



**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF
THE SHAREHOLDERS TO BE HELD ON DECEMBER 18, 2020
and
MANAGEMENT INFORMATION CIRCULAR**

November 23, 2020

GRAPHITE ONE INC.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of the holders of common shares (“**Common Shares**”) of Graphite One Inc. (the “**Company**”) will be held at the offices of Farris LLP, Suite 2500, 700 West Georgia Street, Vancouver, British Columbia, V7Y 1B3 on Friday, December 18, 2020 at the hour of 10:00 a.m. (Vancouver time) for the following purposes:

1. to receive the audited financial statements for the year ended December 31, 2019 and the auditor’s report thereon;
2. to appoint PricewaterhouseCoopers LLP, Chartered Professional Accountants, as auditors for the ensuing year and to authorize the directors to fix their remuneration;
3. to fix the number of directors to be elected at four (4);
4. to elect directors for the ensuing year;
5. to consider and if thought appropriate, pass, subject to regulatory approval, an ordinary resolution approving the ratification of the incentive stock option plan of the Company; and
6. to transact such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

Shareholders are referred to the management information circular for more detailed information with respect to the matters to be considered at the Meeting.

In light of the ongoing public health concerns related to COVID-19 and in order to comply with physical distancing measures imposed by the federal, provincial and municipal governments, only registered shareholders, non-registered shareholders who have followed the procedures set forth in the Information Circular and their proxy holders, and any persons required or entitled by law to attend the Meeting, will be entitled to attend the Meeting in person. **However, all such persons are encouraged NOT to attend but to vote on matters at the Meeting by proxy, appointing a management proxyholder to limit the number of attendees.**

The Company reserves the right to deny physical attendance at the Meeting to any person in order to enforce physical distancing measures (including, but not limited to, limiting the total number of attendees at the Meeting and denying entry to any person exhibiting symptoms of COVID-19).

Shareholders who wish to attend the Meeting in person must provide notice beforehand of their intention to attend in person by email to Alan Ahlgren, the Company’s Chief Financial Officer at aahlgren@graphiteoneinc.com, to ensure that the Company can maintain physical distancing and comply with the then current direction and advice from federal, provincial and municipal levels of government. Requirements for physical distancing that are effective on the date of the Meeting will limit the number of shareholders permitted to attend the Meeting in person. Each such shareholder will be asked to complete a declaration regarding COVID-19 related health matters prior to being admitted to the Meeting.

The declaration will require the shareholder to confirm that:

- they have not been outside of Canada in the last 14 days;
- they do not share a household with someone who has been outside of Canada in the last 14 days;
- they have not, to their knowledge, been in close contact in the last 14 days with someone who has been diagnosed with COVID-19; and
- they are not suffering from any flu-like symptoms.

The directors have fixed the record date for the Meeting as the close of business on November 13, 2020. Only holders of Common Shares of record as at that date are entitled to receive notice of the Meeting and to vote thereat or at any adjournment or postponement thereof, except to the extent that a person has transferred any Common Shares after that date and the new holder of such Common Shares establishes proper ownership and requests, not later than ten days before the Meeting, to be included in the list of Shareholders eligible to vote at the Meeting.

Dated at the City of Vancouver, in the Province of British Columbia, this 23rd day of November 2020.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "Anthony Huston"

Anthony Huston
President and Chief Executive Officer

If you are a registered shareholder of the Company and are unable to attend the Meeting in person, please date and sign the enclosed form of proxy and return it in the envelope provided. All completed proxies, to be valid, must be deposited at the office of the Company's registrar and transfer agent, Computershare, Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, Facsimile: 1-866-249-7775 (within Canada & the United States) or 416-263-9524 (International), not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting or any adjournment or postponement thereof, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently. If you are not a registered shareholder of the Company and receive these materials through your broker or through another intermediary, please complete and return the voting instruction form in accordance with the instructions provided to you by your broker or intermediary.

GRAPHITE ONE INC.

MANAGEMENT INFORMATION CIRCULAR

for the Annual General and Special Meeting of Shareholders
to be held on December 18, 2020

GENERAL PROXY MATTERS

Solicitation of Proxies

This Information Circular is dated November 23, 2020 and is furnished in connection with the solicitation by management of Graphite One Inc. (the “**Company**”) of proxies from holders (“**Shareholders**”) of common shares of the Company (“**Common Shares**”) for use at the annual general and special meeting of the Shareholders (the “**Meeting**”) to be held on Friday, December 18, 2020 at 10:00 a.m. (Vancouver time) at the offices of Farris LLP, Suite 2500, 700 West Georgia Street, Vancouver, British Columbia, V7Y 1B3 and at any adjournment or postponement thereof for the purposes set out in the accompanying notice of the Meeting (the “**Notice of Meeting**”).

Any solicitation will be primarily by mail but may also be by telephone, facsimile or in person by directors, officers or employees of the Company (who will not be additionally compensated therefor). The cost of any solicitation will be borne by the Company.

Appointment and Revocation of Proxies

The persons named in the accompanying form of Proxy are directors and/or officers of the Company. Shareholders desiring to appoint some other person (who is not required to be a shareholder of the Company) to represent him or her at the Meeting may do so either by inserting such person's name in the blank space provided in the Proxy and deleting the names printed thereon or by completing another proper Proxy. Such Shareholder should notify the nominee of his appointment, obtain his consent to act as proxy and instruct him on how the Shareholder's shares are to be voted.

A Proxy will not be valid for the Meeting or any adjournment or postponement thereof unless it is signed by the Shareholder or by his attorney authorized in writing or, if the Shareholder is a corporation, it must be executed under corporate seal or by a duly authorized officer or attorney of such corporation and delivered to the Company c/o Computershare Trust Company of Canada, the Transfer Agent and Registrar of the Company, Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, Facsimile: 1-866-249-7775 (within Canada & the United States) or 416-263-9524 (International), not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting or any adjournment or postponement thereof.

A Shareholder who has given a proxy may revoke it, in any manner permitted by law, including by instrument in writing, executed by the Shareholder or by his attorney authorized in writing or, if the Shareholder is a corporation, executed by a duly authorized officer or attorney of such corporation and deposited with the Company c/o Computershare Trust Company of Canada, at the address specified above at any time up to and including the last business day preceding the day of the Meeting or any adjournment or postponement thereof or with the Chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof.

Registered Shareholders

In light of the ongoing public health concerns related to COVID-19 and in order to comply with physical distancing measures imposed by the federal, provincial and municipal governments, only registered shareholders, non-registered shareholders who have followed the procedures set forth in this Information Circular and their proxyholders, and any persons required or entitled by law to attend the Meeting, will be entitled to attend the Meeting in person. **However, all such persons are encouraged NOT to attend but to vote on matters at the Meeting by proxy, appointing a management proxyholder to limit the number of attendees.**

The Company reserves the right to deny physical attendance at the Meeting to any person in order to enforce physical distancing measures (including, but not limited to, limiting the total number of attendees at the Meeting and denying entry to any person exhibiting symptoms of COVID-19).

Shareholders who wish to attend the Meeting in person must provide notice beforehand of their intention to attend in person by email to Alan Ahlgren, the Company's Chief Financial Officer at aahlgren@graphiteoneinc.com, to ensure that the Company can maintain physical distancing and comply with the then current direction and advice from federal, provincial and municipal levels of government. Requirements for physical distancing that are effective on the date of the Meeting will limit the number of shareholders permitted to attend the Meeting in person. Each such shareholder will be asked to complete a declaration regarding COVID-19 related health matters prior to being admitted to the Meeting.

- The declaration will require the shareholder to confirm that:
- they have not been outside of Canada in the last 14 days;
- they do not share a household with someone who has been outside of Canada in the last 14 days;
- they have not, to their knowledge, been in close contact in the last 14 days with someone who has been diagnosed with COVID-19; and
- they are not suffering from any flu-like symptoms.

Regardless of whether or not a shareholder plans to attend the Meeting in person, the Company strongly encourages that all Registered shareholders (a shareholder whose name appears on the records of the Company as the registered holder of Common Shares) vote by proxy.

Advice to Beneficial Holders of Common Shares

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold shares in their own name. Shareholders who do not hold shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of 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 Company. Such Common Shares will more likely be registered under the names of the Shareholder's broker or an agent of that broker. In Canada, the majority of such shares are registered under the name of CDS Clearing and Depository Services Inc. (which acts as nominee for many Canadian brokerage firms). Shares held by brokers or their agents or nominees can only be voted upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the form of proxy provided to registered Shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) on how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically prepares a machine-readable voting instruction form which is mailed to Beneficial Shareholders with a request that the Beneficial Shareholders return the forms to Broadridge or otherwise communicate voting instructions to Broadridge (i.e. by way of the internet or telephone). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. The Company does not intend to pay for the costs of an intermediary to deliver the proxy-related materials to objecting Beneficial Shareholders. **A Beneficial Shareholder receiving a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting - the voting instruction form must be returned to Broadridge or voting instructions communicated to Broadridge well in advance of the Meeting in order to have the Common Shares voted.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for purposes of voting Common Shares registered in the name of his broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and vote their Common Shares as proxyholder for the registered Shareholder should contact their broker or other intermediary, well in advance of the Meeting.**

Notice to Shareholders in the United States

The solicitation of proxies involve securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia) certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

Voting of Proxies

All shares represented at the Meeting by a properly executed Proxy will be voted on any ballot that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the Proxy, the shares represented by the Proxy will be voted or withheld from voting in accordance with such specification. **In the absence of any such specification or instruction, the persons whose names appear on the Form of Proxy, if named as proxies, will vote in favour of all of the matters set out in the Notice of Meeting.**

The enclosed form of Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting. As of the date hereof, management of the Company is not aware of any amendments to, variations of or other matters to be presented for action at the Meeting. If, however, amendments, variations or other matters properly come before the Meeting, the persons designated in the form of Proxy will vote thereon in accordance with their judgment pursuant to the discretionary authority conferred by such Proxy with respect to such matters.

QUORUM FOR THE MEETING

At the Meeting, a quorum shall be two persons present in person, each being a Shareholder entitled to vote thereat or a duly appointed proxyholder or representative for a Shareholder so entitled, who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the Meeting. If a quorum is present at the opening of the Meeting, the Shareholders present or represented may proceed with the business of the meeting notwithstanding that a quorum is not present throughout the Meeting. If a quorum is not present at the opening of the Meeting, the Shareholders present or represented may adjourn or postpone the Meeting to a fixed time and place but may not transact any other business.

APPROVAL REQUIREMENTS

All of the matters to be considered at the Meeting are ordinary resolutions requiring approval by more than 50% of the votes cast in respect of the resolution by or on behalf of Shareholders present in person or represented by proxy at the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The record date for the purpose of determining holders of Common Shares is November 13, 2020. Only the Shareholders of record on that date are entitled to receive notice of and attend the Meeting and vote thereat on the basis of one vote for each Common Share held, except to the extent that a registered Shareholder has transferred

the ownership of any Common Shares, subsequent to November 13, 2020 and the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common Shares and demands, not later than 10 days before the Meeting, that his or her name be included on the shareholder list before the Meeting, in which case, the transferee shall be entitled to vote his or her Common Shares at the Meeting. The transfer books will not be closed.

The Company has an authorized capital consisting of an unlimited number of Common Shares. As at November 23, 2020, there are 43,109,143 Common Shares issued and outstanding as fully paid and non-assessable.

As at the date hereof, to the knowledge of the directors and senior officers of the Company, there are currently no persons, firms or corporations owning of record or beneficially, directly or indirectly, or exercising control or direction over 10% or more of the issued and outstanding Common Shares, other than Taiga Mining Company, Inc. and its associates and affiliates, which holds 13,831,420 Common Shares, or 32.08% of the outstanding Common Shares.

BUSINESS OF THE MEETING

Financial Statements and Auditor's Report

The audited financial statements of the Company for the year ended December 31, 2019 are included with the proxy materials for consideration by the Shareholders.

The Company is providing concurrent with this Information Circular, a request form to all registered and beneficial shareholders of the Company for use to request a copy of the Company's annual financial statements and management's discussion and analysis ("**MD&A**") for the annual financial statements and/or interim financial statements and MD&A for the interim financial statements. Shareholders must complete and return the request form or provide a written request to the Company, in order to receive financial statements and MD&A from the Company. Shareholders are encouraged to send the request form, together with the completed form of Proxy, in the addressed envelope provided to Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 or to return the request form to the Company in accordance with the return instructions provided thereon.

Appointment of Auditors

Shareholders will be asked to vote for an ordinary resolution (in substantially the form set out below) to appoint PricewaterhouseCoopers LLP, Chartered Professional Accountants, Vancouver, British Columbia as auditors of the Company until the end of the next annual meeting of Shareholders and to authorize the directors to fix their remuneration.

"BE IT RESOLVED as an ordinary resolution that:

1. PricewaterhouseCoopers LLP, Chartered Professional Accountants, Vancouver, British Columbia be, and is hereby appointed as the auditors of the Company to hold office until the close of the next annual meeting of the Shareholders at the remuneration to be fixed by the Board of Directors of the Company; and
2. Any officer or director of the Company is authorized and directed to do all things and execute all instruments and documents necessary or desirable to carry out the foregoing."

Approval of the ordinary resolution requires the affirmative vote of a majority of the votes cast in respect thereof by holders of Common Shares represented at the Meeting. **The persons designated in the enclosed Form of Proxy intend to vote FOR the appointment of PricewaterhouseCoopers LLP, Chartered Professional Accountants as auditor of the Company to hold office until the next annual meeting of shareholders, and authorizing the directors to fix the remuneration of the auditor, unless instructed otherwise.**

Fixing Number of Directors of the Company

At the Meeting, it is proposed that the number of directors of the Company to be elected at the Meeting to hold office until the next annual meeting or until their successors are elected or appointed, subject to the constating documents of the Company, be set at four (4). There are presently four directors of the Company, each of whom will retire from office at the Meeting. All of the current directors of the Company will be standing for re-election.

Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of setting the number of directors to be elected at the Meeting at four (4).

Election of Directors

The articles of the Company provide that the Company shall have a minimum of one and a maximum of eleven directors. As the Company is a reporting issuer, it must have not less than three directors. There are presently four members of the Board of Directors of the Company (the “**Board**”) and their terms of office expire at the Meeting. It is proposed that four of the nominees be re-elected or elected, as applicable, as directors of the Company at the Meeting to serve until the next annual meeting of Shareholders, or until their successors are duly elected or appointed.

The following table sets forth, for all persons proposed to be nominated for election as directors, all positions and offices with the Company now held by them, their principal occupations, periods during which they have served as directors of the Company and the number of voting shares of the Company beneficially owned, directly or indirectly, by each of them, or over which they exercise control or direction.

Name and Municipality of Residence	Present Position with the Company and Principal Occupation	Director Since	Number of Common Shares
Brian Budd ⁽¹⁾⁽²⁾ Surrey, British Columbia, Canada	Director of the Company	March 22, 2012	4,050 ⁽³⁾
Anthony Huston Surrey, British Columbia, Canada	President and Chief Executive Officer for the Company; President, Huston & Huston Holdings Corp.	April 27, 2011	8,000
Douglas Smith ⁽¹⁾⁽²⁾ Vancouver, British Columbia, Canada	Executive Chairman and Director for the Company, professional engineer	January 29, 2014	Nil
Patrick Smith ⁽¹⁾⁽²⁾ Spokane, Washington, USA	Director of the Company; professional geologist	December 11, 2014	Nil

NOTES: (1) Proposed members of Audit Committee.

(2) Proposed members of Compensation Committee.

(3) Mr. Budd has also reported 1,050 common shares his spouse, Amanda Budd, holds which he has control or direction over.

To the Company’s knowledge, no proposed director is, as of the date hereof, or has been, within 10 years before the date of this Information Circular, a director, CEO or CFO of any company (including the Company) that, (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or (b) was subject to an order that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO.

To the Company’s knowledge, no proposed director is, as at the date hereof, or has been within 10 years before the date of the Information Circular, (a) a director or executive officer of any company (including the Company), that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) 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 manager or trustee appointed to hold the assets of the proposed director.

To the Company’s knowledge, no proposed director has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

The persons designated in the enclosed Form of Proxy, unless instructed otherwise, intend to vote FOR the election of the nominees set forth above. Management does not contemplate that any of the nominees will be unable to serve as a director. However, if that should occur for any reason prior to the Meeting, the persons designated in the enclosed Form of Proxy reserve the right to vote for other nominees in their discretion.

Ratification of Stock Option Plan

The Company's incentive stock option plan, as amended and restated (the "Stock Option Plan"), attached hereto as Appendix "A", for directors, officers, employees and consultants of the Company and its affiliates was implemented effective April 16, 2008 and approved and ratified at the last annual general and special meeting of Shareholders held on June 19, 2019. The Stock Option Plan is a "rolling" stock option plan that restricts the number of stock options that may be granted to a maximum of 10% of the issued Common Shares at the time of the stock option grant and is operated pursuant to the policies of the TSXV. See "Securities Authorized for Issuance Under Equity Compensation Plans" for particulars of the more significant terms of the Plan. TSXV Policy 4.4 requires the Stock Option Plan to be approved by Shareholders yearly at the Company's annual general meeting to reserve for issuance upon the exercise of options granted pursuant to the 10% Plan a maximum of 10% of the issued and outstanding shares of the Company at any time.

Pursuant to the TSXV policies and applicable securities laws, the shares underlying the options granted may be restricted from trading for a period of four months from the date of grant of the option.

A summary of some of the additional provisions of the Plan are as follows:

1. options granted to insiders of the Company as a total in any twelve-month period shall not exceed 10% of the issued and outstanding shares of the Company;
2. options granted to any one person as a total in any twelve-month period shall not exceed 5% of the issued and outstanding shares of the Company;
3. options granted to any one Consultant to the Company as a total in any twelve-month period shall not exceed 2% of the issued and outstanding shares of the Company at the beginning of the period;
4. options granted to all employees, consultants and their associates engaged in investor relations activities for the Company in aggregate in any twelve-month period shall not exceed 2% of the issued and outstanding shares of the Company at the beginning of the period;
5. options granted shall be non-assignable and not transferable and shall not have a term in excess of ten years;
6. the exercise price of options granted shall not be less than the closing price of the Company's shares on the last trading day less any discount permitted by the Exchange, but, in any event, not less than \$0.05 per share;
7. all options granted shall be evidenced by written option agreements; and
8. any amendment to reduce the exercise price of options granted to insiders of the Company shall be subject to approval of the disinterested shareholders of the Company.

The Board believes the Plan is in the Company's best interests and recommends that the shareholders approve the Plan.

Form of Resolution

Shareholders will be asked to consider and, if deemed advisable, approve and pass the following ordinary resolution:

"BE IT RESOLVED THAT, subject to the approval of the TSX Venture Exchange (the "Exchange"):

1. The incentive stock option plan of the Company (the "Stock Option Plan") be and is hereby ratified and approved;

2. The Company is authorized to grant stock options under the Stock Option Plan in accordance with its terms;
3. The Company is authorized to prepare such disclosure documents and make such submissions and filings as the Company may be required to make with the Exchange to obtain Exchange acceptance of the Stock Option Plan; and
4. Authority is granted to the Board of Directors of the Company to make such amendments to the Stock Option Plan as are required by the Exchange to obtain Exchange acceptance of the Stock Option Plan.”

The persons designated in the enclosed Form of Proxy, unless instructed otherwise, intend to vote in favour of the foregoing resolution.

OTHER BUSINESS

Management is not aware of any other business to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matter properly comes before the Meeting, the accompanying Form of Proxy confers discretionary authority to vote with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters that may properly come before the Meeting.

EXECUTIVE COMPENSATION

Interpretation

For the purpose of this Statement of Executive Compensation:

“**NEO**” or “**named executive officer**” means each of the following individuals:

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

Named Executive Officers

During the fiscal year ended December 31, 2019, the following individuals were NEOs of the Company:

- Anthony Huston, Chief Executive Officer
- W. Alan Ahlgren, Chief Financial Officer
- Douglas H. Smith, Executive Chairman
- Stanley Foo, Chief Operating Officer, Graphite One (Alaska) Inc.

Named Executive Officer (NEO) Compensation

The following table sets forth all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company or its subsidiaries, to each NEO and director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct or indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO of the Company for services provided and for services to be provided, directly or indirectly, to the Company or its subsidiaries in the three most recently completed financial years ended December 31, 2019, December 31, 2018 and December 31, 2017.

Name and Principal Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$) ⁽¹⁾	Value of all Other Compensation (\$)	Total Compensation (\$)
Anthony Huston President & CEO ⁽²⁾ Director	2019	250,000	Nil	Nil	Nil	183,862	433,862
	2018	250,000	Nil	Nil	Nil	Nil	250,000
	2017	250,000	Nil	Nil	Nil	152,325	402,325
Douglas H. Smith ⁽³⁾ Executive Chairman Director	2019	200,000	Nil	Nil	Nil	90,400	290,400
	2018	200,000	Nil	Nil	Nil	Nil	200,000
	2017	200,000	Nil	Nil	Nil	67,700	267,700
W. Alan Ahlgren CFO ⁽⁴⁾	2019	190,000	Nil	Nil	Nil	90,706	280,706
	2018	190,000	Nil	Nil	Nil	Nil	190,000
	2017	190,000	Nil	Nil	Nil	54,160	244,160
Stanley Foo COO ⁽⁴⁾	2019	296,608	Nil	Nil	Nil	127,452	424,060
	2018	161,962	Nil	Nil	Nil	75,926	237,888
	2017	Nil	Nil	Nil	Nil	Nil	Nil

NOTES:

- (1) Perquisites, including property or other personal benefits are in the aggregate worth less than \$50,000 or 10% of the total salary for the financial year.
- (2) Anthony Huston was appointed to the role of President on March 27, 2012, and appointed President & CEO effective January 29, 2014.
- (3) Doug Smith was appointed Director effective January 29, 2014. All of Mr. Smith's compensation is received for his position as Executive Chairman.
- (4) Alan Ahlgren was appointed CFO effective December 12, 2014.
- (5) Stanley Foo was appointed Chief Operating Officer of Graphite One (Alaska) Inc. effective June 11, 2018

External Management Companies

The Company retained the services of Anthony Huston through his management company. The Company paid:

- i. Huston and Huston Holdings Corp., corporations controlled by Anthony Huston for management services provided by Mr. Huston as President & CEO.

Stock Options and Other Compensation Securities

The following table sets forth for each Director and NEO, all stock options and compensation securities granted or issued during the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries. The Company does not grant any share-based awards. During the most recently completed financial year, 1,700,000 options were granted to directors and NEOs under the Stock Option Plan and all options vested immediately. Effective June 19, 2019, 1,625,000 stock options previously granted to Directors and NEO's were repriced to \$0.30.

Compensation Securities issued to Directors and NEOs during the year ended December 31, 2019						
Name and Position	Number of securities underlying unexercised options and percentage of class	Date of Issue or Grant	Exercise Price ⁽¹⁾ (\$)	Closing Price on Date of Grant (\$)	Closing Price of Underlying Security at Year End (\$)	Option Expiration Date
Alan Ahlgren Chief Financial Officer ⁽¹⁾	300,000	May 15, 2019	0.300	0.320	0.280	May 16, 2024
Brian Budd Director ⁽²⁾	100,000	May 15, 2019	0.300	0.320	0.280	May 16, 2024
Stanley Foo Chief Operating Officer ⁽³⁾	300,000	May 15, 2019	0.300	0.320	0.280	May 16, 2024
Anthony Huston President and Chief Executive Officer ⁽⁴⁾	600,000	May 15, 2019	0.300	0.320	0.280	May 16, 2024
Douglas Smith Executive Chairman ⁽⁵⁾	300,000	May 15, 2019	0.300	0.320	0.280	May 16, 2024
Patrick Smith Director ⁽⁶⁾	100,000	May 15, 2019	0.300	0.320	0.280	May 16, 2024
Total	1,700,000					

NOTES:

- (1) As at December 31, 2019, Mr. Ahlgren held an aggregate of 580,000 options, each of which are exercisable into one common share of the Company and all of which are fully vested. Of these, 50,000 options are exercisable at \$0.30 until April 2, 2020, 100,000 are exercisable at \$0.30 until March 11, 2021, 50,000 are exercisable at \$0.30 until November 8, 2021, 80,000 are exercisable at \$0.30 until December 29, 2022 and 300,000 are exercisable at \$0.30 until May 16, 2024.
- (2) As at December 31, 2019, Mr. Budd held an aggregate of 225,000 options, each of which are exercisable into one common share of the Company and all of which are fully vested. Of these, 60,000 are exercisable at \$0.30 until March 11, 2021, 25,000 are exercisable at \$0.30 until November 8, 2021, 40,000 are exercisable at \$0.30 until December 29, 2022 and 100,000 are exercisable at \$0.30 until May 16, 2024.
- (3) As at December 31, 2019, Mr. Foo held an aggregate of 400,000 options, each of which are exercisable into one common share of the Company and all of which are fully vested. Of these, 100,000 are exercisable at \$0.30 until June 11, 2023 and 300,000 are exercisable at \$0.30 until May 16, 2024.
- (4) As at December 31, 2019, Mr. Huston held an aggregate of 1,140,000 options, each of which are exercisable into one common share of the Company and all of which are fully vested. Of these 215,000 are exercisable at \$0.30 until March 11, 2021, 100,000 are exercisable at \$0.30 until November 8, 2021, 225,000 are exercisable at \$0.30 until December 29, 2022 and 600,000 are exercisable at \$0.30 until May 16, 2024.
- (5) As at December 31, 2019, Mr. D. Smith held an aggregate of 575,000 options, each of which are exercisable into one common share of the Company and all of which are fully vested. Of these, 100,000 are exercisable at \$0.30 until March 11, 2021, 75,000 are exercisable at \$0.30 until November 8, 2021, 100,000 are exercisable at \$0.30 until December 29, 2022 and 300,000 are exercisable at \$0.30 until May 16, 2024.

- (6) As at December 31, 2019, Mr. P. Smith held an aggregate of 185,000 options, each of which are exercisable into one common share of the Company and all of which are fully vested. Of these 50,000 are exercisable at \$0.30 until March 11, 2021, 25,000 are exercisable at \$0.30 until November 8, 2021, 10,000 are exercisable at \$0.30 until December 29, 2022 and 100,000 are exercisable at \$0.30 until May 16, 2024.

Exercise of Compensation Securities by Directors and NEOs

There were no options exercised by a Director or NEO during the financial year ended December 31, 2019.

Stock Option Plans and Other Incentive Plans

The Company does not operate any plans which pay or distribute cash or non-cash compensation to executive officers other than the Stock Option Plan which are operated in accordance with the policies of the Exchange. The Stock Option Plan permits the Board of the Company to grant incentive stock options to directors, officers, employees and consultants of the Company and its affiliates. Pursuant to the Stock Option Plan and policies of the TSXV, options may be granted to acquire a maximum number of Common Shares equal to 10% of the total issued and outstanding Common Shares of the Company at the time of the grant and the aggregate number of securities reserved for issuance to any individual optionee in any 12 month period may not exceed 5% (2% in the case of consultants) of the issued and outstanding Common Shares. The options are non-transferable and will expire, if not exercised, immediately upon termination of employment or removal from office for cause; 90 days following the date the optionee ceases to be a director, officer or employee of the Company for reasons other than termination or removal for cause; one year after the death of an optionee; and on the tenth anniversary of the date the option was granted (subject to extension where the expiry date falls within a “blackout period”). As of the date hereof (November 23, 2020), there are 4,060,000 options outstanding under the Stock Option Plan.

Under the Stock Option Plan, the option exercise price must not be less than the closing price of the Company’s common share on the TSXV on the day immediately preceding the date of grant, less the applicable discount permitted by the policies of the TSXV and the minimum exercise price must be at least \$0.05. An option granted under the Stock Option Plan must be exercisable within a period of 10 years from the date of granting, subject to extension pursuant to the Stock Option Plan. Within this 10-year period, the Board of the Company may determine the limitation period during which an option may be exercised and whether a particular grant will have a minimum vesting period.

Under the policies of the TSXV, if the grant of options under the Stock Option Plan to “insiders” of the Company, together with all of the Company’s outstanding stock options, could result at any time in: (a) the number of shares reserved for issuance pursuant to options granted to insiders of the Company exceeding 10% of the issued common shares of the Company; or (b) the grant to insiders of the Company, within a 12 month period, of a number of options exceeding 10% of the issued common shares of the Company, such shareholder approval must be “disinterested shareholder approval”.

The policies of the TSXV also provide that “disinterested shareholder approval” will be required for any agreement to decrease the exercise price of options previously granted to insiders of the Company.

The Stock Option Plan is subject to yearly approval by the Company’s shareholders. The Stock Option Plan was implemented effective April 16, 2008 and last approved by the Company’s shareholders on June 19, 2019. A copy of the Stock Option Plan is included as Appendix A to this Information Circular.

Employment, Consulting and Management Agreements

The Company reviewed its compensation of key management and concluded changes were appropriate: fees and salaries had not changed from their 2014 bases; compensation needed to be competitive with others in the industry; and, contract currency needed to match the Company’s reporting currency in United States dollars beginning on January 1, 2020.

Since February 1, 2014, the Company had an agreement with a private company controlled by the President and CEO to provide certain management services to the Company (“the 2014 Agreement”). Subsequent to September 30, 2016, the Company entered into a new consulting agreement to replace the 2014 Agreement with a private company controlled by the President and CEO (the “New President & CEO Agreement”). Pursuant to the New President & CEO Agreement, the Company will also pay an annual fee for services of CA\$250,000 and, in the event of a change of control of the Company, an amount equal to three times the annual fee. In June 2020, the New

President & CEO Agreement was amended whereby the annual fee was increased to US\$300,000, retroactive to January 1, 2020. All other terms remain unchanged.

Beginning in January 2014, the Company had an agreement with a private company controlled by the Executive Chairman to provide certain management services to the Company with an annual fee for services of CA\$200,000. Subsequent to September 30, 2016, the Company finalized the terms of an employment agreement with the Executive Chairman ("Executive Chairman Agreement"). Under the Executive Chairman Agreement, the Company paid an annual salary for services of CA\$200,000 and, in the event of change of control of the Company, an amount equal to two times the annual salary. In June 2020, the Executive Chairman Agreement was amended whereby the annual salary was increased to US\$250,000, retroactive to January 1, 2020. All other terms remain unchanged.

Beginning in December 2014, the Company had an agreement with a private company controlled by the Chief Financial Officer to provide certain management services to the Company with an annual fee for services of CA\$190,000. Since January 1, 2016, the Chief Financial Officer has been engaged as an employee of the Company. Subsequent to September 30, 2016, the Company finalized the terms of the employment agreement with the Chief Financial Officer ("CFO Agreement"). Under this agreement, the Company paid an annual salary for services of CA\$190,000 and, in the event of a change of control of the Company, an amount equal to two times the annual salary. In June 2020, the CFO Agreement was amended whereby the annual salary was increased to US\$200,000, retroactive to January 1, 2020. All other terms remain unchanged.

Oversight and Description of Director and Named Executive Officer Compensation

The Company does not have a formal compensation program. The Board relies on the recommendations of the Compensation Committee and the experience of the directors to ensure that total compensation paid to the Company's management is fair and reasonable.

The Compensation Committee is comprised of the following members as at the date hereof: Douglas Smith (not independent), Brian Budd (Independent) and Patrick Smith (Independent). Certain members of the Compensation Committee are experienced at setting compensation policies and guidelines within other corporations.

The responsibilities of the Compensation Committee in respect of compensation matters includes reviewing and recommending to the Board the compensation policies and guidelines for supervisory management and personnel, corporate benefits, bonuses and other incentives, reviewing and approving corporate goals and objectives relevant to CEO compensation and non-CEO officer and director compensation, the review of executive compensation disclosure, succession plans for officers and for key employees and material changes and trends in human resources policy, procedure, compensation and benefits.

The Compensation Committee meets to discuss and determine management compensation as required, without reference to formal objectives, criteria, or analysis. The general objectives of the Company's compensation decisions are:

- to encourage management to achieve a high level of performance and results with a view to increasing long-term shareholder value;
- to align management's interests with the long-term interest of shareholders;
- to provide compensation commensurate with peer companies in order to attract and retain highly qualified executives, and;
- to ensure that total compensation paid takes into account the Company's overall financial position.

The compensation to executive officers is comprised of salaries or management fees paid to companies controlled by executive officers and incentive stock options in accordance with the Company's Stock Option Plan. In establishing levels of cash compensation and the granting of stock options, the executive officer's performance, level of expertise, responsibilities, time spent, and comparable levels of remuneration paid to executive officers of peer companies are considered.

Incentive stock options are granted pursuant to the Company's Stock Option Plan, which is designed to encourage share ownership on the part of management, directors, employees, and consultants. The Board believes that the Stock Option Plan aligns the interests of the Company's personnel with shareholders by linking compensation to the longer term performance of the Company's shares. The granting of incentive stock options is a significant

component of executive compensation as it allows the Company to reward each executive officer's efforts to increase shareholder value without requiring the use of the Company's cash reserves.

Stock options are generally granted at the time a director is appointed to the Board, or an executive officer is hired or engaged, and periodically thereafter. Previous grants of options are taken into account by the Board when it considers the granting of new stock options. The Board does not use a formal quantitative valuation technique in determining the granting of options; rather, current and forward-looking market conditions are assessed qualitatively in decisions to grant stock options.

Named Executive Officer Purchase of Financial Instruments

The Company has not adopted a policy to prohibit NEOs and directors from purchasing financial instruments, including prepaid forward contracts, equity swaps, collars, or units of exchange funds (collectively, "**Hedging Contracts**") that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. Based on information provided to the Company by the NEOs and directors, as of the date hereof, no NEO or director has purchased any Hedging Contracts with respect to the Company.

Pension Disclosure

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plan in place.

Risk Considerations

Commencing in 2012, the Compensation Committee meets to review from time to time, the risks, if any, associated with the Company's compensation policies and practices at such time. Implicit in the Compensation Committee's mandate is that the Company's policies and practices respecting compensation, including those applicable to the Company's executives, be designed in a manner which is in the best interests of the Company and its shareholders and risk implications is one of many considerations which are taken into account in such design.

It is anticipated that a portion (set at a level consistent with its industry peers) of the Company's executive compensation will consist of options granted under the Stock Option Plan. Such compensation is both "long term" and "at risk" and, accordingly, is directly linked to the achievement of long term value creation. As the benefits of such compensation, if any, are not realized by the executive until a significant period of time has passed, the ability of executives to take inappropriate or excessive risks that are beneficial to them from the standpoint of their compensation at the expense of the Company and its shareholders is extremely limited.

The other two elements of compensation, salary and bonus, represent the remaining majority portion of an executive's total compensation and neither salary nor bonus are "long term" or "at risk".

Due to the small size of the Company, and the current level of the Company's activity, the Board and the Compensation Committee are able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular Board meetings during which, financial and other information of the Company are reviewed, and which incorporation includes executive compensation. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

Termination and Change of Control Benefits

The Company entered into an agreement effective October 1, 2016 with a private company controlled by Anthony Huston, the President and CEO which provides management services to the Company. This agreement was amended in June 2020. Under this amended agreement, the Company will pay US\$900,000 in the event of change of control of the Company, an amount equal to three times the annual fee.

Effective January 1, 2016, the Company entered into an employment agreement with Douglas Smith, the Executive Chairman. This agreement was amended in June 2020. Under this agreement, the Company will pay US\$500,000 in the event of change of control of the Company, an amount equal to two times the annual salary.

Effective January 1, 2016, the Company entered into an employment agreement with Alan Ahlgren the Chief Financial Officer. This agreement was amended in June 2020. Under this agreement, the Company will pay US\$400,000 in the event of change of control of the Company, an amount equal to two times the annual salary.

Effective June 11, 2018, the Company entered into an employment agreement with Stanley Foo the Chief Operations Officer. Under this agreement, the Company will pay US\$440,000 in the event of change of control of the Company, an amount equal to two times the annual salary.

Assuming that there was a change of control on December 31, 2019, the estimated incremental payments and benefits related to the change of control would total approximately US\$2,240,000.

Independent Directors

During the most recently completed financial year, the Company had two directors who were not Named Executive Officers: Brian Budd and Patrick Smith.

Director Compensation Table

The Company's current policy during the year ended December 31, 2019 was to pay independent directors a fee of \$24,000 annually. The following table sets forth compensation provided to the directors who are not also Named Executive Officers for the year ended December 31, 2019.

Name	Fees Earned (\$)	Share-based Awards (\$)	Option-based Awards (\$)	Non-equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
Brian Budd	24,000	Nil	32,787	Nil	Nil	n/a	Nil	56,787
Patrick Smith	24,000	Nil	32,787	Nil	Nil	n/a	Nil	56,787

Outstanding Option-based Awards

The following table sets forth for each director who is not also a Named Executive Officer, all option-based awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year. The Company does not grant any share-based awards.

Name	Number of securities underlying unexercised options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of unexercised in-the-money options (\$)
Brian Budd	60,000	0.30	March 11, 2021	Nil
	25,000	0.30	November 8, 2021	Nil
	10,000	0.30	December 29, 2022	Nil
	100,000	0.30	May 16, 2024	Nil
Patrick Smith	50,000	0.30	March 11, 2021	Nil
	25,000	0.30	November 8, 2021	Nil
	10,000	0.30	December 29, 2022	Nil
	100,000	0.30	May 16, 2024	Nil

NOTE:

- (1) The closing price of the Common Shares on the TSXV on the last trading day prior to December 31, 2019 was \$0.28.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each director who is not also a Named Executive Officer, the value of vested stock options during the most recently completed financial year.

Name	Value Vested During the Year \$
Brian Budd	24,520 ⁽¹⁾
Patrick Smith	24,520 ⁽¹⁾

NOTE:

- (1) All of the stock options vested on the date of the grant and were issued at or above the market price of the Common Shares on the date they were granted.

During the most recently completed financial year, no options were granted to directors who were not also a Named Executive Officer under the Company's Stock Option Plan.

Management Contracts

As at December 31, 2019 the following management contracts were place:

- Effective January 1, 2016, the Company entered into a consulting agreement with a private company controlled by the President and CEO (the "**New President & CEO Agreement**"). Pursuant to the New President & CEO Agreement, the Company will pay an annual fee for services of \$250,000 and, in the event of a change of control of the Company, an amount equal to three times the annual fee. In June 2020, the New President & CEO Agreement was amended whereby the annual fee was increased to US\$300,000, retroactive to January 1, 2020. All other terms remain unchanged.
- Effective January 1, 2016, the Executive Chairman has been engaged as an employee of the Company. Under this agreement, the Company will pay an annual salary of \$200,000 and, in the event of change of control of the Company, an amount equal to two times the annual salary. In June 2020, the agreement was amended whereby the annual salary was increased to US\$250,000, retroactive to January 1, 2020. All other terms remain unchanged.
- Effective January 1, 2016, the Chief Financial Officer has been engaged as an employee of the Company. Under this agreement, the Company will pay an annual salary of \$190,000 and, in the event of a change of control of the Company, an amount equal to two times the annual salary. In June 2020, the agreement was amended whereby the annual salary was increased to US\$200,000, retroactive to January 1, 2020. All other terms remain unchanged.
- Effective June 11, 2018, the Company entered into an employment agreement with Stanley Foo the Chief Operations Officer. Under this agreement, the Company will pay an annual salary of US\$220,000 and, in the event of a change of control of the Company, an amount equal to two times the annual salary.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Company does not operate any plans which pay or distribute cash or non-cash compensation to executive officers other than the Stock Option Plan which is operated in accordance with the policies of the TSXV. The Stock Option Plan permits the Board of the Company to grant incentive stock options to directors, officers, employees and consultants of the Company and its affiliates. Pursuant to the Stock Option Plan and policies of the TSXV, options may be granted to acquire a maximum number of Common Shares equal to 10% of the total issued and outstanding Common Shares of the Company at the time of the grant and the aggregate number of securities reserved for issuance to any individual optionee in any 12 month period may not exceed 5% (2% in the case of consultants) of the issued and outstanding Common Shares. The options are non-transferable and will expire, if not exercised, immediately upon termination of employment or removal from office for cause; 90 days following the date the optionee ceases to be a director, officer or employee of the Company for reasons other than termination or removal for cause; one year after the death of an optionee; and on the fifth anniversary of the date the option was granted.

The Stock Option Plan was last approved and ratified by Shareholders at the annual general meeting held on June 19, 2019. The following table sets forth information with respect to the Stock Option Plan as at the Company's most

recently completed financial year ended December 31, 2019. All stock options were granted pursuant to a previously approved equity compensation plan.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors or executive officers of the Company, or any associates or affiliates of such persons, have been

Equity Compensation Plan Information			
	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by shareholders	4,060,000	\$0.34	914
Equity Compensation plans not approved by shareholders	N/A	N/A	N/A
TOTAL:	4,060,000	\$0.34	914
NOTES:			
(1) Reference should be made to the Company's audited annual financial statements for the year ended December 31, 2019 for more detailed disclosure relating to the stock options granted, exercised and outstanding.			

indebted to the Company at any time during or since the financial year ended December 31, 2019.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

None of the directors, executive officers, proposed directors or principal shareholders of the Company, nor any associate or affiliate of the foregoing, have any interest, direct or indirect, in any transaction since the commencement of the Company's financial year ended December 31, 2019, or in any proposed transaction that has materially affected or that would materially affect the Company or any of its subsidiaries, except as follows:

- (1) management fees in the sum of \$250,000 were paid to Huston & Huston Corp., a corporation controlled by Anthony Huston for Mr. Huston's services as President & CEO of the Company.
- (2) Taiga Mining Company, Inc. had provided an unsecured loan to the Company in the amount of US\$500,000 with a term of five years with an interest rate accruing at a rate of 8% per annum on a simple interest basis. The loan was settled in May 2019 through the issuance of 1,330,000 shares in the Company and the interest was paid in cash.
- (3) Taiga Mining Company, Inc. provided an unsecured loan facility to the Company in the amount of US\$4.8 million, repayable in two years, with an option for the Company to extend the term for another 12 months. Interest accrues at a rate of 12% per annum, compounded annually. As at December 31, 2019, US\$3.2 million was drawn against the facility and subsequent to December 31, 2019, US\$1.6 million was drawn against the facility.
- (4) Subsequent to December 31, 2019, Taiga Mining Company, Inc. provided an additional unsecured loan facility to the Company in the amount of US\$156,000, repayable in two years, with an option for the Company to extend the term for another 12 months. a term of five years. Interest accrues at a rate of 12% per annum, compounded annually. As at November 23, 2020, the full amount of US\$156,000 was drawn against the facility.

See “Executive Compensation”.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED ON

There is no material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, by any director or executive officer of the Company or proposed nominee for election as a director of the Company, or any associate or affiliate of such persons, in any matter to be acted on other than the election of directors. See “Business of the Meeting”.

CORPORATE GOVERNANCE

Board of Directors

The Board is currently comprised of four directors, two of whom are independent using the definition of independence set out in section 1.4 of National Instrument 52-110 – Audit Committees (“**NI 52-110**”). A director is independent if they have no direct or indirect material relationship to the Company. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment. Certain types of relationships are by their very nature considered to be material relationships and are specified in section 1.4 of NI 52-110.

Brian Budd and Patrick Smith are the current two directors on the Board who are independent. Anthony Huston is not independent as he is the President and Chief Executive Officer of the Company. Douglas Smith is not independent as he is the Executive Chairman of the Company.

The size of the Company is such that all of the Company’s business operations are conducted by a small management team which is also represented on the Board. The Board considers that management is effectively supervised by the independent directors on an informal basis as the independent directors are actively and regularly involved in reviewing and supervising the operations of the Company and have regular and full access to management. The independent directors are able to meet at any time without members of management and non-independent directors being present. Further supervision is performed through the Audit Committee, which can meet with the Company’s Auditors without management in attendance. The independent directors discharge their responsibilities for independent oversight of management through their representation on the Board.

Directorships

Directors who are also directors of other issuers that are reporting issuers (or the equivalent) are set forth below.

<u>Director</u>	<u>Other Directorships</u>	<u>Stock Exchange Listing</u>
Brian Budd	Siyata Mobile Inc. Venzee Technologies Inc.	TSX Venture Exchange TSX Venture Exchange

Orientation and Continuing Education

The Company does not have formal orientation and training programs. New directors are provided with: (a) information respecting the functioning of the Board and its committees, and copies of the Company’s governance and other policies; (b) access to recent and historical publicly filed documents of the Company, technical reports and the Company’s internal financial information and records; and (c) access to management, technical experts and consultants. Directors also receive ongoing education on the Company’s operations by way of management presentations. Directors maintain the skill and knowledge necessary to meet their obligations as directors through a combination of their existing education and experience as business persons and managers, service as directors of other public issuers and advice from the Company’s legal counsel, auditors and other advisers.

Ethical Business Conduct

The Board views good corporate governance as an integral component to the success of the Company and to meet its responsibilities to shareholders. The Board has adopted a written code of business conduct and ethics (the “**Code**”) for its directors, officers, consultants and employees, which can be viewed at www.sedar.com. The Code states basic principles to guide the affairs of the Company. The Company is to conduct its business and affairs honestly and with integrity, using high ethical standards with a view to the best interests of the Company as a whole

and to enhance shareholder value. The Code requires compliance with accounting requirements and accuracy of records, mandates compliance with laws in each jurisdiction in which the Company carries on its business, addresses conflicts of interest, requires compliance with the Company's policies, prohibits discrimination, intimidation and harassment, promotes safety and protection of the environment, promotes respect and enhancement of the economic and social situations of communities in which the Company conducts its operations, discourages payments to public officials as well as the giving and receipt of gifts or other personal benefits, and promotes the observance of high ethical standards with companies and individuals with which the Company does material business.

Members of the Board ensure that they and management set an example by conducting the Company's business and dealings with the highest ethical standards. Through management, the Board ensures that employees and consultants are made aware of, and comply with, the Code. Individuals who breach the Code may be subject to disciplinary action including dismissal.

Nomination of Directors

The Company does not have a formal process or committee for proposing new nominees to the Board. The Board is responsible for identifying potential Board candidates. It assesses potential candidates to fill perceived needs on the Board for required skills, education, expertise, independence and other relevant factors.

Compensation

It is the Company's current policy to pay independent directors a fee of \$24,000 annually for the performance of their duties as directors of the Company as well as incentive stock options which are granted on a discretionary basis by the Board as a whole. The Board as a whole, on the recommendation of the Compensation Committee, determines the compensation for the CEO and the directors and reviews compensation set by the CEO for other officers and staff. The Compensation Committee will be comprised of Brian Budd and Patrick Smith, who are non-management directors and Douglas Smith who is a management director.

Other Board Committees

The Board does not have any standing committees other than the Audit Committee and Compensation Committee. As the size of the Company does not warrant a larger Board and as directors are actively involved in the operations of the Company, the Board has determined that additional Board committees are not necessary at this stage of the Company's development.

Assessments

The Board monitors but does not formally assess the effectiveness of the Board as a whole, the committees of the Board or the performance or contribution of individual directors. The Board satisfies itself that the Board, its committees and individual directors are performing effectively through regular interaction and through open communication with the Executive Chairman and other senior management to ensure that strategic and governance risks and objectives are being addressed on a continuous basis.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS

The Audit Committee's Charter

The text of the Company's Audit Committee charter is attached hereto as Appendix "B".

Composition of the Audit Committee

In the most recently completed financial year, the Audit Committee consisted of: Doug Smith, Brian Budd and Patrick Smith. Brian Budd and Patrick Smith were independent members of the Audit Committee, as defined in NI 52-110 and all members were financially literate. Doug Smith was not an independent member of the Audit Committee as he is the Executive Chairman of the Company.

Relevant Education and Experience

The education and experience of each of the present Audit Committee members that is relevant to the performance of his responsibilities as an audit committee member is as follows:

Doug Smith

Mr. Smith has over 35 years' experience as a senior executive and corporate director and has been consistently engaged in all aspects of executive management, financing, corporate development and investor relations activities as well as evaluation of financial information for mining related ventures. He has completed the Institute of Corporate Directors' Financial Literacy Program.

Brian Budd

Mr. Budd is and has been an executive officer and/or director of a number of public issuers and has extensive experience in management and corporate development.

Patrick Smith

Mr. Smith has 40 years of technical, operational and commercial experience in mineral exploration gained from work in a wide range of commodities, most of which was spent with Rio Tinto Group. He is a licensed professional geologist in the states of Washington, Wyoming and Utah.

Audit Committee Oversight

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

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, it has not relied on the exemption in section 2.4 (*De Minimis Non-audit Services*) or an exemption granted under Part 8 (*Exemptions*) from NI 52-110. The Company is a "venture issuer" as defined in NI 52-110 and is relying on the exemption contained in section 6.1 of NI 52-110, which exempts it from the requirements of Part 3 (*Composition of Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

Pre-Approval of Policies and Procedures

If non-audit services to be performed by the external auditor are expected to exceed 5% in aggregate of the total fees that are expected to be paid to the external auditor during the fiscal year, they must be pre-approved by the Audit Committee or by an independent member of the Audit Committee to whom the Audit Committee has delegated authority to grant such pre-approval.

All non-audit services to be performed by the external auditor that are not reasonably expected to exceed 5% in aggregate of the total fees expected to be paid to the external auditor during the fiscal year are deemed by the Audit Committee to have been pre-approved.

All non-audit services that were not recognized as non-audit services at the time of engagement, must be brought to the attention of the Audit Committee, or an independent member of the Audit Committee to whom the Audit Committee has delegated authority to grant such pre-approvals, for approval prior to the completion of the audit.

External Auditor Service Fees

The aggregate fees billed by the Company's external auditors in the fiscal years ended December 31, 2019 and December 31, 2018 for audit and other services is set forth below.

Year Ended	Audit Fees	Audit –Related Fees	Tax Fees	All Other Fees
2019	23,185	295	9,265	2,074
2018	13,650	210	4,515	3,308

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Additional financial information is contained in the Company's audited consolidated financial statements for the most recently completed financial year ended December 31, 2019. Copies of additional information and the Company's financial statements and MD&A may be obtained upon written request made to the Company at c/o Farris LLP, 25th Floor, 700 West Georgia Street, Vancouver, British Columbia, V7Y 1B3 or by email to info@graphiteoneinc.com. The Company may require payment of a reasonable charge if the request for information is made by a person or corporation that is not a securityholder of the Company.

Approval of Circular

The undersigned hereby certifies that the contents and the sending of this Information Circular have been approved by the Directors.

Dated at the City of Vancouver, in the Province of British Columbia, this 23rd day of November 2020.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "*Anthony Huston*"

Anthony Huston
President and Chief Executive Officer

Appendix "A"

Stock Option Plan

Graphite One Inc. (the "Company") hereby adopts an incentive stock option plan (the "Stock Option Plan") for officers, directors, Employees and consultants (including the personal holding companies of such individuals) of the Company and its affiliates, as follows:

1. Definitions.

In this Stock Option Plan, the following words and expressions shall have the respective meanings ascribed to them below:

- (a) "**Affiliate**" shall have the meaning ascribed thereto in the applicable securities legislation;
- (b) "**Board**" shall mean the board of directors of the Company;
- (c) "**Consultant**" shall mean an individual or corporation other than an Employee, officer or director, that:
 - (i) is engaged under a written contract, to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or an Affiliate of the Company (other than services provided in relation to a distribution of securities of the Company);
 - (ii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate of the Company; and
 - (iii) has a relationship with the Company or an Affiliate of the Company that enables the individual to be knowledgeable about the affairs and business of the Company;
- (d) "**Convertible Securities**" means any security of the Company which is convertible into Shares;
- (e) "**Disinterested Shareholder Approval**" has the meaning ascribed thereto by the Stock Exchange in "Policy-4.4 – Incentive Stock Options" of the Stock Exchange's Corporate Finance Manual;
- (f) "**Eligible Person**" shall mean any bona fide officer, director, Employee, Management Company Employee or Consultant of the Company or its Affiliates, a company wholly owned by individuals who are Eligible Persons, and in respect of an individual Consultant, a company or partnership of which the individual is an Employee, shareholder or partner;
- (g) "**Employee**" means an individual who:
 - i. is considered an Employee of the Company or an Affiliate under the Income Tax Act, i.e. for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source,
 - ii. works full-time for the Company or an Affiliate providing services normally provided by an Employee and who is subject to the same control and direction by the Company or the Affiliate over the details and method of work as an Employee of the Company or the Affiliate, but for whom income tax deductions are not made at source, or
 - iii. works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an Employee and who is subject to the same control and direction by the Company or its subsidiary over the details and method of work as an Employee of the Company or its subsidiary, but for whom income tax deductions are not made at source;
- (h) "**Exercise Price**" of an Option shall mean, in respect of options issued after the Company is listed on any Stock Exchange, the price payable for a Share upon the exercise of the Option determined by the Board, provided that such price shall in no event be lower than the Market Price of one Share on the last trading day immediately preceding the day on which the Option is granted, less the maximum applicable discount permitted by such Stock Exchange and the minimum Exercise Price per Share must be at least \$0.05;

Appendix "A" Stock Option Plan

- (i) **"Insider"** has the meaning ascribed thereto by the Stock Exchange;
- (j) **"Management Company Employee"** means an individual employed by an individual, corporation or other entity providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company, but excluding any individual, corporation or other entity engaged to provide investor relations activities to the Company;
- (k) **"Market Price"** of a Share on a particular day shall mean the last closing price of the Shares on such day on the principal Stock Exchange on which the Common Shares traded, provided that the Market Price shall be determined in Canadian dollars and shall be rounded to the nearest whole cent;
- (l) **"Option"** shall mean an option, granted to an Eligible Person in accordance with the terms of this Stock Option Plan, to acquire a Share from the Company upon the exercise of the Option and upon payment of the Exercise Price;
- (m) **"Optionee"** in respect of an Option, shall mean the Eligible Person to whom the Option was granted;
- (n) **"Share"** shall mean a Common Share in the capital of the Company as constituted at the date hereof and any shares of the Company into which such a common share is changed, classified, reclassified, subdivided, consolidated or converted whether by reason of an amalgamation or other form of reorganization; and
- (o) **"Stock Exchange"** shall mean TSX Venture Exchange, its successors, and such other stock exchange as may be prescribed by the Board on which the Shares are listed for trading.

2. Purpose.

The purpose of the Stock Option Plan is to secure for the Company and its shareholders the incentive inherent in share ownership by officers, directors, Employees, Management Company Employee and Consultants of the Company and its Affiliates and its subsidiaries, if any, who, in the opinion of the Board, will be largely responsible for its future growth and success.

3. Number of Shares and Lapsed Options.

From time to time, Shares may be reserved by the Board, in its discretion, for grants of Options under the Stock Option Plan to Eligible Persons, provided that at the time of the grant:

- (a) the total number of Shares so reserved for issuance by the Board shall not exceed ten (10%) percent of the issued and outstanding Shares (on a non-diluted basis);
- (b) the aggregate number of Shares so reserved for issuance to any one Optionee in a 12 month period shall not exceed five (5%) percent of the issued Shares (on a non-diluted basis);
- (c) the aggregate number of Shares so reserved for issuance under Options to Insiders (as a group) at any point in time shall not exceed 10% of the issued Shares;
- (d) the aggregate number of options granted to any one Consultant in a 12 month period shall not exceed 2% of the issued Shares;
- (e) the aggregate number of options granted to Eligible Persons employed to provide investor relations activities must not exceed 2% of the issued Shares in any 12 month period; and
- (f) options issued to Consultants performing investor relations services must vest in stages over 12 months with no more than $\frac{1}{4}$ of the options vesting in any 3 month period.

The Shares so reserved by the Board under the Stock Option Plan shall be authorized but unissued Shares.

Nothing contained herein shall restrict or limit or be deemed to restrict or limit the rights or powers of the Board in connection with any allotment and issuance of any options, rights or shares which were not allotted and issued hereunder. This Stock Option Plan shall not restrict, limit or preclude the Board from granting options outside of this Stock Option Plan to officers, directors, Employees or Consultants of the Company or to any other person or entity.

Appendix "A" Stock Option Plan

The foregoing restrictions may be waived, modified or varied with the consent of the shareholders of the Company at a meeting called for such purpose, or by approval of the Stock Exchange.

4. Eligibility and Participation.

Options shall not be granted under this Stock Option Plan to any person other than an Eligible Person. No Eligible Person shall have any claim or right to be granted Options under this Stock Option Plan.

5. Grant of Options.

The Board shall, from time to time and in its sole discretion, determine the Eligible Persons to whom Options are to be granted under this Stock Option Plan and may take into consideration the current and potential contributions of a particular Eligible Person to the success of the Company and such other factors which the Board deems proper and relevant.

Options shall be granted by the Board in accordance with this Stock Option Plan to Eligible Persons in its sole discretion and shall be subject to such approvals as may be required by applicable law or any Stock Exchange upon which any securities of the Company are listed.

The grant of every Option hereunder and the terms thereof, including vesting provisions, if any, shall be made by written agreement between the Company and the Optionee, the provisions of which shall conform to the provisions of this Stock Option Plan and shall be otherwise satisfactory to the Board in its sole discretion.

A grant of Options under the Stock Option Plan shall not be construed as giving an Optionee any right to continue in the employment of the Company or any Affiliate, nor shall it affect the right of the Company or any Affiliate to terminate the employment or services of any Optionee.

A grant of Options under the Stock Option Plan shall not be construed as giving an Optionee any rights as a shareholder of the Company with respect to any of the Shares underlying the Options unless and until such Optionee shall have become the holder of such Shares upon exercise of such Option in accordance with the terms of the Stock Option Plan.

For stock options granted to Employees, Management Company Employees or Consultants of the Company or its Affiliates, the Company is responsible for ensuring and confirming that the Employee, Management Company Employee or Consultant is a bona fide Employee, Management Company Employee or Consultant.

6. Exercise of Options.

Unless the Board specifically determines otherwise, the Options granted to an Optionee may be exercised by the Optionee, in whole or in part, from time to time at the Optionee's discretion.

Provided however, that all Options that have not been exercised by the Optionee shall cease to be exercisable and shall expire upon the earliest of:

- (a) the termination of employment, the termination of services or the services agreement in respect of a Consultant, or removal of the Optionee as a director or officer of the Company or its Affiliates for cause;
- (b) ninety (90) days after the termination of employment, the termination of services or the services agreement in respect of a Consultant (except in the case of a Consultant providing investor relations services, in which case, the Options cease to be exercisable thirty (30) days after the termination of such services), or an Optionee ceasing to be an officer or director for reasons other than termination or removal for cause, unless the Optionee remains an Eligible Person;
- (c) the first anniversary of the death of the Optionee, by the heirs and administrators of an Optionee's estate; and
- (d) the tenth (10) anniversary of the date on which the Option was granted (subject to extension where the expiry date falls within a "blackout period"), pursuant to section 7; or,
- (e) such earlier date as the Board may deem appropriate in its sole discretion at the time the Option was granted.

The exercise of an Option will be contingent upon receipt by the Company of payment of the full exercise price of such Option. No Optionee or legal representative, legatee or distributee in respect of an Optionee shall be considered to be a holder of any Share subject to an Option, unless and until such Share has been fully paid for and issued upon the exercise of the Option.

7. Blackout Periods.

An Option will be automatically extended past the expiry date of an Option governed by the Stock Option Plan if such expiry date falls within a period (a "blackout period") during which the Company prohibits Optionees from exercising their Options provided that the following requirements are satisfied:

- (a) The blackout period must be formally imposed by the Company pursuant to its internal trading policies. For greater certainty, in the absence of the Company formally imposing a blackout period, the expiry date of any Options will not be automatically extended in any circumstances.
- (b) The blackout period must expire upon the general disclosure of the undisclosed Material Information. The expiry date of the affected Options can be extended to no later than ten (10) business days after the expiry of the blackout period.
- (c) The automatic extension of an Optionee's Options will not be permitted where the Optionee or the Company is subject to a cease trade order (or similar order under securities Laws) in respect of the Company's securities.

8. Taxes.

The Company may withhold from any amount payable to an Optionee, either under this Stock Option Plan or otherwise, such amount as it reasonably believes is necessary to enable the Company to comply with the applicable requirements of any federal, provincial, local, or foreign law, or any administrative policy of any applicable tax authority, relating to the withholding of tax or any other required deductions with respect to options ("Withholding Obligations"). The Company may also satisfy any liability for any such Withholding Obligations, on such terms and conditions as the Company may determine in its discretion, by (a) requiring an Optionee, as a condition to the exercise of any Options, to make such arrangements as the Company may require so that the Company can satisfy such Withholding Obligations including, without limitation, requiring the Optionee to remit to the Company in advance, or reimburse the Company for, any such Withholding Obligations or (b) selling on the Optionee's behalf, or requiring the Optionee to sell, any Shares acquired by the Optionee under the Stock Option Plan, or retaining any amount which would otherwise be payable to the Optionee in connection with any such sale.

9. Effect of Take-over Bid.

If a bona fide take-over bid (as defined under applicable securities Laws) (the "Offer") is made for Shares or Convertible Securities which, if successful would result (assuming the conversion, exchange or exercise of the Convertible Securities, if any, that are the subject of the take-over bid) in any Person or Persons acting jointly or in concert (as determined under applicable securities Laws) or Persons associated or affiliated with such Person or Persons (as determined under applicable securities Laws) beneficially, directly or indirectly, owning shares that would, notwithstanding any agreement to the contrary, entitle the holders thereof for the first time to cast at least 50% of the votes attaching to all shares in the capital of the Company that may be cast to elect Directors, the Company shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon all Common Shares subject to such Option will become fully vested and the Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Common Shares received upon such exercise, pursuant to the Offer. However, if:

- (a) the Offer is not completed within the time specified therein; or
- (b) all of the Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof,

then the Shares received upon such exercise, or in the case of clause (b) above, the Shares that are not taken up and paid for may be returned by the Optionee to the Company and reinstated as authorized but unissued Shares and with respect to such returned Shares, the Option shall be reinstated as if it had not been exercised and the terms upon which such Shares were to become vested pursuant to his section shall be reinstated. If any Shares are

returned to the Company under this section, the Company shall immediately refund the exercise price to the Optionee for such Shares.

10. Legends.

Certificates for Shares issued upon exercise of Options shall bear such legend as may be required by applicable law or any Stock Exchange on which the Shares are listed for trading.

11. Changes to Shares.

Notwithstanding any other provision of this Stock Option Plan, in the event of any change in the outstanding Shares of the Company by reason of any stock dividend, split, recapitalization, reclassification, amalgamation, merger, consolidation, combination or exchange of Shares or distribution of rights to holders of Shares or any other form of corporate reorganization whatsoever, an equitable adjustment shall be made to any Options then outstanding and the Exercise Price (or Prices) in respect of such Options. Such adjustments shall be made by the Board in its sole discretion and, subject to applicable law, shall be conclusive and binding for all purposes of the Stock Option Plan.

12. Necessary Approvals.

The grant of Options, the obligation of the Company to sell and deliver Shares on the exercise of Options, and any amendments to the Stock Option Plan or to the terms of an Option granted under this Stock Option Plan, shall be subject to any approvals required by applicable law or any Stock Exchanges on which the Shares are listed for trading being obtained.

13. Administration of the Stock Option Plan.

The Board may interpret the Stock Option Plan and make all other determinations that it considers in its sole discretion to be necessary or advisable for the administration of the Stock Option Plan. The Board may, in its sole discretion, prescribe, adopt, amend and rescind rules and regulations for carrying out and administering the Stock Option Plan. The interpretation and construction of any provision of the Stock Option Plan by the Board shall be final and conclusive. The administration of the Stock Option Plan shall be the responsibility of the appropriate officers of the Company duly designated for the purposes thereof by the Board and all costs in respect thereof shall be paid by the Company.

14. Amendments to Stock Option Plan or Options.

Subject to obtaining the consent of applicable securities regulatory authorities in those circumstances where such consent is required, and shareholder approval in those circumstances where such approval is required to be obtained by any regulatory authority, the Board may amend, modify or terminate the Stock Option Plan or an Option at any time if and when it considers it to be advisable to do so in its sole discretion, except with respect to any Option then outstanding under the Stock Option Plan. No such amended Options may be exercised unless and until such approvals are given.

15. Consent to Amend.

The Board may amend any Option with the consent of the affected Optionee and the Stock Exchange, including any shareholder approval required by the Stock Exchange. For greater certainty, disinterested shareholder approval is required for any reduction in the exercise price of an Option if the Optionee is an Insider at the time of the proposed amendment.

16. No Undertaking or Representation.

The Company makes no undertaking or representation as to the future value or price, or as to the listing on any Stock Exchange, of any Shares issued in accordance with the Stock Option Plan.

17. Assignability and Transferability.

Options (and any rights thereunder) shall not be assignable or transferable otherwise than by will or pursuant to the laws of succession or descent and distribution, and, during the lifetime of an Optionee, shall only be exercisable by the Optionee.

18. Compliance with Applicable Law.

If any provision of the Stock Option Plan or any Option contravenes any law or any order, policy, by-law or regulation of any regulatory body or Stock Exchange having jurisdiction or authority over securities of the Company or the Stock

Option Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

19. Enurement.

The Stock Option Plan shall enure to the benefit of, and be binding upon, the Company, its Affiliates and their respective successors and assigns. The Stock Option Plan shall enure to the benefit of, and be binding upon, an Optionee and the personal representative of a deceased Optionee.

20. Governing Law and Interpretation.

The Stock Option Plan, all option agreements, the grant and exercise of Options hereunder, and the sale, issue and delivery of Shares hereunder upon exercise of Options shall be, as applicable, governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The Courts of the Province of British Columbia shall have the exclusive jurisdiction to hear and decide any disputes or other matters arising herefrom.

Appendix "B"

Audit Committee Charter

1. Mandate

The primary function of the audit committee (the "Committee") is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting, and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements.
- Review and appraise the performance of the Company's external auditors.
- Provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.

2. Composition

The Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be independent directors, pursuant to the policies of the TSX Venture Exchange.

All members of the Committee must be financially literate (having the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements).

The members of the Committee shall be appointed by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is appointed by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership. The quorum for a meeting of the Committee is a majority of the Members.

3. Meetings

The Committee shall meet as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with management and the external auditors in separate sessions.

The minutes of Committee meetings shall accurately record the decisions reached and shall be distributed to the Committee members with copies to the Board of Directors, the Chief Financial Officer or such other officer acting in such capacity and the external auditor.

4. Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

4.1 Documents/Reports Review

- (a) Review and update this Charter annually.
- (b) Review the Company's financial statements, MD&A and any financial information contained in a media release before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

4.2 External Auditors

- (a) Require the external auditors to report directly to the Committee.
- (b) Review annually the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.
- (c) Review annually the relationships between the external auditors and the Company, and the external auditor status as a participating audit firm as defined in National Instrument 52-108 *Auditor Oversight*.
- (d) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (e) Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.
- (f) Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval and the compensation of the external auditors.
- (g) Review with management and the external auditors the terms of the external auditors' engagement letter.
- (h) Consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (i) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (j) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (k) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - i. the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
 - ii. such services were not recognized by the Company at the time of the engagement to be non-audit services; and
 - iii. such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

4.3 Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.

Appendix "B" Audit Committee Charter

- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors regarding financial reporting.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review certification process.
- (i) Establish procedures for:
 - i. the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - ii. the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

4.4 **Other**

Review any material related-party transactions.

5. **Authority**

The Committee may:

- (a) engage independent outside counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the Committee; and
- (c) communicate directly with the internal and external auditors.

The Committee shall have unrestricted access to the Company's personnel and documents and will be provided with the resources necessary to carry out its responsibilities