

**VISIBLE GOLD MINES INC.**

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS  
FEBRUARY 12, 2019**

TAKE NOTICE that an Annual and Special Meeting of Shareholders (the “**Meeting**”) of Visible Gold Mines Inc. (the “**Corporation**”) will be held:

Place: Best Western Plus Hotel Albert  
Raglan Room  
84 Principale Avenue  
Rouyn-Noranda, Québec  
J9X 4P2

Date: February 12, 2019

Time: 2:00 p.m.

The purposes of the Meeting are to:

1. Receive and consider the financial statements of the Corporation for the fiscal year ended July 31, 2018 and the auditors’ report thereon;
2. Elect directors;
3. Appoint auditors and authorize the directors to fix their remuneration;
4. Consider, and if deemed advisable to adopt, a resolution annexed as Schedule B to the Management Information Circular, ratifying and confirming the 2007 Stock Option Plan of the Corporation; and
5. Transact such other business as may properly be brought before the Meeting.

Only persons registered as shareholders on the records of the Corporation as of the close of business on December 28, 2018 are entitled to receive notice of, and to vote or act at, the Meeting. No person who becomes a shareholder after the Record Date will be entitled to vote or act at the Meeting or any adjournment thereof.

If you are unable to attend the Meeting in person, please date, complete and sign the enclosed form of proxy and deliver it to Computershare Investor Services Inc. (i) by mail or hand delivery to Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, or (ii) by facsimile to 416-263-9524 or 1-866-249-7775. A shareholder may also vote using the Internet at [www.investorvote.com](http://www.investorvote.com) or by telephone at 1-866-732-8683. In order to be valid and acted upon at the Meeting, the form of proxy must be received no later than 5:00 p.m. (eastern time) on February 7, 2019 or be deposited with the Secretary of the Corporation before the commencement of the Meeting or any adjournment thereof.

DATED at Rouyn-Noranda, Québec  
December 20, 2018

BY ORDER OF THE BOARD OF DIRECTORS

*(signed) Martin Dallaire*  
President and Chief Executive Officer

## MANAGEMENT INFORMATION CIRCULAR

### SOLICITATION OF PROXIES BY MANAGEMENT

This Management Information Circular is furnished in connection with the solicitation by management of Visible Gold Mines Inc. (the “Corporation”) of proxies to be used at the Annual and Special Meeting of shareholders (the “Meeting”) of the Corporation to be held at the time and place and for the purposes set forth in the Notice of Meeting. It is expected that the solicitation will be made primarily by mail. However, officers and employees of the Corporation may also solicit proxies by telephone, telecopier, e-mail or in person. The total cost of solicitation of proxies will be borne by the Corporation. Pursuant to National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy-related materials to beneficial owners of the shares. See “Appointment and Revocation of Proxies – Notice to Beneficial Holders of Shares” below.

### INTERNET AVAILABILITY OF PROXY-RELATED MATERIALS

#### Notice-and-Access

The Corporation has elected to use “notice-and-access” rules (“**Notice-and-Access**”) under NI 54-101 for distribution of Proxy-Related Materials (as defined below) to shareholders who do not hold shares of the Corporation in their own names (referred to herein as “**Beneficial Shareholders**”). Notice-and-Access is a set of rules that allows issuers to post electronic versions of proxy-related materials on SEDAR and on one additional website, rather than mailing paper copies. “**Proxy-Related Materials**” refers to this Management Information Circular, the Notice of Meeting and a voting instruction form.

The use of Notice-and-Access is more environmentally friendly as it helps reduce paper use. It also reduces the Corporation’s printing and mailing costs. Beneficial Shareholders may obtain further information about Notice-and-Access by contacting: (i) **for Beneficial Shareholders with a 15-digit Control Number**: Computershare Investor Services Inc. toll free at 1-866-964-0492 or on the internet at [www.computershare.com/noticeandaccess](http://www.computershare.com/noticeandaccess); or (ii) **for Beneficial Shareholders with a 16-digit Control Number**: Broadridge Financial Solutions, Inc. toll free at 1-855-887-2244.

The Corporation is using Notice-and-Access for delivery to shareholders that hold their shares directly in their respective names (referred to herein as “**Registered Shareholders**”). Registered Shareholders will receive paper copies of this Management Information Circular and related materials via prepaid mail.

#### Websites Where Proxy-Related Materials are Posted

The Proxy-Related Materials are available on the Corporation’s website at [www.visiblegoldmines.com](http://www.visiblegoldmines.com) and under the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

#### Notice Package

Although the Proxy-Related Materials have been posted on-line as noted above, Beneficial Shareholders are receiving paper copies of a notice package (“**Notice Package**”) via prepaid mail containing information prescribed by NI 54-101 such as: the date, time and location of the Meeting, the website addresses where the Proxy-Related Materials are posted, a voting instruction form, and supplemental mail list return card for Beneficial Shareholders to request they be included in the Corporation’s supplementary mailing list for receipt of the Corporation’s interim financial statements for the 2019 fiscal year.

#### How to Obtain Paper Copies of Proxy-Related Materials

Beneficial Shareholders may obtain paper copies of the Management Information Circular free of charge by contacting: (i) **for Beneficial Shareholders with a 15-digit Control Number**: Computershare Investor Services Inc. toll free at 1-866-962-0498 (within North America) or 514-982-8716 (outside North America); or (ii) **for Beneficial Shareholders with a 16-digit Control Number**: Broadridge Financial Solutions, Inc. toll free at 1-877-907-7643. Any request for paper copies which are required in advance of the Meeting should be sent so that the request is received by the Corporation by 5:00 p.m. (eastern time) on January 31, 2019 in order to allow sufficient time for Beneficial Shareholders to receive their paper copies and to return their voting instruction form by the due date. After the Meeting date, Beneficial Shareholders may obtain paper copies of the Management Information Circular free of charge by contacting the Secretary of the Corporation at 819-762-0107.

## APPOINTMENT AND REVOCATION OF PROXIES

### Appointment of Proxy

A Registered Shareholder who is unable to attend the Meeting in person is requested to complete and sign the enclosed form of proxy and to deliver it to Computershare Investor Services Inc. (i) by mail or hand delivery to Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, or (ii) by facsimile to 416-263-9524 or 1-866-249-7775. A Registered Shareholder may also vote using the internet at [www.investorvote.com](http://www.investorvote.com) or telephone at 1-866-732-8683. In order to be valid and acted upon at the Meeting, the form of proxy must be received no later than 5:00 p.m. (eastern time) on February 7, 2019 or be deposited with the Secretary of the Corporation before the commencement of the Meeting or any adjournment thereof.

The document appointing a proxy must be in writing and executed by the Registered Shareholder or his attorney authorized in writing or, if the Registered Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

**A Registered Shareholder submitting a form of proxy has the right to appoint a person (who need not be a shareholder) to represent him or her at the Meeting other than the persons designated in the form of proxy furnished by the Corporation. To exercise that right, the name of the Registered Shareholder's appointee should be legibly printed in the blank space provided. In addition, the Registered Shareholder should notify the appointee of his or her appointment, obtain his or her consent to act as appointee and instruct him or her on how the Registered Shareholder's shares are to be voted.**

Shareholders who are not Registered Shareholders should refer to "Notice to Beneficial Holders of Shares" below.

### Revocation of Proxy

A Registered Shareholder who has submitted a form of proxy as directed hereunder may revoke it at any time prior to the exercise thereof. If a Registered Shareholder who has given a proxy personally attends the Meeting at which that proxy is to be voted, that Registered Shareholder may revoke the proxy and vote in person. In addition to the revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Registered Shareholder or his attorney or authorized agent and deposited with (i) Computershare Investor Services Inc. at any time up to 5:00 p.m. (eastern time) on February 7, 2019 by mail or by hand delivery to Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, or by facsimile to 416-263-9524 or 1-866-249-7775, (ii) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or (iii) with the Secretary of the Corporation before the commencement of the Meeting, or any adjournment thereof, and upon any such deposit, the proxy will be revoked.

### Notice to Beneficial Shareholders

The information set out in this section is of significant importance to many shareholders, as a substantial number of shareholders are Beneficial Shareholders and do not hold shares of the Corporation in their own names. Beneficial Shareholders should note that only proxies deposited by Registered Shareholders (shareholders whose names appear on the records of the Corporation as the registered holders of shares) can be recognized and acted upon at the Meeting or any adjournment(s) thereof. If shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those shares will not be registered in the shareholder's name on the records of the Corporation. Those shares 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 those shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Shares held by brokers or their nominees can be voted (for or against resolutions or withheld from voting) only upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting shares for their clients. Subject to the following discussion in relation to NOBOs (as defined below), the Corporation does not know for whose benefit the shares of the Corporation registered in the name of CDS & Co., a broker or another nominee, are held.

There are two categories of Beneficial Shareholders for the purposes of applicable securities regulatory policy in relation to the mechanism of dissemination to Beneficial Shareholders of proxy-related materials and other securityholder materials and the request for voting instructions from such Beneficial Shareholders. Non-objecting beneficial owners ("NOBOs") are Beneficial Shareholders who have advised their intermediary (such as brokers or other nominees) that they do not object to their intermediary disclosing ownership information to the Corporation, consisting of their name, address, e-mail address, securities holdings and preferred language of communication. **Securities legislation restricts the use of that information to**

**matters strictly relating to the affairs of the Corporation.** Objecting beneficial owners (“OBOs”) are Beneficial Shareholders who have advised their intermediary that they object to their intermediary disclosing such ownership information to the Corporation.

NI 54-101 permits the Corporation, in its discretion, to obtain a list of its NOBOs from intermediaries and use such NOBO list for the purpose of distributing the Notice Package directly to, and seeking voting instructions directly from, such NOBOs. As a result, the Corporation is entitled to deliver the Notice Package to Beneficial Shareholders in two manners: (a) directly to NOBOs and indirectly through intermediaries to OBOs; or (b) indirectly to all Beneficial Shareholders through intermediaries. In accordance with the requirements of NI 54-101, the Corporation is sending the Notice Package directly to NOBOs and indirectly through intermediaries to OBOs. The cost of the delivery of the Notice Package by intermediaries to OBOs will be borne by the Corporation.

The Corporation has used a NOBO list to send the Notice Package directly to NOBOs whose names appear on that list. If the Corporation’s transfer agent, Computershare Investor Services Inc., has sent these materials directly to a NOBO at the request of the Corporation, such NOBO’s name and address and information about its holdings of shares of the Corporation have been obtained from the intermediary holding such shares on the NOBO’s behalf in accordance with applicable securities regulations. As a result, any NOBO of the Corporation can expect to receive a voting instruction form from Computershare Investor Services Inc. NOBOs should complete and return the voting instruction form to Computershare Investor Services Inc. in the envelope provided. In addition, telephone voting and internet voting are available; instructions in respect of the procedure for telephone and internet voting can be found in the voting instruction form. Computershare Investor Services Inc. will tabulate the results of voting instruction forms received from NOBOs and will provide appropriate instructions at the Meeting with respect to the voting of shares represented by such voting instruction forms.

Applicable securities regulatory policy requires intermediaries, on receipt of Notice Packages that seek voting instructions from Beneficial Shareholders indirectly, to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings on Form 54-101F7 (Request for Voting Instructions Made by Intermediary). Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting or any adjournment(s) thereof. Often, the form of request for voting instructions supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to Registered Shareholders; however, its purpose is limited to instructing the Registered Shareholder how to vote on behalf of the Beneficial Shareholder. Beneficial Shareholders who wish to appear in person and vote at the Meeting should be appointed as their own representatives at the Meeting in accordance with the directions of their intermediaries and Form 54-101F7. Beneficial Shareholders can also write the name of someone else whom they wish to attend at the Meeting and vote on their behalf. Unless prohibited by law, the person whose name is written in the space provided in Form 54-101F7 will have full authority to present matters to the Meeting and vote on all matters that are presented at the Meeting, even if those matters are not set out in Form 54-101F7 or this Management Information Circular.

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). In forwarding the Notice Package to Beneficial Shareholders, Broadridge typically includes a voting instruction form in lieu of the form of proxy that some intermediaries employ. Beneficial Shareholders are requested to complete and return the voting instruction form to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free telephone number to vote the shares held by them or access Broadridge’s dedicated voting website at <https://central-online.proxyvote.com> to deliver their voting instructions. Broadridge will then provide aggregate voting instructions to the Corporation’s transfer agent and registrar, which tabulates the results and provides appropriate instructions respecting the voting of shares to be represented at the Meeting or any adjournment(s) thereof.

## **EXERCISE OF DISCRETION BY PROXIES**

**Shares represented by properly executed proxies in favour of the persons designated in the enclosed form of proxy, in the absence of any direction to the contrary, will be voted for: (i) the election of directors; (ii) the appointment of auditors; and (iii) the resolution in the form annexed as Schedule B to the Management Information Circular ratifying and confirming the 2007 Stock Option Plan of the Corporation, as stated under such headings in this Management Information Circular.** Instructions with respect to voting will be respected by the persons designated in the enclosed form of proxy. With respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting, such shares will be voted by the persons so designated in their discretion. At the time of printing this Management Information Circular, management of the Corporation knows of no such amendments, variations or other matters.

## **VOTING SHARES**

As at December 20, 2018, there were 15,188,789 issued and outstanding common shares of the Corporation. Each common share entitles the holder thereof to one vote. The Corporation has fixed December 28, 2018 as the record date (the “**Record Date**”) for the purpose of determining shareholders entitled to receive notice of the Meeting. Pursuant to the *Canada Business Corporations Act*, the Corporation is required to prepare, no later than ten days after the Record Date, an alphabetical list of shareholders entitled to vote as of the Record Date that shows the number of shares held by each shareholder. A shareholder whose name appears on the list referred to above is entitled to vote the shares shown opposite his or her name at the Meeting. A shareholder of record on the Record Date will be entitled to vote those shares included in the list of shareholders entitled to vote at the Meeting, even though the shareholder may subsequently dispose of his or her shares. No shareholder who has become a shareholder after the Record Date will be entitled to attend or vote at the Meeting or any adjournment(s) thereof. The list of shareholders is available for inspection during usual business hours at the registered office of the Corporation, 139 Québec Avenue, Suite 202, Rouyn-Noranda, Québec and at the Meeting.

## **PRINCIPAL SHAREHOLDER**

As at December 20, 2018, to the best knowledge of the Corporation, no person beneficially owned or exercised control or direction over, directly or indirectly, more than 10% of the issued and outstanding common shares of the Corporation.

## **PRESENTATION OF FINANCIAL STATEMENTS**

The annual audited financial statements for the fiscal year of the Corporation ended July 31, 2018 and the report of the auditors will be placed before the Meeting. The annual financial statements of the Corporation are included in the Corporation’s 2018 Annual Report which was mailed to shareholders who requested the 2018 Annual Report and which is also available on SEDAR at [www.sedar.com](http://www.sedar.com). Additional copies of the 2018 Annual Report may be obtained from the Corporation upon request and will be available at the Meeting.

## **ELECTION OF DIRECTORS**

The Board currently consists of four directors. The persons named in the enclosed form of proxy intend to vote for the election of the four nominees whose names are set forth below. Each director will hold office until the next annual meeting of shareholders or until the election of his successor, unless he resigns or his office becomes vacant by removal, death or other cause.

The following table states the name of each of the persons proposed to be nominated for election as director, all other positions and offices with the Corporation now held by such person, his municipality of residence and principal occupation, the year in which such person became a director of the Corporation, and the number of common shares of the Corporation that such person has advised are beneficially owned or over which control or direction is exercised by such person as at the date indicated below.

<u>Name, municipality of residence and position with the Corporation</u>	<u>Principal occupation</u>	<u>First year as director</u>	<u>Number of shares beneficially owned or over which control is exercised as at December 20, 2018</u>
Martin Dallaire ..... Rouyn-Noranda, Québec, Canada President, Chief Executive Officer and Director	President and Chief Executive Officer Fieldex Exploration Inc. (exploration company)	2007	595,641
Sylvain Champagne <sup>(1)</sup> ..... Rouyn-Noranda, Québec, Canada Secretary, Chief Financial Officer and Director	Chief Financial Officer X-Terra Resources Inc. (exploration company)	2007	435,100
Pierre Vézina <sup>(1)</sup> ..... Saint-Nicolas, Québec, Canada Director	Business Consultant	2007	5,409
Sébastien Bellefleur <sup>(1)</sup> ..... St. Laurent, Québec, Canada Director	Lawyer Fasken Martineau DuMoulin LLP (law firm)	2010	—

(1) Member of the Audit Committee.

The information as to shares beneficially owned or over which the above-named individuals exercise control or direction is not within the knowledge of the Corporation and has been furnished by the respective nominees individually.

None of the foregoing nominees for election as director of the Corporation:

- (b) is, or within the last ten years has been, a director, chief executive officer or chief financial officer of any company that:
  - (i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under applicable securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an “**Order**”), which Order was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
  - (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
- (c) is, or within the last ten years has been, a director or executive officer of any company that, while the proposed director 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 last ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets.

None of the foregoing nominees for election as director of the Corporation has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

## COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

### Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information about the Corporation's executive compensation objectives and process and to discuss compensation relating to each person who acted as President and Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") and the three most highly-compensated executive officers (or three most highly-compensated individuals acting in a similar capacity), other than the CEO and CFO, whose total compensation was more than \$150,000 in the Corporation's last financial year (each a "Named Executive Officer" or "NEO" and collectively the "Named Executive Officers"). For the fiscal year ended July 31, 2018, the Corporation had two Named Executive Officers, namely, the CEO (Martin Dallaire) and CFO (Sylvain Champagne).

#### *Compensation Philosophy and Objectives*

In light of the Corporation's current stage of development, it does not have a formal compensation program. The Board of Directors meets to discuss and determine management compensation without reference to formal criteria. The general objective of the Corporation's compensation is to: (i) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (ii) align management's interests with the long-term interests of shareholders; (iii) provide a compensation package that is commensurate with other junior mining exploration companies in order to enable the Corporation to attract and retain talent; and (iv) ensure that the total compensation package is designed in a manner that takes into account the constraints under which the Corporation operates by virtue of the fact that it is a junior mining exploration company without a history of earnings.

#### *Compensation Process*

The Board of Directors, as a whole, ensures that total compensation paid to all Named Executive Officers is fair and reasonable and accomplishes the following long-term objectives:

- produce long-term, positive results for the Corporation's shareholders;
- align executive compensation with corporate performance; and
- provide market-competitive compensation and benefits that will enable the Corporation to recruit, retain and motivate the executive talent necessary to be successful.

The Board of Directors also relies on the experience of its members as officers and directors with other junior mining exploration companies in assessing compensation levels.

#### *Analysis of Elements*

The compensation paid to Named Executive Officers is comprised of two main components: base salary and long-term incentives, comprised of stock options ("Options") granted pursuant to the Corporation's Stock Option Plan adopted by the Board of Directors in 2007 and amended from time-to-time (the "2007 Stock Option Plan"). The following discussion describes the components of compensation and discusses how each component relates to the Corporation's overall executive compensation objective. The Corporation believes that:

- base salaries provide an immediate cash incentive for the Corporation's Named Executive Officers and should be at levels competitive with peer companies that compete with the Corporation for business opportunities and executive talent; and
- Options ensure that the Named Executive Officers are motivated to achieve long-term growth of the Corporation and continuing increases in shareholder value, and provide capital accumulation linked directly to the Corporation's performance.

The Corporation places equal emphasis on base salary and Options as short-term and long-term incentives, respectively.

#### *Base Salaries*

The Named Executive Officers receive a base salary which is based primarily on the level of responsibility of the position, the qualifications and experience of the officer and market conditions. The base salary may be paid to the NEO in the form of a consulting fee payable to an external management company.

The base salaries of the Named Executive Officers are reviewed annually to ensure that they take into account the following factors: market and economic conditions, levels of responsibility and accountability of each NEO, skill and competencies of each individual, retention considerations, and level of demonstrated performance.

Base salaries, including that of the CEO, are reviewed by the Board of Directors on the basis of its opinion as to a fair and responsible compensation package, taking into account the contribution of the CEO to the Corporation's long-term growth and the knowledge of the members of the Board of Directors with respect to remuneration practices in Canada.

#### *Long-Term Incentive Plans and Stock Option Plan*

The Corporation has no long-term incentive plans other than the 2007 Stock Option Plan. The Corporation provides long-term incentive compensation to its Named Executive Officers through the 2007 Stock Option Plan. Under the 2007 Plan, the Board of Directors of the Corporation may by resolution grant Options to directors, officers and/or employees of, and service providers to, the Corporation, provided that the total number of shares issued under the 2007 Stock Option Plan does not exceed 10% of the number of shares outstanding from time-to-time. The Board of Directors grants Options from time-to-time based on its assessment of the appropriateness of doing so in light of the long-term strategic objectives of the Corporation, its current stage of development, the need to retain or attract particular key personnel, the number of Options already outstanding and overall market conditions. The Board of Directors views the granting of Options as a means of promoting the success of the Corporation and higher returns to its shareholders. As such, the Board of Directors does not grant Options in excessively dilutive numbers or at exercise prices not reflective of the Corporation's underlying value. During the financial year ended July 31, 2018 the Board of Directors granted a total of 300,000 Options to the Named Executive Officers. The Options vested immediately. The exercise price of these Options is \$0.155 per share and they will expire on February 13, 2028. See "Ratification and Confirmation of the 2007 Stock Option Plan" for a description of the material features of the 2007 Stock Option Plan.

#### *Group Benefits/Perquisites*

The officers of the Corporation do not benefit from any life, medical, long-term disability or other insurance. None of the officers benefit from a retirement plan.

#### **External Compensation Consultants**

During the fiscal years ended July 31, 2018 and 2017, the Corporation did not retain the services of executive compensation consultants to assist the Board of Directors in determining compensation for any of the Corporation's Named Executive Officers or directors.

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

The Board of Directors has assessed the Corporation's compensation plans and programs for its executive officers to ensure alignment with the Corporation's business plan and to evaluate the potential risks associated with those plans and programs. The Board of Directors has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Corporation.

The Board of Directors considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

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



## Summary of the Compensation of the Named Executive Officers and directors

The following table provides information for the fiscal years ended July 31, 2018 and 2017 regarding compensation paid to or earned by the Named Executive Officers and directors, excluding compensation securities.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Martin Dallaire <sup>(1)</sup> President, Chief Executive Officer and Director	2018	84,000 <sup>(1)</sup>	—	—	—	—	84,000
	2017	84,000 <sup>(1)</sup>	—	—	—	—	84,000
Sylvain Champagne Chief Financial Officer and Director	2018	70,090 <sup>(2)</sup>	—	—	—	—	70,090
	2017	87,440 <sup>(2)</sup>	—	—	—	—	87,440
Pierre Vézina Director	2018	—	—	—	—	—	—
	2017	—	—	—	—	—	—
Sébastien Bellefleur Director	2018	—	—	—	—	—	—
	2017	—	—	—	—	—	—

- (1) During the fiscal years ended July 31, 2018 and 2017, the Corporation retained the services of a company controlled by Mr. Dallaire to provide consulting services. For the fiscal years ended July 31, 2018 and 2017, the amounts paid to the company controlled by Mr. Dallaire for such services were \$84,000.
- (2) During the fiscal years ended July 31, 2018 and 2017, the Corporation retained the services of a company controlled by Mr. Champagne to provide financial and administrative consulting services. For the fiscal years ended July 31, 2018 and 2017, the amounts paid to the company controlled by Mr. Champagne for such services were \$70,090 and \$87,440, respectively.

### Stock Options and Other Compensation Securities

The following table sets out the details of all compensation securities granted or issued to the Named Executive Officers and directors during the year ended July 31, 2018, the Corporation's most recently-completed financial year.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant <sup>(1)</sup> (\$)	Closing price of security or underlying security at year end <sup>(2)</sup> (\$)	Expiry date
Martin Dallaire <sup>(3)</sup> President, Chief Executive Officer and Director	Options	200,000	February 13, 2018	0.155	0.13	0.07	February 13, 2028

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant <sup>(1)</sup> (\$)	Closing price of security or underlying security at year end <sup>(2)</sup> (\$)	Expiry date
Sylvain Champagne <sup>(4)</sup> Chief Financial Officer and Director	Options	100,000	February 13, 2018	0.155	0.13	0.07	February 13, 2028
Pierre Vézina <sup>(5)</sup> Director	Options	50,000	February 13, 2018	0.155	0.13	0.07	February 13, 2028
Sébastien Bellefleur <sup>(5)</sup> Director	Options	50,000	February 13, 2018	0.155	0.13	0.07	February 13, 2028

(1) Pursuant to the 2007 Stock Option Plan, the exercise price of Options is determined by the Board of Directors at the time Options are granted, but cannot be less than the closing price of the common shares of the Corporation on the TSX Venture Exchange on the trading day immediately preceding the day on which an Option is granted.

(2) Representing the closing price of the Common shares of the Corporation on July 25, 2018, the last trading day in the 2018 fiscal year

(3) Mr. Dallaire held 685,000 Options with respect to 685,000 common shares of the Corporation on the last day of the most-recently completed financial year.

(4) Mr. Champagne held 375,000 Options with respect to 375,000 common shares of the Corporation on the last day of the most-recently completed financial year.

(5) Each of Messrs. Vézina and Bellefleur held 187,500 Options with respect to 187,500 common shares of the Corporation on the last day of the most-recently completed financial year.

The following table sets out, for each Named Executive Officer and director, the exercise of compensation securities during the year ended July 31, 2018, the Corporation's most recently-completed financial year.

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Martin Dallaire President, Chief Executive Officer and Director	—	—	—	—	—	—	—
Sylvain Champagne Chief Financial Officer and Director	—	—	—	—	—	—	—
Pierre Vézina Director	—	—	—	—	—	—	—

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Sébastien Bellefleur Director	—	—	—	—	—	—	—

### Termination and Change of Control Benefits

In July 2008, the Corporation entered into a consulting agreement with 9086-0735 Québec Inc. (“9086-0735”), a company controlled by Martin Dallaire, the President and Chief Executive Officer of the Corporation. The agreement provides that the Corporation will pay an annual consulting fee of \$84,000 to 9086-0735 for the services rendered by Mr. Dallaire as President and Chief Executive Officer of the Corporation. In light of the ongoing difficult capital market conditions and austerity measures implemented by the Corporation to reduce all of its operation costs, 9086-0735 decided, in March 2013, to renounce to a portion of its consulting fees on a temporary basis. Accordingly, the consulting fees payable to 9086-0735 were changed from an annual consulting fee of \$84,000 to a monthly consulting fee of \$4,500 (\$54,000 on an annual basis), representing an annual reduction of \$30,000. However, 9086-0735 and the Corporation agreed to maintain the amount provided in the consulting agreement with 9086-0735 with respect to any payment to be made to 9086-0735 following a change of control of the Corporation or as a severance payment that would be payable to 9086-0735 should the Corporation terminate Mr. Dallaire’s position as President and Chief Executive Officer of the Corporation. On November 30, 2014, the Corporation reinstated the annual payment of \$84,000 to 9086-0735. The consulting fee is reviewed annually and may be increased at the sole discretion of the Board of Directors of the Corporation. The agreement may be terminated by the Corporation upon a breach by Mr. Dallaire of certain terms and conditions thereof. The agreement may also be terminated by the Corporation at its discretion by paying 9086-0735 an amount equal to the then-current annual consulting fee. The agreement further provides that in the event the Corporation terminates the agreement within six months of a “change in control” of the Corporation, as defined in the agreement, the Corporation will make a one-time lump sum payment to 9086-0735 equal to 18 months of the then-current monthly consulting fee of 9086-0735. The agreement also provides for the grant of stock options to Mr. Dallaire upon approval by the Board of Directors of the Corporation, and the reimbursement of expenses incurred by Mr. Dallaire in performing his duties under the agreement.

There is no other employment contract between the Corporation and an officer, and there is no plan or compensation mechanism in favor of an officer which could be triggered following a retirement, termination or a change of control.

The table below sets out the amount that would have been payable to each Named Executive Officer had there been a change of control of the Corporation on July 31, 2018 and the severance payment that would have been payable to each Named Executive Officer had the Corporation terminated employment of the Named Executive Officer on July 31, 2018.

Name	First year of employment	Change of control payment <sup>(1)</sup> (\$)	Severance payable as of July 31, 2018	
			Number of months of salary	Amount (\$) <sup>(2)</sup>
Martin Dallaire	2007	126,000	12 months	84,000

(1) This amount represents a lump-sum payment of an amount equivalent to 18 months of then-current monthly consulting fee of the Named Executive Officer at the date of termination of his employment following a change of control of the Corporation.

(2) This represents an amount equivalent to the then-current annual consulting fee of the Named Executive Officer at the date of termination of his employment by the Corporation. Such amount would be payable in a one-time lump sum payment on the date of termination of the Named Executive Officer’s employment.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out certain details as at July 31, 2018, the end of the Corporation’s last fiscal year, with respect to compensation plans pursuant to which equity securities of the Corporation are authorized for issuance.

Plan Category	Number of shares 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 shares remaining available for future issuance under the Equity Compensation Plans (excluding securities reflected in column (a)) (c)
Equity compensation plans previously approved by shareholders	1,470,000	\$0.47	48,878
Equity compensation plans not previously approved by shareholders	nil	nil	nil

The options referred to in the table above were granted under the Corporation’s 2007 Stock Option Plan. See “Ratification and Confirmation of the 2007 Stock Option Plan” for a description of the material features of the 2007 Stock Option Plan.

### INFORMATION ON THE AUDIT COMMITTEE

#### Charter of the Audit Committee

The Charter of the Audit Committee is annexed to this Management Information Circular as Schedule A.

#### Composition of the Audit Committee

The Audit Committee is currently composed of Pierre Vézina (Chairman), Sébastien Bellefleur and Sylvain Champagne. Under National Instrument 52-110 *Audit Committees*, a director of an Audit Committee is “independent” if he or she has no direct or indirect material relationship with the issuer, that is, a relationship which could, in the view of the Board of Directors, reasonably be expected to interfere with the exercise of the member’s independent judgment. The Board of Directors has determined that Pierre Vézina and Sébastien Bellefleur are independent members of the Audit Committee. The Board of Directors considers that Sylvain Champagne is not an independent member of the Audit Committee in that Mr. Champagne is the Chief Financial Officer of the Corporation.

The Board of Directors has determined that each of the three members of the Audit Committee is “financially literate” within the meaning of section 1.6 of National Instrument 52-110 *Audit Committees*, that is, each member has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

#### Education and Relevant Experience

The education and related experience of each of the members of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee is set out below.

#### Sylvain Champagne, Chief Financial Officer and Director

Sylvain Champagne is the Chief Financial Officer and a director of X-Terra Resources Inc. (and its predecessor company) since 2008; a company listed on the TSX Venture Exchange. Mr. Champagne was the Chief Financial Officer of Fieldex Exploration Inc., mining exploration company listed on the TSX Venture Exchange, from August 2004 and a director from January 2002, until his resignation in August 2017. Mr. Champagne holds a B.B.A. degree from the Université du Québec Abitibi-Temiscamingue.

## **Pierre Vézina, Director**

Pierre Vézina holds an MBA degree from the Université du Québec à Montréal and an executive MBA degree from the Université Paris-Dauphine. Since 1990, Mr. Vézina has been involved in sales and marketing. Mr. Vézina was Vice-President, Business Development for Humeur Fundraising campaigns from March 2014 to December 2017, his role with Humeur Fundraising campaigns was to develop opportunities and grow the business of Humeur outside the province of Québec. From 2003 to 2008, he was the Director of Sales and Marketing of Gestion SIM, a manufacturer located in Beauceville, Québec. Mr. Vézina was the president of Fini U.V. International Inc. from 2008 to 2015. Fini U.V. International is located in Frampton, Québec and manufactures prefinished hardwood products for companies operating in the wood flooring business. Fini U.V International sells in all regions of Canada and the United States. Mr. Vézina was in charge of Fini U.V. International's growth strategy and oversees the development of sales and new products. He has worked in the field of management and business development for more than 27 years.

## **Sébastien Bellefleur, Director**

Sébastien Bellefleur is a partner of Fasken Martineau DuMoulin LLP. Mr. Bellefleur specializes in business law, more specifically in securities, mergers, acquisitions, corporate governance and mining law. He also helps set up funding, whether in the form of loans or equity financings. He has implemented a number of complex transactions on behalf of public and private corporations, such as the purchase, sale, funding and restructuring of businesses throughout Canada and abroad. He has represented issuers and brokers in connection with initial public offerings and other distributions of equity securities and debt instruments, as well as securities investments such as prospectus offerings and private placements. He has played a role in several corporate reorganizations, restructurings, takeover bids and proxy solicitations for shareholders' meetings. A major portion of his practice consists of advising public corporations of the obligations imposed on them by regulatory authorities, such as corporate governance, and assisting them in their interactions with the market and securities authorities. Over the course of his practice, he has also acquired specific expertise on legal issues relating to the mining industry. Mr. Bellefleur is also a director of X-Terra Resources Inc. and Fieldex Exploration Inc., two companies listed on the TSX Venture Exchange.

## **Audit Committee Oversight**

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

## **Pre-approval Policies and Procedures for Audit Services**

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

## **External Auditor Fees**

### **(a) Audit Fees**

"Audit fees" consist of fees for professional services for the audit of the Corporation's annual financial statements, assistance with interim financial statements, and related matters. Raymond Chabot Grant Thornton LLP, Chartered Professional Accountants, the Corporation's external auditors, billed the Corporation \$33,695 in audit fees during the fiscal year ended July 31, 2018 and \$31,830 in audit fees during the fiscal year ended July 31, 2017.

### **(b) Audit-Related Fees**

"Audit-related fees" consist of fees for professional services that are reasonably related to the performance of the audit or review of the Corporation's financial statements and which are not reported under "Audit Fees" above. Raymond Chabot Grant Thornton LLP, Chartered Professional Accountants, the Corporation's external auditors, did not bill the Corporation for any audit-related fees during the fiscal year ended July 31, 2018 or during the fiscal year ended July 31, 2017.

### **(c) Tax Fees**

"Tax fees" consist of fees for professional services for tax compliance, tax advice and tax planning. Raymond Chabot Grant Thornton LLP, Chartered Professional Accountants, the Corporation's external auditors, did not bill the Corporation for any tax fees during the fiscal year ended July 31, 2018 or during the fiscal year ended July 31, 2017.

**(d) All Other Fees**

Raymond Chabot Grant Thornton LLP, Chartered Professional Accountants, the Corporation's external auditors, did not bill the Corporation for any other services during the fiscal year ended July 31, 2018 or during the fiscal year ended July 31, 2017.

**Reliance on Exemption**

The Corporation is relying on the exemption set out in section 6.1 of National Instrument 52-110 *Audit Committees* with respect to certain reporting obligations.

**INDEBTEDNESS OF DIRECTORS AND OFFICERS**

As at December 20, 2018, none of the executive officers, directors, employees or former executive officers, directors or employees of the Corporation or any of its subsidiaries were indebted to the Corporation or any of its subsidiaries and, as at the same date, the indebtedness, if any, of such persons to other entities was not the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any subsidiary thereof.

None of the (i) persons who are or who were, at any time during the fiscal year ended July 31, 2018, directors or executive officers of the Corporation; (ii) proposed nominees for election as a director of the Corporation; or (iii) associates of any such director, executive officer or proposed nominee, were, at any time during the fiscal year ended July 31, 2018, indebted to: (a) the Corporation or any of its subsidiaries; or (b) another entity, if such indebtedness has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any subsidiary thereof, other than "routine indebtedness" as defined in National Instrument 51-102 *Continuous Disclosure Obligations* of the Canadian Securities Administrators.

**APPOINTMENT OF AUDITORS**

Except where authorization to vote with respect to the appointment of auditors is withheld, the persons named in the accompanying form of proxy intend to vote FOR the appointment of Raymond Chabot Grant Thornton LLP, Chartered Professional Accountants, as the auditors of the Corporation. Raymond Chabot Grant Thornton LLP, Chartered Professional Accountants, have been the auditors of the Corporation since its constitution in 2007.

**INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

No "informed person" of the Corporation, that is: (a) the directors and executive officers of the Corporation; (b) any person who beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the Corporation's outstanding voting shares; (c) any director or executive officer of a person referred to in (b) above; or (d) any associate or affiliate of any "informed person" of the Corporation, has any material interest, direct or indirect, in any transaction since August 1, 2017 or in any proposed transaction which has materially affected or would materially affect the Corporation, other than as follow:

During the fiscal year ended July 31, 2018:

- (i) the Corporation retained the services of a corporation controlled by Mr. Martin Dallaire to provide consulting services. For the fiscal year ended July 31, 2018, the total amount paid to the corporation for such services was \$84,000. Mr. Dallaire is the President and Chief Executive Officer and a director of the Corporation;
- (ii) the Corporation retained the services of a corporation controlled by Mr. Sylvain Champagne to provide financial and administrative consulting services. For the fiscal year ended July 31, 2018, the total amount paid to the corporation for such services was \$70,090. Mr. Champagne is the Chief Financial Officer and a director of the Corporation; and
- (iii) the Corporation was charged an aggregate of \$18,000 for shared office and related expenses to two corporations, of which certain directors of the Corporation are also directors.

## RATIFICATION AND CONFIRMATION OF THE 2007 STOCK OPTION PLAN

The 2007 Stock Option Plan was adopted by the Board of Directors of the Corporation on May 2, 2007. Under the 2007 Stock Option Plan, the Board of Directors of the Corporation may grant options to acquire common shares to directors, officers and employees of, and service providers to, the Corporation and its subsidiaries. In December 2007, the Board of Directors amended the 2007 Stock Option Plan so as to modify the vesting period of options to be granted. On December 28, 2010, the Board of Directors further amended the 2007 Stock Option Plan so as to extend the maximum term of options to ten years and extend the period during which options may be exercised following termination of the relationship between an optionee and the Corporation. The maximum number of common shares that can be issued upon the exercise of options granted under the 2007 Stock Option Plan, together with any common shares issued or reserved for issuance under any other share compensation arrangement which is then in place, is equal to 10% of the number of the common shares issued and outstanding from time-to-time. The number of common shares which may be reserved under the 2007 Stock Option Plan automatically increases or decreases as the number of issued and outstanding common shares of the Corporation increases or decreases. This is known as a “rolling” stock option plan.

Under the rules of the TSX Venture Exchange, a “rolling” stock option plan must receive shareholder approval yearly, at the annual meeting of shareholders. Accordingly, shareholders will be asked to adopt a resolution in the form annexed hereto as Schedule B, ratifying and confirming the 2007 Stock Option Plan. In order to be adopted, the resolution must be approved by a majority of the votes cast by the holders of the common shares, either present in person or represented by proxy at the Meeting.

Unless otherwise specified, the persons named in the accompanying form of proxy intend to vote FOR the resolution. The following are the material terms and conditions of the 2007 Stock Option Plan:

- (i) the Board of Directors of the Corporation may grant options to employees, officers and directors of, and consultants to, the Corporation;
- (ii) the maximum number of common shares that may be issued under the 2007 Stock Option Plan is equal to 10% of the total number of issued and outstanding common shares of the Corporation from time-to-time;
- (iii) the total number of common shares reserved for issuance upon the exercise of options by any director, officer or employee cannot exceed, during any twelve-month period, 5% of the number of issued and outstanding shares of the Corporation;
- (iv) the total number of common shares reserved for issuance upon the exercise of options by any consultant cannot exceed, during any twelve-month period, 2% of the number of issued and outstanding shares of the Corporation;
- (v) the total number of common shares reserved for issuance upon the exercise of options by any employee performing investor-relation activities cannot exceed, during any twelve-month period, 2% of the number of issued and outstanding shares of the Corporation;
- (vi) the exercise price of options is determined by the Board of Directors at the time options are granted, but cannot be less than the closing price of the Corporation’s common shares on the trading day immediately preceding the day on which an option is granted;
- (vii) options expire on a date determined by the Board of Directors at the time options are granted, which cannot be more than ten years after the date of grant;
- (viii) if an optionee dies, any option held by the optionee may be exercised at the latest on the date of expiry of the option or one year after the date of death, whichever occurs first, after which the option is null and void;
- (ix) if an optionee ceases to be eligible under the 2007 Stock Option Plan for any reason other than death, any vested option held by the optionee may be exercised for a period of 90 days after the date of such ineligibility or within a reasonable period as determined by the Board of Directors in its sole discretion at the time of such ineligibility; or before the expiration date of the option, whichever occurs first, after which the option is null and void;

- (x) options are not transferable, other than by the laws of succession;
- (xi) the option price is payable in full at the time an option is exercised; and
- (xii) in the event the Corporation proposes to amalgamate, merge or consolidate with or into any other company (other than with a wholly-owned subsidiary of the Corporation) or to liquidate, dissolve or wind-up, or in the event an offer to purchase the common shares of the Corporation or any part thereof shall be made to all holders of common shares of the Corporation, the Corporation shall have the right, upon written notice thereof to each optionee holding options under the 2007 Stock Option Plan, to permit the exercise of all such options within the 20-day period next following the date of such notice and to determine that upon the expiration of such 20-day period, all rights of optionees to such options or to exercise same (to the extent not theretofore exercised) shall terminate and cease to have further force or effect whatsoever.

### **OTHER MATTERS**

Management of the Corporation knows of no other matter to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters which are not known to the management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

### **SHAREHOLDER PROPOSALS**

The *Canada Business Corporations Act* provides, in effect, that a registered holder or beneficial owner of shares that are entitled to vote at an annual meeting of the Corporation may submit to the Corporation notice of any matter that the person proposes to raise at the meeting (referred to as a “**Proposal**”) and discuss at the meeting any matter in respect of which the person would have been entitled to submit a Proposal. The *Canada Business Corporations Act* further provides, in effect, that the Corporation must set out the Proposal in its management proxy circular along with, if so requested by the person who makes the Proposal, a statement in support of the Proposal by such person. However, the Corporation will not be required to set out the Proposal in its management proxy circular or include a supporting statement if, among other things, the Proposal is not submitted to the Corporation at least 90 days before the anniversary date of the notice of meeting that was sent to the shareholders in connection with the previous annual meeting of shareholders of the Corporation. As the notice in connection with the Meeting is dated December 20, 2018, the deadline for submitting a proposal to the Corporation in connection with the next annual meeting of shareholders is September 20, 2019.

The foregoing is a summary only; shareholders should carefully review the provisions of the *Canada Business Corporations Act* relating to Proposals and consult with a legal advisor.

### **CORPORATE GOVERNANCE PRACTICES**

National Policy 58-201 *Corporate Governance Guidelines* and National Instrument 58-101 *Disclosure of Corporate Governance Practices* set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. Each reporting issuer, such as the Corporation, must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. The following is the Corporation’s required annual disclosure of its corporate governance practices.

#### **1. Board of Directors**

*Disclose how the board of directors facilitates its exercise of independent supervision over management, including:*

- (a) *the identity of directors who are independent; and*
- (b) *the identity of directors who are not independent, and the basis for that determination.*

The Board of Directors considers that Pierre Vézina and Sébastien Bellefleur are independent within the meaning of National Instrument 52-110 *Audit Committees*.



The Board of Directors considers that Martin Dallaire and Sylvain Champagne are not independent within the meaning of National Instrument 52-110 *Audit Committees*. Mr. Dallaire is the President and Chief Executive Officer of the Corporation and Mr. Champagne is the Chief Financial Officer of the Corporation.

Meetings of the Board of Directors are chaired by Martin Dallaire. If necessary, the independent members of the Board of Directors can meet without non-independent directors and members of management present.

## 2. Directorships

*If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.*

The following directors are currently directors of other issuers that are reporting issuers (or the equivalent) in a jurisdiction of Canada or a foreign jurisdiction:

Name of Director	Issuer
Martin Dallaire	Fieldex Exploration Inc.
Sylvain Champagne	X-Terra Resources Inc.
Sébastien Bellefleur	Fieldex Exploration Inc. X-Terra Resources Inc.

## 3. Orientation and Continuing Education

*Describe what steps, if any, the board takes to orient new board members, and describe any measures the board takes to provide continuing education for directors.*

The Corporation does not currently have a formal orientation program for new directors. The Board of Directors has not taken any measures to provide continuing education for the directors.

## 4. Ethical Business Conduct

*Describe what steps, if any, the board takes to encourage and promote a culture of ethical business conduct.*

In light of the Corporation's stage of development and its limited number of employees, the Board of Directors has not taken formal steps to encourage and promote a culture of ethical business conduct. The Corporation does take measures to ensure that the directors, officers and employees do not trade in the Corporation's shares at a time when disclosure of material information is pending.

Notwithstanding the absence of a formal code of conduct, the Board of Directors believes that the fiduciary duties placed on individual directors by the *Canada Business Corporations Act* and the common law, as well as the restrictions placed by the *Canada Business Corporations Act* on an individual director's participation in decisions of the Board of Directors in which the director has an interest, have been sufficient to ensure that the Board of Directors operates independently of management and in the best interests of the Corporation.

## 5. Nomination of Directors

*Disclose what steps, if any, are taken to identify new candidates for board nomination, including:*

- (a) *who identifies new candidates; and*
- (b) *the process of identifying new candidates.*

The Board of Directors will consider new candidates for nomination, if deemed necessary. 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 view and experience.

## 6. Compensation

*Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including:*

(a) *who determines compensation; and*

The compensation of the directors and Chief Executive Officer of the Corporation is determined by the Board of Directors. In determining the compensation of the directors and the Chief Executive Officer, the Board considers the size of the Corporation, its financial resources and the contribution of the Chief Executive Officer and the directors to the Corporation's growth. During the fiscal year ended July 31, 2018, no directors received cash compensation for serving in that capacity.

(b) *the process for determining compensation.*

The process by which the Corporation currently determines the compensation of the executive officers of the Corporation is described in the section entitled "Compensation of Executive Officers and Directors – Compensation Discussion and Analysis" above.

## 7. Other Board Committees

*If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.*

The Board of Directors does not have any committees other than the Audit Committee.

## 8. Assessments

*Disclose what steps, if any, that the Board takes to satisfy itself that the board, its committees, and its individual directors are performing effectively.*

The Board of Directors is responsible for assessing the effectiveness of the Board of Directors, its committees and individual directors and the competence and qualifications that each director is required to bring to the Board of Directors. Although no formal process has been put in place for such assessment, the Board conducts informal assessments on an as-needed basis. In this regard, the Board of Directors from time-to-time examines and comments on its effectiveness and that of its committees, and makes adjustments when warranted.

## ADDITIONAL INFORMATION

Financial information about the Corporation is contained in its financial statements and Management's Discussion and Analysis for the fiscal year ended July 31, 2018, and additional information about the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com).

If you would like to obtain, at no cost to you, a copy of any of the following documents:

- (a) the financial statements of the Corporation for the fiscal year ended July 31, 2018 together with the accompanying report of the auditors thereon and any interim financial statements of the Corporation for periods subsequent to July 31, 2018 and Management's Discussion and Analysis with respect thereto; and
- (b) this Management Information Circular,

please send your request to:

Visible Gold Mines Inc.  
139 Québec Avenue, Suite 202  
Rouyn-Noranda, Québec  
J9X 6M8

Telephone: (819) 762-0107

Telecopier: (819) 762-0097

#### **AUTHORIZATION**

The contents and the mailing of this Management Information Circular have been approved by the Board of Directors of the Corporation.

*(signed) Martin Dallaire*

President and Chief Executive Officer

DATED at Rouyn-Noranda, Québec  
December 20, 2018

## SCHEDULE A

### CHARTER OF THE AUDIT COMMITTEE

#### 1. General

The Board of Directors of Visible Gold Mines Inc. (the “**Corporation**”) has delegated the responsibilities, authorities and duties described below to the Audit Committee of the Board of Directors (the “**Audit Committee**”).

The Audit Committee will provide independent review and oversight of the Corporation’s financial reporting process, the system of internal control and management of financial risks, and the audit process, including the oversight of the Corporation’s external auditors. In so doing, the Audit Committee will comply with all applicable Canadian securities laws, rules and guidelines, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules.

#### 2. Members

The Audit Committee shall be composed of a minimum of three members. Members of the Audit Committee shall be appointed by the Board of Directors. In this regard, the Board of Directors, at its first meeting held after an annual meeting of shareholders, shall appoint the members of the Audit Committee to hold office until the next annual meeting of shareholders. The Board of Directors may at any time appoint additional members of the Audit Committee, remove or replace any member of the Audit Committee, or fill any vacancy on the Audit Committee. Any member of the Audit Committee ceasing to be a director shall cease to be a member of the Audit Committee. The Board of Directors shall fill a vacancy if the membership of the Audit Committee is less than three directors as a result of such vacancy. The Chair of the Audit Committee may be designated by the Board of Directors or, if it does not do so, the members of the Audit Committee may elect a Chair by vote of a majority of the full Audit Committee membership.

A majority of the members of the Audit Committee shall be “independent” within the meaning of National Instrument 52-110 *Audit Committees*.

#### 3. Meetings

The Audit Committee shall meet at least quarterly at such times and locations as the Chair of the Audit Committee shall determine, provided that meetings shall be scheduled so as to permit the timely review of the Corporation’s quarterly and annual financial statements and the related management’s discussion and analysis and earnings press releases. The external auditor or any two members of the Audit Committee may also request a meeting of the Audit Committee. The Chair of the Audit Committee shall hold *in camera* sessions of the Audit Committee, without management present, at every meeting. The Audit Committee may invite such other persons to its meetings as it deems appropriate in order to carry out its duties.

The Audit Committee shall submit the minutes of all meetings to the Board of Directors, and when so requested, shall review the matters discussed at an Audit Committee meeting with the Board of Directors.

A quorum for any meeting shall be two members of the Audit Committee.

The Audit Committee shall have the authority to require the attendance of the Corporation’s officers at meetings of the Audit Committee, as it deems appropriate or necessary.

#### 4. Committee Charter

The Audit Committee shall review and reassess the adequacy of this charter at least annually or otherwise, as it deems appropriate, and propose recommended changes to the Board of Directors, if necessary.

## 5. Duties of the Audit Committee

The Audit Committee shall have the following duties:

### (a) *Oversight of Financial Information and Reporting*

- (i) The Audit Committee shall review, with management and the external auditor, and recommend to the Board of Directors for approval, the annual financial statements of the Corporation and related financial reporting, including management's discussion and analysis and earnings press releases.
- (ii) The Audit Committee shall review, with management and the external auditor, if deemed necessary, and recommend to the Board of Directors for approval, the interim financial statements of the Corporation and related financial reporting, including management's discussion and analysis and earnings press releases.
- (iii) The Audit Committee shall review, with management and the external auditor, and recommend to the Board of Directors for approval, any financial statements of the Corporation which have not previously been approved by the Board of Directors and which are to be included in a prospectus or other public disclosure document of the Corporation.
- (iv) The Audit Committee shall consider and be satisfied that adequate policies and procedures are in place for the review of the Corporation's disclosure of financial information extracted or derived from the Corporation's financial statements (other than disclosure referred to above), and periodically assess the adequacy of such procedures.

### (b) *Relationship with External Auditors*

The Audit Committee shall recommend to the Board of Directors the external 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 Corporation and shall recommend to the Board of Directors the compensation of the external auditor. The external auditor is required to be an auditor registered with the Canadian Public Accountability Board ("CPAB") that is in compliance with any restrictions or sanctions imposed by the CPAB.

The Audit Committee shall be directly responsible for overseeing the work of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting.

### (c) *Pre-Approval of Non-Audit Services*

The Audit Committee shall pre-approve all non-audit services to be provided to the Corporation (or any subsidiary entities) by the Corporation's external auditor.

### (d) *Complaints Procedure*

The Audit Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

### (e) *Hiring Policies*

The Audit Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.

### (f) *Reporting*

The Audit Committee shall report regularly to the Board of Directors regarding any issues that arise with respect to the quality or integrity of the Corporation's financial statements, the Corporation's compliance

with legal or regulatory requirements, the performance and independence of the external auditor, or the internal audit function.

#### **6. Authority to Engage Independent Counsel and Advisors**

The Audit Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties, to set and pay the compensation for any advisors employed by the Audit Committee, and to communicate directly with the internal and external auditors.

The Corporation shall provide appropriate funding, as determined by the Audit Committee, in its capacity as a committee of the Board of Directors, for: (a) payment of compensation to the external auditors employed by the issuer for the purpose of rendering or issuing an audit report; (b) payment of compensation to any advisors employed by the Audit Committee; and (c) ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

The Audit Committee shall have the authority, within the scope of its responsibilities, to seek any information it requires from any employee of the Corporation and from external parties.

**SCHEDULE B**

**SHAREHOLDERS' RESOLUTION**

**RATIFICATION AND CONFIRMATION OF 2007 STOCK OPTION PLAN**

BE AND IT IS HEREBY RESOLVED:

THAT the 2007 Stock Option Plan of the Corporation, as amended, as described in the Management Information Circular of the Corporation dated December 20, 2018, be and it is hereby ratified and confirmed; and

THAT the directors and officers of the Corporation be and they are hereby authorized to do all things and sign all instruments and documents necessary or desirable to give effect to the foregoing.