

FOUR NINES GOLD INC.

**Suite 1000 – 409 Granville Street
Vancouver, BC V6C 1T2
(604) 602 0001**



NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 16, 2021

AND

MANAGEMENT INFORMATION CIRCULAR

DATED: MAY 12, 2021

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Meeting**”) of Shareholders of Four Nines Gold Inc. (the “**Company**”) will be held at Suite 1000, 409 Granville Street, Vancouver, BC V6C 1T2, Canada on **Wednesday, June 16, 2021 at 10:00 a.m.** (Vancouver Time) for the following purposes:

1. to receive and consider the audited financial statements of the Company for the financial years ended January 31, 2020, together with the report of the auditors thereon;
2. to fix the number of directors of the Company at five (5);
3. to elect the directors of the Company for the ensuing year;
4. to appoint the auditors of the Company for the ensuing year and to authorize the directors of the Company to fix the remuneration to be paid to the auditors for the ensuing year;
5. to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution affirming, ratifying and approving the Company’s 10% rolling stock option plan; and
6. to transact such other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice. Copies of any documents to be considered, approved, ratified and adopted or authorized at the Meeting will be available for inspection at the registered and records office of the Company at 1000-409 Granville Street, Vancouver, B.C. V6C 1T2, during normal business hours up to **June 16, 2021** being the date of the Meeting.

The directors of the Company fixed the close of business on **May 12, 2021** as the record date for determining holders of common shares who are entitled to vote at the Meeting.

A shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. If you are unable to attend the Meeting in person, please complete, sign and date the enclosed Form of Proxy and return the same in the enclosed return envelope provided for that purpose within the time and to the location in accordance with the instructions set out in the Form of Proxy and Information Circular accompanying this Notice.

Please advise the Company of any change of address.

DATED at Vancouver, British Columbia, this 12th day of May, 2021.

BY ORDER OF THE BOARD OF DIRECTORS

/s/Charles Ross

Charles Ross
President, Chief Executive Officer & Director

FOUR NINES GOLD INC.

INFORMATION CIRCULAR

(containing information as of May 12, 2021, unless otherwise noted)

INTRODUCTION

This Information Circular is in respect of the annual general meeting (the “**Meeting**”) of the shareholders of **Four Nines Gold Inc.** the “**Company**”) to be held on June 16, 2021, at the time and place set out in the accompanying Notice of Meeting. **This Information Circular is furnished in connection with the solicitation of proxies by management of the Company for use at the Meeting and any adjournment of the Meeting.** The Board of Directors of the Company (the “**Board**”) has fixed the close of business on May 12, 2021, as the record date (the “**Record Date**”), being the date for the determination of the registered holders of common shares entitled to receive notice of, and to vote at, the Meeting and any adjournment thereof.

PROXY INSTRUCTIONS

Management Solicitation and Appointment of Proxies

The persons named in the enclosed form of proxy are nominees of the Company’s management. **A shareholder has the right to appoint a person (who need not be a shareholder) to attend and act for and on the shareholder’s behalf at the Meeting other than the persons designated as proxyholders in the form of proxy. To exercise this right, the shareholder must either:**

- (a) **on the form of proxy, strike out the printed names of the individuals specified as proxyholders and insert the name of the shareholder’s nominee in the blank space provided; or**
- (b) **complete another proper form of proxy.**

To be valid, a proxy must be dated and signed by the shareholder or by the shareholder’s attorney authorized in writing. In the case of a corporation, the proxy must be signed by a duly authorized officer of or attorney for the corporation.

The completed proxy, together with the power of attorney or other authority, if any, under which the proxy was signed or a notarially certified copy of the power of attorney or other authority, must be delivered to the offices of National Securities Administrators Ltd. (“**National**”), Proxy Department, Suite 702 – 777 Hornby Street, Vancouver, B.C., V6Z 1S4, on behalf of the Company, so as to arrive not later than 10:00 a.m. (PST) on Thursday, June 14, 2021, or if the Meeting is adjourned, at the latest 48 hours (excluding Saturdays, Sundays and holidays) before the time set for any reconvened meeting at which the proxy is to be used; (b) by email to proxy@transferagent.ca; or (c) by fax to 1-604-559-8908 unless the chair of the Meeting elects to exercise his or her discretion to accept proxies received subsequently.

Revocation of Proxies

A shareholder who has given a proxy may revoke it at any time before the proxy is exercised:

- (a) by an instrument in writing that is:
 - (i) signed by the shareholder, the shareholder’s attorney authorized in writing or, where the shareholder is a corporation, a duly authorized officer or attorney of the corporation; and
 - (ii) delivered to National or to Harmony Corporate Services, at Suite 1000 – 409 Granville Street, Vancouver, British Columbia, V6C 1T2, at any time up to and including the last business day preceding the day of the Meeting or any adjournment of the Meeting, or delivered to the Chairperson of the Meeting on the day of the Meeting or any adjournment of the Meeting before any vote on a matter in respect of which the proxy is to be used has been taken; or
- (b) in any other manner provided by law.

Exercise of Discretion by Proxyholders

A shareholder may indicate the manner in which the persons named in the form of proxy are to vote with respect to a matter to be acted upon at the Meeting by marking the appropriate space. **If the instructions as to voting indicated in the proxy are certain, the shares represented by the proxy will be voted or withheld from voting on any ballot that may be called for in accordance with the instructions given in the proxy.**

If the shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the shares represented will be voted or withheld from the vote on that matter accordingly. If no choice is specified in the proxy with respect to a matter to be acted upon, the proxy confers discretionary authority with respect to that matter upon the proxyholder named in the form of proxy. It is intended that the proxyholder named by management in the form of proxy will vote the shares represented by the proxy in favour of each matter identified in the proxy and for the nominees of the Company for directors and auditor.

The form of proxy also confers discretionary authority upon the named proxyholder with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to any other matters which may properly come before the Meeting. As of the date of this Information Circular, management of the Company is not aware of any such amendments or variations, or any other matters, that will be presented for action at the Meeting other than those referred to in the Notice of Meeting. If, however, other matters that are not now known to management properly come before the Meeting, then the persons named in the form of proxy intend to vote on them in accordance with their best judgment.

Solicitation of Proxies

It is expected that solicitations of proxies will be made primarily by mail and possibly supplemented by telephone or other personal contact by directors, officers and employees of the Company without special compensation. The Company will not reimburse shareholders' nominees or agents (including brokers holding shares on behalf of clients) for the costs incurred in obtaining authorization to execute forms of proxy from their principals. The cost of solicitation will be borne by the Company.

ADVICE TO NON-REGISTERED SHAREHOLDERS

ONLY REGISTERED SHAREHOLDERS OR DULY APPOINTED PROXYHOLDERS ARE PERMITTED TO VOTE AT THE MEETING. SHAREHOLDERS WHO DO NOT HOLD THEIR SHARES IN THEIR OWN NAME (REFERRED TO AS "**NON-REGISTERED SHAREHOLDERS**") ARE ADVISED THAT ONLY PROXIES FROM SHAREHOLDERS OF RECORD CAN BE RECOGNIZED AND VOTED AT THE MEETING.

Non-Registered Shareholders who complete and return an instrument of proxy or voting instruction form must indicate thereon the person (usually a brokerage house) who holds their shares as a registered shareholder.

If securities are listed in an account statement provided to a shareholder by a broker, then in almost all cases those securities will not be registered in such shareholder's name on the records of the Company and will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such securities are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which company acts as nominee for many Canadian brokerage firms). Securities held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the beneficial shareholder. Without specific instructions, brokers/nominees are prohibited from voting securities for their clients.

If you are a Non-Registered Shareholder and National has sent Meeting materials directly to you, your name, address and information about your shareholdings have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. Such shareholders can expect to receive a scannable voting instruction form ("**VIF**") with these Meeting materials. The VIF is to be completed and returned to National in the envelope provided or by facsimile. In addition, National provides both telephone voting and internet voting as described in the VIF. National will tabulate the results of the VIFs received from beneficial shareholders and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive. **A NON-REGISTERED SHAREHOLDER RECEIVING A VIF CANNOT USE THAT VIF TO VOTE SECURITIES DIRECTLY AT THE MEETING. THE VIF MUST BE RETURNED TO NATIONAL WELL IN ADVANCE OF THE MEETING IN ORDER TO HAVE THE SHARES VOTED.**

Non-Registered Shareholders who have objected to their broker/nominee disclosing ownership information about themselves to the Company are referred to as objecting beneficial owners (“OBOS”). In accordance with securities regulatory policy, the Company has distributed copies of the required Meeting materials to the brokers/nominees for onward distribution to OBOs. THE COMPANY DOES NOT INTEND TO PAY FOR A BROKER/NOMINEE TO DELIVER MEETING MATERIALS TO OBOS. THEREFORE, AN OBO WILL NOT RECEIVE THE MATERIALS UNLESS THE OBO’S BROKER/NOMINEE ASSUMES THE COSTS OF DELIVERY.

Brokers/nominees are required to forward the Meeting materials to each OBO unless the OBO has waived the right to receive them. Every broker/nominee has its own mailing procedures and provides its own return instructions, which should be carefully followed by OBOs in order to ensure that their securities are voted at the Meeting. Often the form of proxy supplied to a beneficial shareholder by its broker is identical to the form of proxy provided by the Company to the registered shareholders; however, its purpose is limited to instructing the registered shareholder how to vote on behalf of the beneficial shareholder.

Should a Non-Registered Shareholder receiving a form of proxy or VIF wish to attend and vote at the Meeting or have someone else attend on his/her behalf, the Non-Registered Shareholder may request (in writing) to the Company or its broker/nominee, as applicable, without expense to the Non-Registered Shareholder, that the Non-Registered Shareholder or his/her nominee be appointed as proxyholder and have the right to attend and vote at the Meeting.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

None of the directors or executive officers of the Company, nor any person who has held such a position since the beginning of the last completed financial year of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors and the adoption of the Option Plan (as defined below), approval of which will be sought at the Meeting. Directors and executive officers of the Company may participate in the Option Plan, and accordingly have an interest in its approval. See “Particulars of Matters to be Acted Upon”.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Only shareholders of the Company who are listed on its Register of Shareholders on the record date of May 12, 2021, are entitled to receive notice of and to attend and vote at the Meeting or any adjournment of the Meeting (see “Proxy Instructions” above).

The authorized capital of the Company consists of an unlimited number of common shares without par value. As of May 12, 2021, the Company had 14,817,763 common shares issued and outstanding.

To the knowledge of the directors and executive officers of the Company, no person beneficially owns, directly or indirectly, or exercises control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company.

Approval of Resolutions

To approve a motion by an ordinary resolution, a majority of the votes cast by shareholders in person or by proxy who vote in respect of that resolution will be required. To approve a motion by a special resolution, a majority of not less than two-thirds of the votes cast in person or by proxy by those shareholders who vote in respect of that resolution will be required.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Board, the only matters to be brought before the Meeting are set forth in the accompanying Notice. These matters are described in more detail under the headings below.

Financial Statements

The financial statements of the Company for the fiscal year ended December 31, 2019 will be placed before shareholders at the Meeting.

Setting Number of Directors

Management of the Company proposes that the number of directors for the Company be determined at fine (5) for the ensuing year, subject to such increases as may be permitted by the Articles of the Company. Shareholders will therefore be asked to approve an ordinary resolution setting the number of directors at five (5) for the ensuing year.

Election of Directors

The Company's Board of Directors (the "Board") proposes to nominate the persons named in the table below for election as directors of the Company. Each director elected will hold office until the next annual general meeting of the Company or until his successor is duly elected or appointed, unless the office is earlier vacated in accordance with the Articles of the Company or the *Business Corporations Act* (British Columbia) (the "Act") or he becomes disqualified to act as a director.

MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF THE NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR. THE COMPANY HAS NOT RECEIVED NOTICE OF, AND MANAGEMENT IS NOT AWARE OF ANY PROPOSED NOMINEE IN ADDITION TO, THE NAMED NOMINEES.

The following table sets out the names of management's nominees for election as directors, the jurisdiction in which each is ordinarily resident, the positions and offices which each presently holds with the Company, the period of time for which each has been a director of the Company, the respective principal occupations or employments during the past five years (if such nominee is not presently a director who was elected to his present term of office by a vote of shareholders) and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Information Circular.

Name and Jurisdiction of Residence	Present Position(s) with the Company	Present Principal Occupation and Principal Occupation for the Five Preceding Years ⁽³⁾	Director Since	No. of Common Shares Beneficially Owned, Controlled or Director ⁽¹⁾
Jim Mustard ⁽²⁾ Vancouver, BC, Canada	Director	VP Corporate Finance, PI Financial Corp: Oct/09 – Feb/16 VP Corporate Development and Director, Explorex Resources Inc. (CSE): Oct/16 – Present Director and Chair of the Audit Committee, Kilo Goldmines Ltd. (TSXV): Dec/07 - Present Director, Cipher Resources Inc. (CSE): July 17 – June 19	May 30, 2016	260,000
Charles Ross ⁽²⁾ Vancouver, BC, Canada	Director, President, Chief Executive Officer	President Goldex Resources Corp, Aug/07- present, Tearlach Resources Limited, CFO, Dec 96-Present, Halio Energy Inc, CFO, April/16-present.	May 27, 2019	NIL
Geoff Balderson Vancouver, BC, Canada	Director, Chief Financial Officer	President of Harmony Corporate Services Ltd. since March 2015.	Dec. 14, 2018	NIL
William Joseph Yelder ⁽²⁾ Courtenay, BC, Canada	Director	Self-employed businessman	Dec. 9, 2019	75,000

Daniel Schieber North Vancouver, BC, Canada	Director	CEO- GoldHaven Resources Corp., Nov, Director, Dynamis Capiital Corp. 2011	Jan 27, 2021	57,000
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- (1) The number of shares held includes shares beneficially owned, directly or indirectly, or over which control or direction is exercised by the proposed nominee.
- (2) Member of the Audit Committee.
- (3) The information as to principal occupation, business or employment and common shares beneficially owned or controlled is not within the knowledge of management of the Company and has been furnished by the respective nominees.

Corporate Cease Trade Orders and Bankruptcies

Other than as set out below, as at the date of this Information Circular, and within the last 10 years before the date of this Information Circular, no proposed director (or any of their personal holding companies) of the Company was a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days while that person was acting in the capacity as director, executive officer or chief financial officer; or
- (b) was the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation in each case for a period of 30 consecutive days, that was issued after the person ceased to be a director, chief executive officer or chief financial officer in the company and which resulted from an event that occurred while that person was acting in the capacity as director, executive officer or chief financial officer; or
- (c) is as at the date of this Information Circular or has been within 10 years before the date of this Information Circular, a director or executive officer of any company, including the 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
- (d) has within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

Mr. Balderson was previously President and Chief Executive Officer of Argentum Silver Corp. ("**Argentum**"). On November 2, 2015, at the request of Argentum, the British Columbia Securities Commission issued a Cease Trade Order against insiders of Argentum for failure to file annual audited financial statements and management's discussion and analysis for the year ended June 30, 2015. The Cease Trade Order was revoked on December 16, 2015.

On December 4, 2019 the British Columbia Securities Commission issued a cease trade order against Halio Energy Inc. ("**Halio**") under Section 164 of the *Securities Act* (British Columbia) for failure to file audited financial statement together with related Management's Discussion and Analysis and certification of audit filings for the period ended July 31, 2019. Halio is still listed on the Exchange but has not yet made the filing required to lift the CTO. Charles Ross acted as a director and the CFO. William Joseph Yelder joined the board of Directors on April 10, 2019.

On February 3, 2017 the British Columbia Securities Commission issued a cease trade order against Tearlach Resources Limited ("**Tearlach**") under Section 164 of the *Securities Act* (British Columbia) for failure to file audited financial statement together with related Management's Discussion and Analysis and certification of audited filings for the period ended September 30, 2016. On February 3, 2017 the Alberta Securities Commission issued a cease trade order under Section 33.1 of the *Securities Act* (Alberta) issued a similar cease trade order. The Company subsequently made the required filings and the cease trade order was lifted on October 11, 2018. Charles Ross acted for Tearlach as a Director and the CFO and William Joseph Yelder acted as a director.

On August 6, 2015 the British Columbia Securities Commission issued a cease trade order against Norzan Enterprises Limited ("**Norzan**") under Section 164 of the *Securities Act* (British Columbia) for failure to file audited financial statement together with related Management's Discussion and Analysis and certification of audited filings for the period ended

March 31, 2015. On August 6, 2015 the Alberta Securities Commission issued a cease trade order under Section 33.1 of the *Securities Act* (Alberta) issued a similar cease trade order. Norzan is still listed on the Exchange but has not yet made the filing required to lift the CTO. Charles Ross acted as a Director and the CFO and William Joseph Yelder acted as a Director and President at the time.

Appointment and Remuneration of Auditor

Shareholders will be asked to approve the appointment of Charlton and Company, Chartered Accountants, as the auditor of the Company to hold office until the next annual general meeting of shareholders at remuneration to be fixed by the directors.

The table below discloses the services and related costs provided by the Company’s external auditor. The services are divided into the four categories of work performed.

Type of Work	Financial 2019 Fees	Financial 2020 Fees
Audit Services	\$9,033.89	9,109.80
Audit-Related Services	Nil	Nil
Sub-total	\$9,033.89	\$9,109.80
Tax Services	Nil	Nil
All Other Services	Nil	Nil
Total	<u>\$9,033.89</u>	<u>\$9,109.80</u>

Audit Services

Audit fees were paid for professional services rendered by the auditors for the audit of the Company’s annual financial statements as well as services provided in connection with statutory and regulatory filings.

Audit-Related Services

No audit-related fees were paid; however, these fees may be paid for assurance and related services that are reasonably related to the performance of the audit or review of the annual financial statements or interim financial statements and are not reported under the audit services category above. These services may include consultations on International Financial Reporting Standards and financial statement disclosures, and discussion with management and audit committee members on internal controls and account procedures.

Tax Services

Tax fees may be paid for tax compliance, tax advice and tax planning professional services. These services may consist of providing advice regarding transfer pricing issues, intellectual property, commodity and tax reviews, reviewing tax returns, providing advice regarding corporate structure, and assisting in responses to government tax authorities.

Other Services

No other fees were paid for products and services other than the audit services and tax services described above.

THE COMPANY’S AUDIT COMMITTEE RECOMMENDS THE ELECTION OF CHARLTON AND COMPANY. AS AUDITORS TO HOLD OFFICE, UNTIL THE COMPANY’S NEXT ANNUAL GENERAL MEETING. UNLESS SUCH AUTHORITY IS WITHHELD, THE PERSONS NAMED IN THE PROXY INTEND TO VOTE FOR THE APPROVAL OF THE APPOINTMENT OF CHARLTON AND COMPANY AS AUDITORS.

Annual Ratification of Stock Option Plan

The Company adopted a stock option plan dated August 8, 2018 (the “**Option Plan**”) for certain of the Company’s directors, officers, employees and consultants (collectively, the “**Participants**”), approved by the Board on August 8, 2018. The Option

Plan provides that Options may be granted to eligible persons on terms determined within the limitations set out in the Option Plan. The maximum number of common shares to be reserved for issuance at any one time under the Option Plan is 10% of the issued and outstanding common shares of the Company. Shareholders may request a copy of the Option Plan by contacting the Company at the address or telephone number listed on the Notice of Meeting until the date of the Meeting and at the Meeting itself.

Under the terms of the Option Plan, the maximum number of common shares that may be: (i) reserved for issuance to a Participant within any 12 month period shall not exceed 5% of the number of common shares then outstanding unless the Company obtains disinterested Shareholder approval; (ii) issued to a consultant during any 12 month period shall not exceed 2% of the number of common shares then outstanding; and (iii) issued to any employee engaged in investor relations activities within any 12 month period must not exceed 2% of the number of shares outstanding, subject to stock exchange policies. Subject to applicable discount market price rules, if any, of the principal stock exchange which the common shares are then listed (the “**Exchange**”), the exercise price for an option granted under the Option Plan may not be less than the closing price of the common shares on the Exchange on the trading day immediately preceding the date of grant. Options granted may be subject to vesting requirements. Options will be granted for a period which may not exceed ten years from the date of grant but will expire within 60 days of a Participant ceasing to be a director, officer, employee of or consultant to the Company in most circumstances. In the case of an employee or consultant engaged by the Company primarily for the purpose of providing investor relations services, any Options held by them shall expire on the thirtieth day following the day the employee or consultant ceases to be engaged in such capacity, unless he or she is still engaged as a director or employee of the Company in some other capacity. In cases of death, options granted shall be exercisable by the Participant or by the Participant's personal representative within one year of the Participant's death. In certain other cases, including but not limited to, termination for cause of an employee or consultant, or upon receipt of an order from a regulatory authority removing a director, officer, employee or consultant from their position, the options granted to such person expire immediately. No rights under the Option Plan and no option awarded pursuant to the provisions of the Option Plan are assignable or transferable by any Participant. Subject to certain regulatory and Shareholder approvals, the Board may from time to time in its absolute discretion amend, modify and change certain provisions of an option or the Option Plan. The Option Plan is administered by the Board. The Option Plan is subject to the rules and policies of the Exchange. **Unless instructed otherwise, the management designees in the accompanying instrument of proxy intend to vote FOR the resolution to ratify, adopt and approve the Option Plan.**

The purpose of the Option Plan is to allow the Company to grant options to directors, officers, employees, and consultants, as additional compensation, and as an opportunity to participate in the success of the Company. The granting of such options is intended to align the interests of such persons with that of the Shareholders.

Shareholder Approval

Shareholders will be asked to consider and, if thought fit, pass the following ordinary resolution:

“RESOLVED, as an ordinary resolution, THAT:

1. the Company’s stock option plan (the “**Plan**”) be and is hereby ratified, confirmed, authorized and approved;
2. the reservation under the Plan of up to a maximum of 10% of the issued shares of the Company, on a rolling basis, as at the time of granting of the stock option or restricted stock unit (an “**Award**”) pursuant to the Plan be and the same is hereby authorized and approved;
3. such amendments to the Plan are authorized to be made from time to time as the Board may, in its discretion, consider to be appropriate, provided that such amendments will be subject to the approval of all applicable regulatory authorities and in certain cases, in accordance with the terms of the Plan and the shareholders; and
4. any one director or officer of the Company be and is hereby authorized and directed, for and on behalf of the Company, to execute and deliver all such documents, agreements and instruments, and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such documents, agreements or instruments or the doing of any such act or thing.”

The form of the proposed resolution set forth above is subject to such amendments as management may propose at the Meeting but which do not materially affect the substance of the proposed resolution.

THE BOARD UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE IN FAVOUR OF RATIFYING AND APPROVING THE OPTION PLAN. UNLESS THE SHAREHOLDER DIRECTS THAT HIS OR HER SHARES BE OTHERWISE VOTED OR WITHHELD FROM VOTING IN CONNECTION WITH THE APPROVAL OF THE OPTION PLAN, THE PERSONS NAMED IN THE ENCLOSED PROXY WILL VOTE FOR THE APPROVAL OF THE ABOVE RESOLUTIONS.

EXECUTIVE COMPENSATION

The Company is a venture issuer and is disclosing its executive compensation in accordance with Form 51-102F6V.

The following persons are considered the “Named Executive Officers” or “NEOs” for the purposes of this disclosure:

- (a) the Company’s Chief Executive Officer (“CEO”);
- (b) the Company’s Chief Financial Officer (“CFO”);
- (c) each of the Company’s three most highly compensated executive officers, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually more than \$150,000 as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for the January 31, 2020, financial year end; and
- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer, nor acting in a similar capacity as at January 31, 2020.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION, EXCLUDING COMPENSATION SECURITIES

The following table provides a summary of compensation paid or accrued, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each Named Executive Officer and director of the Company during the Company’s the financial years ended January 31, 2020.

Table of compensation excluding compensation securities							
Name and Position	Year	Salary, consulting fee, retainer or commission ⁽¹⁾ (\$)	Bonus (\$)	Committee or meeting fees ⁽²⁾ (\$)	Value of perquisites ⁽³⁾ (\$)	Value of all other compensation (\$)	Total compensation (\$)
Charles Ross, President, Chief Executive Officer and Director ⁽⁵⁾	2020	Nil	N/A	N/A	N/A	N/A	Nil
	2019	Nil	N/A	N/A	N/A	N/A	Nil
Geoff Balderson Chief Financial Officer and Director ⁽⁴⁾	2020	27,500 ⁽⁹⁾	N/A	N/A	N/A	N/A	Nil
	2019	Nil	N/A	N/A	N/A	N/A	Nil
James W. Mustard Director ⁽⁶⁾	2020	Nil	N/A	N/A	N/A	N/A	1,960
	2019	61,000	N/A	N/A	N/A	N/A	61,000
Daniel Schieber Director ⁽⁷⁾	2020	N/A	N/A	N/A	N/A	N/A	N/A
Casey Forward Director and CFO ⁽⁸⁾	2020	Nil	N/A	N/A	N/A	N/A	N/A
	2019	27,500	N/A	N/A	N/A	N/A	27,500

Paid or accrued salaries and/or consulting fees.

- (1) Paid or accrued salaries and/or consulting fees.
- (2) There is no standard meeting fee or committee fee for attendance at Board meetings or for service on committees.
- (3) The value of perquisites and benefits, if any, was less than \$15,000.
- (4) Mr. Balderson was elected Director and Chief Financial Officer on December 14, 2018.
- (5) Mr. Ross was elected on May 27, 2019.
- (6) Mr. Mustard resigned as Chief Executive Officer on March 12, 2019.
- (7) Mr. Schieber was elected on January 27, 2021.
- (8) Mr. Forward resigned as a Director on February 5, 2019 and as the Chief Financial Officer on December 14, 2018.
- (9) Fees paid to Harmony Corporate Services a Company controlled by Geoff Balderson, Director and CFO

STOCK OPTIONS AND OTHER COMPENSATION SECURITIES

There were no stock options granted during the year ended January 31, 2020.

STOCK OPTIONS PLANS AND OTHER INCENTIVE PLANS

The Company has in place a stock option plan the details of which are disclosed above. See “Particulars of Matters to be Acted Upon – Annual Ratification of Stock Option Plan” above. The Company does not have any other incentive plan in place.

EMPLOYMENT, CONSULTING AND MANAGEMENT AGREEMENTS

None of the Named Executive Officers or directors of the Company entered into any employment, consulting or management agreements with the Company during the financial year ended January 31, 2020, nor were any outstanding as of that date. The Named Executive Officers who received compensation did so under verbal agreements with the Company.

OVERSIGHT AND DESCRIPTION OF DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

The Board determines director compensation from time to time.

The Board determines executive compensation from time to time. The Company does not have a formal compensation policy. The main objectives the Company hopes to achieve through its compensation are to attract and retain executives critical to the Company’s success, who will be key in helping the Company achieve its corporate objectives and increase shareholder value. The Company looks at industry standards and the economic position of the Company when compensating its executive officers.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out equity compensation plan information as at the end of the financial year ended January 31, 2020.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))⁽¹⁾ (c)
Equity compensation plans approved by securityholders (Option Plan)	Nil	N/A	1,230,590
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
Total	0		1,230,590

(1) Based on 12,305,900 issued and outstanding shares as at January 31, 2020

AUDIT COMMITTEE

The Company is including the disclosure required by Form 52-110F2 of National Instrument 52-110 *Audit Committees* (“NI 52-110”) under this heading. The Company is a “venture issuer” under NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110.

Audit Committee Charter

The Charter of the Company’s audit committee is included as Schedule “A” to this Information Circular.

Composition of the Audit Committee

The Audit Committee is currently composed of the following three directors: Charles Ross, James W. Mustard and William Joseph Yelder. Charles Ross is an executive officer of the Company and not considered to be independent. James W. Mustard and William Joseph Yelder are not executive officers nor employees of the Company. All three members are financially literate.

Relevant Education and Experience

Each member of the Company’s present Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- 1 an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- 2 the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions;
- 3 experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements or experience actively supervising individuals engaged in such activities; and
- 4 an understanding of internal controls and procedures for financial reporting.

Charles Ross	Mr. Ross has a strong understanding of accounting principles and an ability to assess the application of these principals. He has over 25 years’ experience in the international resources sector as a senior executive. He applies accounting principles regularly when evaluating financial reports of target companies. He has more than 20 years’ experience acting as the CFO of various companies in both the resources and manufacturing sectors. He has prepared financial statements, supervised financial statement preparation, coordinated audits and chaired audit committees. He has setup internal controls and procedures over financial reporting in compliance with regulatory regimes in both domestic and foreign environments.
James W. Mustard	Mr. Mustard has over 30 years expertise in the administration, management and financing of venture companies. Mr. Mustard is currently a Director and Chair of the Audit Committee Kilo Goldmines Ltd. (TSXV) and as a past Director (Valley High Ventures) and past President (of Canada Zinc Metals) he has significant audit committee experience and has been involved in a variety of matters requiring financial literacy is familiar applicable to public companies in Canada.
William Joseph Yelder	Mr. Yelder has an MBA from the University of Pennsylvania’s Wharton School of Finance. He has over 40 years’ experience in improving profit involving financial planning, marketing, sales, securities, operations, purchasing, quality assurance, and package development. He has coordinated the preparation of financial statements for various companies and been an active member of audit committees for over 30 years which entailed reviewing internal controls, procedures, compliance with regulatory regimes, analyzing financial statements, and meetings with auditors to discuss their review. Because of his deep understanding of financial principals, he was responsible for developing hedging strategies for \$125 million of aluminum ingot

	for Pepsi Co bottling operations. As a senior analyst for W.R. Grace Company of New York he analyzed financials statements and market positions of both current and potential business investments.
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Reliance on Certain Exemptions

The Company is relying on the exemption provided by section 6.1 of NI 52-110 by virtue that it is a venture issuer. Section 6.1 exempts the Company from the requirements of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of NI 52-110.

Audit Committee Oversight

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

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Company's board of directors to review the performance of the Company's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services bought by the Company. The Audit Committee is authorized to approve in writing any non-audit services or additional work which the Chairman of the Audit Committee deems is necessary, and the Chairman will notify the other members of the Audit Committee of such non-audit or additional work and the reasons for such non-audit work for the Committee's consideration, and if thought fit, approval in writing.

External Auditor Service Fees by Category

See above under the heading "Particulars of Matters to be Acted Upon – Appointment and Remuneration of Auditor" for the disclosure required by this item of Form 52-110F2.

CORPORATE GOVERNANCE

National Instrument 58-101 – Disclosure of Corporate Governance Practices ("NI 58-101") requires issuers to disclose their governance practices in accordance with NI 58-101. The Company is a "venture issuer" within the meaning of NI 58-101. A discussion of the Company's governance practices in accordance with Form 58-101F2 of NI 58-101 is set out below.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship that could, in the view of the Company's Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

Charles Ross and Geoff Balderson are executive officers of the Company and are therefore not considered to be "independent". James W. Mustard, William Joseph Yelder and Daniel Schieber are considered independent under NI 58-101.

The Board facilitates its exercise of independent supervision over management by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Board believes that fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that each director exercises independent judgment in carrying out his responsibilities and acting in the best interests of the Company.

Directorship

Certain of the directors of the Company are also directors and/or officers of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

Name of Director	Names of Other Reporting Issuers	
James W. Mustard	Kilo Goldmines Ltd. Explorex Resources Inc.	
Charles Ross	Norsemont Mining Inc., Goldex Resources Corporation, Tearlach Resources Limited, Bounty Oil and Gas N.L., Schwabo Capital Corporation, Halio Energy Inc., Norzan Enterprises Ltd.	
Geoff Balderson	Goldeneye Resources Corp. Schwabo Capital Corp. Gambier Gold Corp. Tracker Ventures Corp. Lida Resources Inc. Vinergy Capital Inc. New Wave Holdings Corp. Nexco Resources Inc. Falcon Gold Corp. Happy Supplements Inc. Dynamo Capital Corp.	Spectre Capital Corp. Shooting Star Acquisition Corp. Thoughtful Brands Inc. Balsam Technologies Inc. Hollister Biosciences Inc. Makara Mining Corp. Core One Labs Inc. Eat Beyond Global Holdings Inc. Hawkmoon Resources Corp. AmmPower Corp.
William Joseph Yelder	Tearlach Resources Limited, Norzan Enterprises Limited, Halio Energy Inc.	
Daniel Schieber	GoldHaven Resources Corp., Schwabo Capital Corp.	

Orientation and Continuing Education

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company's properties, business, technology and industry and on the responsibilities of directors. Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business. Individual directors are responsible for maintaining their own education, skills and knowledge at an appropriate level. Board members are encouraged to attend educational courses or presentations in relation to the Company's projects or the industry within which the Company operates.

Ethical Business Conduct

The Board has not, to date, adopted a formal written Code of Ethical Business Conduct. The current limited size of the Company's operations, and the small number of officers and employees allow the Board to monitor, on an ongoing basis, the activities of management and to ensure that the highest standard of ethical conduct is maintained. The Board is aware of the recommendation in National Policy 58-201 *Corporate Governance Guidelines* to adopt a written code of business conduct and ethics and will review different standards that may be appropriate for the Company to adopt if warranted.

To date, the Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company. Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. A director must disclose to the Board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The disclosure must be evidenced in writing by being included in the consent resolutions or minutes of the meeting that approved the transaction or in a written disclosure delivered to the Company's records office. Unless the director properly discloses his interest and has the transaction properly approved, he may be liable to account to the Company for any profit he makes as a

result of the transaction, unless the court finds that the transaction was fair and reasonable to the Company. Once the appropriate disclosure has been made by the interested director, the transaction must be approved by the directors or by the shareholders by special resolution. An interested director would not be entitled to vote at meetings of directors which evoke any such conflict.

Nomination of Directors

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees to fill vacancies and for the next annual meeting the shareholders. The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, show support for the Company's mission and strategic objectives and a willingness to serve.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole; however, this policy may be reviewed in the future depending on the circumstances of the Company.

Compensation

The Board periodically reviews the compensation paid to directors, management and other employees based on such factors as time commitment and level of responsibility and the Company's current position as an exploration company with limited operating revenue.

The Board does not have a compensation committee, and these functions are currently performed by the Board as a whole; however, this policy may be reviewed in the future depending on the circumstances of the Company.

Other Board Committees

The Board has no other committees other than the Audit Committee.

Assessments

The Board conducts periodic assessments of its members including individual assessments to determine if the Board and the individual directors are performing efficiently. Based on the Company's size, stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be unnecessary at this time. As the activities of the Company develop, it will consider the establishment of more formal evaluation procedures, including more quantitative measures of performance.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

During the last completed financial year, no director, executive officer, or nominee for director of the Company or any of their associates has been indebted to the Company or any of its subsidiaries, nor has any of these individuals been indebted to another entity which indebtedness is the subject of a guarantee, support in agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed herein, since the commencement of the last completed financial year, no "informed person", had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries. "Informed Person" means: (a) a director or executive officer of the Company; (b) a director or officer of a person or company that is itself an informed person or subsidiary of the Company; or (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company.

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

No Director or executive officer of the Company, nor any proposed nominee for election as a Director of the Company, nor any of the persons who have been Directors or executive officers of the Company since the commencement of the Company's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting (other than the election of directors).

Other Matters

Management knows of no other matters to come before the Meeting of Shareholders other than referred to in the notice of Meeting. However, if any other matters which are not known to the management of the Company shall properly come before the said Meeting, the form of proxy given pursuant to the solicitation by management of the Company will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

Additional Information

Additional information relating to the Company is available on SEDAR at www.sedar.com. Shareholders may contact the Company to request copies of the Company's financial statements and management's discussion and analysis by sending a written request to Harmony Corporate Services, Suite 1000 – 409 Granville Street, Vancouver, BC, V6C 1T2, Attention: Geoff Balderson, Chief Financial Officer. Financial information is provided in the Company's comparative financial statements and management's discussion and analysis for its fiscal year ended January 31, 2020 which are also available on SEDAR.

Approval of the Directors

The contents of this Circular and the sending thereof to the Shareholders of the Company have been approved by the Board.

May 12, 2021

BY ORDER OF THE BOARD OF DIRECTORS

/s/Charles Ross

Charles Ross

Chief Executive Officer & Director

SCHEDULE "A"

FOUR NINES GOLD INC.

(the "Company")

AUDIT COMMITTEE CHARTER

1. Mandate and Purpose of the Committee

The Audit Committee (the "Committee") of the board of directors (the "Board") of Four Nines Gold Inc. (the "Company") is a standing committee of the Board whose primary function is to assist the Board in fulfilling its oversight responsibilities relating to:

- (a) the integrity of the Company's financial statements;
- (b) the Company's compliance with legal and regulatory requirements, as they relate to the Company's financial statements;
- (c) the qualifications, independence and performance of the Company's auditor;
- (d) internal controls and disclosure controls;
- (e) the performance of the Company's internal audit function;
- (f) consideration and approval of certain related party transactions; and
- (g) performing the additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

2. Authority

The Committee has the authority to:

- (a) engage and compensate independent counsel and other advisors as it determines necessary or advisable to carry out its duties; and
- (b) communicate directly with the Company's auditor.

The Committee has the authority to delegate to individual members or subcommittees of the Committee.

3. Composition and Expertise

The Committee shall be composed of a minimum of three members, each of whom is a director of the Company. A majority of the Committee's members must be "independent" and "financially literate" as such terms are defined in applicable securities legislation.

Committee members shall be appointed annually by the Board at the first meeting of the Board following each annual meeting of shareholders. Committee members hold office until the next annual meeting of shareholders or until they are removed by the Board or cease to be directors of the Company.

The Board shall appoint one member of the Committee to act as Chair of the Committee. If the Chair of the Committee is absent from any meeting, the Committee shall select one of the other members of the Committee to preside at that meeting.

4. Meetings

Any member of the Committee or the auditor may call a meeting of the Committee. The Committee shall meet at least four times per year and as many additional times as the Committee deems necessary to carry out its duties. The Chair shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and senior management.

Notice of the time and place of every meeting shall be given in writing to each member of the Committee, at least 72 hours (excluding holidays) prior to the time fixed for such meeting. The Company's auditor shall be given notice of every meeting of the Committee and, at the expense of the Company, shall be entitled to attend and be heard thereat. If requested by a member of the Committee, the Company's auditor shall attend every meeting of the Committee held during the term of office of the Company's auditor.

A majority of the Committee shall constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present in person or by means of such telephonic, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously. Business may also be transacted by the unanimous written consent resolutions of the members of the Committee, which when so approved shall be deemed to be resolutions passed at a duly called and constituted meeting of the Committee.

The Committee may invite such directors, officers and employees of the Company and advisors as it sees fit from time to time to attend meetings of the Committee.

The Committee shall meet without management present whenever the Committee deems it appropriate.

The Committee shall appoint a Secretary who need not be a director or officer of the Company. Minutes of the meetings of the Committee shall be recorded and maintained by the Secretary and shall be subsequently presented to the Committee for review and approval.

5. Committee and Charter Review

The Committee shall conduct an annual review and assessment of its performance, effectiveness and contribution, including a review of its compliance with this Charter. The Committee shall conduct such review and assessment in such manner as it deems appropriate and report the results thereof to the Board.

The Committee shall also review and assess the adequacy of this Charter on an annual basis, taking into account all legislative and regulatory requirements applicable to the Committee, as well as any guidelines recommended by regulators or the Toronto Stock Exchange and shall recommend changes to the Board thereon.

6. Reporting to the Board

The Committee shall report to the Board in a timely manner with respect to each of its meetings held. This report may take the form of circulating copies of the minutes of each meeting held.

7. Duties and Responsibilities

(a) Financial Reporting

The Committee is responsible for reviewing and recommending approval to the Board of the Company's annual and interim financial statements, MD&A and related news releases, before they are released.

The Committee is also responsible for:

- being satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in the preceding paragraph, and for periodically assessing the adequacy of those procedures;
- engaging the Company's auditor to perform a review of the interim financial statements and receiving from the Company's auditor a formal report on the auditor's review of such interim financial statements;
- discussing with management and the Company's auditor the quality of applicable accounting principles and financial reporting standards, not just the acceptability of thereof;
- discussing with management any significant variances between comparative reporting periods; and
- in the course of discussion with management and the Company's auditor, identifying problems or areas of concern and ensuring such matters are satisfactorily resolved.

(b) Auditor

The Committee is responsible for recommending to the Board:

- the auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
- the compensation of the Company's auditor.

The Company's auditor reports directly to the Committee. The Committee is directly responsible for overseeing the work of the Company's auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the Company's auditor regarding financial reporting.

(c) Relationship with the Auditor

The Committee is responsible for reviewing the proposed audit plan and proposed audit fees. The Committee is also responsible for:

- establishing effective communication processes with management and the Company's auditor so that it can objectively monitor the quality and effectiveness of the auditor's relationship with management and the Committee;
- receiving and reviewing regular feedback from the auditor on the progress against the approved audit plan, important findings, recommendations for improvements and the auditor's final report;
- reviewing, at least annually, a report from the auditor on all relationships and engagements for non-audit services that may be reasonably thought to bear on the independence of the auditor; and
- meeting in camera with the auditor whenever the Committee deems it appropriate.

(d) Accounting Policies

The Committee is responsible for:

- reviewing the Company's accounting policy note to ensure completeness and acceptability with applicable accounting principles and financial reporting standards as part of the approval of the financial statements;
- discussing and reviewing the impact of proposed changes in accounting standards or securities policies or regulations;

- reviewing with management and the auditor any proposed changes in major accounting policies and key estimates and judgments that may be material to financial reporting;
- discussing with management and the auditor the acceptability, degree of aggressiveness/conservatism and quality of underlying accounting policies and key estimates and judgments; and
- discussing with management and the auditor the clarity and completeness of the Company's financial disclosures.

(e) Risk and Uncertainty

The Committee is responsible for reviewing, as part of its approval of the financial statements:

- uncertainty notes and disclosures; and
- MD&A disclosures.

The Committee, in consultation with management, will identify the principal business risks and decide on the Company's "appetite" for risk. The Committee is responsible for reviewing related risk management policies and recommending such policies for approval by the Board. The Committee is then responsible for communicating and assigning to the applicable Board committee such policies for implementation and ongoing monitoring.

The Committee is responsible for requesting the auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are managed or controlled.

(f) Controls and Control Deviations

The Committee is responsible for reviewing:

- the plan and scope of the annual audit with respect to planned reliance and testing of controls; and
- major points contained in the auditor's management letter resulting from control evaluation and testing.

The Committee is also responsible for receiving reports from management when significant control deviations occur.

(g) Compliance with Laws and Regulations

The Committee is responsible for reviewing regular reports from management and others (e.g. auditors) concerning the Company's compliance with financial related laws and regulations, such as:

- tax and financial reporting laws and regulations;
- legal withholdings requirements;
- environmental protection laws; and
- other matters for which directors face liability exposure.

(h) Related Party Transactions

All transactions between the Company and a related party (each a "related party transaction"), other than transactions entered into in the ordinary course of business, shall be presented to the Committee for consideration.

The term "related party" includes (i) all directors, officers, employees, consultants and their associates (as that term is defined in the Securities Act (British Columbia)), as well as all entities with common directors, officers, employees and consultants (each "general related parties"), and (ii) all other individuals and entities having beneficial ownership of, or control or direction

over, directly or indirectly securities of the Company carrying more than 10% of the voting rights attached to all of the Company's outstanding voting securities (each "10% shareholders").

Related party transactions involving general related parties which are not material to the Company require review and approval by the Committee. Related party transactions that are material to the Company or that involve 10% shareholders require approval by the Board, following review thereof by the Committee and the Committee providing its recommendation thereon to the Board.

8. Non-Audit Services

All non-audit services to be provided to the Company or its subsidiary entities by the Company's auditor must be pre-approved by the Committee.

9. Submission Systems and Treatment of Complaints

The Committee is responsible for establishing procedures for:

- (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
- (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

The Committee is responsible for reviewing complaints and concerns that are brought to the attention of the Chair of the Audit Committee and for ensuring that any such complaints and concerns are appropriately addressed. The Committee shall report quarterly to the Board on the status of any complaints or concerns received by the Committee.

10. Procedure For Reporting Of Fraud Or Control Weaknesses

Each employee is expected to report situations in which he or she suspects fraud or is aware of any internal control weaknesses. An employee should treat suspected fraud seriously and ensure that the situation is brought to the attention of the Committee. In addition, weaknesses in the internal control procedures of the Company that may result in errors or omissions in financial information, or that create a risk of potential fraud or loss of the Company's assets, should be brought to the attention of both management and the Committee.

To facilitate the reporting of suspected fraud, it is the policy of Company that the employee (the "whistleblower") has anonymous and direct access to the Chair of the Audit Committee. Should a new Chair be appointed prior to the updating of this document, current Chair will ensure that the whistleblower is able to reach the new Chair in a timely manner. In the event that the Chair of the Audit Committee cannot be reached, the whistleblower should contact the Chair of the Board of Directors. Access to the names and place of employment of the Company's Directors can be found in the Company's website.

In addition, it is the policy of the Company that employees concerned about reporting internal control weaknesses directly to management are able to report such weaknesses to the Committee anonymously. In this case, the employee should follow the same procedure detailed above for reporting suspected fraud.

11. Hiring Policies

The Committee is responsible for reviewing and approving the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditor of the Company.

SCHEDULE "B"

STOCK OPTION PLAN

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

As used herein, unless anything in the subject matter or context is inconsistent therewith, the following terms shall have the meanings set forth below:

- (a) **"Administrator"** means, initially, the secretary of the Company and thereafter shall mean such director or other senior officer or employee of the Company as may be designated as Administrator by the Board from time to time;
- (b) **"Affiliate"** has the meaning ascribed to that term by the Securities Act;
- (c) **"Associate"** has the meaning ascribed thereto in the Securities Act;
- (d) **"Award Date"** means the date on which the Board grants a particular Option;
- (e) **"Board"** means the board of directors of the Company;
- (f) **"Change of Control"** means the acquisition by any person or by any person and a joint actor, whether directly or indirectly, of voting securities of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a joint actor, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board;
- (g) **"Company"** means Four Nines Gold Inc.;
- (h) **"Consultant"** means an individual or Consultant Company, other than an Employee or a Director, that:
 - (i) is engaged to provide on an ongoing bona fide basis consulting, technical, management or other services to the Company or to an affiliate of the Company, other than services provided in relation to a distribution,
 - (ii) provides the services under a written contract between the Company or the affiliate and the individual or a Consultant Company,
 - (iii) 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
 - (iv) has a relationship with the Company or an affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company;
- (i) **"Consultant Company"** means, for an individual consultant, a company or partnership of which the individual consultant is an employee or shareholder or partner;
- (j) **"Director"** means a director, officer, Management Company Employee of the Company or an affiliate of the Company to whom Options can be granted in reliance on a prospectus exemption under applicable securities laws;
- (k) **"Disinterested Shareholder Approval"** means approval by a majority of the votes cast by all the Company's shareholders at a duly constituted shareholders' meeting, excluding votes attached to shares of the Company beneficially owned by insiders to whom options may be granted under the Plan and their associates and affiliates;

- (l) **“Employee”** means:
- (i) an individual who is considered an employee of the Company or its subsidiary under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source),
 - (ii) an individual who works full-time for the Company or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work, as an employee of the Company, but for whom income tax deductions are not made at source, or
 - (iii) an individual who 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 over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source;
- (m) **“Exchange”** means the principal stock exchange or quotation system on which the Shares are listed or quoted for trading;
- (n) **“Exercise Notice”** means the notice respecting the exercise of an Option in the form set out as Schedule “B” hereto, duly executed by the Option Holder;
- (o) **“Exercise Period”** means the period during which a particular Option may be exercised and is the period from and including the Award Date through to and including the Expiry Date, subject to the provisions of the Plan relating to the vesting of Options;
- (p) **“Exercise Price”** means the price at which an Option may be exercised as determined in accordance with paragraph 3.3;
- (q) **“Expiry Date”** means the date determined in accordance with paragraphs 3.4 and 3.8 and after which a particular Option cannot be exercised;
- (r) **“Insider”** has the meaning ascribed thereto in the Securities Act;
- (s) **“Investor Relations Activities”** has the meaning ascribed thereto in the Securities Act;
- (t) **“Management Company Employee”** means an individual employed by a person providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a person involved in Investor Relations Activities;
- (u) **“Market Price”** means the market value of the Shares for a particular Award Date determined as follows:
- (i) for each organized trading facility on which the Shares are listed, Market Price will be the closing trading price of the Shares on the last trading day immediately preceding the Award Date;
 - (ii) if the Shares are listed on more than one organized trading facility, then Market Price will be the greatest of the Market Prices determined for each organized trading facility on which those Shares are listed as determined for each organized trading facility in accordance with subparagraph (a) above;
 - (iii) if the Shares are listed on one or more organized trading facility but have not traded during the ten trading day period immediately preceding the Award Date, then the Market Price will be, subject to the necessary approvals of the applicable regulatory bodies having authority over the Company, such value as is determined by resolution of the Board;

- (v) **“Option”** means an option to acquire Shares, awarded to a Director, Employee or Consultant pursuant to the Plan;
- (w) **“Option Certificate”** means the certificate, substantially in the form set out as Schedule “A” hereto, evidencing an Option;
- (x) **“Option Holder”** means a Director, Employee or Consultant, or a former Director, Employee or Consultant, who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person;
- (y) **“Plan”** means this stock option plan;
- (z) **“Personal Representative”** means:
 - (i) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so, and
 - (ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder;
- (aa) **“Securities Act”** means the *Securities Act*, R.S.B.C. 1996, c.418, as amended, as at the date hereof; and
- (bb) **“Share”** or **“Shares”** means, as the case may be, one or more common shares without par value in the capital of the Company.

1.2 Choice of Law

The Plan is established under and the provisions of the Plan are to be interpreted and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

1.3 Headings

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

ARTICLE 2 PURPOSE AND PARTICIPATION

2.1 Purpose

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Directors, Employees and Consultants, to reward such of those Directors, Employees and Consultants as may be awarded Options under the Plan by the Board from time to time for their contributions toward the long term goals of the Company and to enable and encourage such Directors, Employees and Consultants to acquire Shares as long term investments.

2.2 Participation

The Board shall, from time to time, in its sole discretion determine those Directors, Employees and Consultants, if any, to whom Options are to be awarded. If the Board elects to award an Option to a Director, the Board shall, in its sole discretion but subject to paragraph 3.2, determine the number of Shares to be acquired on the exercise of such Option. A Director of the Company to whom an Option may be granted shall not participate in the decision of the Board to grant such Option. If the Board elects to award an Option to an Employee or Consultant, the number of Shares to be acquired on the exercise of such Option shall be determined by the Board in its sole discretion, and in so doing the Board may take into account the following criteria:

- (a) the remuneration paid to the Employee or Consultant as at the Award Date in relation to the total remuneration payable by the Company to all of its Employees and Consultants as at the Award Date;
- (b) the length of time that the Employee or Consultant has been employed or engaged by the Company;
- (c) the quality of work performed by the Employee or Consultant; and
- (d) any other factors which it may deem proper and relevant.

2.3 Notification of Award

Following the approval by the Board of the awarding of an Option, the Administrator shall notify the Option Holder in writing of the award and shall enclose with such notice the Option Certificate representing the Option so awarded.

2.4 Copy of Plan

Each Option Holder, concurrently with the notice of the award of the Option, shall be provided with a copy of the Plan, unless a copy has been previously provided to the Option Holder. A copy of any amendment to the Plan shall be promptly provided by the Administrator to each Option Holder.

2.5 Limitation

The Plan does not give any Option Holder that is a Director the right to serve or continue to serve as a Director of the Company nor does it give any Option Holder that is an Employee or Consultant the right to be or to continue to be employed or engaged by the Company. Participation in the Plan by an Option Holder is voluntary.

ARTICLE 3 TERMS AND CONDITIONS OF OPTIONS

4.0 Board to Allot Shares

The Shares to be issued to Option Holders upon the exercise of Options shall be allotted and authorized for issuance by the Board prior to the exercise thereof.

4.1 Number of Shares

The maximum number of Shares issuable under the Plan, together with the number of Shares issuable under outstanding options granted otherwise than under the Plan, shall not exceed 10% of the Shares outstanding from time to time. Additionally, subject to applicable Exchange rules and policies, the Company shall not grant Options:

- (a) to any one person in any 12-month period which could, when exercised, result in the issuance of Shares exceeding five percent (5%) of the issued and outstanding Shares of the Company unless the Company has obtained the requisite Disinterested Shareholder Approval to the grant; or
- (b) to any one Consultant in any 12-month period which could, when exercised, result in the issuance of Shares exceeding 2% of the issued and outstanding Shares of the Company; or
- (c) in any 12-month period, to persons employed or engaged by the Company to perform Investor Relations Activities which could, when exercised, result in the issuance of Shares exceeding, in aggregate, 2% of the issued and outstanding Shares of the Company.

If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of which Option expired or terminated shall again be available for the purposes of the Plan.

4.2 Exercise Price

The Exercise Price shall be that price per share, as determined by the Board in its sole discretion as of the Award Date, at which an Option Holder may purchase a Share upon the exercise of an Option, and shall not be less than the Market Price, unless otherwise permitted by the Exchange, if applicable, or such other price as may be required by the Exchange and/or applicable laws. Any reduction in the exercise price of an Option held by an Option Holder who is an insider of the Company at the time of the proposed reduction will require Disinterested Shareholder Approval.

4.3 Term of Option

Subject to paragraph 3.5, the Expiry Date of an Option shall be the date so fixed by the Board at the time the particular Option is awarded, provided that such date shall not be later than the tenth anniversary of the Award Date of the Option.

4.4 Termination of Option

An Option Holder may, subject to any vesting provisions applicable to Options hereunder, exercise an Option in whole or in part at any time or from time to time during the Exercise Period provided that, with respect to the exercise of part of an Option, the Board may at any time and from time to time fix a minimum or maximum number of Shares in respect of which an Option Holder may exercise part of any Option held by such Option Holder. Any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of 5:00 p.m. local time in Vancouver, British Columbia, on the Expiry Date. The Expiry Date of an Option shall be the earlier of the date so fixed by the Board at the time the Option is awarded and the date established, if applicable, in sub-paragraphs (a) to (c) below (the "Early Termination Date"):

(a) **Death**

In the event that the Option Holder should die while he or she is still a Director (if he or she holds his or her Option as Director) or Employee or Consultant (if he or she holds his or her Option as Employee or Consultant), the Early Termination Date shall be twelve (12) months from the date of death of the Option Holder; or

(b) **Ceasing to Hold Office**

In the event that the Option Holder holds his or her Option as Director of the Company and such Option Holder ceases to be a Director of the Company other than by reason of death, the Early Termination Date of the Option shall be the 60th day following the date the Option Holder ceases to be a Director of the Company unless the Option Holder ceases to be a Director of the Company but continues to be engaged by the Company as an Employee or a Consultant, in which case the Expiry Date shall remain unchanged, or unless the Option Holder ceases to be a Director of the Company as a result of:

- (i) ceasing to meet the qualifications set forth in the *Business Corporations Act* (British Columbia), or
- (ii) a resolution having been passed by the shareholders of the Company pursuant to the *Business Corporations Act* (British Columbia) removing the Director as such, or
- (iii) by order of Industry Canada, the British Columbia Securities Commission, the Exchange or any other regulatory body having jurisdiction to so order, in which case the Early Termination Date shall be the date the Option Holder ceases to be a Director of the Company.

(c) **Ceasing to be an Employee or a Consultant**

In the event that the Option Holder holds his or her Option as an Employee or Consultant of the Company and such Option Holder ceases to be an Employee or Consultant of the Company other than by reason of death, the Early Termination Date of the Option shall be the 60th day following the date the Option Holder ceases to be an Employee or Consultant of the Company unless the Option Holder ceases to be an Employee or Consultant of the Company as a result of:

- (i) termination for cause or, in the case of a Consultant, breach of contract, or

- (ii) by order of Industry Canada, the British Columbia Securities Commission, the Exchange or any other regulatory body having jurisdiction to so order, in which case the Early Termination Date shall be the date the Option Holder ceases to be an Employee or Consultant of the Company.

Notwithstanding the foregoing, the Early Termination Date for Options granted to any Option Holder engaged primarily to provide Investor Relations Activities shall be the 30th day following the date that the Option Holder ceases to be employed in such capacity, unless the Option Holder continues to be engaged by the Company as an Employee or Director, in which case the Early Termination Date shall be determined as set forth above.

4.5 Hold Period and Vesting Requirements

Shares issued upon exercise of an Option may be subject to a hold period and/or may bear a legend in accordance with applicable securities laws and/or Exchange requirements.

All Options granted pursuant to the Plan will be subject to such vesting requirements as may be prescribed by the Exchange, if applicable, or as may be imposed by the Board.

The Option Certificate representing any such Option will disclose any vesting conditions.

4.6 Effect of a Take-Over Bid

If a *bona fide* offer (an “Offer”) for Shares is made to an Option Holder or to shareholders of the Company generally or to a class of shareholders which includes the Option Holder, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of the Securities Act, the Company shall, immediately upon receipt of notice of the Offer, notify each Option Holder of the full particulars of the Offer, whereupon all Shares subject to Options will become vested and the Options may be exercised in whole or in part by each Option Holder so as to permit each Option Holder to tender the Shares received upon exercise of his Options, pursuant to the Offer. However, if:

- (a) the Offer is not completed within the time specified therein; or
- (b) all of the Shares acquired by the Option Holder on the exercise of his Option and tendered pursuant to the Offer are not taken up or paid for by the offeror in respect thereof;

then the Shares received upon the exercise of such Options, or in the case of clause (b) above, the Shares that are not taken up and paid for, may be returned by each Option Holder to the Company and reinstated as authorized but unissued Shares and with respect to such returned Shares, the Options shall be reinstated as if they had not been exercised and the terms upon which such Shares were to become vested pursuant to paragraph 3.6 shall be reinstated. If any Shares are returned to Company under this paragraph 3.7, the Company shall immediately refund the exercise price to the Option Holder for such Shares.

4.7 Acceleration of Expiry Date

If at any time when an Option granted under the Plan remains unexercised an Offer is made by an offeror, the Board may, upon notifying each Option Holder of full particulars of the Offer, declare vested all Shares issuable upon the exercise of Options granted under the Plan, and, notwithstanding paragraphs 3.4 and 3.5, declare that the Expiry Date for the exercise of all unexercised Options granted under the Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer.

4.8 Effect of Reorganization, Amalgamation or Merger

If the Company is reorganized, amalgamated or merges with or into another Company, at the discretion of the Board, any Shares receivable on the exercise of an Option shall be converted into the securities, property or cash which the Option Holder would have received upon such reorganization, amalgamation or merger if the Option Holder had exercised his

Option immediately prior to the record date applicable to such reorganization, amalgamation or merger, and the exercise price shall be adjusted appropriately by the Board and such adjustment shall be binding for all purposes of the Plan.

4.9 Effect of Change of Control

If a Change of Control occurs, all Shares subject to each outstanding Option will become vested, subject to any required approval of the Exchange, whereupon all Options may be exercised in whole or in part by the Option Holder.

4.10 Assignment of Options

Options may not be assigned or transferred, provided however that the Personal Representative of an Option Holder may, to the extent permitted by paragraph 4.1, exercise the Option within the Exercise Period.

4.11 Adjustments

If, prior to the complete exercise of any Option, the Shares are consolidated, subdivided, converted, exchanged or reclassified or in any way substituted for (collectively the “**Event**”) other shares of the Company, an Option, to the extent that it has not been exercised, shall be adjusted by the Board in accordance with such Event in the manner the Board deems appropriate. No fractional Shares shall be issued upon the exercise of any Option and accordingly, if as a result of the Event, an Option Holder would become entitled to a fractional Share, such Option Holder shall have the right to purchase only the next lowest whole number of Shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded. Additionally, no lots of Shares in an amount less than 500 Shares shall be issued upon the exercise of the Option unless such amount of Shares represents the balance left to be exercised under the Option.

4.12 Exclusion From Severance Allowance, Retirement Allowance or Termination Settlement

If an Option Holder retires, resigns or is terminated from employment or engagement with the Company or any subsidiary of the Company, the loss or limitation, if any, pursuant to the Option Certificate with respect to the right to purchase Shares which were not vested at the time or which, if vested, were cancelled, shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Option Holder.

ARTICLE 4 EXERCISE OF OPTION

4.1 Exercise of Option

An Option may be exercised only by the Option Holder or the Personal Representative of any Option Holder. An Option Holder or the Personal Representative of any Option Holder may exercise an Option in whole or in part at any time or from time to time during the Exercise Period up to 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date by delivering to the Administrator an Exercise Notice, the applicable Option Certificate, accompanied by cash payment, certified cheque or bank draft payable to the Company in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Option.

4.2 Issue of Share Certificates

As soon as practicable following the receipt of the Exercise Notice, the Administrator shall cause to be delivered to the Option Holder a certificate for the Shares purchased pursuant to the exercise of the Option. If the number of Shares purchased is less than the number of Shares subject to the Option Certificate surrendered, the Administrator shall forward a new Option Certificate to the Option Holder concurrently with delivery of the aforesaid share certificate for the balance of Shares available under the Option.

4.3 Condition of Issue

The issue of Shares by the Company pursuant to the exercise of an Option is subject to this Plan and compliance with the laws, rules and regulations of all regulatory bodies applicable to the issuance and distribution of such Shares and to the listing requirements of the Exchange or any stock exchange on which the Shares may be listed. The Option Holder agrees to comply with all such laws, rules and regulations and agrees to furnish to the Company any information, report and/or undertakings required to comply with and to fully co-operate with the Company in complying with such laws, rules and regulations.

The Company or any subsidiary of the Company may take such steps as are considered necessary or appropriate for the withholding and/or remittance of any taxes which the Company or any subsidiary of the Company is required by any law or regulation of any governmental authority whatsoever to withhold and/or remit in connection with any Option or Option exercise including, without limiting the generality of the foregoing, the withholding and/or remitting of all or any portion of the payment or the withholding of the issue of Shares to be issued upon the exercise of any Option until such time as the Option Holder has paid the Company or any subsidiary of the Company (in addition to the exercise price payable for the exercise of Options) the amount which the Company or subsidiary of the Company reasonably determines is required to be withheld and/or remitted with respect to such taxes.

ARTICLE 5 ADMINISTRATION

5.1 Administration

The Plan shall be administered by the Administrator on the instructions of the Board. The Board may make, amend and repeal at any time and from time to time such regulations not inconsistent with the Plan as it may deem necessary or advisable for the proper administration and operation of the Plan and such regulations shall form part of the Plan. The Board may delegate to the Administrator or any Director or Employee of the Company such administrative duties and powers as it may see fit.

5.2 Interpretation

The interpretation by the Board of any of the provisions of the Plan and any determination by it pursuant thereto shall be final and conclusive and shall not be subject to any dispute by any Option Holder. No member of the Board or any person acting pursuant to authority delegated by it hereunder shall be liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Board and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

ARTICLE 6 AMENDMENT AND TERMINATION

6.1 Prospective Amendment

Subject to applicable regulatory and, if required by any relevant law, rule or regulation applicable to the Plan, to shareholder approval, the Board may from time to time amend the Plan and the terms and conditions of any Option thereafter to be granted and, without limiting the generality of the foregoing, may make such amendment for the purpose of meeting any changes in any relevant law, rule or regulation applicable to the Plan, any Option or the Shares or for any other purpose which may be permitted by all relevant laws, rules and regulations, provided always that any such amendment shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to such amendment. Notwithstanding the foregoing, the Board may, subject to the requirements of the Exchange, amend the terms upon which each Option shall become vested with respect to Shares without further approval of the Exchange, other regulatory bodies having authority over the Company, the Plan or the shareholders.

6.2 Retrospective Amendment

Subject to applicable regulatory and, if required by any relevant law, rule or regulation applicable to the Plan, to shareholder approval, the Board may from time to time retrospectively amend the Plan and, with the consent of the affected Option Holders, retrospectively amend the terms and conditions of any Options which have been previously granted.

6.3 Termination

The Board may terminate the Plan at any time provided that such termination shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to the date of such termination. Notwithstanding the termination of the Plan, the Company, Options awarded under the Plan, Option Holders and Shares issuable under Options awarded under the Plan shall continue to be governed by the provisions of the Plan.

6.4 Agreement

The Company and every person to whom an Option is awarded hereunder shall be bound by and subject to the terms and conditions of the Plan.

6.5 No Shareholder Rights

An Option Holder shall not have any rights as a shareholder of the Company with respect to any of the Shares covered by an Option until the Option Holder exercises such Option in accordance with the terms of the Plan and the issuance of the Shares by the Company.

6.6 Record Keeping

The Company shall maintain a register in which shall be recorded the name and address of each Option Holder, the number of Options granted to an Option Holder, the details thereof and the number of Options outstanding.

6.7 No Representation or Warranty

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

6.8 Option Holder Status

For stock options granted to Employees, Consultants or Management Company Employees, the Company represents that each such Option Holder will be a bona fide Employee, Consultant or Management Company Employee, as the case may be.

ARTICLE 7 APPROVALS REQUIRED FOR PLAN

7.1 Approvals Required for Plan

The Plan has been adopted by the Board and is subject to the approval of the Exchange, if applicable, and, if so approved, subject to the discretion of the Board, the Plan shall become effective upon such approvals being obtained. The Company will obtain disinterested shareholder approval of Options if the Plan, together with all of the Company's previously established and outstanding stock option plans or grants, could result at any time in the grant to insiders, within a 12 month period, of a number of Options exceeding 10% of the issued shares of the Company.

7.2 Substantive Amendments to Plan

Any substantive amendments to the Plan shall be subject to the Company first obtaining the approvals of:

- (h) the shareholders or disinterested shareholders, as the case may be, of the Company at a general meeting where required by the rules and policies of the Exchange; and
- (i) the Exchange.