence and performance of the Company's independent auditors
- Provide an avenue of communications among the independent auditors, management and the Board of Directors
- Encourage adherence to, and continuous improvement of, the Company's policies, procedures and practices at all levels

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the independent auditors as well as to anyone in the organization. The Audit Committee has the ability to retain, at the Company's expense, special legal, accounting, or other consultants or experts it deems necessary in the performance of its duties.

*B. Audit Committee Composition and Meetings*

Audit Committee members shall meet the requirements of the TSX-V and MI 52-110. The Audit Committee shall be comprised of three or more directors as determined by the Board, the majority of whom shall be independent non-executive directors, free from any relationship that would interfere with the exercise of his or her independent judgment. All members of the Committee shall have a basic understanding of finance and accounting and be able to read and understand fundamental financial statements, and at least one member of the Committee shall have accounting or related financial expertise.

Audit Committee members shall be appointed by the Board. If the Audit Committee Chair is not designated or present, the members of the Committee may designate a Chair by majority vote of the Committee membership.

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. The Audit Committee Chair shall prepare and/or approve an agenda in advance of each meeting. The Committee should meet privately in executive session at least annually with management, the independent auditors and as a committee to discuss any matters that the Committee or each of these groups believes should be discussed.

*C. Audit Committee Responsibilities and Duties*

Review Procedures

1. Gain an understanding of the Company's current areas of greatest financial risk and whether management is managing these effectively.
2. Review the Company's annual audited financial statements and management discussion and analysis prior to filing or distribution. Review should include discussion with management and independent auditors of significant issues regarding accounting principles, practices and judgments.
3. In consultation with management and the independent auditors, consider the integrity of the Company's financial reporting processes and controls. Discuss significant financial risk exposures and the steps management has taken to monitor, control and report such exposures. Review significant findings prepared by the independent auditors together with management's responses.
4. Review with management the Company's quarterly financial results and management discussion and analysis prior to filing or distribution. Discuss any significant changes to the Company's accounting principles and any items required to be communicated by the independent auditors.

Independent Auditors

5. The independent auditors are accountable directly to the Audit Committee. The Audit Committee shall review the independence and performance of the auditors and annually recommend to the Board of Directors the appointment of the independent auditors or approve any discharge of auditors when circumstances warrant.
6. Approve the fees and other significant compensation to be paid to the independent auditors, and pre-approve any non-audit services that the auditor may provide.
7. On an annual basis, the Committee should review and discuss with the independent auditors all significant relationships they have with the Company that could impair the auditor's independence.

8. Review the independent auditors audit plan and engagement letter.
9. Prior to releasing the year-end financial results, discuss the results of the audit with the independent auditors.
10. Consider the independent auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting practices.

Other Audit Committee Responsibilities

11. The Chairman of the Committee will review all disclosure documents to be issued by the Company relating to financial matters, including news releases, annual information forms and information circulars.
12. The Committee will establish a procedure for the: (i) confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters, and (ii) receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters.