



**ANACONDA MINING INC.**

**NOTICE OF MEETING**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**WITH RESPECT TO**

**THE ANNUAL AND SPECIAL GENERAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON MAY 27, 2021**

Dated April 7, 2021



ANACONDA MINING INC.

NOTICE OF ANNUAL AND SPECIAL GENERAL MEETING  
OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that the annual and special meeting (the “**Meeting**”) of the shareholders of Anaconda Mining Inc. (the “**Corporation**”) will be held on May 27, 2021 virtually via live audio webcast available online using the TSX meeting platform at <https://virtual-meetings.tsxtrust.com/1089> (Meeting ID#1089) at 10:30 a.m. (Toronto time) for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for the financial year ended December 31, 2020, together with the auditors’ report thereon;
2. to elect the directors of the Corporation for the ensuing year;
3. to appoint PricewaterhouseCoopers LLP as the auditors of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix the remuneration to be paid to the auditors;
4. to consider, and if deemed advisable, to approve, with or without variation, an ordinary resolution, the text of which is set forth in the accompanying management information circular (the “**Circular**”) dated April 7, 2021, to repeal the current by-laws of the Corporation and adopt new by-laws for the Corporation, as authorized by the board of directors on February 25, 2021; and
5. to transact such other business as may properly come before the Meeting or any adjournment thereof.

Accompanying this notice of meeting (“**Notice of Meeting**”) are the management information circular and a form of proxy, which includes a request form for use by shareholders who wish to receive annual financial statements of the Corporation.

**To proactively deal with the ongoing public health impact of the COVID-19 pandemic and Provincial and Federal guidance regarding public gatherings, the Corporation is conducting the Meeting virtually** via live audio webcast to ensure the health and safety of shareholders, employees and the communities in which we live. The Board of Directors and management of the Corporation believe that enabling shareholders to attend the Meeting virtually will also lead to greater shareholder attendance and participation, especially in these difficult times, while concurrently complying with public health guidelines and restrictions on public gatherings.

Shareholders will be able to listen to the Meeting, all in real time, via live webcast available online using the TSX meeting platform at <https://virtual-meetings.tsxtrust.com/1089> (Meeting ID#1089; Password: anaconda2021). Registered shareholders and duly appointed proxy holders who participate in the Meeting virtually will also be able to ask questions and vote. Shareholders will be able to access the Meeting using an internet connected device such as a laptop, computer, tablet or mobile phone, and the Meeting platform will be supported across browsers and devices that are running the most updated version of the applicable software plugins (except for Internet Explorer).

It is important to note that shareholders accessing the Meeting virtually must remain connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure internet connectivity for the duration of the Meeting.

Following the conclusion of the formal business to be conducted at the Meeting, the Corporation will invite questions and comments from registered shareholders and duly appointed proxy holders participating through the TSX meeting platform who may submit their questions or comments by clicking on the “Ask a Question” button within the TSX meeting platform to type their message or question. Messages or questions can be submitted at anytime during the Q&A session and until such time as the Chair ends the session.

**The Corporation urges all shareholders to vote by proxy in advance of the Meeting in accordance with the instructions set out below and to participate in the Meeting virtually using the details provided below:**

Date and Time:	Thursday, May 27, 2021, at 10:30 a.m. (Toronto time)
Webcast:	<a href="https://virtual-meetings.tsxtrust.com/1089">https://virtual-meetings.tsxtrust.com/1089</a>
Meeting ID:	1089
Meeting Password:	anaconda2021

\*Participants should log in approximately 10 to 15 minutes prior to the scheduled start time.

ANACONDA MINING INC.

NOTICE OF ANNUAL AND SPECIAL GENERAL MEETING  
OF SHAREHOLDERS

Registered shareholders and duly appointed proxyholders are entitled to vote at the Meeting may attend and vote at the Meeting virtually by following the steps listed below:

1. Type in <https://virtual-meetings.tsxtrust.com/1089> on your browser at least 10 to 15 minutes before the Meeting starts.
2. Click on **“I have a control number”**.
3. Enter your 12-digit control number (on your proxy form).
4. Enter the Meeting Password: anaconda2021 (case sensitive).
5. When the ballot is opened, click on the “Voting” icon. To vote, simply select your voting direction from the options show on screen and click **“Submit”**. A confirmation message will appear to show your vote has been received.

Beneficial shareholders entitled to vote at the Meeting may attend and vote at the Meeting virtually by following the steps listed below:

1. Appoint yourself as proxyholder by writing your name in the space provided on the form of proxy of Voter Information Form (**“VIF”**).
2. Sign and send it to your intermediary by the voting deadline, following the submission instructions on the VIF.
3. Obtain a control number by contacting TSX Trust Company by emailing [tsxtrustproxyvoting@tmx.com](mailto:tsxtrustproxyvoting@tmx.com) the “Request for Control Number” form, which can be found at <https://tsxtrust.com/resource/en/75>.
4. Type in <https://virtual-meetings.tsxtrust.com/1089> on your browser at least 10 to 15 minutes before the Meeting starts.
5. Click on **“I have a control number”**.
6. Enter the control number provided by email from [tsxtrustproxyvoting@tmx.com](mailto:tsxtrustproxyvoting@tmx.com).
7. Enter the Meeting Password: anaconda2021 (case sensitive).
8. When the ballot is opened, click on the “Voting” icon. To vote, simply select your voting direction from the options show on screen and click **“Submit”**. A confirmation message will appear to show your vote has been received.

If you are a registered shareholder of the Corporation and unable to attend the Meeting, please exercise your right to vote by: (a) completing, dating, signing and returning the form of proxy in the enclosed proxy return envelope to TSX Trust Company, 100 Adelaide Street West, Suite 301, Toronto, Ontario, Canada, M5H 4H1, (b) logging on to [www.voteproxyonline.com](http://www.voteproxyonline.com) and entering your control number as instructed on the login page, or (c) faxing the completed form of proxy to (416) 595-9593. A completed proxy must be received at TSX Trust Company no later than 10:30 a.m. (Toronto time) on May 25, 2021 or at least 48 hours (excluding Saturdays, Sundays and holidays) preceding any adjournment of the Meeting. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxies.

If you are a non-registered shareholder of the Corporation and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your securities on your behalf (an **“intermediary”**), please complete and return the materials in accordance with the instructions provided to you by your intermediary.

Guests can also listen to the Meeting by following the steps below:

**ANACONDA MINING INC.**

**NOTICE OF ANNUAL AND SPECIAL GENERAL MEETING  
OF SHAREHOLDERS**

1. Type in <https://virtual-meetings.tsxtrust.com/1089> on your browser at least 10 to 15 minutes before the Meeting starts.
2. Click on “**I am a Guest**”.

If you have any questions or require further information with regard to voting your Shares, please contact TSX Trust Company toll-free in North America at 1-866-600-5869 or by email at [tmxinvestorservices@tmx.com](mailto:tmxinvestorservices@tmx.com).

**BY ORDER OF THE BOARD**

*“Jonathan Fitzgerald”*

Jonathan Fitzgerald

Chairman of the Board of Directors

Toronto, Ontario  
April 7, 2021

## MANAGEMENT INFORMATION CIRCULAR

April 7, 2021

### GENERAL PROXY INFORMATION

This management information circular (the “**Circular**”) has been prepared by management of Anaconda Mining Inc. (the “**Corporation**”) to everyone who was a shareholder of record of the Corporation on April 7, 2021 (the “**Record Date**”), which is the date that has been fixed by the Board of Directors of the Corporation as the date to determine the shareholders who are entitled to receive notice of and to vote at the Meeting (as defined below).

This Circular is furnished in connection with the solicitation by management of Anaconda Mining Inc. of proxies to be used at the annual and special meeting (the “**Meeting**”) of the shareholders of the Corporation to be held on May 27, 2021 virtually via live audio webcast available online using the TSX meeting platform at <https://virtual-meetings.tsxtrust.com/1089> (Meeting ID#1089; Password: anaconda2021), at 10:30 a.m. (Toronto time) for the purposes set forth in the notice of the Meeting that accompanies this Circular (the “**Notice of Meeting**”). It is expected that the solicitation will be made primarily by mail, using notice and access, but proxies may also be solicited personally by directors, officers or regular employees of the Corporation. The total cost of the solicitation will be borne directly by the Corporation.

**To proactively deal with the ongoing public health impact of the COVID-19 pandemic and Provincial and Federal guidance regarding public gatherings, the Corporation is conducting the Meeting virtually** via live audio webcast to ensure the health and safety of shareholders, employees and the communities in which we live. The Board of Directors and management of the Corporation believe that enabling shareholders to attend the Meeting virtually will also lead to greater shareholder attendance and participation, especially in these difficult times, while concurrently complying with public health guidelines and restrictions on public gatherings.

Shareholders will be able to listen to the Meeting, all in real time, via live audio webcast available online using the TSX meeting platform at <https://virtual-meetings.tsxtrust.com/1089>. Registered shareholders and duly appointed proxy holders who participate in the Meeting virtually will also be able to ask questions and vote. Shareholders will be able to access the Meeting using an internet connected device such as a laptop, computer, tablet or mobile phone, and the Meeting platform will be supported across browsers and devices that are running the most updated version of the applicable software plugins (except for Internet Explorer).

If you are a non-registered shareholder who intends to vote at the virtual meeting, you will need to appoint yourself as per the instructions on the Voter Information Form (“**VIF**”)/proxy, complete the Request for Control Number form (<https://tsxtrust.com/resource/en/75>) and submit the form to TSX Trust at [tsxtrustproxyvoting@tmx.com](mailto:tsxtrustproxyvoting@tmx.com) in advance of the proxy cut-off. TSX Trust will provide you with a unique control number that will allow you to log in and vote at the meeting. If you are a non-registered shareholder and you do not follow these instructions you will only be able to log in as a guest.

It is important to note that shareholders accessing the Meeting virtually must remain connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure internet connectivity for the duration of the Meeting.

Following the conclusion of the formal business to be conducted at the Meeting, the Corporation will invite questions and comments from registered shareholders and duly appointed proxy holders participating through the TSX meeting platform who may submit their questions or comments by clicking on the “Ask a Question” button within the TSX meeting platform to type their message or question. Messages or questions can be submitted at anytime during the Q&A session and until such time as the Chair ends the session.

**The Corporation urges all shareholders to vote by proxy in advance of the Meeting in accordance with the instructions set out below and participate in the Meeting virtually using the details provided below:**

Date and Time:	Thursday, May 27, 2021, at 10:30 a.m. (Toronto time)
Webcast:	<a href="https://virtual-meetings.tsxtrust.com/1089">https://virtual-meetings.tsxtrust.com/1089</a>
Meeting ID:	1089
Meeting Password:	anaconda2021

\*Participants should log in approximately 10 to 15 minutes prior to the scheduled start time.

Registered shareholders and duly appointed proxy holders entitled to vote at the Meeting may attend and vote at the Meeting virtually by following the steps listed below:

1. Type in <https://virtual-meetings.tsxtrust.com/1089> on your browser at least 10 to 15 minutes before the Meeting starts.
2. Click on **“I have a control number”**.
3. Enter your 12-digit control number (on your proxy form).
4. Enter the Meeting Password: anaconda2021 (case sensitive).
5. When the ballot is opened, click on the “Voting” icon. To vote, simply select your voting direction from the options show on screen and click **“Submit”**. A confirmation message will appear to show your vote has been received.

Beneficial shareholders entitled to vote at the Meeting may attend and vote at the Meeting virtually by following the steps listed below:

1. Appoint yourself as proxyholder by writing your name in the space provided on the form of proxy of Voter Information Form (**“VIF”**).
2. Sign and send it to your intermediary, following the voting deadline and submission instructions on the VIF.
3. Obtain a control number by contacting TSX Trust Company by emailing [tsxtrustproxyvoting@tmx.com](mailto:tsxtrustproxyvoting@tmx.com) the “Request for Control Number” form, which can be found at <https://tsxtrust.com/resource/en/75>.
4. Type in <https://virtual-meetings.tsxtrust.com/1089> on your browser at least 10 to 15 minutes before the Meeting starts.
5. Click on **“I have a control number”**.
6. Enter the control number provided by email from [tsxtrustproxyvoting@tmx.com](mailto:tsxtrustproxyvoting@tmx.com).
7. Enter the Meeting Password: anaconda2021 (case sensitive).
8. When the ballot is opened, click on the “Voting” icon. To vote, simply select your voting direction from the options show on screen and click **“Submit”**. A confirmation message will appear to show your vote has been received.

Guests can also listen to the Meeting by following the steps below:

1. Type in <https://virtual-meetings.tsxtrust.com/1089> on your browser at least 10 to 15 minutes before the Meeting starts.
2. Click on **“I am a Guest”**.

### **Mailing of Circular**

The Circular will be mailed on or before April 26, 2021 to each of the shareholders of record on April 7, 2021, who have previously requested paper copies of the meeting materials. All other shareholders will only receive a notice with information on how to view the meeting materials electronically. See “Notice and Access” below. The Corporation will pay for the distribution of the meeting materials by clearing agencies and intermediaries to objecting beneficial shareholders.

### **Notice and Access**

The Corporation is delivering the meeting materials by providing the shareholders with a notice and posting the materials on SEDAR, and under “Annual General Meeting” on the Corporation’s “Investor” page at [www.anacondamining.com](http://www.anacondamining.com), and at <https://docs.tsxtrust.com/2010>. The materials will be available on the website starting on or before April 26, 2021 and will remain available on the website for one full year. The use of the notice and access procedures under applicable securities laws will reduce the Corporation’s printing and mailing costs and is more environmentally friendly by reducing the use of paper.

The meeting materials can also be accessed with the Corporation’s public filings on [www.sedar.com](http://www.sedar.com). The Corporation will mail paper copies of the meeting materials to any shareholder who previously requested paper copies.

Shareholders who received the notice only and would like a paper copy of the full materials may send the Corporation a request as set out below.

### **Additional Documents**

The Corporation files an annual information form with the Canadian securities regulators. In addition, the Corporation's financial information is provided in its audited annual consolidated financial statements and management's discussion and analysis ("MD&A") for the financial year ended December 31, 2020. The Corporation will provide shareholders with, free of charge, a copy of the Corporation's annual audited consolidated financial statements and MD&A, its annual information form and/or the Circular on request. Requests should be directed to:

20 Adelaide St. East, Suite 915  
Toronto, ON, M5C 2T6  
Attention: Robert Dufour, Chief Financial Officer

OR

Email: [rdufour@anacondamining.com](mailto:rdufour@anacondamining.com)

Shareholders can also get copies of documents required to be filed by the Corporation in Canada, as well as additional information about the Corporation, by (1) accessing its public filings on SEDAR at [www.sedar.com](http://www.sedar.com) or (2) going to the Corporation's "Investor" page at [www.anacondamining.com](http://www.anacondamining.com). Shareholders wishing to receive physical copies of the meeting materials will need to ensure their request is received by May 17, 2021.

### **Appointment and Revocation of Proxies**

The persons named in the form of proxy accompanying this Circular are directors and/or officers of the Corporation. **A shareholder of the Corporation has the right to appoint a person other than the persons specified in such form of proxy (who need not be a shareholder of the Corporation) to attend and act on behalf of such shareholder at the Meeting.** Such right may be exercised by striking out the names of the persons specified in the form of proxy, inserting the name of the person to be appointed in the blank space provided in the form of proxy, signing the form of proxy, and returning it in the manner set forth in the form of proxy.

A shareholder who has given a proxy may revoke it by:

- (a) depositing an instrument in writing, including another completed form of proxy, executed by such shareholder or shareholder's attorney authorized in writing or by electronic signature, either:
  - (i) at the registered office of the Corporation at any time up to 5:00 p.m. (Eastern time) on the last business day preceding the date of the Meeting or any adjournment thereof, or
  - (ii) with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment thereof;
- (b) transmitting, by telephonic or electronic means, a revocation that complies with (i) or (ii) above and that is signed by electronic signature, provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of the shareholder or the attorney, as the case may be; or
- (c) any other manner provided by law.

### **Exercise of Discretion**

The persons named in the enclosed form of proxy will vote (or withhold from voting) the shares in respect of which they are appointed by proxy on any ballot that may be called for in accordance with the instructions contained therein. If the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly. **In the absence of such specifications, such shares will be voted FOR on each of the matters referred to herein.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments to or variations of matters identified in the Notice of Meeting and with respect to other matters, if any, which may properly come before the Meeting or any adjournment thereof. At the date of this Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters that are not now known to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxy.



## Advice to Beneficial Holders of Common Shares

**The information set forth in this section is of significant importance to many holders of common shares, as a substantial number of shareholders do not hold shares in their own name.** Shareholders who do not hold their common shares in their own name (referred to herein as “**Beneficial Shareholders**”) should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of common shares can be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a shareholder by a broker, then, in almost all cases, those common shares will not be registered in the shareholder’s name on the records of the Corporation. Such shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. More particularly, a person is a Beneficial Shareholder in respect of common shares, which are held on behalf of that person but which are registered either: (a) in the name of an intermediary that the Beneficial Shareholder deals with in respect of the common shares (intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs, TFSAs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“**CDS**”)), of which the intermediary is a participant. In Canada, the vast majority of such shares are registered under the name of CDS, which acts as nominee for many Canadian brokerage firms. Common shares held by brokers or their nominees can only be voted upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their nominees are prohibited from voting shares held for Beneficial Shareholders. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person or that the common shares are duly registered in their name.**

Applicable Canadian securities 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 common shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is identical to the form of proxy provided to registered shareholders. 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.

In Canada, the majority of brokers now delegate responsibility for obtaining instructions from Beneficial Shareholders to Broadridge Investor Communication Solutions (“**Broadridge**”). Broadridge typically supplies a special sticker to be attached to the proxy forms and asks Beneficial Shareholders to return the completed 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 such a proxy from Broadridge cannot use that proxy to vote shares directly at the Meeting. The proxy must be returned to Broadridge in advance of the Meeting in order to instruct Broadridge how to vote the shares.**

These securityholder materials are being sent to both registered and non-registered owners of common shares. The Corporation is sending proxy materials directly to non-objecting Beneficial Shareholders under National Instrument 54-101 of the Canadian Securities Administrators (“**NI 54-101**”). The Corporation will pay for the distribution of the meeting materials by clearing agencies and intermediaries to objecting Beneficial Shareholders. If you are a Beneficial Shareholder, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the common shares 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.

### Record Date

The directors have fixed April 7, 2021, as the Record Date for the determination of shareholders entitled to receive notice of the Meeting. Only shareholders of record on such Record Date are entitled to vote at the Meeting.

### Interests of Certain Persons in Matters to be Acted Upon

No (a) director or executive officer of the Corporation who has held such position at any time since January 1, 2020; (b) proposed nominee for election as a director of the Corporation; or (c) associate or affiliate of a person in (a) or (b), 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.

## **Voting Securities and Principal Holders Thereof**

As of the date of this Circular, there were 163,179,861 common shares of the Corporation issued and outstanding. Each common share has the right to one vote on each matter at the Meeting.

To the knowledge of the directors and officers of the Corporation and through a verification of SEDI filings as at the date of this Circular, no person beneficially owns, or controls or directs, directly or indirectly, 10% or more of the issued and outstanding common shares of the Corporation.

## **BUSINESS OF THE MEETING**

### **Receiving the Audited Consolidated Financial Statements**

The Corporation's audited consolidated financial statements, including the auditor's report thereon, for the financial year ended December 31, 2020 will be placed before the Meeting. The audited consolidated financial statements are available on the Corporation's website at [www.anacondamining.com](http://www.anacondamining.com) and on SEDAR at [www.sedar.com](http://www.sedar.com) under the Corporation's profile. Upon request, the Corporation will promptly provide a copy of any such document free of charge to a shareholder of the Corporation.

### **Election of Directors**

The articles of the Corporation provide that the Corporation is authorized to have between a minimum of three and a maximum of nine directors. The directors are authorized to determine the number of directors from time to time and the number of directors to be elected at the annual meeting of shareholders. The board of directors of the Corporation (the "**Board**") currently consists of five (5) directors. At the Meeting, the shareholders of the Corporation will be asked to elect five (5) directors for the ensuing year.

It is proposed that the persons whose names are set forth below be elected to the Board. All directors elected at the Meeting will hold office until the next annual meeting of shareholders of the Corporation or until their successors are elected or appointed.

The persons named in the enclosed form of proxy intend to cast the votes to which the shares represented by such proxy are entitled **FOR** the election of the nominees whose names are set forth below, unless the shareholder who has given such proxy has directed that the shares be withheld from voting in the election of directors.

The Board has adopted a majority voting policy to promote enhanced director accountability. Each shareholder is entitled to cast their votes for, or withhold their votes from, the election of each director. If the number of shares "withheld" for any nominee exceeds the number of shares voted "for" the nominee, then, notwithstanding that such director was duly elected as a matter of corporate law, he or she shall tender his or her written resignation to the Board, such resignation to be effective upon acceptance by the Board. The Board shall refer the resignation to the Corporate Governance Committee for consideration. The Corporate Governance Committee will consider such offer of resignation and the director's suitability to continue to serve as a Board member after considering, among other things, the stated reasons, if any, why certain shareholders "withheld" votes for the director, the qualifications of the director, such director's contribution to the Corporation and the Corporation's governance guidelines and any regulatory guidelines. The Board shall consider the recommendation from the Corporate Governance Committee and consider such additional information and factors that the Board considers to be relevant.

The following table and notes thereto state the names of all the persons proposed to be nominated for election as directors of the Corporation, all of the positions and offices with the Corporation now held by them, their present principal occupations or employment for the last five (5) years and the number of common shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised, by each of them as of the date of this Circular. The information as to shares beneficially owned has been furnished to the Board by the respective nominees.

These nominees have consented to being named in this Circular and to serving if elected. The Corporation's management does not contemplate that any of the nominees will be unable or unwilling to serve as a director, but if that should occur for any reason prior to the Meeting, the common shares represented by properly submitted proxies given in favour of such nominee(s) may be voted by the persons whose names are printed in the form of proxy, at their discretion, in favour of another nominee.

The Corporation's by-laws include an advance notice requirement for nominations of directors by shareholders in certain circumstances. As at the date hereof, the Corporation has not received notice of any director nominations in

connection with the Meeting within the time periods prescribed by the by-laws. Assuming no nominations are received by April 27, 2021, the only persons eligible to be nominated for election to the Board are the below nominees.

<b>Name, Province or State and Country of Residence</b>	<b>Position(s) held with Corporation</b>	<b>Principal Occupation, Business or Employment</b>	<b>Year became a Director</b>	<b>Number of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly<sup>(1)</sup></b>
Kevin Bullock Ontario, Canada	Director, President and Chief Executive Officer	President and Chief Executive Officer of the Corporation	2019	1,335,833
Michael Byron Ontario, Canada	Director	President, Byron Geological Inc.	2012	79,500
Jonathan Fitzgerald Ontario, Canada	Director and Non-Executive Chairman	President of Stope Capital Advisors	2017	127,500
Lewis Lawrick Ontario, Canada	Director	President & Chief Executive Officer of Magna Terra Minerals Inc. and Managing Director of Thorsen-Fordyce Merchant Capital Inc. (private investment company)	2007	2,543,925 <sup>(2)</sup>
Mary-Lynn Oke Toronto, Ontario	Director	Finance Consultant	2020	76,666

**Notes:**

- (1) The information as to the number of common shares beneficially owned, or controlled or directed, directly or indirectly, by the proposed directors, not being within the knowledge of the Corporation, has been furnished by such directors.
- (2) Mr. Lawrick beneficially holds 1,973,995 common shares, through Thorsen-Fordyce Merchant Capital Inc., a private company controlled by Mr. Lawrick, 2,375 common shares through VLL Investments Inc., a private company controlled by Mr. Lawrick, and 567,555 common shares are held personally.

Each of the foregoing individuals has been engaged in the principal occupation set forth above opposite his or her name during the past five years or in a similar capacity with a predecessor organization, except as follows:

- Mr. Bullock acted as Chief Executive Officer of Mako Mining Inc. (previously Golden Reign Resources) from January 2016 until March 2019.
- Mr. Byron acted as President and Chief Executive Officer of Nighthawk Gold Corp. from November 2015 to January 2021.
- Ms. Oke served as Vice President of Finance and Chief Financial Officer, Manitoba Business Unit for HudBay Minerals Inc., from July 2012 to January 2018.

As at the date of this Circular, the directors and executive officers of the Corporation as a group, beneficially owned, or controlled or directed, directly or indirectly 5,148,213 common shares of the Corporation, being approximately 3.2% of the issued and outstanding common shares. The information as to the number of common shares beneficially owned, directly or indirectly, or over which control or direction is exercised, by the directors and executive officers, but which are not registered in their names and not being within the knowledge of the Corporation, has been furnished by such directors and officers.

The committees of the Board are constituted as follows:

<b>Corporate Governance</b>	<b>Audit</b>	<b>Compensation</b>
Jonathan Fitzgerald (Chair) Michael Byron Lewis Lawrick	Mary-Lynn Oke (Chair) Lewis Lawrick Michael Byron	Lewis Lawrick (Chair) Michael Byron Mary-Lynn Oke

### **Corporate Cease Trade Orders**

To the Corporation's knowledge, no proposed director of the Corporation is, as of the date hereof, or has been within ten years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

- (a) was subject to a cease trade order, an order similar 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 and that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar 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 and that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

### **Bankruptcies and Other Proceedings**

To the Corporation's knowledge, no proposed director of the Corporation:

- (a) is, as of the date hereof, or has been within the ten years before the date hereof, 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 ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

### **Penalties or Sanctions**

To the Corporation's knowledge, no proposed director of the Corporation 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 shareholder in deciding whether to vote for a proposed director.

### **Appointment of Auditors**

The auditors of the Corporation are PricewaterhouseCoopers LLP, who were first appointed as auditors of the Corporation by the Board on June 26, 2017. It is proposed that PricewaterhouseCoopers LLP be re-appointed as the auditors of the Corporation at the Meeting to hold office until the next annual meeting of shareholders or until their successor is appointed.

Unless the shareholder has specified in the accompanying form of proxy that the shares represented by such proxy are to be withheld from voting in the appointment of auditors, the persons named in the accompanying form of proxy will vote **FOR** the appointment of PricewaterhouseCoopers LLP as auditors of the Corporation to hold office until the next annual meeting of shareholders and to authorize the directors to fix the remuneration of the auditors.

Disclosure of fees received by PricewaterhouseCoopers LLP from the Corporation for the financial years ended December 31, 2020 and December 31, 2019 is set out under the heading "Audit Committee Information – External

Auditor Service Fees (By Category)” in the Annual Information Form of the Corporation dated March 30, 2021, which is available under the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Approval of By-Law No. 3**

The Corporation has recently undertaken a review of the old by-laws of the Company (“**By-Law Nos. 1 and 2**”), particularly in light of evolving corporate governance practices, and determined that it would be in the best interests of the Company to implement a new by-law no. 3 (“**By-Law No. 3**”).

On February 25, 2021, the Board approved a resolution which, among other things, authorized the adoption of By-Law No. 3 to repeal and replace By-Law Nos. 1 and 2.

By-Law No. 3 governs all aspects of the business and affairs of the Corporation, such as the establishment of a quorum for meetings of directors and shareholders, the conduct of such meetings, signing authorities, the appointment of officers, the description of the officers’ duties, the establishment of committees of the Board, the authority of persons to contract on behalf of the Corporation, advance notice provisions and similar matters.

Pursuant to By-Law No. 3, a quorum for the transaction of business at any meeting of Shareholders requires two (2) or more persons present in person holding or representing by proxy not less than 20% (in aggregate) of the issued shares of the Corporation enjoying voting rights at such meeting. The Corporation’s previous quorum requirements for Shareholder meetings under By-Law Nos. 1 and 2 was all of the Shareholders or two Shareholders, whichever number be the lesser, personally present or represented by proxy, of the issued shares of the Corporation enjoying voting rights at such meeting.

By-Law No. 3 allows the Corporation to conduct meetings of Shareholders electronically. This is considered one of the key benefits of the new proposed by-law as the Corporation believes it will allow a greater number of Shareholders to be able to participate at meetings of Shareholders and also deal with situations like the current pandemic where closures might affect the ability of Shareholders to physically attend a meeting.

The foregoing is only a summary of the principal differences of By-Law No. 3 and is qualified by reference to the full text of By-Law No. 3 set forth in Schedule “A” to this Circular. By-Law No. 3 would also implement certain changes of a “house-keeping” or immaterial nature. Shareholders are urged to review By-Law No. 3 in its entirety.

At the Meeting, the Shareholders will be asked to consider and, if deemed advisable, to approve, with or without variation, an ordinary resolution to repeal the current By-Law Nos. 1 and 2 and adopt new By-Law No. 3.

The following is the text of the ordinary resolution, which will be put forward for approval by the Shareholders at the Meeting:

“BE IT RESOLVED, as an ordinary resolution of the Corporation’s shareholders, that:

- (a) the current by-laws of the Corporation be repealed and revoked;
- (b) the Corporation is hereby authorized to adopt new by-law no. 3 (“By-Law No. 3”) relating generally to the transaction of the business and affairs of the Corporation as attached in the Management Information Circular of the Corporation dated April 7, 2021 as Schedule “A”;
- (b) notwithstanding that this ordinary resolution has been duly passed by the shareholders of the Corporation (the “Shareholders”), the Board is hereby authorized and empowered, to amend or decide not to proceed with the adoption of By Law No. 3 or revoke this ordinary resolution at any time prior to it being given effect without further notice to, or approval of, the Shareholders; and
- (c) any one director or officer of the Corporation, for and on behalf of the Corporation, is hereby authorized to take all necessary steps and proceedings, and to execute, deliver and file any and all applications, declarations, documents and other instruments, and do all such other acts and things

(whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this resolution.”

**Other Matters**

Management does not know of any 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 Common Shares represented by the proxies solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the proxies.

## STATEMENT OF EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

#### Summary of Executive Compensation Program

The Corporation's executive compensation program is designed to provide both short-and-long-term rewards to the Corporation's executive officers that are consistent with their individual and corporate performance and their contribution to the Corporation's objectives. Executive compensation consists primarily of a combination of base salary, performance bonuses and security-based award plans, together with health, pension and insurance benefits. The Corporation has a Compensation Committee, which is described below under the heading "Statement of Corporate Governance Practices – Board Committees – Compensation Committee".

The Compensation Committee was formed on March 31, 2008 and is composed of independent directors. The members of the committee are Lewis Lawrick, Mary-Lynn Oke, and Michael Byron. Each member of the Compensation Committee has experience that is relevant to their responsibilities as members of the Compensation Committee. In the course of their professional life, the members of the Compensation Committee have been involved in either the establishment or monitoring of various compensation programs within the mining sector.

The Compensation Committee is responsible for assisting the Board in fulfilling its oversight responsibilities in relation to, among other things:

- the selection and retention of executive officers,
- policies, programs and procedures for compensating and incentivizing executive officers,
- oversight of the executive compensation structure and benefit plans and programs,
- review of director compensation and recommendations for adjustments to such compensation, and
- any additional matters delegated by the Board to the Compensation Committee.

The objective of the compensation program is to be competitive with similar companies and attract, motivate and retain talented executives who will be able to fulfill the strategic objectives of the Corporation. The elements of the Corporation's compensation program include salaries, performance bonuses and security-based awards, such as options and share units; together with health, pension and insurance benefits which are based on the specific benefit plan of the Corporation.

Salaries form the primary component of the Corporation's compensation program. The Compensation Committee and the Board of Directors undertakes periodic reviews of salary levels for the Named Executive Officers, internally and externally, including benchmarking against comparable companies within the Corporation's industry peer group (see below).

Long-term incentive compensation in the form of stock options and share units is generally granted once per year to Named Executive Officers, as well as to employees, consultants and directors. The Corporation has adopted a Share Unit Plan to further directly align the long-term compensation of directors, officers and employees with the shareholders of the Corporation. Share ownership opportunities through the Share Unit Plan and Stock Option Plan align the interests of senior management with the interests of shareholders and enables the Corporation to attract and retain individuals with requisite experience and abilities, and to reward individuals for their current and future performance.

#### **Independent Review of Compensation**

The Compensation Committee and the Board and the Board of Directors undertakes periodic reviews of its compensation program, internally and externally, to assess how its program compares to industry peers, and its effectiveness in attracting and retaining quality personnel. In 2017, the Corporation retained an independent compensation consulting firm, to assist the Compensation Committee in reviewing the Corporation's compensation

practices for directors, officers, and senior management, and to make recommendations to improve the Corporation's approach to compensation, for which it paid executive compensation consulting related fees of \$37,000.

In light of the time elapsed since the previous review and the significant changes in the structure and size of the Corporation, the Compensation Committee retained Global Governance Advisors Inc. in March 2021 to undertake another external independent review, with specific aims of assisting the Compensation Committee with the following:

- Review of compensation philosophy for Anaconda, including the determination of a compensation peer group
- Benchmarking both executive and board compensation against the compensation philosophy and the peer group
- Review long-term incentive plans compared to the Corporation's peer group, industry trends, and emerging proxy voting guidelines of institutional shareholders
- Compare current compensation program against best practice compensation governance guidelines

The Board will review and consider the details and recommendations of the eventual report and continues, with the assistance of the Compensation Committee and from its Vice President of Human Resources, to review its compensation program to ensure competitiveness with its peer group to attract and retain talented executives, while ensuring alignment with the Corporation's shareholders.

### **Named Executive Officers (“NEOs”)**

Set out below are particulars of compensation paid to the Corporation's President and Chief Executive Officer, former President and Chief Executive Officer, Chief Financial Officer, and Chief Operating Officer (collectively, the “**Named Executive Officers**” or “**NEOs**”). During the fiscal year ended December 31, 2020, the Corporation had the following Named Executive Officers: Kevin Bullock (President, Chief Executive Officer and Director), Robert Dufour (Chief Financial Officer and Corporate Secretary), and Gordana Slepcev (former Chief Operating Officer). On February 6, 2020, the Company announced that Gordana Slepcev had stepped down as Chief Operating Officer.

### **Elements of NEO Compensation**

#### ***Short-Term Incentives - Base Salary***

The base salary of executive officers is determined by contract agreement and is reviewed annually by the Board. In general, the base salary is determined by negotiation and is influenced by the levels of compensation paid to executive officers of other publicly-traded junior mining companies considered by the Compensation Committee and the Board to be in the Corporation's peer group, taking into account market capitalization, property portfolio size, geographic location and stage of projects. The base salary for each executive officer is determined based on the person's level of responsibility, the importance of the position to the Corporation, the amount of the individual's time dedicated to the Corporation and the individual's contribution to the Corporation's performance.

#### ***Short-Term Incentives – Performance Based Cash Incentive***

At the recommendation of the Compensation Committee, and at the discretion of Board, the Board has adopted an Annual Incentive Plan, which outlines the establishment of a bonus pool for all of senior executives and mid-level managers, and the specific criteria which determine the size of the bonus pool in any given fiscal year. The Compensation Committee considers company performance against corporate objectives and other criteria, as well as using its experience and judgment, in setting the amount of the bonus pool available to be distributed to executive officers and employees, in particular the Corporation's ability to generate free cash flow, and the Corporation's share price performance, both in absolute terms and relative to its industry peer group. The bonus pool is allocated to executives and employees based on position and the achievement of specific individual performance objectives.

The performance objectives are not fully determinative of the amount and allocation of cash bonuses. The Compensation Committee also considers managements' recommendations for bonuses, both in respect of overall quantum and performance generally, as well as all other material factors and circumstances, in setting bonuses and will use its discretion in evaluating the same. The Corporation uses both formal and informal performance reviews



and other tools to track individual performance. These tools emphasise the achievement of specific performance objectives and the demonstration of the Corporation's values. Upon determining the quantum of the bonus pool for any given fiscal year, the Compensation Committee will set the Chief Executive Officer's bonus level and will seek senior management's input as to bonus allocations to other executive officers and individual employees. The Board will then review and, if satisfactory, approve the Compensation Committee's recommendations for bonus awards. The Compensation Committee annually reviews its bonus policies, including in respect of the bonus performance criteria.

### ***Long-Term Incentives – Equity Compensation Plans***

The Corporation has provided long-term incentives to Named Executive Officers by way of grants of share units under the Share Unit Plan and stock options under the Stock Option Plan. The Corporation adopted the Share Unit Plan in 2020 (approved and ratified by shareholders in 2020) to further directly align the long-term compensation of the Named Executive Officers with the shareholders of the Corporation. The objective in granting share units and stock options is to encourage a direct ownership interest in the Corporation over a period of time, which acts as a financial incentive to consider the long-term interest of the Corporation and its shareholders. The Share Unit Plan and Stock Option Plan is described under the heading "Securities Authorized for Issuance Under Equity Compensation Plans". The Compensation Committee makes recommendations from time to time to the Board in respect of stock option and share unit grants, taking into consideration the number and value of outstanding stock options and share units already held by each executive officer.

### **Compensation Risk and Hedging Policies**

The Compensation Committee has not specifically considered the implications of the risks associated with its compensation policies and practices. However, there are a number of practices in place to mitigate risk as it relates to compensation, including:

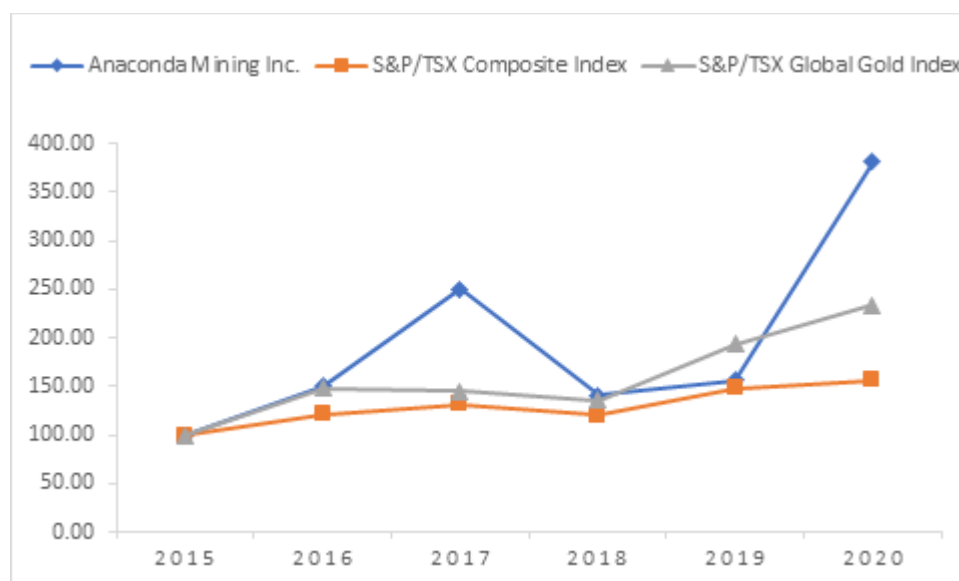
- a balanced compensation of fixed and variable pay, which incorporate both short-term and long-term incentives;
- the Board having final approval for executive and senior management short term and long-term incentive payments;
- options and share units generally being granted with a five-year term, and generally vesting over an 18-month period, with share units generally subject to a similar vesting period;
- limiting severance payments to twice base salary and bonus; and
- normally scheduled blackout periods relating to the release of financial information and controlling the periods during which employees can exercise stock options.

As outlined in the Corporation's Securities Trading, Corporate Disclosure and Confidentiality Policy, Named Executive Officer's and directors are prohibited from hedging securities of the Corporation that they beneficially own, directly or indirectly, or exercise control or direction over, including trading in publicly-traded options, puts, calls or other derivative instruments related to the Corporation's securities. As the Corporation continues to grow, the Corporate Governance Committee will continue to consider and implement more sophisticated compensation and corporate governance policies, as deemed appropriate.

### Performance Graph

The common shares of the Corporation commenced trading on the TSX in April 2007. The chart below compares the percentage change in the Corporation's total shareholder return on a \$100 investment in common shares to the total return of the S&P/TSX Composite Index, the S&P/TSX Composite Index and the S&P/TSX Global Gold Index Fund for the period commencing January 1, 2016 and ending December 31, 2020.

#### **Comparison of Cumulative Total Shareholder Return on a \$100 Investment in Common Shares of the Corporation and the S&P/TSX Composite Index, the S&P/TSX Gold Global Index Fund**



The Compensation Committee considers various factors in determining the compensation of its Named Executive Officers and share performance is one measure considered, while recognizing the volatility of the share performance in the junior mining sector. The Corporation operates in a commodity business and the share price can be directly impacted by the market price of gold and other precious metals, which fluctuate widely and are affected by numerous factors that are difficult to predict and beyond the Corporation's control.

The Corporation's compensation policies and philosophy provides a significant portion of each senior executive's compensation package in the form of stock options and share units, to align senior management with long-term value creation to the benefit of all shareholders and stakeholders.

As a junior gold mining company, the Corporation is focused on building long-term value for shareholders by the development of its Goldboro Gold Project, maximizing the potential of its Point Rouse Project, and successful exploration at the Tilt Cove Gold Project. Compensation is paid to its executive officers for furthering these objectives.

#### Named Executive Officers' Summary Compensation Table

The following table (presented in accordance with *Form 51-102F6 – Statement of Executive Compensation* ("Form 51-102F6") under National Instrument 51-102 – *Continuous Disclosure Obligations*) sets forth all direct and indirect compensation for, or in connection with, services provided to the Corporation and its subsidiaries for the years ended December 31, 2020, 2019, and 2018, in respect of each of the Named Executive Officers.

Name and principal position	Year	Salary (\$)	Share-based awards (\$) <sup>(1)</sup>	Option-based awards (\$) <sup>(2)</sup>	Non-equity incentive plan compensation (\$)		Pension value (\$) <sup>(4)</sup>	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans <sup>(3)</sup> (\$)	Long-term incentive plans (\$)			
Kevin Bullock, President and Chief Executive Officer <sup>(5)</sup>	2020	325,000	21,000	Nil	100,000	Nil	6,500	Nil	452,500
	2019	237,500	103,950	Nil	Nil	Nil	4,750	Nil	346,200
	2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Robert J. Dufour, Chief Financial Officer and Corporate Secretary	2020	225,000	21,000	Nil	75,000	Nil	4,500	Nil	325,500
	2019	225,000	102,375	Nil	Nil	Nil	4,500	Nil	331,875
	2018	225,000	N/A	54,165	33,000	Nil	4,940	Nil	317,105
Gordana Slepcev, Former Chief Operating Officer <sup>(6)</sup>	2020	23,077	Nil	Nil	Nil	Nil	462	204,000	223,539
	2019	200,000	102,375	Nil	Nil	Nil	4,000	Nil	306,375
	2018	200,000	N/A	54,165	30,400	Nil	4,440	Nil	289,005

**Notes:**

- (1) The fair values of the share units granted have been measured using the market value of the shares on the date that the share units were granted and do not represent the actual amounts received by the NEOs. The actual amount received will be determined by the market value of the shares on the date that the share units vest and the corresponding shares are received by the NEOs.
- (2) The fair values of the options granted have been estimated using the Black-Scholes option-pricing model and do not represent the actual amounts received by the NEOs. The actual amount received will be determined by the market value of the shares on the date that the option is exercised. Assumptions used in the pricing model are as follows: average risk-free interest rate of N/A (2018 – 2.02%); expected life of 5 years; expected volatility of N/A (2018 – 108%); and expected dividends – nil.
- (3) All awards granted under the non-equity annual incentive plan represent performance bonuses and were paid in the fiscal year following the year in which they were earned.
- (4) Pension value relates to contributions made by the Corporation on behalf of the NEOs to their registered retirement savings plan.
- (5) On April 1, 2019, Kevin Bullock was appointed as Chief Executive Officer and a director of the Corporation, replacing Dustin Angelo as Chief Executive Officer.
- (6) As of January 31, 2020, Ms. Slepcev resigned as Chief Operating Officer of the Corporation.

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

The following tables (presented in accordance with Form 51-102F6) sets forth for each NEO all awards outstanding at the end of the most recently completed financial year ended December 31, 2020, including awards granted, but not necessarily vested, before the most recently completed financial year.

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>
Kevin Bullock, President and Chief Executive Officer <sup>(2)</sup>	25,000	0.24	May 16, 2021	9,250
	25,000	0.24	June 21, 2022	9,250
	43,750	0.46	January 19, 2023	6,563
Robert J. Dufour, Chief Financial Officer and Corporate Secretary	125,000	0.28	May 23, 2022	41,250
	150,000	0.46	January 19, 2023	22,500
Gordana Slepcev, Former Chief Operating Officer <sup>(3)</sup>	Nil	N/A	N/A	Nil

**Notes:**

- (1) Based on the December 31, 2020 common share closing price of \$0.61 less the price of the option, times the number of options in that tranche.
- (2) On April 1, 2019, Kevin Bullock was appointed as Chief Executive Officer and a director of the Corporation, replacing Dustin Angelo as Chief Executive Officer.
- (3) As of January 31, 2020, Ms. Slepcev resigned as Chief Operating Officer of the Corporation.

Name	Share-based Awards		
	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) <sup>(1)</sup>	Market or payout value of vested share-based awards not paid out or distributed (\$) <sup>(1)</sup>
Kevin Bullock, President and Chief Executive Officer <sup>(2)</sup>	66,667	40,667	N/A
Robert J. Dufour, Chief Financial Officer and Corporate Secretary	66,667	40,667	86,417
Gordana Slepcev, Former Chief Operating Officer <sup>(3)</sup>	Nil	N/A	N/A

**Notes:**

- (1) Based on the December 31, 2020 common share closing price of \$0.61, times the number of share units.
- (2) On April 1, 2019, Kevin Bullock was appointed as Chief Executive Officer and a director of the Corporation, replacing Dustin Angelo as Chief Executive Officer.
- (3) As of January 31, 2020, Ms. Slepcev resigned as Chief Operating Officer of the Corporation.

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

The following table (presented in accordance with Form 51-102F6) sets forth details of the value vested or earned during the most recently completed financial year ended December 31, 2020.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation value earned during the year (\$) <sup>(1)</sup>
Kevin Bullock, President and Chief Executive Officer <sup>(2)</sup>	N/A	42,410	100,000
Robert J. Dufour, Chief Financial Officer and Corporate Secretary	N/A	36,909	75,000
Gordana Slepcev, Former Chief Operating Officer <sup>(3)</sup>	N/A	N/A	N/A

**Notes:**

- (1) Comprised of cash bonus awarded at the discretion of the Compensation Committee, forming part of the total compensation for the financial year for the Named Executive Officers in question.
- (2) On April 1, 2019, Kevin Bullock was appointed as Chief Executive Officer and a director of the Corporation, replacing Dustin Angelo as Chief Executive Officer.
- (3) As of January 31, 2020, Ms. Slepcev resigned as Chief Operating Officer of the Corporation.

**Pension Value – Value Vested or Earned During the Year**

On June 1, 2013, the Corporation established a voluntary group retirement plan which included a registered retirement savings plan (“RRSP”) eligible to all employees. Under the plan, the Corporation matches employee RRSP contributions up to a maximum of 3% of employee cash earnings paid by the Corporation, which include base pay and cash bonus payment but exclude stock option grants and taxable benefits. All contributions by the Corporation vest immediately in the employee’s RRSP and are subject to certain withdrawal restrictions. The Corporation’s normal retirement age is 65 years.

The following table (presented in accordance with Form 51-102F6) sets forth for each NEO the payments or benefits, following or in connection with retirement, excluding defined benefit plans for the most recently completed financial year.

Name	Accumulated value at start of year (\$)	Compensatory (\$)	Accumulated value at year end (\$)
Kevin Bullock, President and Chief Executive Officer <sup>(1)</sup>	4,750	6,500	11,250
Robert J. Dufour, Chief Financial Officer and Corporate Secretary	12,140	4,500	16,640
Gordana Slepcev, Former Chief Operating Officer <sup>(2)</sup>	22,576	462	23,028

**Note:**

- (1) On April 1, 2019, Kevin Bullock was appointed as Chief Executive Officer and a director of the Corporation, replacing Dustin Angelo as Chief Executive Officer.
- (2) Ms. Slepcev held previous roles in Technical Services within the Corporation prior to her appointment as Chief Operating Officer. As of January 31, 2020, Ms. Slepcev resigned as Chief Operating Officer of the Corporation.

## *Employment Agreements, Termination and Change of Control Benefits*

### *Kevin Bullock*

The Corporation entered into an executive employment agreement with Mr. Bullock on April 1, 2019 for the role of Chief Executive Officer (at the time, Mr. Dustin Angelo had retained the role of President). On October 2, 2019, Mr. Bullock was appointed to the role of President and Chief Executive Officer. The agreement is for an indefinite term until terminated in accordance with the agreement. It provided for an annual base salary of \$325,000 and benefits such as vacation, health and insurance, directors' and officers' liability insurance and reimbursement of expenses. Additional compensation is awarded at the discretion of the Board. If Mr. Bullock wishes to resign, he is required to provide at least three months' prior written notice, unless waived by the Corporation (in which case the Corporation will pay Mr. Bullock the compensation required to be paid in lieu of the period of notice). The Corporation may at any time, without notice or payment in lieu thereof or termination or severance pay of any kind, terminate Mr. Bullock's employment for cause. In addition, the Corporation may, at any time and for any reason, terminate Mr. Bullock's employment without cause by paying a lump sum payment equal to six (6) months base salary, plus an additional month's base salary for every year of service, up to a maximum of twelve (12) months base salary.

Mr. Bullock's employment agreement also provides that in the event of a sale of substantially all the assets or other transaction, merger, combination or similar transaction or event that results in a "change of control" or "change of ownership" of the Corporation's business which in turn results in Mr. Bullock's employment with the Corporation being terminated, Mr. Bullock will be entitled to a lump sum payment equal to twelve (12) months base salary.

Mr. Bullock has agreed to hold, safeguard and maintain all confidential information relating to the Corporation and affairs gained by Mr. Bullock in any manner or from any source during or through the course of his employment as strictly confidential. Mr. Bullock agreed not to disclose or use for his benefit or purposes (or for the benefit or purposes of any person or entity) any such confidential information except as may be reasonably necessary in the performance of his duties and in the best interests of the Corporation or as otherwise may be authorized expressly in writing by the Corporation. Such obligations survive the termination of Mr. Bullock's employment for any reason whatsoever and remain in full force and effect in perpetuity.

### *Robert J. Dufour*

The Corporation entered into an executive employment agreement with Mr. Dufour effective as of May 23, 2017 for an indefinite term until terminated in accordance with the agreement. It provided for an annual base salary of \$225,000 subject to an annual review (but will not be subject to decrease, and any increase is to be approved by the Board) and benefits such as vacation, health and insurance, directors' and officers' liability insurance and reimbursement of expenses. Subject to approval and grant by the Board (or any committee thereof), Mr. Dufour is entitled to participate in the Stock Option Plan. Additional Compensation is awarded at the discretion of the Board. If Mr. Dufour wishes to resign, he is required to provide at least three months' prior written notice, unless waived by the Corporation (in which case the Corporation will pay Mr. Dufour the compensation required to be paid in lieu of the period of notice). The Corporation may at any time, without notice or payment in lieu thereof or termination or severance pay of any kind, terminate Mr. Dufour's employment for cause. In addition, the Corporation may, at any time and for any reason, terminate Mr. Dufour's employment without cause by paying a lump sum payment equal to six (6) months base salary, plus an additional month's base salary for every year of service, up to a maximum of twelve (12) months base salary.

Mr. Dufour's employment agreement also provides that in the event of a sale of substantially all the assets or other transaction, merger, combination or similar transaction or event that results in a "change of control" or "change of ownership" of the Corporation's business which in turn results in Mr. Dufour's employment with the Corporation being terminated, Mr. Dufour will be entitled to a lump sum payment equal to twelve (12) months base salary.

Mr. Dufour has agreed to hold, safeguard and maintain all confidential information relating to the Corporation and/or gained by Mr. Dufour in any manner or from any source during or through the course of his employment as strictly confidential. Mr. Dufour agreed not to disclose or use for his benefit or purposes (or for the benefit or purposes of any person or entity) any such confidential information except as may be reasonably necessary in the performance of his duties and in the best interests of the Corporation or as otherwise may be authorized expressly in writing by the

Corporation. Such obligations survive the termination of Mr. Dufour’s employment for any reason whatsoever and remain in full force and effect in perpetuity.

***Gordana Slepcev***

The Corporation entered into an executive employment agreement with Ms. Slepcev effective as of May 23, 2017 for an indefinite term until terminated in accordance with the agreement. In January 2020, Ms. Slepcev stepped down as Chief Operating Officer of the Corporation. Under the terms of her employment contract, Ms. Slepcev continued to receive monthly base salary payments as part of the resignation agreement, for a total aggregate amount of \$200,000. She also received certain other payments and benefits relating to accrued vacation and group health benefits.

***Estimated Incremental Payments on Termination Without Cause***

The following table provides details regarding the estimated incremental payments from the Corporation to each of the Named Executive Officers (with the exception of Ms. Slepcev who is no longer a NEO of the Corporation) on a termination of employment without cause, assuming termination occurred on December 31, 2020.

<b>Termination Without Cause</b>					
	<b>Base Salary (\$)</b>	<b>Annual Incentive<sup>(1)</sup> (\$)</b>	<b>Options<sup>(2)</sup> (\$)</b>	<b>Share Units<sup>(3)</sup> (\$)</b>	<b>Total (\$)</b>
Kevin Bullock	162,500	Nil	Nil	40,667	203,167
Robert J. Dufour	150,000	Nil	Nil	40,667	190,667

**Notes:**

- (1) An amount equal to the average of the cash portion of the Additional Compensation paid or accrued in the twelve-month period ending on the date of the termination of and the preceding twelve-month period, multiplied by two.
- (2) This amount reflects the aggregate dollar value that would have been realized if the options which vested on December 31, 2020 due to a termination of employment, were exercised on December 31, 2020. The value is calculated as the difference between the closing price of the common shares on the TSX on December 31, 2020 and the exercise price of the options.
- (3) This amount reflects the aggregate dollar value that would have been realized if the share units vested on December 31, 2020 due to a termination of employment. The value is calculated as the closing price of the common shares on the TSX on December 31, 2020.

***Payments on Termination Following a Change in Control***

The employment agreements between the Corporation and each NEO contain payment provisions relating to a “change of control” of the Corporation as more fully described above. The change of control payment provisions were included in each NEO’s employment agreement in order to attract and retain the most highly qualified individuals to act as an NEO of the Corporation. A change of control alone does not trigger the payment provisions, but rather the payments are payable if the change of control occurs and the NEO’s employment is terminated by the Corporation within 90 days of the change in control, or a new management team is appointed as a result of such a change of control. The change of control payment provisions are designed to protect the NEO financially in the event of a loss of employment following a change of control.

The following table provides details regarding the estimated incremental payments from the Corporation to each of the Named Executive Officers (with the exception of Ms. Slepcev who is no longer a NEO of the Corporation) on a termination of employment following a change in control, assuming termination occurred on December 31, 2020.

<b>Termination Following a Change in Control</b>					
	<b>Base Salary (\$)</b>	<b>Annual Incentive<sup>(1)</sup> (\$)</b>	<b>Options<sup>(2)</sup> (\$)</b>	<b>Share Units<sup>(3)</sup> (\$)</b>	<b>Total (\$)</b>
Kevin Bullock	325,000	Nil	Nil	40,667	365,667
Robert J. Dufour	225,000	Nil	Nil	40,667	265,667

**Notes:**

- (1) An amount equal to the average of the cash portion of the Additional Compensation paid or accrued in the twelve-month period ending on the date of the termination of and the preceding twelve-month period, multiplied by two.

- (2) This amount reflects the aggregate dollar value that would have been realized if the options which vested on December 31, 2020 due to a termination of employment, were exercised on December 31, 2020. The value is calculated as the difference between the closing price of the common shares on the TSX on December 31, 2020 and the exercise price of the option.
- (3) This amount reflects the aggregate dollar value that would have been realized if the share units vested on December 31, 2020 due to a termination of employment. The value is calculated as the closing price of the common shares on the TSX on December 31, 2020.

### Director Compensation

#### *Director Compensation Table*

The following table (presented in accordance with Form 51-102F6) sets forth all amounts of compensation provided to the directors (other than Mr. Bullock) for the Corporation's most recently completed financial year ended December 31, 2020.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Michael Byron	12,000	18,300	Nil	N/A	N/A	Nil	30,300
Jonathan Fitzgerald	25,125	40,875	Nil	N/A	N/A	Nil	66,000
Mary-Lynn Oke <sup>(1)</sup>	16,500	22,900	Nil	N/A	N/A	Nil	39,400
Lewis Lawrick	14,500	27,100	Nil	N/A	N/A	Nil	42,600
Jacques Levesque <sup>(2)</sup>	6,236	12,536	Nil	N/A	N/A	Nil	18,772
Maruf Raza <sup>(1)</sup>	5,500	12,850	Nil	N/A	N/A	Nil	18,350

#### Notes:

- (1) On March 31, 2020, Maruf Raza resigned from the Board. Accordingly, the compensation noted above for Mr. Raza reflects the fees earned by Mr. Raza up to March 31, 2020. On April 1<sup>st</sup>, 2020, Mary-Lynn Oke was appointed to the Board.
- (2) On July 30, 2020, Jacques Levesque resigned from the Board. Accordingly, the compensation noted above for Mr. Levesque reflects the fees earned by Mr. Levesque up to July 30, 2020.

In April 2008, the Board adopted a compensation policy for non-executive directors effective as of January 1, 2008. Pursuant to the policy, for the year ended December 31, 2020, each director is entitled to an annual retainer of \$15,000, plus \$750 for each Board and committee meeting attended. The Chairman of the Board is entitled to an annual retainer of \$25,000. The Chairs of the Audit Committee, the Compensation Committee, and the Corporate Governance Committee are entitled to annual retainers of \$20,000, \$5,000, and \$5,000 each, respectively.

The committees of the Board were constituted as follows for the financial year ended December 31, 2020:

Corporate Governance	Audit	Compensation
Jonathan Fitzgerald (Chair) Michael Byron Lewis Lawrick	Mary-Lynn Oke* (Chair) Lewis Lawrick Michael Byron	Lewis Lawrick (Chair) Michael Byron Mary-Lynn Oke

\*On March 31, 2020, Maruf Raza resigned from the Board and Mary-Lynn Oke was appointed to the Board.

Mr. Fitzgerald earned the following fees during the year ended December 31, 2020: \$15,000 for serving on the Board; \$25,000 for serving as Chairman of the Board; \$5,000 for serving as chair of the Corporate Governance Committee; and \$5,250 for attending seven (7) Board meetings.



Mr. Byron earned the following fees during the year ended December 31, 2020: \$15,000 for serving on the Board; and \$9,000 for attending seven (7) Board meetings, four (4) Audit Committee meetings, and one (1) Compensation Committee meeting.

Mr. Lawrick earned the following fees during the year ended December 31, 2020: \$15,000 for serving on the Board; \$5,000 for serving as the chair of the Compensation Committee; and \$9,000 for attending seven (7) Board meetings, four (4) Audit Committee meetings, and one (1) Compensation Committee meeting.

Mr. Levesque earned the following fees during the year ended December 31, 2020: \$9,472 for serving on the Board and \$3,000 for attending four (4) Board meetings.

Mr. Raza earned the following fees during the year ended December 31, 2020: \$3,750 for serving on the Board; \$5,000 for serving as Chair of the Audit Committee; and \$2,250 for attending one (1) Board meetings, one (1) Audit Committee meeting, and one (1) Compensation Committee meeting. Mr. Raza was Audit Committee Chair until March 31, 2020.

Mrs. Oke earned the following fees during the year ended December 31, 2020: \$11,250 for serving on the Board; \$15,000 for serving as Chair of the Audit Committee; and \$6,750 for attending six (6) Board meetings and three (3) Audit Committee meetings. Mrs. Oke was appointed Audit Committee Chair on April 1, 2020.

### ***Incentive Plan Awards for Directors***

The directors of the Corporation are eligible to receive stock options and share units under the Corporation's Stock Option Plan and Share Unit Plan described below under the heading "Securities Authorized for Issuance Under Equity Compensation Plans".

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

The following table (presented in accordance with Form 51-102F6) sets forth for each director that is not a NEO all awards outstanding at the end of the most recently completed financial year ended December 31, 2020, including awards granted before the most recently completed financial year.

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>
Michael Byron	25,000	0.24	May 26, 2021	9,250
	25,000	0.24	June 21, 2022	9,250
	43,750	0.46	January 19, 2023	6,563
Jonathan Fitzgerald	425,000	0.24	December 15, 2021	157,250
	125,000	0.24	June 21, 2022	46,250
	75,000	0.46	January 19, 2023	11,250
Mary-Lynn Oke	Nil	N/A	N/A	N/A
Lewis Lawrick	125,000	0.24	February 22, 2021	46,250
	25,000	0.24	May 26, 2021	9,250
	37,500	0.24	June 21, 2022	13,875
	62,500	0.46	January 19, 2023	9,375
Jacques Levesque <sup>(2)</sup>	1,062,500	0.24	April 6, 2021	393,125
	62,500	0.24	June 21, 2022	23,125
	37,500	0.46	January 19, 2023	5,625
Maruf Raza <sup>(3)</sup>	25,000	0.24	May 26, 2021	9,250
	37,500	0.24	June 21, 2022	13,875
	50,000	0.46	January 19, 2023	7,500

**Notes:**

- (1) Based on December 31, 2020 common share closing price of \$0.61 and calculated as the difference between the market value of the stock price at the end of the year and the exercise price of the option.
- (2) On July 30, 2020, Jacques Levesque resigned from the Board.
- (3) On March 31, 2020, Maruf Raza resigned from the Board.

Name	Share-based Awards		
	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) <sup>(1)</sup>	Market or payout value of vested share-based awards not paid out or distributed (\$) <sup>(1)</sup>
Michael Byron	20,000	12,200	98,578
Jonathan Fitzgerald	50,000	30,500	209,554
Mary-Lynn Oke	26,667	16,267	11,835
Lewis Lawrick	40,000	24,400	162,661
Jacques Levesque <sup>(2)</sup>	Nil	N/A	N/A
Maruf Raza <sup>(3)</sup>	Nil	N/A	N/A

**Notes:**

- (1) Based on December 31, 2020 common share closing price of \$0.61 and calculated as the difference between the market value of the stock price at the end of the year and the exercise price of the option.
- (2) On July 30, 2020, Jacques Levesque resigned from the Board.
- (3) On March 31, 2020, Maruf Raza resigned from the Board.

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

The following table (presented in accordance with Form 51-102F6) sets forth details of the value vested or earned by each director that is not a NEO during the most recently completed financial year ended December 31, 2020.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Michael Byron	N/A	20,560	N/A
Jonathan Fitzgerald	N/A	46,970	N/A
Mary-Lynn Oke	N/A	21,349	N/A
Lewis Lawrick	N/A	33,844	N/A
Jacques Levesque <sup>(1)</sup>	N/A	15,702	N/A
Maruf Raza <sup>(2)</sup>	N/A	16,967	N/A

**Notes:**

- (1) On July 30, 2020, Jacques Levesque resigned from the Board.
- (2) On March 31, 2020, Maruf Raza resigned from the Board.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

### Securities Authorized for Issuance Under Equity Compensation Plans

The following table (presented in accordance with Form 51-102F5 under NI 51-102) sets forth all compensation plans under which equity securities of the Corporation were authorized for issuance as of December 31, 2020.

Plan Category	Number of securities to be issued upon exercise of outstanding options and rights	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders – Stock Option Plan	5,930,834 <sup>(1)</sup>	0.30	N/A <sup>(2)</sup>
Equity compensation plans approved by security holders - Share Unit Plan	1,466,567 <sup>(3)</sup>	0.27	N/A <sup>(2)</sup>
Total	7,397,401	0.29	10,547,979 <sup>(2)</sup>

**Notes:**

- (1) Represents the Anaconda Stock Option Plan (3,380,834 stock options, representing approximately 2.20% of the issued and outstanding common shares as at December 31, 2020) and the Orex Stock Option Plan (2,550,000 stock options, representing approximately 1.66% of the issued and outstanding common shares as at December 31, 2020 – refer to Orex Stock Option Plan below), representing approximately 3.85% of the issued and outstanding common shares as at December 31, 2020. From January 1, 2021 to the date of this Circular, 320,000 Anaconda stock options were granted, 581,250 Anaconda stock options were exercised, and 2,125,000 Orex stock options were exercised.
- (2) Represents common shares available for future issuance under the Equity Compensation Plans as at December 31, 2020. Both the Anaconda Stock Option Plan and Share Unit Plan use the same 10% pool of issued and outstanding common shares. The Orex Stock Option Plan does not count towards this pool of securities available for future issuance under equity compensation plans. Represents approximately 6.9% of the issued and outstanding common shares as at December 31, 2020.
- (3) Represents approximately 0.95% of the issued and outstanding common shares as at December 31, 2020. From January 1, 2021 to the date of this Circular, 699,974 share units were granted and 166,481 share units were redeemed.

### Equity Compensation Plans

The Corporation has adopted the Stock Option Plan and Share Unit Plan. The Incentive Plans are each a “rolling evergreen” plan and provide that the number of common shares of the Corporation available for issuance from treasury under the Incentive Plans shall not exceed 10% of the issued and outstanding common shares of the Corporation at the time of grant. Any increase in the issued and outstanding common shares of the Corporation will result in an increase in the available number of common shares issuable under the Incentive Plans. Any issuance of common shares from treasury pursuant to the settlement of stock options or share units granted pursuant to the Incentive Plans shall automatically replenish the number of common shares issuable under the Incentive Plans. When each stock option or share unit is exercised, cancelled, or terminated, a common share shall automatically be made available for the grant of a stock option or share unit under the Incentive Plans.

As of the date of this Circular, the maximum aggregate number of common shares which may be issued under the Incentive Plans was 16,317,986 of which 3,673,084 stock options and 1,990,060 share units were outstanding (representing approximately 3.2% of the issued and outstanding common shares), and 11,079,842 common shares were available for issuance (representing approximately 6.8% of the issued and outstanding common shares). As at December 31, 2020, 10,547,979 common shares were available for the grant of stock options or share units to directors, officers, employees and service providers in connection with the Incentive Plans.

The following table provides details of the burn rate under the Stock Option Plan and Share Unit Plan for the year ended December 31, 2020, the year ended December 31, 2019, and the seven-month financial year ended December 31, 2018:

Fiscal year ended	Burn rate <sup>(1)</sup>	Number of options granted <sup>(2)</sup>	Number of share units granted	Weighted average number of common shares outstanding <sup>(2)</sup>
Year ended December 31, 2020	1.1%	578,750	1,019,520	142,618,926
Year ended December 31, 2019	2.5%	225,000	2,953,921	126,485,569
Year ended December 31, 2018	1.5%	1,708,500	Nil	113,263,230

**Notes:**

- (1) Calculated by dividing the number of stock options granted under the Stock Option Plan and the number of share units granted under the Share Unit Plan during the applicable period by the weighted average number of common shares outstanding for the applicable period.
- (2) On January 18, 2018, the Corporation completed a share consolidation on the basis of four (4) existing common shares for one (1) new common share.

**Stock Option Plan**

The purpose of the Stock Option Plan is to assist the Corporation to attract, retain and motivate directors, senior officers, key employees or other service providers of the Corporation and its subsidiaries and affiliates by providing them with the opportunity, through share options, to acquire an increased proprietary interest in the Corporation.

Eligible participants under the Stock Option Plan (“**optionees**”) are such senior officers, directors and key employees of the Corporation and its subsidiaries and affiliates, as well as any other person or company engaged to provide ongoing management or consulting services to the Corporation or to its subsidiaries and affiliates, as the Board shall from time to time determine in its sole discretion.

The aggregate number of common shares reserved for issuance pursuant to all options granted to any one optionee shall not exceed 5% of the issued and outstanding common shares (on a non-diluted basis) at the time of such grant. The number of common shares issuable to insiders, at any time, under the Stock Option Plan or when combined with all other share compensation arrangements, shall not exceed 10% of the issued and outstanding common shares (on a non-diluted basis), and the number of common shares issued to insiders within any one year period, under the Stock Option Plan or when combined with all other share compensation arrangements, cannot exceed 10% of the issued and outstanding common shares (on a non-diluted basis).

The option price per common share is to be determined by the Board provided that such price is not less than the closing market price of the common shares on the TSX one trading date prior to the date on which the option is granted. The vesting period of all options shall be determined by the Board. The term of an option shall not be less than one year and not more than 10 years from the date the option is granted (subject to certain provisions of the Stock Option Plan). If at any time, the term of an option ends during a period during which designated employees of the Corporation cannot trade common shares as a result of the Corporation’s policy respecting restrictions on employee trading which is in effect at that time (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Corporation, or in respect of an insider, that insider, is subject) (a “**Black-Out Period**”) or within 10 business days following a Black-Out Period, the ending date of the term of the option shall be deemed to be the date that is the tenth business day following such Black-Out Period.

The options are non-transferable and non-assignable.

In the event of the resignation of an optionee as an employee, resignation or removal of an optionee as a director or officer, or the discharge of an optionee as an employee by reason of a wilful and substantial breach of such optionee’s employment duties, prior to the expiry date, all options granted to such optionee shall in all respects forthwith cease and terminate. In the event of the termination of employment of an optionee other than in the foregoing circumstances, such optionee may exercise options at any time up to and including the 30th day (or such later day as the Board in its sole discretion may specifically determine for such optionee) following the effective date of termination of

employment or the expiry date, whichever is earlier. In the event of the death of an optionee while in the employment, or as a director or officer, prior to the expiry date, the options may be exercised by the legal representatives of such optionee at any time up to and including the date, which is the first anniversary of the date of death or the expiry date, whichever is earlier.

The Board may amend, vary or discontinue the Stock Option Plan at any time either prospectively or retrospectively, provided, however, that no such amendment may increase the maximum number of common shares that may be optioned under the Stock Option Plan, change the manner of determining the option price, extend the term of any option beyond 10 years from the date of the granting of such option, extend the period during which options may be granted or, without the prior written consent of the optionee, alter or impair any option previously granted to an optionee under the Stock Option Plan. Any such amendment, variance or discontinuance of the Stock Option Plan shall be subject to the approval thereof by the TSX or such other stock exchange on which the common shares are then listed for trading.

Notwithstanding the foregoing, shareholder approval is required in accordance with the rules of the TSX or such other stock exchanges on which the common shares are then listed for trading, in circumstances where an amendment, variance or change to the Stock Option Plan or an option would:

- (a) increase the maximum number of common shares that may be optioned under the Stock Option Plan,
- (b) grant additional powers to the Board to amend the Stock Option Plan or entitlements under the Stock Option Plan without shareholder approval,
- (c) reduce the option price of options or other entitlements under the Stock Option Plan held by insiders,
- (d) extend the term of options held by insiders, or
- (e) change the insider participation limits which result in the shareholder approval to be required on a disinterested basis.

The Board has the power and authority to approve amendments relating to the Stock Option Plan or a specific option without further approval of the shareholders of the Corporation, to the extent that such amendments relate to, among other things, the terms and conditions of vesting, the termination provisions, accelerating the expiry date, application of adjustment provisions of the Stock Option Plan, amendments of a “housekeeping” or “clerical” nature, changes to the eligible participants, amendments to the Stock Option Plan that are reasonably necessary to allow optionees to receive fair and favourable tax treatment under relevant tax legislation, the mechanics of exercise of options, and introduction of a cashless exercised feature payable in securities.

### **Orex’s Stock Option Plan**

On May 19, 2017, the Corporation completed an acquisition of all the issued and outstanding common shares of Orex Exploration Inc. (“**Orex**”) by way of a court-approved Plan of Arrangement (the “**Arrangement**”). Pursuant to the Arrangement, Orex became a wholly owned subsidiary of the Corporation, and outstanding options of Orex (“**Orex Options**”) granted pursuant to the stock option plan of Orex (the “**Orex Stock Option Plan**”) that were not duly exercised prior to the effective date of the Arrangement were exchanged for fully vested options of the Corporation to purchase from the Corporation the number of common shares (rounded down to the nearest whole share) equal to: (i) the exchange ratio, being 0.85, multiplied by (ii) the number of shares of Orex subject to such Orex Option immediately prior to the effective date of the Arrangement.

As of the date of this Circular, there were 425,000 Orex Options outstanding entitling holders to acquire up to 425,000 common shares of Anaconda (representing approximately 0.3% of the issued and outstanding common shares). No further Orex Options can be granted under the Orex Stock Option Plan.

Under the Orex Stock Option Plan, all options had to be exercised no later than 5 years from the date of the grant and were not transferable other than by will or by the laws of descent and distribution. Unless otherwise decided by the board of directors of Orex, if a director, employee or consultant ceased to act as such for any reason other than death,

each option held by such person would be exercisable during the 12 months following the date on which such person ceased to be a participant under the Orex Stock Option Plan but only up to and including the original option expiry date. Orex Options granted to a person engaged in investor relations activities had to expire within 30 days after this person ceased to be employed to provide such services.

Orex could, subject to all laws, at its discretion from time to time, amend the Orex Stock Option Plan and the terms and conditions of any Orex Option thereafter granted and, without limiting the generality of the foregoing, make such amendment for the purpose of complying with any changes in any law, or for any other purpose permitted by law, provided always that, any such amendment did not alter the terms or conditions of, or impair any right of any holders of Orex Options pursuant to any Orex Option awarded prior to such amendment without the consent of the affected holder(s) of Orex Options. Any amendment that reduced the exercise price required disinterested shareholder approval of Orex if the option holder covered by the amendment was an insider of Orex (as that term is defined in Policy 2.4 of the TSX Venture Exchange Corporate Finance Manual) when the amendment was proposed.

### **Share Unit Plan**

The purpose of the Share Unit Plan is to assist the Corporation in attracting, incentivizing and retaining those key directors, officers, employees and consultants who are considered by the Board to be key to the growth and success of Corporation, and to align the interests of the key directors, officers, employees and consultants with those of the shareholders through longer term equity ownership in Corporation.

The Share Unit Plan provides for the issuance of share units of the Corporation (“**Share Units**”) to employees, directors and officers of the Corporation and any of its subsidiaries and affiliates, consultants, and management company employees and, except in relation to a consultant company, includes a company that is wholly-owned by such persons.

The Share Unit Plan provides that Share Units may be granted by the Board or any committee designated by the Board to administer the Share Unit Plan. Share Units are units created by means of an entry on the books of corporation representing the right to receive one Common Share (subject to adjustments) issued from treasury per Share Unit. All grants of Share Units must be evidenced by a confirmation Share Unit grant letter issued to the Share Unit holder by the Corporation and agreed to by the Share Unit holder.

The maximum number of Common Shares available for issuance under the Share Unit Plan or any other security-based compensation arrangement (pre-existing or otherwise, but excluding the Orex Stock Option Plan) shall not exceed 10% of the Common Shares (including any underlying outstanding Share Units). Any increase in the issued and outstanding Common Shares will result in an increase in the number of Share Units issuable under the Share Unit Plan.

Any issuance of Common Shares from treasury, including issuances of Common Shares in respect of which Share Units are settled, expired or cancelled, shall automatically replenish the number of Share Units issuable under the Share Unit Plan.

The number of Share Units granted and any applicable vesting conditions are determined in the discretion of the Board or a committee designated by the Board, with the number of Share Units granted being determined by the Board or committee on the grant date. In granting Share Units, the Board or the committee may include any other terms, conditions and/or vesting criteria which are not inconsistent with the Share Unit Plan. Share Units are settled by way of the issuance of Common Shares from treasury as soon as practicable following the vesting date which is considered the maturity date as determined by the Board or the committee in accordance with the terms of the Share Unit Plan. Individuals granted Share Units who are Canadian residents or as otherwise may be designated in the Share Unit grant letter (with the exception of U.S. taxpayers) are permitted to elect to defer the maturity date and issuance of all or any part of the Common Shares issuable to them, provided proper notice is provided to the Board or the committee in accordance with the terms of the Share Unit Plan. If the deferral is elected the issuance of the Common Shares will occur on the earlier of (i) the date to which the participant has elected to defer receipt of Common Shares in accordance with the Share Unit Plan; and (ii) the date of the participant’s retirement, resignation, termination with cause or termination without cause or a change of control of the Corporation (the “**Deferred Payment Date**”).

In the event that a cash dividend is paid to shareholders on the Common Shares while a Share Unit is outstanding, each participant will be credited with additional Share Units equal to the aggregate amount of any cash dividends that would have been paid to the individual if the Share Units had been Common Shares, divided by the market price of the Common Shares on the date on which dividends were paid by Corporation.

The additional Share Units will vest and be settled on the participant's maturity date or, if applicable, the Deferred Payment Date of the particular Share Unit award to which the additional Share Units relate.

No cash payment will be made to a participant if cash dividends are paid to shareholders.

The termination provisions under the Share Unit Plan are as follows subject to any determination otherwise by the Board:

- In the event of retirement, any unvested Share Units will automatically vest on the date of retirement, and the Common Shares underlying such Share Units will be issued as soon as reasonably practical thereafter;
- In the event of the death, any unvested Share Units will automatically vest on the date of death, and the Common Shares underlying all Share Units will be issued to the estate of the deceased as soon as reasonably practical thereafter;
- In the event of disability (as may be determined in accordance with the policies, if any, or general practices of Corporation or any subsidiary), any unvested Share Units will automatically vest on the date on which the participant is determined to be totally disabled, and the Common Shares underlying the Share Units will be issued as soon as reasonably practical thereafter;
- In the event of termination without cause of a Share Unit holder, (i) any unvested Share Units that are not subject to performance vesting criteria will automatically vest on the date on which the individual is terminated and the Common Shares underlying the Share Units will be issued as soon as reasonably practical thereafter, and (ii) any unvested Share Units that are subject to performance vesting criteria will vest in accordance with their normal vesting schedule, except, in either case, as may otherwise be stipulated in the applicable Share Unit grant letter or as may otherwise be determined by the Board; and
- In the event of termination with cause or resignation, all of the Share Units shall become void, and the holder shall have no entitlement and will forfeit any rights to any issuance of Common Shares under the Share Unit Plan, except as may otherwise be stipulated in the applicable Share Unit grant letter or as may otherwise be determined by the Board or the committee in its sole and absolute discretion. Share Units that have vested but that are subject to an election to set a Deferred Payment Date shall be issued forthwith following
- the termination with cause or the resignation of the Share Unit holder.

In the event of a change of control, all unvested Share Units issued and outstanding shall automatically and immediately vest on the date of such change of control.

The grant of Share Units under the Share Unit Plan is subject to a restriction such that the number of Common Shares: (i) issued to insiders of Corporation, within any one-year period, and (ii) issuable to insiders of Corporation, at any time, under the Share Unit Plan, or when combined with all of Corporation's other security based compensation arrangements, shall not exceed 10% of Corporation's total issued and outstanding Common Shares, respectively.

Except as permitted under the Share Unit Plan or by a will or by the laws of descent and distribution, no Share Unit and no other right or interest of a Share Unit holder (excluding, for greater certainty, Common Shares previously issued to a Share Unit holder in accordance with the Share Unit Plan) is assignable or transferable.

The amendment provisions of the Share Unit Plan provide the Board or the committee with the power, subject to the requisite regulatory approval, to make the following amendments to the provisions of the Share Unit Plan and any Share Unit grant letter without Shareholder approval (without limitation):

- Amendments of a housekeeping nature,
- Additions or changes to any vesting provisions of a Share Unit,
- Changes to the termination provisions of a Share Unit or the Share Unit Plan, and
- Amendments to reflect changes to applicable securities or tax laws.

However, any of the following amendments require shareholder approval:

- Increasing the number of Common Shares or maximum percentage of Common Shares which may be issued pursuant to the Share Unit Plan (other than by virtue of adjustments permitted under the Share Unit Plan),
- Permitting Share Units to be transferred other than for normal estate settlement purposes,
- Removing or exceeding of the insider participation limits,
- Materially modifying the eligibility requirements for participation in the Share Unit Plan, or
- Modifying the amending provisions of the Share Unit Plan.



## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

### *THE FOLLOWING INFORMATION IS PROVIDED IN ACCORDANCE WITH FORM 58-101F1 – CORPORATE GOVERNANCE DISCLOSURE UNDER NATIONAL INSTRUMENT 58-101 – DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES (“NI 58-101”)*

During the fiscal year ended December 31, 2020, the Board was composed of seven directors: Kevin Bullock, Michael Byron, Jonathan Fitzgerald, Mary-Lynn Oke, Lewis Lawrick, Jacques Levesque and Maruf Raza; and was chaired by Mr. Fitzgerald. On March 31, 2020, Maruf Raza tendered his resignation from the Board. On April 1, 2020, Mary-Lynn Oke was appointed to the Board. On July 30, 2020, Jacques Levesque tendered his resignation from the Board.

During the fiscal year ended December 31, 2020, Michael Byron, Jonathan Fitzgerald, Mary-Lynn Oke, Lewis Lawrick, Jacques Levesque, and Maruf Raza met the definition of independence under NI 58-101 and were considered by the Board to be independent. Kevin Bullock was not considered independent because he is a senior executive officer of the Corporation. Messrs. Fitzgerald and Levesque were not considered independent until May 19, 2020 because of their former positions at Orex. As a result, as at the date of this Circular, four out of five directors (or 80%) were independent within the meaning of NI 58-101. At all meetings of the Board and its committees during the fiscal year ended December 31, 2020, the independent directors had an opportunity to meet without non-independent directors and members of management. During the fiscal year ended December 31, 2020, the independent directors did not hold such meetings. The Board has appointed Jonathan Fitzgerald to the role of Chairman, and in this role, Mr. Fitzgerald chairs the Board meetings of the Corporation.

#### **Board Meetings and Attendance**

The Board meets regularly to review the activities and financial results of the Corporation and as necessary to review and consider significant impending actions of the Corporation. During the financial year ended December 31, 2020, the Board met formally seven (7) times and also acted through unanimous resolutions; the Audit Committee met four (4) times; and the Compensation Committee met one (1) time. The Committees of the Board also acted through unanimous resolutions during the year, including the Corporate Governance Committee which addressed various executive and board personnel matters throughout the year.

The members of the Board and their attendance are set forth below:

<b>Director</b>	<b>Independent<sup>(1)</sup></b>	<b>Meeting Attendance</b>
Kevin Bullock	No	7 out of 7
Michael Byron	Yes	7 out of 7
Jonathan Fitzgerald	Yes <sup>(3)</sup>	7 out of 7
Mary-Lynn Oke <sup>(2)</sup>	Yes	6 out of 6
Lewis Lawrick	Yes	7 out of 7
Jacques Levesque	Yes <sup>(3)</sup>	3 out of 3
Maruf Raza <sup>(2)</sup>	Yes	1 out of 1

#### **Notes:**

- (1) To be considered independent, a member of the Board must not have any direct or indirect or “material relationship” with the Corporation. A material relationship is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member’s independent judgment.
- (2) On March 31, 2020, Maruf Raza resigned from the Board. On April 1<sup>st</sup>, 2020, Mary-Lynn Oke was appointed to the board.
- (3) As of May 19, 2020, Mr. Fitzgerald and Mr. Levesque were considered to be an independent member of the Board as it had been three years since they were executive officers of Orex.

## Other Directorships

As of December 31, 2020, the following directors of the Corporation were also directors of other issuers that are reporting issuers (or the equivalent) in Canada or elsewhere:

Director	Reporting issuer (or the equivalent)
Kevin Bullock	B2 Gold Corp.
Michael Byron	Magna Terra Minerals Inc., Nighthawk Gold Corp., X-Terra Resources Inc., Luxxfolio Holdings Inc.
Jonathan Fitzgerald	Daystar Technologies Inc., Epcylon Technologies Inc., Novamera Inc.
Lewis Lawrick	Magna Terra Minerals Inc., Serengeti Resources Inc.

## Board Mandate

The Board is elected by the shareholders of the Corporation and is responsible for managing the business and affairs of the Corporation and, in doing so, must act honestly and in good faith with a view to enhancing long-term shareholder value. Pursuant to the Mandate of the Board (the “**Board Mandate**”), a copy of which is attached to this Circular as Schedule “B”, the Board is primarily responsible for the development and adoption of the strategic direction of the Corporation. Specifically, the Board is charged with responsibility for: (a) to the extent feasible, satisfying itself as to the integrity of the Chief Executive Officer and other executive officers and that the Chief Executive Officer and other executive officers create a culture of integrity throughout the organization; (b) adopting a strategic planning process and approving, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the business; (c) identifying the principal risks of the Corporation’s business and ensuring the implementation of appropriate systems to manage these risks; (d) overseeing succession planning (including appointing, training and monitoring senior management); (e) adopting a communication policy for the Corporation; (f) overseeing the Corporation’s internal control and management information systems; and (g) developing the Corporation’s approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Corporation.

During the fiscal year ended December 31, 2018, the Board undertook a review of all key corporate governance policies, including the Board Mandate, individual Committee Charters, the Corporations’ Code of Conduct and Business Ethics, Securities Trading, Disclosure and Confidentiality Policy, and Whistleblower Policy. All updated Mandates, Charters and Policies were unanimously approved by the Board, and have been made publicly available on the Corporation’s website.

## Position Descriptions

As part of the Board Mandate (which is attached as Schedule “B”), the Board has developed a written position description for the Chairman of the Board. The Chairman acts as an effective leader of the Board and ensures that the Board’s agenda enables it to successfully carry out its duties. As part of the adoption of the Charters for the various Board Committees, the Board developed written descriptions of the responsibilities of the Chairs of those Committees. The Board has not developed a written position description for the Chief Executive Officer, however the responsibilities of the Chief Executive Officer are set forth in the employment agreement thereof.

## Ethical Business Conduct

The Board expects directors, officers and employees to act ethically at all times and to from time to time acknowledge their adherence to the Corporation’s codes and policies, including the Corporation’s Code of Conduct and Business Ethics as approved by the Board. A copy of the Code of Conduct and Business Ethics is available on the Corporation’s website. Compliance with the Code of Conduct and Business Ethics is achieved as follows: Each director is responsible for ensuring that they individually comply with the terms of the Code, while the Board is responsible for ensuring that the directors, as a group, and all officers comply with the Code and the executive officers of the Corporation are responsible for ensuring compliance with the Code by employees. Since the beginning of the

Corporation's last financial year, it has not filed a Material Change Report relating to any conduct of a director or executive officer that constitutes a departure from the Code.

To ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or officer has a material interest, independent directors are given the opportunity to meet without non-independent directors and members of management at all Board and committee meetings. In addition, the Board complies with the conflict of interest provisions of its governing corporate legislation and relevant securities regulatory instruments and stock exchange policies (which require that interested directors recuse themselves from the consideration of, and voting on, such matters).

### **Director Term Limits**

The Corporation has not instituted director term limits. The Corporation believes that in taking into account the nature and size of the Board and the Corporation, it is more important to have relevant experience than to impose set time limits on a director's tenure, which may create vacancies at a time when a suitable candidate cannot be identified and as such would not be in the best interests of the Corporation. In lieu of imposing term limits, the Corporation regularly monitors director performance through annual evaluations and regularly encourages sharing and new perspectives through regularly scheduled Board meetings, meetings with only independent directors in attendance, as well as through continuing education initiatives. On a regular basis, the Corporation analyzes the skills and experience necessary for the Board and evaluates the need for director changes to ensure that the Corporation has highly knowledgeable and motivated Board members, while ensuring that new perspectives are available to the Board.

### **Female Representation in Management and on the Board**

The Corporation has not implemented a diversity policy; however, it continues to consider implementing such a policy in the near future to ensure that the Corporation is able to attract the highest quality candidates. Such a diversity policy is anticipated to promote the benefits of, and need for, extending opportunities to all internal personnel and outside candidates, without distinction as to gender, race, colour, religion, sexual orientation, family or marital status, political belief, age, national or ethnic origin, citizenship, disability, or any other basis and will strive for diversity of experience, perspective and education. The diversity policy would not only focus on the best quality individuals for the position but would also encourage representation of women on the Board and in executive officer positions.

The Corporation currently has one Board member (20% of the Board), one executive, and one senior manager who are female. The Corporate Governance Committee has not considered specific levels of representation of women in its executive officer positions or on its Board in previous nominations (including a targeted number or percentage), however the Board believes diversity is key to attract the best quality individuals and to encourage the representation of women in the Corporation. The Corporation's focus has always been, and will continue to be, working to attract the highest quality executive officers and Board candidates with special focus on the skills, experience, character and behavioural qualities of each candidate. Further, through the anticipated implementation of a diversity policy, the Corporate Governance Committee and Board will consider diversity in the selection criteria of new Board members and executive officers. The Corporation will continue to monitor developments in the area of diversity.

### **Board Committees**

To assist it in exercising its responsibilities, the Board established four standing committees of the Board: an audit committee (the "**Audit Committee**"), a compensation committee (the "**Compensation Committee**"), and a corporate governance committee (the "**Corporate Governance Committee**").

#### **Audit Committee**

The Audit Committee is currently composed of Ms. Oke (Chair), Mr. Lawrick, and Mr. Byron, all of whom are considered financially literate and independent (as such terms are defined in NI 52-110). The responsibilities of the Committee include: (a) assisting the Board's oversight of the Corporation's financial integrity, (b) managing the relationship between the Corporation and the external auditors, and (c) preparing any report relating to the Audit Committee that is required to be included in the Corporation's annual information form. The Audit Committee's

charter is set out in the annual information form dated March 30, 2021, which is available on SEDAR at [www.sedar.com](http://www.sedar.com) under the Corporation's profile.

### **Compensation Committee**

The Compensation Committee is currently composed of Mr. Lawrick (Chair), Mr. Byron, and Ms. Oke, all of whom are independent (as such terms are defined in NI 52-110). It oversees the remuneration policies and practices of the Corporation and its principal responsibilities include: (a) comparing the nature and amount of the Corporation's directors' and executive officers' compensation to performance against goals set for the year while considering relevant comparative information, independent expert advice and the financial position of the Corporation, (b) making recommendations to the Board in respect of director and executive officer remuneration matters, and (c) administering the Stock Option Plan and granting options thereunder.

The Compensation Committee is mandated to review the compensation of the directors on an annual basis. The Committee review includes consideration of the adequacy, amount and form of compensation which a director receives, directly or indirectly, and whether such compensation realistically reflects the time commitment, responsibilities and risks of each director. All Compensation Committee members are independent members of the Board.

With respect to compensation of senior officers, the Compensation Committee is responsible for reviewing and approving the performance evaluations of the Corporation's senior officers and approving the individual compensation packages provided to senior officers. In conducting its analysis, the Committee will consider the compensation provided to senior officers in comparable organizations.

### **Corporate Governance Committee**

The Corporate Governance Committee is currently composed of Messrs. Fitzgerald (Chair), Byron, and Lawrick, all of whom are currently independent Board members. It is responsible, among other things, for: (a) identifying and making recommendations to the Board as to the structure of the Board and the committees of the Board to be constituted from time to time and the structure of those committees and (b) reviewing the charter of each committee of the Board and making recommendations to the Board with respect thereto in order to ensure that all aspects of corporate governance of the Corporation and its management and the performance of the Corporation's obligations to its shareholders, employees and members of the public are being effectively reviewed.

### **Nomination of Directors**

The Corporate Governance Committee is responsible for: (a) periodically comparing the tangible and intangible skills and qualities of the existing Board members with the analysis of required skills and identifying opportunities for improvement and (b) identifying individuals qualified to become new Board members and recommending to the Board the new director nominees for the next annual meeting of shareholders.

### **Board Assessment**

The Corporate Governance Committee is also responsible for making an annual assessment of the overall performance and effectiveness of the Board and each committee, the Chairman of the Board, each committee Chair and each director, and reporting on such assessments to the Board. The objective of the assessments is to ensure the continued effectiveness of the Board in the execution of its responsibilities and to contribute to a process of continuing improvement.

### **Orientation and Continuing Education**

The Corporate Governance Committee is responsible for reviewing and making recommendations to the Board regarding orientation and education programs to be undertaken for all new members of the Board and continuing education programs to be made available to members of the Board.

## OTHER INFORMATION

### Directors' and Officers' Liability Insurance

The Corporation maintains directors' and officers' liability insurance for the officers and directors of the Corporation, which provides aggregate coverage in the amount of \$13 million in each policy year with a \$25,000 deductible, for a total annual premium for the policy of \$56,828.

### Interest of Informed Persons in Material Transactions

Management of the Corporation is not aware of a material interest, direct or indirect, of any director or officer of the Corporation, any proposed nominee for election as a director of the Corporation, any principal shareholder, or any associate or affiliate of any such person, in any transaction since the beginning of the fiscal year ended December 31, 2020 or in any proposed transaction that has materially affected or could materially affect the Corporation.

Certain of the directors and officers of the Company and its subsidiaries also serve as directors, officers and/or advisors of and to other companies involved in natural resource exploration and development. Consequently, there exists the possibility for such directors and officers to be in a position of conflict.

Lewis Lawrick is the President, Chief Executive Officer and a director, and Michael Byron is a director of Magna Terra Minerals Inc. ("Magna Terra"). Another employee of the Corporation is the Chief Financial Officer of Magna Terra. The Corporation owns a 27% interest in Magna Terra. Messrs. Lawrick and Byron have declared their interest to the Board of the Corporation with respect to their involvement with Magna Terra and have refrained from voting on all matters related to Magna Terra at any meetings of the Board of the Corporation.

The Corporation expects that any decision made by any such directors and officers involving the Corporation will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Corporation and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest or which are governed by the procedures set forth in the *Business Corporations Act* (Ontario) and any other applicable law.

### Additional Information

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com) under the Corporation's profile. Financial information is provided in the Corporation's audited consolidated financial statements of the Corporation and the MD&A for the financial year ended December 31, 2020.

In addition, copies of the Corporation's financial statements and MD&A may be obtained upon request to the Chief Financial Officer of the Corporation. The Corporation may require the payment of a reasonable charge if the request is made by a person who is not a shareholder of the Corporation.

## DIRECTORS' APPROVAL

The directors of the Corporation have approved the contents and the sending of this Circular.

**BY ORDER OF THE BOARD**

*"Jonathan Fitzgerald"*

Toronto, Ontario  
April 7, 2021

Jonathan Fitzgerald  
Chairman of the Board of Directors

## **Schedule A**

### **BY-LAW NO. 3**

A by-law relating generally to  
the conduct of the affairs of

### **ANACONDA MINING INC.**

#### **CONTENTS**

1. Interpretation
2. Business of the Corporation
3. Directors
4. Committees
5. Officers
6. Protection of Directors, Officers and Others
7. Shares
8. Dividends and Rights
9. Meetings of Shareholders
10. Divisions and Departments
11. Notices
12. Electronic Documents
13. Effective Date
14. Repeal

BE IT ENACTED AND IT IS HEREBY ENACTED as a by-law of Anaconda Mining Inc. (the "Corporation") as follows:

#### **SECTION ONE**

#### **INTERPRETATION**

##### **1.01 Definitions**

In the by-laws of the Corporation, unless the context otherwise requires:

- (1) "Act" means the Business Corporations Act, R.S.O. 1990 c. B.16 and the regulations under the Act, as from time to time amended, and every statute that may be substituted therefor and, in the case of such substitution, any reference in the by-laws of the Corporation to provisions of the Act shall be read as references to the substituted provisions therefor in the new statute or statutes;
- (2) "appoint" includes "elect" and vice versa;
- (3) "articles" means the articles of the Corporation as from time to time amended or restated;
- (4) "board" means the board of directors of the Corporation;
- (5) "by-laws" means this by-law and all other by-laws of the Corporation from time to time in force and effect;
- (6) "meeting of shareholders" includes an annual meeting of shareholders and a special meeting of shareholders; "special meeting of shareholders" includes a meeting of any class or classes of

shareholders and a special meeting of all shareholders entitled to vote at an annual meeting of shareholders;

- (7) "non-business day" means Saturday, Sunday and any other day that is a holiday as defined in the *Interpretation Act* (Ontario);
- (8) "recorded address" means in the case of a shareholder his address as recorded in the securities register; and in the case of joint shareholders the address appearing in the securities register in respect of such joint holding or the first address so appearing if there is more than one; and in the case of a director, officer, auditor or member of a committee of the board his latest address as recorded in the records of the Corporation;
- (9) "*Securities Transfer Act*" means the *Securities Transfer Act* (Ontario) 2006, c.8. as amended from time to time;
- (10) "signing officer" means, in relation to any instrument, any person authorized to sign the same on behalf of the Corporation by paragraph 2.03 or by a resolution passed pursuant thereto;
- (11) all terms contained in the by-laws that are not otherwise defined in the by-laws and which are defined in the Act, such as "resident Canadian", shall have the meanings given to such terms in the Act; and
- (12) the singular shall include the plural and the plural shall include the singular; the masculine shall include the feminine and neuter genders; and the word "person" shall include individuals, bodies corporate, corporations, companies, partnerships, syndicates, trusts, unincorporated organizations and any number or aggregate of persons.

## **1.02 Conflict with Laws**

In the event of any inconsistency between the by-laws and mandatory provisions of the Act or the *Securities Transfer Act*, the provisions of the Act or the *Securities Transfer Act*, as applicable, shall prevail.

## SECTION TWO

### **BUSINESS OF THE CORPORATION**

#### **2.01 Corporate Seal**

The Corporation may, but need not adopt a corporate seal and if one is adopted it shall be in such form as the directors may by resolution adopt from time to time.

#### **2.02 Financial Year**

The financial year of the Corporation shall be as determined by the board from time to time.

#### **2.03 Execution of Instruments**

Contracts, documents or instruments in writing requiring the signature of the Corporation may be signed on behalf of the Corporation by any officer or director and instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The board shall have power from time to time by resolution to appoint any officer or officers or any person or persons or any legal entity on behalf of the Corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The seal of the Corporation, if any, may when required be affixed to contracts, documents and instruments in writing signed as set out above or by any officer or officers, person or persons, appointed as set out above by resolution of the board.

The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property, real or personal, movable or immovable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, share warrants, stocks, bonds, debentures, notes or other securities and all paper writings.

The signature or signatures of the Chairman of the Board (if any), the President, any Vice-President, the Secretary, the Treasurer, an Assistant Secretary, an Assistant Treasurer or any director of the Corporation and/or any other officer or officers, person or persons, appointed as aforesaid by resolution of the board may, if specifically authorized by resolution of the directors, be printed, engraved, lithographed or otherwise mechanically or electronically reproduced upon any contracts, documents or instruments in writing or bonds, debentures, notes or other securities of the Corporation executed or issued by or on behalf of the Corporation and all contracts, documents or instruments in writing or bonds, debentures, notes or other securities of the Corporation on which the signature or signatures of any of the foregoing officers or directors or persons authorized as aforesaid shall be so reproduced pursuant to special authorization by resolution of the board, shall be deemed to have been manually signed by such officers or directors or persons whose signature or signatures is or are so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that the officers or directors or persons whose signature or signatures is or are so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or bonds, debentures, notes or other securities of the Corporation.

Contracts, documents or instruments in writing may be signed electronically to the extent permitted by applicable laws.

#### **2.04 Banking Arrangements**

The banking business of the Corporation, or any part thereof, including, without limitation, the borrowing of money and the giving of security therefor, shall be transacted with such banks, trust companies or other bodies corporate or organizations as may from time to time be designated by or under the authority of the board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as the board may from time to time by resolution prescribe or authorize.

#### **2.05 Custody of Securities**

All shares and securities owned by the Corporation shall be lodged (in the name of the Corporation) with a chartered bank or a trust company or in a safety deposit box or, if so authorized by resolution of the board, with such other depositaries or in such other manner as may be determined from time to time by resolution of the board.

All share certificates, bonds, debentures, notes or other obligations or securities belonging to the Corporation may be issued or held in the name of a nominee or nominees of the Corporation (and if issued or held in the names of more than one nominee shall be held in the names of the nominees jointly with the right of survivorship) and shall be endorsed in blank with endorsement guaranteed in order to enable transfer to be completed and registration to be effected.

#### **2.06 Voting Shares and Securities in other Companies**

All of the shares or other securities carrying voting rights of any other body corporate held from time to time by the Corporation may be voted at any and all meetings of shareholders, bondholders, debenture holders or holders of other securities (as the case may be) of such other body corporate and in such manner and by such person or persons as the board shall from time to time by resolution determine. The proper signing officers of the Corporation may also from time to time execute and deliver for and on behalf of the Corporation proxies and/or arrange for the issuance of voting certificates and/or other evidence of the right to vote in such names as they may determine without the necessity of a resolution or other action by the board.



## SECTION THREE

### DIRECTORS

#### **3.01 Number of Directors and Quorum**

The number of directors of the Corporation shall be the number of directors as specified in the articles or, where a minimum and maximum number of directors is provided for in the articles, the number of directors of the Corporation shall be the number of directors determined from time to time by special resolution or, if a special resolution empowers the directors to determine the number, the number of directors determined by resolution of the board. Subject to the Act and Section 3.17, the quorum for the transaction of business at any meeting of the board shall be a majority of the number of directors then in office and or such greater number of directors as the board may from time to time by resolution determine.

#### **3.02 Qualification**

No person shall be qualified for election as a director if disqualified in accordance with the Act (which would currently include: a person who is less than 18 years of age; a person who has been found under the *Substitute Decisions Act*, 1992 or under the *Mental Health Act* to be incapable of managing property or who has been found to be incapable by a court in Canada or elsewhere; a person who is not an individual; or a person who has the status of a bankrupt). A director need not be a shareholder. The board shall be comprised of the number of Canadian residents as may be prescribed from time to time by the Act (which is currently a minimum of 25%). If the Corporation is or becomes an offering corporation within the meaning of the Act, at least one-third of the directors of the Corporation shall not be officers or employees of the Corporation or any of its affiliates.

#### **3.03 Election and Term**

The election of directors shall take place at the first meeting of shareholders and at each succeeding annual meeting of shareholders and all the directors then in office shall retire but, if qualified, shall be eligible for re-election. The number of directors to be elected at any such meeting shall be the number of directors as specified in the articles or, if a minimum and maximum number of directors is provided for in the articles, the number of directors determined by special resolution or, if the special resolution empowers the directors to determine the number, the number of directors determined by resolution of the board. The voting on the election shall be by show of hands unless a ballot is demanded by any shareholder or required by a policy of the Corporation. If an election of directors is not held at the proper time, the incumbent directors shall continue in office until their successors are elected.

Subject only to the Act and the articles of the Corporation, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors, (i) by or at the direction of the board or an authorized officer of the Corporation, including pursuant to a notice of meeting, (ii) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act, or (iii) by any person (a "Nominating Shareholder") (A) who, at the close of business on the date of the giving of the notice provided for below in this paragraph 3.03 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and (B) who complies with the notice procedures set forth below in this paragraph 3.03:

- (a) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the secretary of the Corporation at the principal executive offices of the Corporation in accordance with this paragraph 3.03.
- (b) To be timely, a Nominating Shareholder's notice to the secretary of the Corporation must be made (i) in the case of an annual meeting of shareholders, not less than thirty (30) nor more than sixty-

five (65) days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than fifty (50) days after the date (the "Notice Date") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and (ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made. Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this paragraph (b).

- (c) In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above.
- (d) To be in proper written form, a Nominating Shareholder's notice to the secretary of the Corporation must set forth (i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (A) the name, age, business address and residence address of the person, (B) the principal occupation or employment of the person, (C) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, and (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and (ii) as to the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Corporation and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of Directors pursuant to the Act and Applicable Securities Laws (as defined below). The Corporation may require any proposed nominee to furnish such other information, including a written consent to act, as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.
- (e) No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this paragraph 3.03; provided, however, that nothing in this paragraph 3.03 shall be deemed to preclude discussion by a shareholder (as distinct from nominating directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chairperson of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
- (f) For purposes of this paragraph 3.03, (i) "public announcement" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com); and (ii) "Applicable Securities Laws" means the applicable Securities Act of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.
- (g) Notwithstanding any other provision of the by-laws of the Corporation, notice given to the secretary of the Corporation pursuant to this paragraph 3.03 may only be given by personal delivery, electronic transmission or by email (at such email address as stipulated from time to time by the

secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by electronic transmission (provided that receipt of confirmation of such transmission has been received) to the secretary at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. (Toronto time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

- (h) Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this paragraph 3.03 related to the nomination process.

### **3.04 Removal of Directors**

Subject to the provisions of the Act, the shareholders may by ordinary resolution passed at a meeting specially called for such purpose remove any director from office and the vacancy created by such removal may be filled at the same meeting failing which it may be filled by a quorum of the directors.

### **3.05 Vacation of Office**

A director ceases to hold office when he dies or, subject to the Act, resigns; he is removed from office by the shareholders in accordance with the Act; he becomes of unsound mind and is so found by a court in Canada or elsewhere or if he acquires the status of a bankrupt.

### **3.06 Vacancies**

Subject to the Act, a quorum of the board may fill a vacancy in the board, except a vacancy resulting from an increase in the number or maximum number of directors or from a failure of the shareholders to elect the number of directors required to be elected at any meeting of shareholders. In the absence of a quorum of the board, or if the vacancy has arisen from a failure of the shareholders to elect the number of directors required to be elected at any meeting of shareholders, the directors then in office shall forthwith call a special meeting of shareholders to fill the vacancy. If the directors then in office fail to call such meeting or if there are no directors then in office, any shareholder may call the meeting.

### **3.07 Action by the Board**

The board shall manage or supervise the management of the business and affairs of the Corporation. Subject to paragraph 3.08, the powers of the board may be exercised at a meeting at which a quorum is present or by resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of the board. Where there is a vacancy in the board, the remaining directors may exercise all the powers of the board so long as a quorum of the board remains in office.

### **3.08 Electronic Participation**

Subject to the Act, if all of the directors consent, a director may participate in a meeting of the board or a committee of the board by means of such telephonic, electronic or other communications facilities as permit all persons participating in the meeting to communicate adequately with each other, and a director participating in a meeting by such means shall be deemed to be present at that meeting. A consent is effective whether given before or after the meeting and may be given with respect to all meetings of the board and committees of the board.

### **3.09 Place of Meetings**

Meetings of the board may be held at any place within or outside Ontario. In any financial year of the Corporation a majority of the meetings of the board need not be held within Canada.

### **3.10 Calling of Meetings**

Subject to the Act, meetings of the board shall be held from time to time on such day and at such time and at such place as the board, the Chairman of the Board (if any), the President, a Vice-President who is a director or any one director may determine and the Secretary or Assistant Secretary, when directed by the board, the Chairman of the Board (if any), the President, or a Vice-President who is a director or any one director shall convene a meeting of the board.

### **3.11 Notice of Meeting**

Notice of the date, time and place of each meeting of the board shall be given in the manner provided in paragraph 11.01 to each director not less than 48 hours (exclusive of any part of a non-business day) before the time when the meeting is to be held. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified.

A director may in any manner waive notice of or otherwise consent to a meeting of the board.

### **3.12 First Meeting of New Board**

Provided a quorum of directors is present, each newly elected board may without notice hold its first meeting immediately following the meeting of shareholders at which such board is elected.

### **3.13 Adjourned Meeting**

Notice of an adjourned meeting of the board is not required if the time and place of the adjourned meeting is announced at the original meeting.

### **3.14 Regular Meetings**

The board may appoint a day or days in any month or months for regular meetings of the board at a place and hour to be named. A copy of a schedule of regular meetings of the board setting forth the proposed dates, times and places of such regular meetings shall be sent to each director at the commencement of each calendar year, however, each director shall also be provided with a follow-up notice of meeting and agenda prior to each regularly scheduled meeting.

### **3.15 Chairman**

The chairman of any meeting of the board shall be the first mentioned of such of the following officers as have been appointed and who is a director and is present at the meeting: the Chairman of the Board, the President, or a Vice-President. If no such officer is present, the directors present shall choose one of their number to be chairman.

### **3.16 Votes to Govern**

At all meetings of the board every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes, the chairman of the meeting shall not be entitled to a second or casting vote.

### **3.17 Conflict of Interest**

A director or officer who is a party to, or who is a director or officer of or has a material interest in any person who is a party to, a material contract or transaction or proposed material contract or transaction with the Corporation shall disclose in writing to the Corporation or request to have entered in the minutes of the meetings of the directors the nature and extent of his interest at the time and in the manner provided by the Act. Any such contract or transaction or proposed contract or transaction shall be referred to the board or shareholders for approval even if such contract is one that in the ordinary course of the Corporation's business would not require approval by the board or shareholders, and a director interested in a contract or transaction so referred to the board shall not attend any part

of a meeting of the board during which the contract or transaction is discussed and shall not vote on any resolution to approve the same except as permitted by the Act. If no quorum exists for the purpose of voting on a resolution to approve a contract or transaction only because a director is not permitted to be present at the meeting by reason of this section, the remaining directors shall be deemed to constitute a quorum for the purposes of voting on the resolution. Where all of the directors are required to disclose their interests pursuant to this section, the contract or transaction may be approved only by the shareholders.

### **3.18 Remuneration and Expenses**

The directors shall be paid such remuneration for their services as the board may from time to time determine. The directors shall also be entitled to be reimbursed for traveling and other expenses properly incurred by them in attending meetings of the shareholders or of the board or any committee thereof or otherwise in the performance of their duties. Nothing herein contained shall preclude any director from serving the Corporation in any other capacity and receiving remuneration therefor.

## **SECTION FOUR**

### **COMMITTEES**

#### **4.01 Committee of Directors**

The board may appoint a committee of directors, however designated, and delegate to such committee any of the powers of the board except those which pertain to items which, under the Act, a committee of directors has no authority to exercise.

#### **4.02 Transaction of Business**

The powers of a committee of directors may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place within or outside Ontario.

#### **4.03 Audit Committee**

The board may, and shall if the Corporation is an offering corporation within the meaning of the Act, elect annually from among its number an audit committee to be composed of not fewer than three directors of whom a majority shall not be officers or employees of the Corporation or its affiliates. The audit committee shall have the powers and duties provided in the Act.

#### **4.04 Advisory Committees**

The board may from time to time appoint such other committees as it may deem advisable, but the functions of any such other committees shall be advisory only.

4.05 Procedure

Unless otherwise determined by the board, each committee shall have power to fix its quorum at not less than a majority of its members, to elect its chairman and to regulate its procedure.

SECTION FIVE

**OFFICERS**

**5.01 Appointment**

The board may from time to time appoint a Chairman of the Board, a President, one or more Vice-Presidents (to which title may be added words indicating seniority or function), a Secretary, a Treasurer and such other officers as the board may determine, including one or more assistants to any of the officers so appointed. The board may specify the duties of and, in accordance with this by-law and subject to the provisions of the Act, delegate to such officers powers to manage the business and affairs of the Corporation. Subject to paragraph 5.02, an officer may but need not be a director and one person may hold more than one office. In case and whenever the same person holds the offices of Secretary and Treasurer, he may but need not be known as the Secretary-Treasurer. All officers shall sign such contracts, documents, or instruments in writing as require their respective signatures. In the case of the absence or inability to act of any officer or for any other reason that the board may deem sufficient, the board may delegate all or any of the powers of such officer to any other officer or to any director for the time being.

**5.02 Chairman of the Board**

The Chairman of the Board, if appointed, shall be a director and shall, when present, preside at all meetings of the board. Each committee of the board shall appoint a Chairman which shall be a member of the relevant committee of the board and shall, when present, preside at all meetings of committees of the board. The Chairman of the Board shall be vested with and may exercise such powers and shall perform such other duties as may from time to time be assigned to him by the board. During the absence or disability of the Chairman of the Board, his duties shall be performed and his powers exercised by the President.

**5.03 President**

The President shall, and unless and until the board designates any other officer of the Corporation to be the Chief Executive Officer of the Corporation, be the Chief Executive Officer and, subject to the authority of the board, shall have general supervision of the business and affairs of the Corporation and such other powers and duties as the board may specify. The President shall be vested with and may exercise all the powers and shall perform all the duties of the Chairman of the Board if none be appointed or if the Chairman of the Board is absent or unable or refuses to act.

**5.04 Vice-President**

Each Vice-President shall have such powers and duties as the board or the President may specify. The Vice-President or, if more than one, the Vice-President designated from time to time by the board or by the President, shall be vested with all the powers and shall perform all the duties of the President in the absence or inability or refusal to act of the President, provided, however, that a Vice-President who is not a director shall not preside as chairman at any meeting of the board.

**5.05 Secretary or Assistant Secretary**

The Secretary or Assistant Secretary shall give or cause to be given as and when instructed, all notices to shareholders, directors, officers, auditors and members of committees of the board; he shall be the custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Corporation and all books, papers, records, documents and instruments belonging to the Corporation, except when some other officer or agent has been appointed for that purpose; and he shall have such other powers and duties as the board may specify.

**5.06 Treasurer or Assistant Treasurer**

The Treasurer or Assistant Treasurer shall keep proper accounting records in compliance with the Act and shall be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation; he shall render to the board whenever required an account of all his transactions as Treasurer or Assistant Treasurer and of the financial position of the Corporation; and he shall have such other powers and duties as the board may specify. Unless and until the board designates any other officer of the Corporation to be the Chief Financial Officer of the Corporation, the Treasurer or Assistant Treasurer shall be the Chief Financial Officer of the Corporation.

**5.07 Powers and Duties of Other Officers**

The powers and duties of all other officers shall be such as the terms of their engagement call for or as the board may specify. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board otherwise directs.

**5.08 Variation of Powers and Duties**

The board may from time to time and subject to the provisions of the Act, vary, add to or limit the powers and duties of any officer.

**5.09 Term of Office**

The board, in its discretion, may remove any officer of the Corporation, with or without cause, without prejudice to such officer's rights under any employment contract. Otherwise each officer appointed by the board shall hold office until his successor is appointed or until the earlier of his resignation or death.

**5.10 Terms of Employment and Remuneration**

The terms of employment and the remuneration of an officer appointed by the board shall be settled by it from time to time. The fact that any officer or employee is a director or shareholder of the Corporation shall not disqualify him from receiving such remuneration as may be so determined.

**5.11 Conflict of Interest**

An officer shall disclose his interest in any material contract or transaction or proposed material contract or transaction with the Corporation in accordance with paragraph 3.17.

**5.12 Agents and Attorneys**

The board shall have power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers of management or otherwise (including the powers to subdelegate) as may be thought fit.

**SECTION SIX**

**PROTECTION OF DIRECTORS, OFFICERS AND OTHERS**

**6.01 Submission of Contracts or Transactions to Shareholders for Approval**

The board in its discretion may submit any contract, act or transaction for approval, ratification or confirmation at any meeting of the shareholders called for the purpose of considering the same and any contract, act or transaction that shall be approved, ratified or confirmed by a resolution passed by a majority of the votes cast at any such meeting (unless any different or additional requirement is imposed by the Act or by the Corporation's articles

or any other by-law) shall be as valid and as binding upon the Corporation and upon all the shareholders as though it had been approved, ratified or confirmed by every shareholder of the Corporation.

#### **6.02 For the Protection of Directors and Officers**

In supplement of and not by way of limitation upon any rights conferred upon directors by the provisions of the Act, it is declared that no director shall be disqualified by his office from, or vacate his office by reason of, holding any office or place of profit under the Corporation or under any body corporate in which the Corporation shall be a shareholder or by reason of being otherwise in any way directly or indirectly interested or contracting with the Corporation either as vendor, purchaser or otherwise or being concerned in any contract or arrangement made or proposed to be entered into with the Corporation in which he is in any way directly or indirectly interested either as vendor, purchaser or otherwise nor shall any director be liable to account to the Corporation or any of its shareholders or creditors for any profit arising from any such office or place of profit; and, subject to the provisions of the Act, no contract or arrangement entered into by or on behalf of the Corporation in which any director shall be in any way directly or indirectly interested shall be avoided or voidable and no director shall be liable to account to the Corporation or any of its shareholders or creditors for any profit realized by or from any such contract or arrangement by reason of the fiduciary relationship existing or established thereby. Subject to the provisions of the Act and to paragraph 3.17, no director shall be obliged to make any declaration of interest or refrain from voting in respect of a contract or proposed contract with the Corporation in which such director is in any way directly or indirectly interested.

#### **6.03 Limitation of Liability**

Except as otherwise provided in the Act, no director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any persons, firm or corporation including any person, firm or corporation with whom or which any moneys, securities or effects shall be lodged or deposited for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office or trust or in relation thereto unless the same shall happen by or through his failure to exercise the powers and to discharge the duties of his office honestly, in good faith and in the best interests of the Corporation and in connection therewith to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The directors for the time being of the Corporation shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the Corporation, except such as shall have been submitted to and authorized or approved by the board. If any director or officer of the Corporation shall be employed by or shall perform services for the Corporation otherwise than as a director or officer or shall be a member of a firm or a shareholder, director or officer of a company which is employed by or performs services for the Corporation, the fact of his being a director or officer of the Corporation shall not disentitle such director or officer or such firm or company, as the case may be, from receiving proper remuneration for such services.

#### **6.04 Indemnity**

Subject to the limitations contained in the Act, the Corporation shall indemnify a director or officer, a former director or officer, or another individual who acts or acted at the Corporation's request as a director or officer, or an individual acting in a similar capacity, of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity, if



- (a) the individual acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which the individual acted as a director or officer or in a similar capacity at the Corporation's request;
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the individual's conduct was lawful; and
- (c) a court or other competent authority has not judged that the individual has committed any fault or omitted to do anything that the individual ought to have done.

The Corporation shall also indemnify such person in such other circumstances as the Act permits or requires. The Corporation may advance monies to a director, officer or other individual for costs, charges and expenses of a proceeding referred to above. The individual shall repay the monies if he or she does not fulfill the conditions set out in paragraphs (a) and (b) above. Nothing in this by-law shall limit the right of any individual entitled to indemnity to claim indemnity apart from the provisions of this by-law.

#### **6.05 Insurance**

The Corporation may purchase and maintain insurance for the benefit of any person referred to in paragraph 6.04 against such liabilities and in such amounts as the board may from time to time determine and are permitted by the Act.

### SECTION SEVEN

#### **SHARES**

#### **7.01 Allotment**

The board may from time to time allot or grant options to purchase the whole or any part of the authorized and unissued shares of the Corporation at such times and to such persons and for such consideration as the board shall determine, provided that no share shall be issued until it is fully paid as provided by the Act. Shares may be issued as uncertificated securities or be represented by share certificates in accordance with the provisions of the Act and the Securities Transfer Act.

#### **7.02 Commissions**

The board may from time to time authorize the Corporation to pay a reasonable commission to any person in consideration of such person purchasing or agreeing to purchase shares of the Corporation, whether from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares.

#### **7.03 Registration of Transfers**

All transfers of securities of the Corporation shall be made in accordance with the Act and the *Securities Transfer Act*. Subject to the provisions of the Act and the Securities Transfer Act, no transfer of shares represented by a security certificate (as defined in the Act) shall be registered in a securities register except upon presentation of the certificate representing such shares with an endorsement which complies with the Act and the *Securities Transfer Act* made thereon or delivered therewith duly executed by an appropriate person as provided by the Act and the *Securities Transfer Act*, together with such reasonable assurance that the endorsement is genuine and effective as the board may from time to time prescribe, upon payment of all applicable taxes and any fees prescribed by the board, upon compliance with such restrictions on transfer as are authorized by the articles and upon satisfaction of any lien referred to in paragraph 7.05.

#### **7.04 Transfer Agents and Registrars**

The board may from time to time appoint one or more agents to maintain, in respect of each class of securities of the Corporation issued by it in registered form, a securities register and one or more branch securities registers. Such a person may be designated as transfer agent and registrar according to his functions and one person may be designated both registrar and transfer agent. The board may at any time terminate such appointment.

#### **7.05 Lien for Indebtedness**

The Corporation shall have a lien on any share registered in the name of a shareholder or his legal representatives for a debt of that shareholder to the Corporation, provided that if the shares of the Corporation are listed on a stock exchange in or outside Canada, the Corporation shall not have such lien. The Corporation may enforce any lien that it has on shares registered in the name of a shareholder indebted to the Corporation by the sale of the shares thereby affected or by any other action, suit, remedy or proceeding authorized or permitted by law and, pending such enforcement, the Corporation may refuse to register a transfer of the whole or any part of such shares.

#### **7.06 Non-recognition of Trusts**

Subject to the provisions of the Act and the Securities Transfer Act, the Corporation may treat as absolute owner of any share the person in whose name the share is registered in the securities register as if that person had full legal capacity and authority to exercise all rights of ownership, irrespective of any indication to the contrary through knowledge or notice or description in the Corporation's records or on the share certificate.

#### **7.07 Share Certificates and Written Evidence of Ownership**

Every holder of one or more shares of the Corporation that are certificated securities under the Act shall be entitled, at his option, to a share certificate, or to a non-transferable written acknowledgement of his right to obtain a share certificate, stating the number and class or series of shares held by him as shown on the securities register. Share certificates and acknowledgements of a shareholder's right to a share certificate, respectively, shall be in such form as the board shall from time to time approve. Any share certificate shall be signed in accordance with paragraph 2.03 and need not be under the corporate seal; provided that, unless the board otherwise determines, certificates representing shares in respect of which a transfer agent and/or registrar has been appointed shall not be valid unless countersigned by or on behalf of such transfer agent and/or registrar. The signature of one of the signing officers or, in the case of share certificates which are not valid unless countersigned by or on behalf of a transfer agent and/or registrar, the signatures of both signing officers, may be printed or mechanically reproduced in electronic format upon share certificates and every such electronic signature shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be binding upon the Corporation. A share certificate executed as aforesaid shall be valid notwithstanding that one or both of the officers whose electronic signature appears thereon no longer holds office at the date of issue of the certificate. Holders of uncertificated securities of the Corporation shall be entitled to receive a written notice or other documentation as provided by the Act.

#### **7.08 Replacement of Share Certificates**

The board or any officer or agent designated by the board may in its or his discretion direct the issue of a new share certificate in lieu of and upon cancellation of a share certificate that has been mutilated or in substitution for a share certificate claimed to have been lost, destroyed or wrongfully taken on payment of such fee, not exceeding \$3.00, and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the board may from time to time prescribe, whether generally or in any particular case.

#### **7.09 Joint Shareholders**

If two or more persons are registered as joint holders of any share, the Corporation shall not be bound to issue more than one certificate in respect thereof, and delivery of such certificate to one of such persons shall be sufficient delivery to all of them. Any one of such persons may give effectual receipts for the certificate issued in respect thereof or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such shares.

## **7.10 Deceased Shareholders**

In the event of the death of a holder, or of one of the joint holders, of any share, the Corporation shall not be required to make any entry in the securities register in respect thereof or to make payment of any dividends thereon except upon production of all such documents as may be required by law and upon compliance with the reasonable requirements of the Corporation and its transfer agents.

## **SECTION EIGHT**

### **DIVIDENDS AND RIGHTS**

#### **8.01 Dividends**

Subject to the provisions of the Act, the board may from time to time declare dividends payable to the shareholders according to their respective rights and interest in the Corporation. Dividends may be paid in money or property or by issuing fully paid shares of the Corporation.

#### **8.02 Dividend Cheques**

A dividend payable in cash shall be paid either electronically by direct deposit or by cheque drawn on the Corporation's bankers or one of them to the order of each registered holder of shares of the class or series in respect of which it has been declared and, if paid by cheque, mailed by prepaid ordinary mail to such registered holder at his recorded address, unless such holder otherwise directs. In the case of joint holders any cheque issued shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and mailed to them at their recorded address. The mailing of such cheque as set out in this section, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.

#### **8.03 Non-receipt of Cheques**

In the event of non-receipt of any dividend cheque by the person to whom it is sent as set out in section 8.02, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the board may from time to time prescribe, whether generally or in any particular case.

#### **8.04 Record Date for Dividends and Rights**

The board may fix in advance a date, preceding by not more than 50 days the date for the payment of any dividend or the date for the issue of any warrant or other evidence of the right to subscribe for securities of the Corporation, as a record date for the determination of the persons entitled to receive payment of such dividend or to exercise the right to subscribe for such securities, and notice of any such record date shall be given not less than seven days before such record date in the manner provided by the Act. If no record date is so fixed, the record date for the determination of the persons entitled to receive payment of any dividend or to exercise the right to subscribe for securities of the Corporation shall be at the close of business on the day on which the resolution relating to such dividend or right to subscribe is passed by the board.

#### **8.05 Unclaimed Dividends**

Any dividend unclaimed after a period of six years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

## SECTION NINE

### MEETINGS OF SHAREHOLDERS

#### **9.01 Annual Meetings**

The annual meeting of shareholders shall be held at such time in each year as the board, the Chairman of the Board (if any) or the President may from time to time determine, for the purpose of considering the financial statements and reports required by the Act to be placed before the annual meeting, electing directors, appointing an auditor and for the transaction of such other business as may properly be brought before the meeting.

#### **9.02 Special Meetings**

The board, the Chairman of the Board (if any) or the President shall have the power to call a special meeting of shareholders at any time.

#### **9.03 Place of Meetings**

Subject to the Corporation's articles, a meeting of shareholders of the Corporation shall be held at such place in or outside of Ontario as the board may determine or, in the absence of such a determination, at the place where the registered office of the Corporation is located. If the Corporation makes available a telephonic, electronic or other communication facility that permits all participants of a shareholders meeting to communicate adequately with each other during the meeting and otherwise complies with the Act, any person entitled to attend such meeting may participate by means of such communication facility in the manner prescribed by the Act, and any person participating in the meeting by such means is deemed to be present at the meeting.

#### **9.04 Notice of Meetings**

Notice of the time and place of each meeting of shareholders shall be given in the manner provided in paragraph 11.01 not less than 21 days nor more than 50 days before the date of the meeting to each director, to the auditor and to each shareholder who at the close of business on the record date for notice is entered in the securities register as the holder of one or more shares carrying the right to vote at the meeting. Notice of a meeting of shareholders called for any purpose other than consideration of the financial statements and auditor's report, election of directors and reappointment of the incumbent auditor shall state or be accompanied by a statement of the nature of such business in sufficient detail to permit the shareholder to form a reasoned judgment thereon and the text of any special resolution or by-law to be submitted to the meeting. A shareholder and any other person entitled to attend a meeting of shareholders may in any manner waive notice of or otherwise consent to a meeting of shareholders.

#### **9.05 List of Shareholders Entitled to Notice**

For every meeting of shareholders, the Corporation shall prepare a list of shareholders entitled to receive notice of the meeting, arranged in alphabetical order and showing the number of shares held by each shareholder entitled to vote at the meeting. If a record date for the meeting is fixed pursuant to paragraph 9.06, the list of shareholders entitled to receive notice of the meeting shall be prepared not later than ten days after such record date. If no record date is fixed, the list of shareholders entitled to receive notice of the meeting shall be prepared as of the close of business on the day immediately preceding the day on which notice of the meeting is given, or where no such notice is given, on the day on which the meeting is held. The list shall be available for examination by any shareholder during usual business hours at the registered office of the Corporation or at the place where the central securities register is maintained and at the meeting of shareholders for which the list was prepared.

#### **9.06 Record Date for Notice**

The board may fix in advance a date, preceding the date of any meeting of shareholders by not more than 60 days and not less than 30 days (or pursuant to the time limitations as may be prescribed by the Act from time to time), as a record date for the determination of the shareholders entitled to receive notice of the meeting, provided that notice of any such record date shall be given not less than seven days before such record date by newspaper

advertisement in the manner provided in the Act and, if any shares of the Corporation are listed for trading on a stock exchange in Canada, by written notice to each such stock exchange. If no record date is so fixed, the record date for the determination of the shareholders entitled to receive notice of the meeting shall be at the close of business on the day immediately preceding the day on which the notice is given or, if no notice is given, the day on which the meeting is held.

#### **9.07 Meetings Held by Electronic Means**

If the directors or shareholders of the Corporation call a meeting of shareholders pursuant to the Act, the directors may determine that the meeting shall be held, in accordance with the Act, entirely by means of a telephonic, electronic or other communications facility that permits all participants to communicate adequately with each other during the meeting.

#### **9.08 Meetings without Notice**

A meeting of shareholders may be held without notice at any time and place permitted by the Act

- (a) if all the shareholders entitled to vote thereat are present in person or represented by proxy waive notice of or otherwise consent to such meeting being held, and
- (b) if the auditor and the directors are present or waive notice of or otherwise consent to such meeting being held, so long as such shareholders, auditor and directors present are not attending for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. At such a meeting any business may be transacted which the Corporation at a meeting of shareholders may transact. If the meeting is held at a place outside Canada, shareholders not present or represented by proxy, but who have waived notice of or otherwise consented to such meeting, shall also be deemed to have consented to the meeting being held at such place.

#### **9.09 Chairman, Secretary and Scrutineers**

The Chairman of the Board or any other director or officer of the Corporation, as determined by the board, may act as chairman of any meeting of shareholders. If no such director or officer is present within 15 minutes from the time fixed for holding the meeting, the persons present and entitled to vote shall choose one of their number to be chairman. If the Secretary or Assistant Secretary of the Corporation is absent, the chairman shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by a resolution or by the chairman with the consent of the meeting.

#### **9.10 Persons Entitled to be Present**

The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors and the auditor of the Corporation and others who, although not entitled to vote are entitled or required under any provision of the Act or the articles or the by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

#### **9.11 Quorum**

Subject to the Act, a quorum for the transaction of business at any meeting of shareholders shall be two persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxy or proxyholder for an absent shareholder so entitled, holding or representing in the aggregate not less than 20% of the issued shares of the Corporation enjoying voting rights at such meeting.

#### **9.12 Right to Vote**

The persons entitled to vote at any meeting of shareholders shall be the persons entitled to vote in accordance with the Act.

### **9.13 Proxies**

Every shareholder entitled to vote at a meeting of shareholders may appoint a proxyholder, or one or more alternate proxyholders, who need not be shareholders, to attend and act at the meeting in the manner and to the extent authorized and with the authority conferred by the proxy. A proxy shall be in writing executed by the shareholder or his attorney authorized in writing (or by electronic signature) and shall conform with the requirements of the Act.

### **9.14 Time for Deposit of Proxies**

The board may by resolution specify in a notice calling a meeting of shareholders a time, preceding the time of such meeting or an adjournment thereof by not more than 48 hours exclusive of any part of a non-business day, before which time proxies to be used at such meeting must be deposited. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice or, if no such time is specified in such notice, only if it has been received by the Secretary of the Corporation or by the chairman of the meeting or any adjournment thereof prior to the time of voting.

### **9.15 Joint Shareholders**

If two or more persons hold shares jointly, any one of them present in person or represented by proxy at a meeting of shareholders may, in the absence of the other or others, vote the shares; but if two or more of those persons are present in person or represented by proxy and vote, they shall vote as one the shares jointly held by them.

### **9.16 Votes to Govern**

At any meeting of shareholders every question shall, unless otherwise required by the articles or by-laws or by law, be determined by a majority of the votes cast on the question. In case of an equality of votes either upon a show of hands or upon a poll, the chairman of the meeting shall not be entitled to a second or casting vote.

### **9.17 Show of Hands**

Subject to the provisions of the Act, any question at a meeting of shareholders shall be decided by a show of hands, which may include such other indication of a vote made by means of the telephonic, electronic or other communication facility, if any, made available by the Corporation for that purpose, unless a ballot thereon is required or demanded as hereinafter provided. Upon a show of hands, every person who is present, in person or by means of the telephonic, electronic or other communications facility, if any that the Corporation has made available for such purpose, and entitled to vote shall have one vote. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the chairman of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the shareholders upon the said question. For the purpose of this section, if at any meeting the Corporation has made available to shareholders the means to vote electronically, any vote made electronically shall be included in tallying any votes by show of hands.

### **9.18 Ballots**

On any question proposed for consideration at a meeting of shareholders, and whether or not a vote by show of hands has been taken thereon, any shareholder or proxyholder entitled to vote at the meeting may require or demand a ballot. A ballot so required or demanded shall be taken in such manner as the chairman shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares which he is entitled to vote at the meeting upon the question, to that number of votes provided by the Act or the articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.

## **9.19 Adjourment**

The chairman at the meeting of shareholders may with the consent of the meeting and subject to such conditions as the meeting may decide, or where otherwise permitted under the provisions of the Act, adjourn the meeting from time to time and from place to place. If a meeting of shareholders is adjourned for less than 30 days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the earliest meeting that is adjourned. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting shall be given as for an original meeting.

## **9.20 Resolution in Writing**

A resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders unless a written statement with respect to the subject matter of the resolution is submitted by a director or the auditor in accordance with the Act.

# SECTION TEN

## DIVISIONS AND DEPARTMENTS

### **10.01 Creation and Consolidation of Divisions**

The board may cause the business and operations of the Corporation or any part thereof to be divided or to be segregated into one or more subsidiaries, partnerships or other legal entities upon such basis, including without limitation, character or type of operation, geographical territory, product manufactured or service rendered, as the board may consider appropriate in each case. The board may also cause the business and operations of any such subsidiary, partnership or other legal entity to be further divided into subsidiaries, partnerships or other legal entities and the business and operations of any such subsidiaries, partnerships or other legal entities to be consolidated upon such basis as the board may consider appropriate in each case.

### **10.02 Name of Division**

Any division or its sub-units may be designated by such name as the board may from time to time determine and may transact business under such name, provided that the Corporation shall set out its name in legible characters in all contracts, invoices, negotiable instruments and orders for goods or services issued or made by or on behalf of the Corporation.

### **10.03 Officers of Division**

From time to time the board or, if authorized by the board, the President and/or Chief Executive Officer, may appoint one or more officers for any division, prescribe their powers and duties and settle their terms of employment and remuneration. The board or, if authorized by the board, the President and/or Chief Executive Officer, may remove at its or his pleasure any officer so appointed, without prejudice to such officer's rights under any employment contract. Officers of divisions or their sub-units shall not, as such, be officers of the Corporation.

# SECTION ELEVEN

## NOTICES

### **11.01 Method of Giving Notices**

Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the regulations thereunder, the articles, the by-laws or otherwise to a shareholder, director, officer, auditor or member of a committee of the directors shall be sufficiently given if delivered personally to the person to whom it is to be given; delivered to the recorded address of the person; mailed to the person's recorded address by prepaid or ordinary or air mail; sent to the person's recorded address by any means of

prepaid transmitted or recorded communication; or an electronic document is provided in accordance with Part Twelve of this by-law.

A notice delivered as set out in this section is deemed to have been given when it is delivered personally or to the recorded address; a notice mailed as set out in this section shall be deemed to have been given when deposited in a post office or public letter box; and a notice sent by means of transmitted or recorded communication as set out in this section is deemed to have been dispatched or delivered to the appropriate communication company or agency or its representative for dispatch; and a notice sent by electronic means as set out in this section and Part Twelve shall be deemed to have been given upon receipt of reasonable confirmation of transmission to the designated information system indicated by the person entitled to receive such notice. The corporate secretary may change or cause to be changed the recorded address of any shareholder, director, officer, auditor or member of a committee of the directors in accordance with any information believed by him or her to be reliable. The Secretary or Assistant Secretary may change or cause to be changed the recorded address of any shareholder, director, officer, auditor or member of a committee of the board in accordance with any information believed by him to be reliable.

#### **11.02           Signature to Notices**

The signature of any director or officer of the Corporation to any notice or document to be given by the Corporation may be written, stamped, mechanically reproduced or electronically reproduced in whole or in part.

#### **11.03           Proof of Service**

With respect to every notice sent by post it is sufficient to prove that the envelope or wrapper containing the notice or other document was properly addressed as provided in this by-law and put into a post office or into a letter box. With respect to every notice or other document sent as an electronic document it is sufficient to prove that the electronic document was properly addressed to the designated information system as provided in this by-law and sent by electronic means. A certificate of the Chairman of the Board (if any), the President, a Vice-President, the Secretary, the Assistant Secretary, the Treasurer or the Assistant Treasurer or of any other officer of the Corporation in office at the time of the making of the certificate or of a transfer officer of any transfer agent or branch transfer agent of shares of any class of the Corporation as to the facts in relation to the mailing or delivery of any notice or other document to any shareholder, director, officer or auditor or publication of any notice or other document shall be conclusive evidence thereof and shall be binding on every shareholder, director, officer or auditor of the Corporation as the case may be.

#### **11.04           Notice to Joint Shareholders**

All notices with respect to shares registered in more than one name shall, if more than one address appears on the records of the Corporation in respect of such joint holdings, be given to all of such joint shareholders at the first address so appearing, and notice so given shall be sufficient notice to the holders of such shares.

#### **11.05           Computation of Time**

In computing the date when notice must be given under any provision requiring a specified number of days notice of any meeting or other event both the date of giving the notice and the date of the meeting or other event shall be excluded.

#### **11.06           Undelivered Notices**

If any notice given to a shareholder pursuant to paragraph 11.01 is returned on three consecutive occasions because he cannot be found, the Corporation shall not be required to give any further notices to such shareholder until he informs the Corporation in writing of his new address.



#### **11.07 Omissions and Errors**

The accidental omission to give any notice to any shareholder, director, officer, auditor or member of a committee of the board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise found thereon.

#### **11.08 Deceased Shareholders**

Any notice or other document delivered or sent by post or left at the address of any shareholder as the same appears in the records of the Corporation shall, notwithstanding that such shareholder be then deceased, and whether or not the Corporation has notice of his decease, be deemed to have been duly served in respect of the shares held by such shareholder (whether held solely or with any person or persons) until some other person be entered in his stead in the records of the Corporation as the holder or one of the holders thereof and such service shall for all purposes be deemed a sufficient service of such notice or document on his heirs, executors or administrators and on all persons, if any, interested with him in such shares.

#### **11.09 Persons Entitled by Death or Operation of Law**

Every person who, by operation of law, transfer, death of a shareholder or any other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given to the shareholder from whom he derives his title to such share prior to his name and address being entered on the securities register (whether such notice was given before or after the happening of the event upon which he became so entitled) and prior to his furnishing to the Corporation the proof of authority or evidence of his entitlement prescribed by the Act.

#### **11.10 Waiver of Notice**

Any shareholder (or his duly appointed proxyholder), director, officer, auditor or member of a committee of the board may at any time waive any notice, or waive or abridge the time for any notice, required to be given to him under any provision of the Act, the regulations thereunder, the articles, the by-laws or otherwise and such waiver or abridgement, whether given before or after the meeting or other event of which notice is required to be given shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of shareholders or of the board or of a committee of the board which may be given in any manner.

### **SECTION TWELVE**

#### **ELECTRONIC DOCUMENTS**

#### **12.01 Creation and Provision of Information**

Unless the Corporation's articles provide otherwise, and subject to and in accordance with the Act, the Corporation may satisfy any requirement of the Act to create or provide a notice, document or other information to any person by the creation or provision of an electronic document. Except as provided in the Act, "electronic document" means any form of representation of information or of concepts fixed in any medium in or by electronic, optical or other similar means that can be read or perceived by a person by any means.

SECTION THIRTEEN

**EFFECTIVE DATE**

**13.01 Effective Date**

This by-law shall come into force upon being passed by the board.

SECTION FOURTEEN

**REPEAL**

**14.01 Repeal**

Upon this by-law coming into force, by-laws number 1 and 2 of the Corporation shall be repealed, provided that such repeal shall not affect the previous operation of such by-laws number 1 and 2 so repealed or affect the validity of any act done or right, privilege, obligation, acquired or incurred, or the validity of any contract or agreement made pursuant to such by-laws number 1 and 2 prior to the repeal. All resolutions of the shareholders and of the board with continuing effect passed under such repealed by-laws number 1 and 2 shall continue to be good and valid except to the extent that such resolutions are inconsistent with this by-law.

ENACTED this 25 day of February, 2021.

WITNESS the seal of the Corporation.

*“Jonathan Fitzgerald”*

\_\_\_\_\_  
Jonathan Fitzgerald  
Non-Executive Chairman of the Board of  
Directors

*“Kevin Bullock”*

\_\_\_\_\_  
Kevin Bullock  
President, Chief Executive Officer and Director

## Schedule B

### BOARD OF DIRECTORS MANDATE

#### 1. Objective and Scope

The Board of Directors (the “Board”) has the responsibility for the overall stewardship of Anaconda Mining Inc. (the “Company”), its business conduct, and the activities of management, which is responsible for the day-to-day conduct of the business. The fundamental objectives of the Board are to enhance and preserve long term shareholder value, and to ensure that the Company meets its obligations on an ongoing basis and operates in a reliable and safe manner. In performing its functions, the Board should also consider the legitimate interests of its other stakeholders, such as employees, customers and communities.

#### 2. Procedures and Organization

The Board has the authority to exercise all powers of the Corporation that are required by the Business Corporations Act (Ontario) or Articles of the Corporation. The Board may delegate to Senior Management or to a committee certain of its authorities, but it will communicate with respect to matters that cannot be delegated and that require prior approval of the Board. This will require that the Corporation’s annual strategic, operating and capital plans, significant capital expenditures, and all transactions or other matters of a material nature and dealing with non-arm’s length parties, must be presented by Senior Management for approval by the Board. The Board also retains the responsibility for managing its own affairs including selecting its chair (“Chair”) and nominating candidates for election to the Board and constituting committees of the Board.

A quorum for the transaction of business at any meeting of the Board shall be a majority of the number of directors then in office. The Corporate Secretary of the Company (or in their absence, the person appointed by the Board to take minutes) shall have the responsibility for taking minutes of all meetings of the Board and for circulating drafts of such minutes to the Chair promptly following each meeting. The Corporate Secretary of the Company (or in his or her absence, the person appointed by the Board to take minutes) shall present draft minutes from the previous meeting at the next succeeding Board meeting for comments, approval and execution.

#### 3. Duties and Responsibilities

The Board’s principal duties and responsibilities fall into a number of categories which are outlined below.

##### ➤ Legal Requirements

The Board, together with management, has the responsibility to ensure all legal requirements are met, all documents and records are properly prepared and approved, and all corporate records are properly maintained.

The Board has the statutory responsibility to:

- a. To manage, supervise and assume responsibility for the management of the business of the Corporation;
- b. To act honestly and in good faith and in the best interests of the Corporation;
- c. To exercise the care, diligence and skill of a reasonably prudent person; and
- d. To act in accordance with its obligations contained in the Business Corporations Act (Ontario), the Securities Act (Ontario), the regulations of the Exchange, and all such other relevant legislation and regulations.

##### ➤ Independence

In order that the Board can function independently of Senior Management, it will seek to maintain a majority of the Board as “independent”, as defined by National Instrument 58-101 – Disclosure of Corporate Governance Practices (“NI 58-101”). The Board, in consultation with the Corporate Governance Committee, will annually review the relationship of each director and the Company to determine if each director is or remains “independent” as defined by NI 58-101.

The Board will disclose annually whether the Board of Directors has a majority of independent Directors.

➤ **Strategic Planning**

The Board has the responsibility to ensure that there are long term goals and a strategic planning process in place for the Company and to participate, at least annually, with management, directly or through the Board's committees, in developing and approving the plan by which the Company proposes to achieve its goals, which plan considers, among other things, the opportunities and risks of the Company's business. Annual operating and capital plans are developed by Senior Management and are reviewed and approved by the Board.

➤ **Identification and Management of Risks**

The Board will identify principal risks to the Corporation's business and will with Senior Management establish systems and procedures to ensure that these risks are appropriately monitored and controlled. These systems and procedures will include the responsible use of the Corporation's assets and financial resources, and will be in compliance with all regulatory obligations and regulations.

➤ **Supervision and Succession of Management**

The Board is responsible for the supervision of Senior Management and will take reasonable steps to ensure that the operations of the Corporation are conducted in accordance with strategic plans and objectives set by the Board. Appointment of the CEO and CFO will be approved by the Board. The Board will assess the performance of the Senior Officers of the Corporation and ensure that they are professional, focused and capable of successfully managing the Corporation;

The Board will ensure that appropriate and reasonable plans have been made for management succession and development.

➤ **Internal Controls and Disclosure**

While the Board is called upon to manage or supervise Senior Management, the business of the Corporation is carried out by the CEO, CFO and others in Senior Management. These individuals are charged with the day-to-day leadership and management of the Corporation and its subsidiaries and are expected to achieve overall objectives and policies established by the Board. The CEO's prime responsibility is to lead the Corporation, formulate strategies and policies and present them to the Board for approval. \ The Board approves the strategies of the Corporation and its subsidiaries, the policies within which it is managed, provides counsel to Senior Management to achieve objectives and evaluates performance. Reciprocally, the CEO keeps the Board fully-informed in a timely and candid manner on all matters which are of interest to the Board, on progress of the Corporation towards the achievement of its objectives and of all potential or actual deviations from the goals, objectives and/or policies established by the Board. Once the Board has approved the strategies and policies, it acts in a unified and cohesive manner in supporting, advising and guiding the CEO, CFO and others in Senior Management.

The Board operates by delegating certain of its authorities, including spending authorizations, to Senior Management and by reserving certain powers to itself. Subject to the Business Corporations Act (Ontario) and Articles, the Board retains the responsibility for managing its own affairs, developing its own agendas and procedures and recommending Directors' compensation. Its principal duties fall into the general categories described below.

The Board, through the Audit Committee, will be responsible for the integrity of the internal control and management information systems of the Corporation. The duties of the Audit Committee are located at Tab 11.

The Board is responsible for approving a communications policy that includes a framework for investor relations and a public disclosure policy. Refer to Corporate Disclosure Policy at Tab 3.

The Board is responsible for reviewing and assessing disclosure of the Corporation's financial performance to shareholders and stakeholders.

### ➤ **Division of Responsibilities**

The Board has the power to appoint and delegate responsibilities to committees where appropriate to do so. The Board shall be responsible for ensuring that the Company's officers and the directors are qualified and appropriate in keeping with the Company's corporate governance policies.

To assist it in exercising its responsibilities, the Board has established the following standing committees of the Board:

- Audit Committee
- Corporate Governance Committee
- Compensation Committee

The Board may establish other standing or ad hoc committees from time to time which will function in accordance with such committee's charter.

Each committee shall have a written charter that clearly establishes its purpose, responsibilities, composition, structure and functions. Each committee charter shall be reviewed by the Board at least annually. The Board is responsible for appointing the committee members, including the chair of each committee.

### ➤ **Appointment and Monitoring of Senior Management**

The Board has the responsibility:

- a. For the appointment and replacement of the CEO, and CFO, for monitoring his/her performance, approving his/her compensation and providing advice and counsel to this executive in the execution of his/her duties.
- b. To determine its expectations of Senior Management and take reasonable steps to ensure that they understand these expectations.
- c. The Board through the Corporate Governance Committee has the responsibility for reviewing and recommending the appointment and replacement of Directors.

### ➤ **Policies, Procedures and Compliance**

The Board has the responsibility:

- a. To approve all significant policies and procedures and to monitor compliance with these policies and procedures.
- b. To take such reasonable steps necessary to ensure that the Corporation operates at all times within applicable laws and regulations, and to the highest ethical and moral standards.

### ➤ **Reporting and Communication**

The Board has the responsibility to take such reasonable steps to ensure that:

- a. to ensure the Company has developed, and the Board has approved, a Corporate Disclosure Policy, to enable the Company to communicate effectively with its shareholders and other stakeholders;
- b. Operational and financial performance of the Corporation is adequately reported to exchanges and stakeholders on a timely and regular basis, as required by law.
- c. Financial performance is reported fairly and in accordance with Generally Accepted Accounting Principles.
- d. Reporting to exchanges and stakeholders of any developments that could or would be reasonably expected to have a significant and material impact on the Corporation.
- e. Policies and procedures are in place that allow for effective communication with exchanges and stakeholders.

### ➤ **Monitoring and Acting**

The Board has the responsibility:

- a. to monitor the Company's progress towards its goals and objectives and to revise and alter its direction through management in response to changing circumstances;
- b. to take action when performance falls short of its goals and objectives or when other special circumstances warrant; and
- c. to ensure that the Company has implemented adequate internal control and management information systems which ensure the effective discharge of the Board's responsibilities.

➤ **Membership and Composition**

The Board of Directors will:

- a. examine the size of the Board with a view to determining the impact of the number of Directors upon the effectiveness of the Board; and
- b. determine the status of each Director as dependent or independent and, to the extent practicable, take steps to ensure that a majority of the Directors are independent.

The Board, through the Corporate Governance Committee, in determining its composition, shall be mindful of the nature of its business and the specialized knowledge that the Board should possess or need to acquire.

➤ **Education and Assessment**

Members of the Board are expected to attend all meetings of the Board in person or by phone and to have reviewed board materials in advance and be prepared to discuss such materials.

The Board has responsibility to ensure that a process is in place so that all new Directors receive a comprehensive orientation and fully understand the role of the Board and its committees, the nature and operation of the Company's business, and the contribution that individual directors are required to make. New Directors, as part of their orientation, may meet with Senior Management to discuss the business of the Corporation and receive historical and current operating and financial information, and may tour offices and locations of the Corporation.

Members of the Board will be required to annually assess their own effectiveness and contribution as directors, and the effectiveness of the Board and its committees.

**4. Third Party Advisors**

The Board, and any individual director with the approval of the Board, may retain at the expense of the Company independent counsel and advisers in appropriate circumstances.

**5. Role of Chairman**

The Chair of the Board will provide leadership to directors in discharging their duties as set out in this Mandate, including by:

- chair Board meetings and be the spokesman for the Company at the Annual General Meeting
- establish the agenda for Board meetings in consultation with the CEO and CFO
- ensure that the Board is participating in setting the aims, strategies and policies of the Company
- make certain that the Board has the necessary information to ensure effective decision making and provide counsel for management
- ensure that administrative tasks such as the timely circulation of Board papers are carried out
- direct Board discussions so that there is effective use of time and that critical issues are discussed including 'in camera' discussions (without management) as required
- be kept fully informed by the CEO of current events and on all matters which may be of interest to the Board
- regularly review with the CEO and other such members of Senior Management as the CEO recommends, progress on important initiatives and significant issues facing the Company

Reviewed and Approved by the Board of Directors on June 15, 2020.



