

# **IDM MINING LTD.**

## **INFORMATION CIRCULAR FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON WEDNESDAY, SEPTEMBER 12, 2018**

This information is given as of August 7, 2018 unless otherwise noted. All dollar amounts referenced herein are in Canadian dollars unless otherwise specified.

### **PART 1: VOTING PARTICULARS**

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#### **SOLICITATION OF PROXIES**

This information circular (the “**Information Circular**”) is furnished in connection with the solicitation of proxies by the management of **IDM Mining Ltd.** (the “**Corporation**”) for use at the Annual General Meeting (the “**Meeting**”) of the shareholders of the Corporation, to be held at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof.

#### **PERSONS OR COMPANIES MAKING THE SOLICITATION**

**The enclosed Instrument of Proxy is solicited by Management.** Solicitations will be made by mail and possibly supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Corporation. The Corporation may reimburse shareholders’ nominees or agents (including brokers holding shares on behalf of clients) for the cost incurred in obtaining authorization from their principals to execute the Instrument of Proxy. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Corporation. None of the directors of the Corporation have advised that they intend to oppose any action intended to be taken by management as set forth in this Information Circular.

#### **APPOINTMENT OF PROXYHOLDER**

A duly completed form of proxy will constitute the person(s) named in the enclosed form of proxy as the proxyholder for the shareholder of the Corporation (“**Shareholder**” or “**Registered Shareholder**”). The persons whose names are printed in the enclosed form of proxy for the Meeting are officers or directors of the Corporation (the “**Management Proxyholders**”).

**A Registered Shareholder has the right to appoint a person other than a Management Proxyholder to represent the Registered Shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person’s name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a Registered Shareholder.**

## VOTING BY PROXY

Common shares of the Corporation (the “Shares”) represented by properly executed proxies in the accompanying form will be voted or withheld from voting on each respective matter in accordance with the instructions of the Registered Shareholder on any ballot that may be called for and if the Registered Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.

**If no choice is specified and one of the Management Proxyholders is appointed by a Registered Shareholder as proxyholder, such person will vote in favour of each matter identified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting, including for the nominees of management for directors and auditor. If a choice is specified, the Shares will be voted accordingly.**

**The enclosed form of proxy also confers discretionary authority upon the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting.** At the date of this Information Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.

## COMPLETION AND RETURN OF PROXY

Completed forms of proxy must be deposited at the office of the Corporation’s registrar and transfer agent, Computershare Investor Services Inc., 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

## NOTICE-AND-ACCESS

The Corporation is not sending this Information Circular to registered or beneficial shareholders using “notice-and-access” as defined under NI 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer (“NI 54-101”) of the Canadian Securities Administrators.

## NON-REGISTERED HOLDERS

**Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Corporation are “non-registered” shareholders because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares.** More particularly, a person is not a Registered Shareholder in respect of Shares which are held on behalf of that person (the “**Non-Registered Holder**”) but which 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, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. (“**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 Corporation are referred to as “NOBO’s”. Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Corporation are referred to as “OBO’s”.

In accordance with the requirements of NI 54-101 of the Canadian Securities Administrators, the Corporation has elected to send the Notice of Meeting, this Information Circular and the proxy (collectively, the “**Meeting Materials**”) directly to the NOBO’s. The security holder materials are being sent to both registered and non-registered owners who have not objected to the Intermediary through

which their Shares are held disclosing ownership information about themselves to the Corporation. If you are a NOBO, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

If you are a Beneficial Shareholder, who has objected to the Intermediary through which your Shares are held disclosing ownership information about you to the Corporation, the Corporation does intend to pay for an Intermediary to deliver the Meeting Materials.

Meeting Materials sent to Non-Registered Holders, who have not waived the right to receive Meeting Materials are accompanied by a request for voting instructions (a “VIF”). This form is instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a Non-Registered Holder is able to instruct the Registered Shareholder how to vote on behalf of the Non-Registered Shareholder. VIF’s, whether provided by the Corporation or by an Intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Shares which they beneficially own. Should a Non-Registered Holder who receives a VIF wish to attend the Meeting or have someone else attend on his/her behalf, the Non-Registered Holder should strike out the names of the Management Proxyholders and insert the Non-Registered Holder’s name in the blank space provided. **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.**

#### **REVOCABILITY OF PROXY**

Any Registered Shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing, including a proxy bearing a later date, executed by the Registered Shareholder or by his attorney authorized in writing or, if the Registered Shareholder is a corporation, under its corporate seal, or by an officer or attorney thereof duly authorized. The instrument revoking the proxy must be deposited at the registered office of the Corporation at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting. **Only Registered Shareholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must, at least seven days before the Meeting, arrange for the Corporation or their respective Intermediary, as the case may be, to revoke the proxy on their behalf.**

## **PART 2 - VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

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### **Record Date**

On August 7, 2018, the record date for the Meeting (the “**Record Date**”), 449,064,075 Shares without par value were issued and outstanding, each share carrying the right to one vote. At a General Meeting of the Corporation, on a show of hands, every shareholder present in person shall have one vote and, on a poll, every shareholder shall have one vote for each share of which he or she is the holder. The Corporation has only one class of shares.

### **Voting Securities**

Only shareholders of record on the close of business on August 7, 2018, who either personally attend the Meeting, or who complete and deliver an Instrument of Proxy in the manner and subject to the provisions set out under the headings “Appointment of Proxyholder”, “Voting by Proxy” and “Completion and Return of Party” will be entitled to vote at the Meeting or any adjournment thereof. **Principal Holders**

The following table sets forth the only persons who as of the Record Date hereof to the knowledge of the directors and executive officers of the Corporation, beneficially own or control or direct, directly or indirectly, Shares carrying 10% or more of the voting rights attached to all outstanding Shares:

<b>Name</b>	<b>Number of Shares</b>	<b>Percentage</b>
Osisko Gold Royalties Ltd.	77,987,097	15.61%

### **Advance Notice Policy**

The Corporation has adopted a policy that contains a requirement for providing advance notice of nominations of directors (the “**Advance Notice Policy**”) in certain circumstances where nominations for election to the board of directors of the Corporation (the “Board”) are made by Shareholders. For an annual meeting of Shareholders, notice must be provided not less than 30 and not more than 65 days prior to the date of the annual meeting; save and except where the annual meeting is to be held on a date less than 50 days after the date on which the first public announcement of the date of such annual meeting was made, in which event notice may be given not later than the close of business on the 10<sup>th</sup> day following such public announcement. The Advance Notice Policy is available on the Corporation’s website.

## **PART 3 – THE BUSINESS OF THE MEETING**

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### **1. NUMBER AND ELECTION OF DIRECTORS**

The directors are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed.

Shareholder approval will be sought to fix the number of directors of the Corporation at seven.

Management proposes to nominate each of the seven persons listed below for election as directors. The information concerning such persons as set out below, is furnished by the individual nominees.

On March 15, 2013, the Board adopted a Majority Voting Policy. Pursuant to the Majority Voting Policy, in an uncontested election of directors of the Corporation, director nominees shall be listed individually and shareholders shall be allowed to vote for each director individually and any director nominee in respect of whom a greater number of votes “withheld” than votes “for” are validly cast will promptly submit his or her offer of resignation for the consideration of the Governance and Nominating Committee. Promptly following receipt of an offer of resignation arising from the foregoing circumstances, the Governance and Nominating Committee will meet to review the matter and make a recommendation to the Board after reviewing the matter. In considering the resignation offer, the Governance and Nominating Committee and the Board will consider all factors they deem relevant, including, but not limited to, any stated reasons why shareholders "withheld" votes from the election of the director, the length of service and the qualifications of the director, the director's contributions to the Corporation and the Board, and the effect any such resignation may have on the Corporation's ability to comply with any applicable laws or governance rules or policies. The decision of the Board whether to accept or reject a resignation offer will be disclosed to the public. A director who offers his or her resignation pursuant to this policy will not participate in any meeting of the Board or the Governance and Nominating Committee at which the resignation offer is considered. The Majority Voting Policy does not apply in circumstances involving contested director elections.

Information pertaining to the names of the persons to be nominated for election as directors, the positions and offices which they presently hold with the Corporation, their respective principal occupations or employments during the past five years if such nominee is not presently an elected director and the number of Shares which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the Record Date for the Meeting is set out below:

Name and Residence of Proposed Directors and Present Offices Held	Date Elected or Appointed a Director	Principal Occupation <sup>(1)</sup>	Number & Percentage of Shares Owned (Basic)
Robert McLeod <sup>(7)(10)</sup> British Columbia, Canada <i>CEO, President &amp; Director</i>	July 16, 2009	President and Chief Executive Officer of the Corporation, since Oct 2013 to present,	1,540,632 0.31%
Andrew Farncomb <sup>(2)(4)(5)(6)(11)</sup> Ontario, Canada <i>Lead Director</i>	May 13, 2014	Principal at Cairn Merchant Partners, LP from Mar 2012 to present and Senior Vice President Contact Gold from June 2017 to present.	627,659 <sup>(6)</sup> 0.14%
Michael McPhie <sup>(3)(7)(11)(12)</sup> British Columbia, Canada <i>Chair &amp; Director</i>	Jan. 8, 2014	Executive Chair of the Corporation from Apr 2014 to Mar 2018; CEO of Falkirk Resource Consultants from Sept 2008 to present; CEO and President of Prize Mining Corporation Feb 2018 to present and Chair of Ridley Terminals Inc from Sept 2017 to present.	821,706 <sup>(4)</sup> 0.16%
David Parker <sup>(6)(7)(10)(11)(12)</sup> British Columbia, Canada <i>Director</i>	May 13, 2014	Adjunct Professor and Executive in Residence at Norman B. Keevil Institute of Mining Engineer at the University of British Columbia from 2014 to present; Founding partner of Chanequity Investments from 2017 to present; and President of Artisan Resources Corporation.	54,167 0.01%
Duncan Middlemiss <sup>(4)(5)(6)(7)(10)(11)(12)(13)</sup> Ontario, Canada <i>Director</i>	Feb. 9, 2017	President, Chief Executive Officer and a director of Wesdome Gold Mines Ltd from Jul 2016 to present; President and CEO of St. Andrew Goldfields Ltd. from Oct 2013 to Jan 2016.	-
Andree St-Germain <sup>(4)(5)(6)(10)(11)(12)</sup> British Columbia, Canada <i>Director</i>	Oct. 18, 2017	CFO of Integra Resources Corp from Aug 2017 to present; CFO of Integra Gold Corp from Mar 2017 to July 2017; CFO of Golden Queen Mining Ltd from Sep 2013 to Mar 2017	-
Terence Harbort British Columbia, Canada <i>Director</i>	Oct. 18, 2017	Chief Geoscientist of Barkerville Gold Mines Ltd from May 2017 to present; VP President of Exploration of Talisker Exploration Services Inc from 2010 to present. VP Corporate Development Sable Resources Ltd from Nov 2017 to present	-

- (1) Includes occupation for the preceding five years unless the director was elected in the previous annual meeting and was shown as a nominee for election as a director in the information circular for that meeting.
- (2) Appointed Lead Director November 7, 2017
- (3) Resigned as Executive Chair March 23, 2018 and appointed Chair on same date
- (4) Member of Audit Committee.
- (5) Member of Compensation Committee
- (6) Member of Governance and Nominating Committee
- (7) Member of Safety and Sustainability Committee
- (8) 724,206 Shares held directly; 97,500 Shares are owned through family members
- (9) 129,100 Shares held directly; 498,559 shares are held through Highland Capital Advisors Inc., a company that is controlled by Andrew Farncomb
- (10) Mr. Parker resigned as member of the Compensation Committee on March 17, 2017. Mr. Wober was appointed as a member of the Compensation Committee on March 17, 2017 and resigned on October 18, 2017. Mr. McLeod resigned as a member of the Compensation Committee on October 30, 2017. Mr. Wober and Mr. McLeod were replaced by Mr. Middlemiss and Ms. St-Germain on October 30, 2017.
- (11) Mr. Wober was appointed and Mr. Farncomb resigned as a member of the Governance and Nominating Committee. Mr. Wober resigned on October 18, 2017. On October 30, 2017 Mr. McPhie resigned and Ms. St. Germain and Mr. Middlemiss as members of the Governance and Nominating Committee. Mr. Farncomb was reappointed as a member of the Governance and Nominating Committee on March 23, 2018.
- (12) Mr. McPhie was replaced by Mr. Middlemiss as a member of the Audit Committee on March 17, 2017. Mr. Parker was replaced as member of the Audit Committee by Ms. St-Germain on October 30, 2018.
- (13) Mr. Wober was replaced by Mr. Middlemiss as a member of the Safety and Sustainability Committee on March 17, 2017.

***Unless such authority is withheld, the persons named in the form of proxy accompanying this Information Circular intend to vote for the election of the foregoing individuals as directors until the close of the next following annual general meeting of the Shareholders or until their successors are elected.***

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, and each director and executive officer of the Corporation acts solely in his or her own capacity. All of the proposed nominees are residents in Canada. Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Corporation, no director or executive officer of the Corporation, or a personal holding company of such person 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 (“**CEO**”) or chief financial officer (“**CFO**”) of any company that:

- (a) was subject to a cease trade or similar order to a cease trade 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, that was issued while the director or executive officer was acting in the capacity as a director, CEO or CFO of such company; or
- (b) was subject to a cease trade or similar order to a cease trade 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, that was issued after the director or executive officer ceased to be a director, CEO or CFO, but which resulted from an event that occurred while the director or executive officer was acting in the capacity as director, CEO or CFO of such company.

To the knowledge of the Corporation, no director or executive officer of the Corporation, or a shareholder holding a sufficient number of securities to affect materially the control of the Corporation, or a personal holding company of such person:

- (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 or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 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, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer;
- (c) has been subject to 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
- (d) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### *Conflicts of Interest*

The Corporation’s directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Corporation may participate, the directors of the Corporation may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Corporation’s directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any

one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. The directors of the Corporation are required to act honestly, in good faith and in the best interests of the Corporation. In determining whether or not the Corporation will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Corporation may be exposed and its financial position at that time.

The directors and officers of the Corporation are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosures by the directors of conflicts of interest and the Corporation will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers. All such conflicts will be disclosed by such directors or officers in accordance with the *Business Corporations Act* (British Columbia) and shall govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

To the best of the Corporation's knowledge, and other than as disclosed above and elsewhere in this Information Circular, there are no known existing or potential conflicts of interest among the Corporation, its subsidiaries, directors and officers or other members of management of the Corporation or its subsidiaries as a result of their outside business interests.

## **2. REMUNERATION AND APPOINTMENT OF AUDITOR**

Davidson & Company LLP, Chartered Accountants, of Vancouver, British Columbia are the auditors for the Corporation. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the re-appointment of Davidson & Company LLP as the auditor to hold office for the ensuing year at a remuneration, and on terms of engagement, to be fixed by the directors.

Davidson & Company LLP were first appointed as auditor in 2009.

## **3. ANNUAL APPROVAL OF STOCK OPTION PLAN**

The stock option plan (the "**Option Plan**") is a "rolling 10%" stock option plan pursuant to which up to 10% of the Corporation's issued and outstanding Shares from time to time may be reserved for issuance pursuant to stock options granted or subject to the Option Plan. In accordance with the policies of the TSXV rolling stock options plans must receive shareholder approval annually. Accordingly, at the Meeting, Shareholders will be asked to re-approve the Option Plan.

The Option Plan is intended to provide the Board with the ability to issue options to provide the employees, consultants, officers and directors of the Corporation with long-term equity-based performance incentives which are a key component of the Corporation's executive compensation strategy. The Corporation believes it is important to align the interests of management and employees with shareholder interests and to link performance compensation to enhancement of shareholder value. This is accomplished through the use of options whose value over time is dependent on market value.

The Option Plan incorporates the following terms and conditions;

- (a) The aggregate number of Shares which may be issued pursuant to options granted under the Option Plan, unless otherwise approved by shareholders, may not exceed that number which is equal to 10% of the Shares of the Corporation issued and outstanding at the time of the grant.
- (b) The number of Shares subject to each option will be determined by the Board, provided that the aggregate number of Shares reserved for issuance pursuant to options granted:
  - i. to any participant within a 12 month period shall not exceed 5% of the Shares outstanding at the time of the grant;

- ii. to an optionee conducting investor relations activities or to a consultant within a 12 month period shall not exceed 2% of the Shares outstanding at the time of grant; and
- iii. to insiders as a group within a 12-month period shall not exceed 10% of the outstanding Shares at the time of grant.

in each case calculated as the date of grant of the option, including all other Shares under option to such person at that time.

- (c) The Option Plan contains no vesting requirements but permits the Board to specify a vesting schedule in its discretion, other than options granted to consultants performing investor relations activities which must vest in stages over 12 months with no more than one-quarter vesting in any three-month period.
- (d) Under the Option Plan, options are required to have an exercise price no less than the closing market price of the Corporation's Shares prevailing on 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 TSXV.
- (e) In accordance with good corporate governance practices and as recommended by National Policy 51-201 *Disclosure Standards*, the Corporation imposes black-out periods restricting the trading of its securities by directors, officers, employees and consultants during periods surrounding the release of annual and interim financial statements, and at other times when deemed necessary by management and the Board. In order to ensure that optionees are not prejudiced by the imposition of such black-out periods, the Option Plan includes a provision (the "**Black-Out Provision**") to the effect that any outstanding stock options with an expiry date that falls during a management imposed black-out period or within five trading days thereafter will be automatically extended to a date that is ten trading days following the end of the black-out period.
- (f) The Option Plan provides that if a change of control (as defined therein) occurs, or if the Corporation is subject to a take-over bid, all Shares subject to stock options shall immediately become vested and may thereupon be exercised in whole or in part by the option holder. The Board of the Corporation may also accelerate the expiry date of outstanding stock options in connection with a take-over bid.
- (g) The Option Plan contains adjustment provisions with respect to outstanding options in cases of share reorganizations, special distributions and other corporation reorganizations including an arrangement or other transaction under which the business or assets of the Corporation become, collectively, the business and assets of two or more companies with the same shareholder group upon the distribution to the Corporation's shareholders, or the exchange with the Corporation's shareholders, of securities of the Corporation or securities of another company.
- (h) The Option Plan provides that, on the death or disability of an option holder, all vested options will expire at the earlier of one year after the date of death or disability and the expiry date of such options. Where an optionee is terminated for cause, any outstanding options (whether vested or unvested) are cancelled as of the date of termination. If an optionee retires or voluntarily resigns or is otherwise terminated by the Corporation other than for cause, then all vested options held by such optionee will expire at the earlier of (i) the expiry date of such options and (ii) the date which is 90 days (30 days if the optionee was engaged in investor relations activities) after the optionee ceases to be an eligible person under the Option Plan.
- (i) Options under the Option Plan cannot be assigned.

The foregoing is only a summary of the salient features of the Option Plan. A copy of the Option Plan may be inspected at the offices of the Corporation at Suite 1800 – 555 Burrard Street, Vancouver, British Columbia during normal business hours and at the Meeting. In addition, a copy of the Option Plan will be mailed, free of charge, to any holder of Shares who requests a copy, in writing, from the Corporate Secretary of the Corporation. Any such requests should be mailed to the Corporation, at its head office, to the attention of the Corporation Secretary.

**Accordingly, shareholders will be asked at the meeting to consider and, if thought fit, to pass the following resolution to re-approve the Option Plan:**

**"BE IT RESOLVED as an ordinary resolution that:**

1. The Corporation's Stock Option Plan (the "**Option Plan**") as described in the Corporation's Information Circular dated August 7, 2018, be and it is hereby approved, subject to the acceptance for filing thereof by the TSX Venture Exchange and the grant of options thereunder in accordance therewith, be approved;
2. the number of Common Shares reserved for issuance under the Plan shall be no more than 10% of the Corporation's issued and outstanding share capital at the time of any stock option grant;
3. the Board of the Corporation be authorized to make any changes to the Option Plan as may be required or permitted by the TSX Venture Exchange;
4. any officer or director of the Corporation is authorized and directed to execute and deliver, all such documents and instruments and to do all such acts as, in the opinion of such officer or director, may be necessary or desirable to give effect to this resolution; and
5. Notwithstanding that this resolution has been duly passed by the shareholders of the Corporation, the Option Plan is conditional upon receipt of final approval from the TSX Venture Exchange and the directors of the Corporation are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Corporation at any time if such revocation is considered necessary or desirable by the directors."

If named as proxy, the Management Nominees intend to vote the Shares represented by such Proxy at the Meeting for the approval of the Option Plan, unless otherwise directed in the instrument of Proxy.

As an ordinary resolution must be passed by a simple majority of 50% plus one of the votes cast at the Meeting by the shareholders entitled to vote, who are represented in person or by proxy at the Meeting.

## **PART 4 – NAMED EXECUTIVE OFFICER COMPENSATION**

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In this section, “Named Executive Officer” means (a) the Chief Executive Officer (or an individual who acted in a similar capacity), (b) the Chief Financial Officer (or an individual who acted in a similar capacity), (c) each of the Corporation’s three other most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, whose total salary and bonus during the financial year ended October 31, 2017 exceeded \$150,000. The Corporation had three named executive officers (each, a “**Named Executive Officer**” or “**NEO**”) during the financial year ended October 31, 2017, namely: Robert McLeod, CEO, President and a Director; Susan Neale, CFO and Michael McPhie, former Executive Chair.

### **Compensation Discussion and Analysis**

The following discussion and analysis describes and explains the significant elements of the Corporation’s compensation programs, with particular emphasis on the process for determining compensation payable to the Named Executive Officers, for the most recently completed financial year.

#### *Compensation Philosophy and Objectives*

The compensation of the Named Executive Officers is determined by the Board upon recommendations by the Compensation Committee. The Compensation Committee is currently comprised of Andrew Farncomb (“Chair”), Duncan Middlemiss, and Andree St. Germain.

The Corporation’s executive compensation program is generally designed to pay for performance and be competitive with other companies of comparable size in the same field of activity. The CEO makes recommendations to the Compensation Committee as to the compensation of the Corporation’s executive officers, other than himself. The Compensation Committee makes recommendations to the Board as to the compensation of the CEO and the other Named Executive Officers. The general objective of the Corporation’s compensation philosophy is to: (i) compensate management in a manner that encourages and rewards a high level of performance and outstanding results, with a view to increasing long-term shareholder value; (ii) align management’s interests with the long-term interests of shareholders; (iii) provide a compensation package that is commensurate with other mining exploration companies in order to enable the Corporation to attract and retain talent; and (iv) ensure that the total compensation package is designed in a manner that takes into account the constraints under which the Corporation operates by virtue of the fact that it is a mining exploration company without a history of earnings.

The Compensation Committee annually reviews each of the components and relevant competitive factors listed below and makes recommendations to the Board based on corporate and individual performance, taking into account leadership abilities, retention, risk and succession plans. Interested executives do not participate in reviews, discussions or decisions of the Board regarding this remuneration.

The Board is of the view that all three Compensation Committee members have direct experience that is relevant to their responsibilities in executive compensation acquired from working as senior executives and/or directors of other publicly traded companies in the junior natural resource sector.

These collective skills and extensive experience enable the Compensation Committee to make decisions on the suitability of the Corporation’s compensation policies and practices.

### *Elements of Executive Compensation*

The compensation of the Named Executive Officers consists of three main components: base salary or fees, short-term incentive compensation (discretionary annual cash bonuses) (“**STIP**”) and long-term incentives, currently in the form of stock options (“**LTIP**”). The following discussion describes the components of compensation and discusses how each component relates to the Corporation’s overall executive compensation objective. The Corporation believes that:

- base salaries or fees provide an immediate cash incentive for the Named Executive Officers and intended to be at levels competitive with, but not at the high end of the range of, similar issuers in the junior natural resource market. It also reflects the capabilities of the individual over an extended period of time;
- annual cash bonus (STIP) is a portion of variable compensation that is designed to reward executives on an annual basis for achievement of corporate and business objectives, relative to corporate and individual performance. Annual cash bonuses are intended to pay for performance, align with business strategy, and attract, retain and motivate;
- equity participation through the Corporation’s Option Plan is a portion of variable compensation that is designed to align the Named Executive Officers and shareholder interests, focus executives on long-term value creation and also support the retention of key executives. LTIP awards are intended to align shareholder interests, pay for performance, attraction, retention and motivation.

*Base Salary:* The primary element of the Corporation’s compensation program is base salary or fee. The Corporation’s view is that a competitive base salary or fee is a necessary element for retaining qualified executive officers. Base salary or fee is established by taking into account level of skills, expertise and capabilities demonstrated by the senior executives, individual performance and experience, level of responsibility and competitive pay practices by comparable junior natural resource issues.

Base salary or fee is reviewed annually by the Board and are adjusted, if appropriate to reflect performance and market changes taking into account the recommendation of the Compensation Committee.

In addition to base salary or fee, the Named Executive Officers are reimbursed by the Corporation for reasonable-out-of-pocket expenses incurred in connection with their employment with the Corporation.

*Short-Term Incentives:* Performance bonuses are payable in cash and the amount payable is based on the Compensation Committee’s assessment of the Corporation’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 as well as health, safety and environmental requirements, resource growth, and the attainment of other corporate milestones).

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

Going forward it is the intention of the Board that the short-term incentive program be linked to corporate objectives and scorecard approved by the Board.

Achieving predetermined individual and/or corporate targets and objectives, as well as general performance in day to day corporate activities, will trigger the award of a bonus payment to the Named Executive Officers. The Named Executive Officers will receive a partial or full incentive payment depending on the number of the predetermined targets met and the Board’s assessment of overall

performance. The determination as to whether a target has been met is ultimately made by the Board. The Board will reserve the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate.

*Long-Term Incentives:* The Corporation provides for equity participation in the Corporation through its Option Plan. The granting of stock options is designed to give each option holder an interest in preserving and maximizing shareholder value in the longer term, to enable the Corporation to attract and retain individuals with experience and ability, and to reward individuals for current performance and expected future performance.

An aggregate of 4,300,000 options were granted and vested immediately to the Named Executive Officers under the Option Plan during the most recently completed financial year end.

Options may be granted to purchase common shares on terms that the Board may determine, with recommendations from the Compensation Committee, and subject to the limitations of the Corporation's prevailing Option Plan and the requirements of applicable regulatory authorities. The 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 Corporation, and compensation policies, including the Option Plan.

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

#### *Comparative Group*

As part of its annual review process, the Compensation Committee conducts an analysis to examine and compare the Corporation's compensation programs with a group of comparable companies to ensure the competitiveness and reasonableness of the compensation offered. In 2017, the Corporation's compensation levels and practices were compared to those of three Canadian exploration companies (the "Comparative Group"), including companies that explore for gold, and with market capitalization and financial performance comparable to those of the Corporation, taking into consideration the size of the Corporation, the geographic markets in which it operates, and the responsibilities of its executive officers. The Comparative Group was comprised of the following companies: Barkerville Gold Mines Ltd, Integra Gold Corp. and Pure Gold Corporation.

#### *Compensation Process*

The Board, upon recommendation of the Compensation Committee, attempts to ensure that total compensation paid to the Named Executive Officers is fair and reasonable and accomplishes the following long-term objectives:

- compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value;
- align management's interests with the long-term interests of shareholders;
- provide a compensation package that is commensurate with other mining exploration companies in order to enable the Corporation to attract and retain talent; and
- ensure that the total compensation package is designed in a manner that takes into account the constraints under which the Corporation operates by virtue of the fact that it is a mining exploration company without a history of earnings.

### *Assessment of Risks Associated with the Corporation's Compensation Policies and Practices*

The Compensation Committee has assessed the Corporation's compensation plans and programs for its executive officers to ensure alignment with the Corporation's business plan and to evaluate the potential risks associated with those plans and programs. The Compensation Committee has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Corporation. The Corporation's long-term incentives, which include stock options, comprise a significant portion of the executives' compensation package, and are intended to align the executive compensation with the interest of the Corporation's shareholders.

The Compensation Committee intends to continue such risk assessments on an annual basis and also consider the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

The Corporation has not adopted a policy restricting its Named Executive Officers or directors from purchasing financial instruments that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its Named Executive Officers or directors. To the knowledge of the Corporation, none of the Named Executive Officers or directors has purchased such financial instruments.

### *Summary Named Executive Compensation Table*

The following table sets forth information concerning compensation to each of the NEOs during the three most recently completed financial years:

Name and Principal Position	Year	Salary <sup>(1)</sup> (\$)	Share-based awards (\$)	Option-based awards <sup>(2)</sup> (\$)	Non-equity incentive Plan contribution (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
Michael McPhie Director, Former Executive Chair <sup>(3)</sup>	2017	60,000	n/a	181,998	Nil	Nil	Nil	227,500	469,498
	2016	60,000	n/a	320,583	Nil	Nil	Nil	83,000	463,583
	2015	45,000	n/a	80,056	Nil	Nil	Nil	24,000	149,056
Robert McLeod CEO <sup>(2)</sup> , President <sup>(4)</sup> , Director	2017	252,000	n/a	227,498	Nil	Nil	Nil	100,800	580,298
	2016	192,000	n/a	466,302	Nil	Nil	Nil	20,000	678,302
	2015	138,000	n/a	100,656	Nil	Nil	Nil	Nil	238,656
Susan Neale CFO <sup>(5)</sup>	2017	152,500	n/a	79,624	Nil	Nil	Nil	30,000	262,124
	2016	90,000	n/a	145,719	Nil	Nil	Nil	10,000	235,719
	2015	60,000	n/a	38,411	Nil	Nil	Nil	Nil	98,411

1. This includes the total value of cash and non-cash base salary or fees that the Named Executive Officer earned during the financial year.
2. The Corporation uses the Black-Scholes option pricing model for determining the fair value of options issued at grant date. The key assumptions in the model were in accordance with generally accepted accounting principles as shown in the Corporation's financial statements for the fiscal years ended October 31, 2017, 2016 and 2015. The key assumptions include the risk-free interest rate, the dividend yield, the expected annual volatility of the Corporation's share price and the expected life of the options. The amount presented in the table represents the fair value of the vested and unvested portion of the options granted in the period. It should be recognized that the actual future value will be based on the difference between the market value at time of exercise and the exercise price. Therefore, the value attributed to the stock options under the Black-Scholes model does not necessarily correspond to the actual future value that will be recognized.
3. Mr. McPhie was appointed Executive Chair on April 9, 2014, resigned March 23, 2018 and was appointed Chair on the same date. Amounts were paid to Falkirk Resource Consultants Ltd., a private company controlled by Mr. McPhie. All other compensation relates to fees paid in relation to management of the permitting of the Red Mountain property and 2017 and 2016 includes a \$84,000 and \$5,000 bonus paid, respectively, to Mr. McPhie.
4. Mr. McLeod was appointed CEO and President on October 11, 2013. Effective January 1, 2017, Mr. McLeod transitioned to an employee of the Corporation. All amounts prior to January 1, 2017 were paid to Linus Geological Ltd., a private company controlled by Mr. McLeod. All other compensation includes bonuses paid to Linus Geological Ltd.
5. Ms. Neale was appointed CFO on September 15, 2014 and transitioned to an employee of the Corporation effective April 1, 2017. All other compensation includes a bonus paid to Ms. Neale.

**Incentive Plan Awards:****Outstanding Share-Based Awards and Option-Based Awards**

The following table sets forth information concerning all awards outstanding under incentive plans of the Corporation at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the Named Executive Officers:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>1</sup>	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested	Market or payout value of vested share-based awards not paid out or distributed
<b>Michael McPhie</b> Executive Chair	700,000 200,000 750,000 2,200,000 1,600,000	\$0.24 \$0.11 \$0.10 \$0.19 \$0.15	Jul 4/19 Apr. 27/20 Oct. 28/20 May 11/21 Feb 1/22	Nil Nil 7,500 Nil Nil	N/A	N/A	N/A
<b>Robert McLeod</b> CEO and President	1,150,000 200,000 1,000,000 3,200,000 2,000,000	\$0.24 \$0.11 \$0.10 \$0.19 \$0.15	Jul 4/19 Apr. 27/20 Oct. 28/20 May 11/21 Feb 1/22	Nil Nil 10,000 Nil Nil	N/A	N/A	N/A
<b>Susan Neale</b> CFO	150,000 150,000 300,000 1,000,000 700,000	\$0.30 \$0.11 \$0.10 \$0.19 \$0.15	Oct 10/19 Apr. 27/20 Oct. 28/20 May 11/21 Feb 1/22	Nil Nil 3,000 Nil Nil	N/A	N/A	N/A

1. The value of unexercised "in-the-money options" is based on the difference between the market value of the Corporation's common shares on October 31, 2017 and the exercise price of the options. The closing price of the Corporation's common shares on the TSX Venture at October 31, 2017 was \$0.11

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

The following table sets forth incentive plan awards for each NEO for the most recently completed financial year:

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
<b>Michael McPhie</b> Executive Chair	Nil	Nil	Nil
<b>Robert McLeod</b> CEO and President	Nil	Nil	Nil
<b>Susan Neale</b> CFO	Nil	Nil	Nil

1. This amount is the aggregate dollar-value that would have been realized if the options under the option based awards had been exercised on the vesting date. It is calculated by the difference between the exercise price of the option and the market price on the date of vesting. If the option was not in the money then a Nil value was assigned.

### ***Defined Benefit or Actuarial Plan***

The Corporation does not have in place a defined benefit plan or defined contribution plan that provides for payments or benefits at, following, or in connection with retirement. The Corporation does not have any deferred compensation plans for Named Executive Officers in place.

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

The Corporation has not provided compensation, monetary or otherwise, during the preceding fiscal year, to any person who acts or has previously acted as a Named Executive Officer in connection with or related to the retirement, termination or resignation of such person. The Corporation has not provided any compensation to such persons as a result of a change of control of the Corporation.

### **Material Terms of NEO Agreements**

#### Michael McPhie, Former Executive Chairman

The Corporation had engaged Falkirk Resource Consults Ltd (“**Falkirk**”), a private company controlled by Mr. McPhie to provide executive services and in particular, to provide the services of Mr. McPhie to serve as an executive officer and a director of the Corporation. In July 2015, the Corporation entered into a management consulting agreement with Falkirk (the “**Falkirk Consulting Agreement**”) which established the monthly consulting fee payable to Falkirk at \$5,000 per month. Mr. McPhie resigned as Executive Chairman on March 23, 2018 and was appointed Chair on the same date.

In addition, the Corporation has engaged Falkirk to provide management and oversight of the permitting of the Corporation’s Red Mountain property and in particular, to provide the services of Mr. McPhie to act as the Corporation’s representative with respect to regulatory agencies. The Corporation initially paid a retainer of \$6,000 per month (July 2015 to November 2016) to Falkirk for the services of Mr. McPhie. Effective December 1, 2016, the monthly retainer payable to Falkirk was \$12,500.

#### Robert McLeod, President and CEO

Mr. McLeod was appointed as President and CEO under a consulting agreement and transitioned to an employment agreement (the “**McLeod Agreement**”) with an effective date of April 1, 2017. Pursuant to the McLeod Agreement, the Corporation will pay Mr. McLeod a base salary of \$275,000 per annum for his services as President and CEO of the Corporation, evaluated on an annual basis and subject to adjustments at the sole discretion of the Board. The Corporation shall also provide a discretionary bonus payment or bonus opportunities (together, the “**McLeod Performance Bonus**”), on terms determined by the Board. The McLeod Agreement further provides for the following payments:

- Following the termination of Mr. McLeod’s employment by the Corporation without cause, the Corporation will be required to pay him on termination 24 month’s base salary, plus two times the average of the McLeod Performance Bonus payment (STIP) received by Mr. McLeod in the previous two years. Mr. McLeod shall also continue to participate in the Corporation’s health and medical benefits for 24 months following the termination date (collectively the “**McLeod Severance Package**”).
- If there is a change of control of the Corporation, and within 12 months of such change of control (i) Mr. McLeod is terminated without cause or (ii) triggering event (as defined in the McLeod Agreement such as a significant diminution of his duties or responsibilities) occurs and Mr. McLeod elects to terminate his employment within six months of the triggering event, Mr. McLeod will be entitled to receive to receive the Severance Package.

Susan Neale, CFO

Ms. Neale was appointed as CFO under a consulting agreement and transitioned to an employment agreement (the “**Neale Agreement**”) with an effective date of April 1, 2017. Pursuant to the Neale Agreement, the Corporation will pay Ms. Neale a base salary of \$180,000 per annum for her services as CFO of the Corporation, evaluated on an annual basis and subject to adjustments at the sole discretion of the Board. The Corporation shall also provide a discretionary bonus payment or bonus opportunities (together, the “**Neale Performance Bonus**”), on terms determined by the Board. The Neale Agreement further provides for the following payments:

- Following the termination of Ms. Neale’s employment by the Corporation without cause, the Corporation will be required to pay her on termination 12 month’s base salary, plus the amount equivalent to an average of the annual Neale Performance Bonus payment (STIP) received by Ms. Neale in the previous two years (the “**Neale Severance Payment**”).
- If there is a change of control of the Corporation, and within 12 months of such change of control (i) Ms. Neale is terminated without cause or (ii) triggering event (as defined the Neale Agreement such as a significant diminution of her duties or responsibilities) occurs and Ms. Neale elects to terminate her employment within six months of the triggering event, Ms. Neale will be entitled to receive double the Neale Severance Payment. Ms. Neale shall also continue to participate in the Corporation’s health and medical benefits for 24 months following the termination date.

**Summary of Termination Payments**

The below represents the estimated incremental payments that would be payable by the Corporation to Mr. McLeod and Ms. Neale upon termination without cause or termination on a Change of Control, assuming the triggering event occurred as of August 7, 2018.

<b>NEO</b>	<b>Termination not for Cause</b>	<b>Termination on a Change of Control</b>
<b>Robert McLeod, CEO and President</b>		
Salary and Benefits	\$568,000	\$568,000
Bonus	\$230,800	\$230,800
Total	\$798,800	\$798,800
<b>Susan Neale, CFO</b>		
Salary and Benefits	\$180,000	\$378,000
Bonus	\$47,500	\$95,000
Total	\$227,500	\$473,000

## PART 5 – DIRECTOR COMPENSATION

The following table sets forth the details of compensation provided to the persons, other than the Named Executive Officers, who served as directors during all or part of the Corporation's most recently completed financial year:

Director Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Andrew Farncomb	36,000	n/a	68,250	n/a	n/a	Nil	104,249
David Parker	24,000	n/a	68,250	n/a	n/a	Nil	92,249
Gernot Wober <sup>(2)</sup>	24,000	n/a	68,290	n/a	n/a	Nil	92,249
Duncan Middlemiss <sup>(3)</sup>	18,000	n/a	153,092	n/a	n/a	Nil	171,092
Andree St-Germain <sup>(4)</sup>	1,500	n/a	104,811	n/a	n/a	Nil	106,311
Terence Harbort <sup>(4)</sup>	1,000	n/a	104,811	n/a	n/a	Nil	105,811

1. The Corporation uses the Black-Scholes option pricing model for determining the fair value of options issued at grant date. The key assumptions in the model were in accordance with generally accepted accounting principles as shown in the Corporation's financial statements for the fiscal years ended October 31, 2017. The key assumptions include the risk-free interest rate, the dividend yield, the expected annual volatility of the Corporation's share price and the expected life of the options. The amount presented in the table represents the fair value of the vested and unvested portion of the options granted in the period. It should be recognized that the actual future value will be based on the difference between the market value at time of exercise and the exercise price. Therefore, the value attributed to the stock options under the Black-Scholes model does not necessarily correspond to the actual future value that will be recognized.
2. Mr. Wober resigned from the board on October 18, 2017.
3. Mr. Middlemiss was appointed to the board on February 9, 2017
4. Ms. St. Germain and Mr. Harbort each were appointed to the board on October 18, 2017.

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

The following table sets forth the incentive plan awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year.	Option-based Awards				Share-based Awards		
	Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option Expiration Date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Andrew Farncomb	250,000	\$0.24	Jul 4/19	Nil	Nil	Nil	Nil
	150,000	\$0.11	Apr 27/20	Nil	Nil	Nil	Nil
	300,000	\$0.10	Oct 28/20	3,000	Nil	Nil	Nil
	750,000	\$0.19	May 11/21	Nil	Nil	Nil	Nil
	600,000	\$0.15	Feb 1/22	Nil	Nil	Nil	Nil
David Parker	250,000	\$0.24	Jul 4/19	Nil	Nil	Nil	Nil
	150,000	\$0.11	Apr 27/20	Nil	Nil	Nil	Nil
	250,000	\$0.10	Oct 28/20	2,500	Nil	Nil	Nil
	600,000	\$0.19	May 11/21	Nil	Nil	Nil	Nil
	600,000	\$0.15	Feb 1/ 22	Nil	Nil	Nil	Nil
Gernot Wober	750,000	\$0.19	May 11/21	Nil	Nil	Nil	Nil
	600,000	\$0.15	Feb 1/ 22	Nil	Nil	Nil	Nil
Duncan Middlemiss	1,000,000	\$0.17	Feb 9/22	Nil	Nil	Nil	Nil
Andree St. Germain	1,000,000	\$0.14	Oct 18/22	Nil	Nil	Nil	Nil
Terence Harbort	1,000,000	\$0.14	Oct 18/22	Nil	Nil	Nil	Nil

1. The aggregate dollar amount of in-the-money unexercised options held at the end of the year is calculated based on the difference between the market value of the securities underlying the instruments at the end of the year, and the exercise or base price of the option. The closing price of the Corporation's shares on October 31, 2017 was \$0.11 per share.

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

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed fiscal year by each director:

Name	Option-based awards – Value vested during the year(\$) <sup>1</sup>	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year(\$)
Andrew Farncomb	Nil	n/a	n/a
David Parker	Nil	n/a	n/a
Gernot Wober	Nil	n/a	n/a
Duncan Middlemiss	Nil	n/a	n/a
Andree St. Germain	Nil	n/a	n/a
Terence Harbort	Nil	n/a	n/a

1. This amount is the aggregate dollar-value that would have been realized if the options under the option based awards had been exercised on the vesting date. It is calculated by the difference between the exercise price of the option and the market price on the date of vesting. If the option was not in the money then a Nil value was assigned.

### PART 6 – SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information with respect to the Corporation's equity compensation plans under which Shares are authorized for issuance as at October 31, 2017.

Plan category	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (1)
Equity compensation plans approved by security holders	30,755,000	\$0.17	9,025,852 <sup>2</sup>
Equity compensation plans not approved by security holders	n/a	n/a	n/a
<i>Total</i>	30,755,000	\$0.17	9,025,852

1. Securities under these compensation plan does not include securities other than options exercisable for Shares
2. This figure is based on the aggregate total number of Shares authorized for issuance under the Option Plan (39,780,852), less the number of stock options outstanding (30,755,000), as at October 31, 2017.

## PART 7 – CORPORATE GOVERNANCE

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TSX.V-listed companies are required to describe, on an annual basis, their practices and policies with regards to corporate governance by way of a corporate governance statement contained in the Corporation’s annual report or information circular. The disclosure is required to be made pursuant to National Instrument 58-101, *Disclosure of Corporate Governance Practices*, and guidelines contained in National Policy 58-201, *Corporate Governance Guidelines*, against which the Corporation has reviewed its own corporate governance practices. In certain cases, the Corporation’s practices comply with the guidelines; however, the Board considers that some of the guidelines are not suitable for the Corporation at its current stage of development and therefore these guidelines have not been adopted.

### Board of Directors

In accordance with section 1.4 of National Instrument 52-110 – *Audit Committees* (“**NI-52-110**”) a member of the Board is “independent” if he or she has no direct or indirect “material relationship” with the Corporation. “Material relationship” is defined as a relationship which could, in the view of the Corporation’s Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

### Composition

The Board consists of seven directors, the majority of which five are independent under NI 52-110. The following table identifies directors who are independent and those directors who are not independent under NI 52-110, along with the basis for determining independent status.

Name	Management	Independent	Reason for Related Status
Robert McLeod	Yes	No	President and CEO
Michael McPhie	No	No	Executive officer within the last three years
Andrew Farncomb	No	Yes	
Duncan Middlemiss	No	Yes	
David Parker	No	Yes	
Andree St. Germain	No	Yes	
Terrence Harbort	No	Yes	

The members of the Corporation’s Board have diverse backgrounds and expertise, and were selected on the belief that the Corporation and its stakeholders would benefit materially from such a broad range of talent and experience. As the need for new Directors or executive officers arises, the Board and the Governance and Nomination Committee assess candidates on the basis of knowledge, industry experience, financial literacy, professional ethics and business acumen, among other factors.

### *Directorships*

As of the date of this Information Circular, the directors of the Corporation are currently directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

<b>Director</b>	<b>Reporting Issuer<sup>(1)</sup></b>
Robert McLeod	Gold Standard Ventures Corp
Michael McPhie	Independence Gold Corp. Prize Mining Corporation
Andrew Farncomb	Contact Gold Corp. Canterra Minerals Corporation Northern Superior Resources Inc. Excellon Resources Corp.
Duncan Middlemiss	Wesdome Gold Mines Ltd
David Parker	N/A
Andree St. Germain	Barkerville Gold Mines Ltd
Terrence Harbort	Sable Resources Ltd

(1): The above information has been provided by the directors as of the date of the Information Circular and has not been independently verified by the Corporation.

### *Independent Director Meetings*

The independent directors of the Corporation do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance; however, at each meeting of the Board, the independent members are afforded the opportunity to meet separately. In order to further facilitate open and candid discussion among its independent directors, and to facilitate the Board's exercise of independent judgment in carrying out its responsibilities, the Board is continuing its policy of encouraging its independent directors to meet at any time they consider necessary, without any members of management or non-independent directors being present. During the Corporation's fiscal year October 31, 2017, the independent members of the Board met without non-independent directors and members of management.

### *Lead Director and Chair*

The Board has concluded that Mr. Michael McPhie, the Chair of the Board, is a non-independent director. See "Composition of the Board" above. In November 2017, the Corporation appointed Andrew Farncomb as independent lead director ("**Lead Director**"). The Board has adopted a description for the role of Lead Director and Chair. See "Position Descriptions" below.

## ***Attendance***

In the financial year ended October 31, 2017, the Corporation's Board held seven (7) formal board meetings. All other Board decisions were passed by way of consent resolution following informal discussions amongst the directors and management. The attendance record of each director for the board meetings held in the most recently completed financial year is as follows:

<b>Name of Director</b>	<b>Board Meetings</b>	<b>Audit Committee</b>	<b>Governance and Nominating Committee</b>	<b>Compensation Committee<sup>(9)</sup></b>	<b>Safety and Sustainability Committee</b>	<b>Financial Year 2017 Attendance</b>
Robert McLeod <sup>(1)</sup>	7/7	N/A	N/A	0/0	2/2	100%
Michael McPhie <sup>(2)</sup>	7/7	1/1	1/1	N/A	2/2	100%
Andrew Farncomb <sup>(3)</sup>	7/7	3/3	0/0	0/0	N/A	100%
David Parker <sup>(4)</sup>	7/7	3/3	1/1	0/0	2/2	100%
Gernot Wober <sup>(5)</sup>	6/6	N/A	1/1	0/0	0/0A	100%
Duncan Middlemiss <sup>(6)</sup>	6/6	2/3	0/0	0/0	2/2	100%
Andree St-Germain <sup>(7)</sup>	1/1	0/0	0/0	0/0	N/A	100%
Terence Harbort <sup>(8)</sup>	1/1	N/A	N/A	N/A	N/A	100%

1. Mr. McLeod ceased to be a member of the Compensation Committee on October 30, 2017.
2. Mr. McPhie ceased to be a member of the Audit Committee on March 17, 2017 and Governance and Nominating Committee on October 30, 2017.
3. Mr. Farncomb ceased to be a member of Governance and Nominating Committee on March 17, 2017 and was reappointed on March 23, 2018.
4. Mr. Parker ceased to be a member of the Compensation Committee on March 17, 2017 and the Audit Committee on October 30, 2017.
5. Mr. Wober resigned as a director on October 18, 2017. Mr. Wober became a member of the Compensation Committee and ceased to be a member on the Safety and Sustainability Committee on March 17, 2017. Mr. Wober ceased to be a member of the Governance and Nominating Committee on October 18, 2017.
6. Mr. Middlemiss was appointed as a director on February 9, 2017. Mr. Middlemiss became a member of the Audit Committee and the Safety and Sustainability Committee on March 17, 2017; and the Compensation Committee and Governance and Nominating Committee on October 30, 2017.
7. Ms. St-Germain was appointed as a director on October 18, 2017 and became a member of the Audit Committee and the Governance and Nominating Committee on October 30, 2017.
8. Terence Harbort was appointed as a director on October 18, 2017.
9. During financial year ended October 31, 2017 the Compensation Committee decisions and recommendations to the board were passed by way of consent resolution following informal discussions amongst the members and management.

## ***Mandate of the Board***

The mandate of the Board is to manage or supervise the management of the business and affairs of the Corporation and to act with a view to the best interests of the Corporation and its shareholders. In doing so, the Board oversees the management of the Corporation's affairs directly and through its committees. In fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Corporation's overall business strategies and its annual business plan, reviewing and approving the annual corporate budget and forecast, reviewing and approving significant capital investments outside the approved budget; reviewing major strategic initiatives to ensure that the Corporation's proposed actions align with shareholder objectives; reviewing succession planning; assessing management's performance against approved business plans and industry standards; reviewing and approving the reports and other disclosure issued to shareholders; ensuring the effective operation of the Board; and safeguarding shareholders' equity interests through the optimum utilization of the Corporation's capital resources.

### ***Position Descriptions***

The Board has adopted a written position for each of the Chair of the Board, Lead Director, a Chair of Board Committee and the CEO.

- Chair and Lead Director

The Board has established a written position description for each of the Chair and the Lead Director of the Board, who are responsible for, among other things, presiding at meetings of the Board and shareholders, providing leadership to the Board, managing the Board, acting as liaison between the Board and management, and representing the Corporation to external groups including shareholders, local communities and governments.

- Chair of Each Committee

The Board has established a written position description for the chair of each Board Committee, who are responsible for, among other things, providing effective leadership of the committee for which he or she is appointed as chair, to liaise with management and others, as appropriate, to ensure a candid and full discussion on all key matters that come before the committee, and to ensure that the responsibilities and duties of the committee as set out in its charter are being properly discharged.

- President and CEO

The Board has established a written position description for the CEO, who is responsible for, among other things, the day-to-day management of the business and the affairs of the Corporation. The CEO is also responsible for the assisting the Chair of the Board, the Lead Director and the Chairs of the Board committees to develop agendas for the Board and Board committee meetings to enable these entities to carry out their responsibilities, reporting to the Board in an accurate, timely and clear matter on all aspects of the business that are relevant so that the directors may objectively carry out their responsibilities, making recommendations to the Board on those matters on which the Board is required to make decisions, ensuring that the financial statements and other financial information contained in regulatory filings and other public disclosure fairly present the financial condition of the Corporation, ensuring the integrity of the financial and other internal control and management information systems and risk management systems, the promoting of ethical conduct within the Corporation, recruiting of senior management as may be directed by the Board, senior management development and succession, acting as the principal interface between the Board and senior management, promoting a safe work environment that is conducive to attracting, retaining and motivating high-quality employees, and speaking on behalf of the Corporation in its communication to its shareholders and the public.

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

The Governance and Nominating Committee of the Board is responsible, among other things, for determining appropriate orientation and education programs for new Board members. While the Corporation does not have formal orientation and training programs, new Board members are provided with:

- a) Information respecting the functioning of the Board, committees and copies of the Corporation's corporate governance policies;
- b) Access to recent, publicly filed documents of the Corporation;
- c) Access to management, auditors and technical consultants; and
- d) Further information and education as deemed appropriate and desirable by the Corporation's Governance and Nominating Committee on a case-by-case basis.

### ***Ethical Business Conduct***

The Board views good corporate governance as an integral component to the success of the Corporation and to meet responsibilities to Shareholders. The Board has adopted a written Code of Business Conduct and Ethics (the “Code”) which may be viewed by visiting the Corporation’s website at [www.idmmining.com](http://www.idmmining.com). The Board monitors compliance with the Code by requesting that any person who becomes aware of any existing or potential violation of the Code promptly notify the Chair of the Audit Committee. No material change report filed since the beginning of the Corporation’s most recently completed financial year, pertains to any conduct of a director or executive officer that constitutes a departure from the Code. In addition, the Corporation requires that directors who have a material interest declare that interest to the Board or committee thereof. The Governance and Nominating Committee is responsible (among other things) for overseeing the procedure for monitoring directors’ responsibility, diligence, and for avoiding conflict of interest.

### ***Nomination of Directors***

The Governance and Nominating Committee, composed entirely of independent directors, was formed for the purposes of assisting the Board in developing the Corporation’s approach to the nomination of directors. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members. For responsibilities, powers and operations of the Governance and Nominating Committee, see “*Orientation and Continuing Education*” above and “Governance and Nominating Committee” below.

### ***Assessments***

The Board, as such times as it deems appropriate, reviews the performance and effectiveness of the Board, the directors and its committees to determine whether changes in size, personnel or responsibilities are warranted. To assist in its review, the Board conducts informal surveys of its directors, receives reports from the Governance and Nominating Committee on its assessment of the functioning of the Board and reports from each committee respecting its own effectiveness. As part of the assessments, the Board or the individual committee may review their respective mandate or charter and conduct reviews of applicable corporate policies.

In 2018, the Governance and Nominating Committee engaged in a newly-developed Board formal self-assessment procedure which included the distribution of skills assessment form to each member of the Board. The results of the skill assessment process were reviewed and discussed by the Board.

### ***Diversity***

Diversity, including the level of representation of women on the Board, is one factor which the Governance and Nomination Committee takes into consideration in identifying and nominating candidates for election or reelection to the Board. However, the Governance and Nomination Committee evaluates potential nominees to the Board by reviewing their qualifications of prospective nominees to determine their relevance and particular skill set having regard to the then-current Board composition and the anticipated skills required to supplement and round out the capabilities of the Board.

The Corporation believes that potential candidates for executive officer positions should be evaluated based on his or her individual skills sets and experience and while the Corporation considers diversity, including the level of representation of woman, the Corporation is committed to offering equal employment opportunities based upon an individual’s qualifications and performance.

Currently, the number of female directors and executive officers of the Corporation is one (or 14% of directors and 33% of senior officers). While the Corporation has not set a formal target with respect to the appointment of female directors or executive officer, the Corporation is committed to providing an environment in which all employees and directors are treated with fairness and respect, and have equal access to opportunities for advancement based on skills and aptitude.

### ***Procedures for Determining Compensation***

The Compensation Committee is comprised of Andrew Farncomb (Chair), Andree St. Germain and Duncan Middlemiss, all of which are considered independent as that term is defined under NI 52-110.

All three Compensation Committee members have direct experience that is relevant to their responsibilities in executive compensation acquired from working as senior executives and/or directors of other publicly traded companies in the junior natural resource sector.

The Compensation Committee is responsible, among other things, for recommending compensation for the directors and senior management, including the granting of stock options, to the Board, and for reviewing and ensuring that the adequacy and form of compensation realistically reflects the responsibilities and risks involved in being an effective officer or director. Additionally, the mandate of the Compensation Committee includes the review of compensation of the directors, and makes recommendations as to changes that may be required.

To determine compensation payable, the Compensation Committee reviews compensation paid for directors and officers of companies of similar size and stage of development and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Corporation.

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

### **Committees of the Board**

The Board has established four standing committees: the Audit Committee, the Compensation Committee, Governance and Nomination Committee, and Safety and Sustainability Committee.

#### ***Audit Committee***

The Audit Committee is comprised of the following three (3) independent directors

- Ms. Andree St-Germain (Chair)
- Mr. Andrew Farncomb
- Mr. Duncan Middlemiss

All three members are financially literate, within the meaning of NI 52-110 in that they are able to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity that can be reasonably expected to be raised by the Corporation's financial statements.

For more information about the Corporation's Audit Committee, please see the section entitled "Audit Committee Information" in the Corporations Annual Information Form for the most recently completed financial year.

### ***Compensation Committee***

The Compensation Committee is comprised of the following three (3) independent directors

- Mr. Andrew Farncomb (Chair)
- Ms. Andree St-Germain
- Mr. Duncan Middlemiss

The Compensation Committee is primarily responsible for making recommendations to the Board regarding executive compensation. See Part 7 - Corporate Governance – “*Procedure for Compensation, above*”.

### ***Governance and Nominating Committee***

The Governance and Nominating Committee is comprised of the following four (4) independent directors

- Mr. David Parker (Chair)
- Mr. Andrew Farncomb
- Ms. Andree St-Germain
- Mr. Duncan Middlemiss

The Governance and Nominating Committee is primarily responsible for the development and supervision of the Corporation’s approach to corporate governance issues including, but not limited to, the composition of the Board and its committees, orientation and education programs for the directors and reviewing annually the Corporation’s corporate governance policies and procedures and making recommendations to the Board with respect thereto. The Governance and Nominating Committee is also responsible for developing the Corporation’s approach to the nomination of directors, but not limited to, identifying and recommending qualified candidates for nomination as directors of the Corporation.

### ***Safety & Sustainability Committee***

The Safety & Sustainability Committee is composed of the following four (4) directors and one employee:

- Mr. David Parker (Chair)
- Mr. Michael McPhie
- Mr. Robert McLeod
- Mr. Duncan Middlemiss
- Mr. Dave Green

The Safety and Sustainability Committee is primarily responsible for the following:

- (a) oversee the Corporation's practices and performance in regard to employee health and safety, environment, engagement with communities and indigenous peoples and resource stewardship (collectively "Sustainability Performance");
- (b) review, report and make recommendations to the Board on desirable corporate policies, procedures, strategic initiatives, and necessary follow-up from its review and monitoring functions and any significant incidents in respect to Sustainability Performance;
- (c) monitor the Corporation's compliance with applicable laws and regulations and track developments in relevant policies and regulations in the jurisdictions in which the Corporation operates;
- (d) review progress of Sustainability Performance initiatives and projects and any significant contraventions of policies and any related outstanding litigation or regulatory actions; and
- (e) review programs and procedures for communication of the Corporation's Sustainability Performance policies and procedures throughout the organization and to the public;

All committees of the Board are accountable to the full Board.

**PART 8 – OTHER INFORMATION**

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**INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS**

As of the date of this Information Circular and within the most recently completed financial year, other than routine indebtedness (as defined in National Instrument 51-102F5) and unless immediately stated below, no current or former executive officer or director of the Corporation, proposed nominee for election as a director, or employee of the Corporation or any respective associate, was indebted to the Corporation or any of its subsidiaries.

**INTEREST OF INFORMED PERSONS AND COMPANIES IN MATERIAL TRANSACTIONS**

Except as disclosed herein, no informed person, director, executive officer, nominee for director of the Corporation, or any associate or affiliate of any informed person or proposed director, has or had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or will materially affect the Corporation or any of its subsidiaries other than as set out herein. The term "informed person" as defined in National Instrument 51-102 *Continuous Disclosure Obligations* means a director or executive officer of the Corporation, or any person or company who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation, other than voting securities held by the person or company as underwriter in the course of a distribution.

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

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

**MANAGEMENT CONTRACTS**

Except as otherwise disclosed in this Information Circular, management functions of the Corporation are generally performed by directors and senior officers of the Corporation and not, to any substantial degree, by any other person to whom the Corporation has contracted. See "*Interest of Informed Persons and Companies in Material Transactions*" and "Terms of NEO Agreements" above.

**OTHER MATTERS**

Management 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 Instrument of Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting by proxy.

**ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available under the Corporation's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com). Financial information relating to IDM Mining Ltd. is provided in the Corporation's comparative financial statements and management discussion and analysis ("MD&A") for the fiscal year ended October 31, 2017. Shareholders may contact the Corporation to request copies of the financial statements and MD&A by: (i) mail to Suite 1800, 555 Burrard Street, Box 220, Vancouver, British Columbia, V7X 1M9; or (ii) fax to (604) 998-1051. The Corporation's Financial Statement Request Form has been provided with the Meeting materials for signature and return by those shareholders who are interested in receiving future copies of these financial statements and MD&A, in accordance with National Instrument 51-102 "Continuous Disclosure Obligations".

**APPROVAL**

The content and sending of this Information Circular has been approved by the Board.

**DATED** at Vancouver, British Columbia, the 7<sup>th</sup> day of August, 2018.

**BY ORDER OF THE BOARD**

*"Robert McLeod"*  
CEO and President