

**LINCOLN GOLD MINING INC.**  
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## **INFORMATION CIRCULAR**

(As at September 25, 2023, except as indicated)

Lincoln Gold Mining Inc. (the "**Company**") is providing this Information Circular and a form of proxy in connection with management's solicitation of proxies for use at the annual general meeting (the "**Meeting**") of the Company to be held on October 27, 2023 and at any adjournment or postponement thereof. Unless the context otherwise requires, when we refer in this Information Circular to the Company, its subsidiaries are also included. The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of solicitation.

The Company has opted to conduct a virtual Meeting by teleconference. Instructions for attending the Meeting by teleconference are included in the Notice of Annual General Meeting attached to this Information Circular. Should any changes be deemed necessary, the Company will promptly issue a public notice outlining the amended details of the Meeting. Shareholders are encouraged to complete proxies where possible or appropriate before considering attending the Meeting.

### **APPOINTMENT OF PROXYHOLDER**

The purpose of a proxy is to designate persons who will vote the proxy on a shareholder's behalf in accordance with the instructions given by the shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or directors of the Company (the "**Management Proxyholders**").

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

### **VOTING BY PROXY**

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting.** Shares represented by a properly executed proxy will be voted or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly.

If a shareholder does not specify a choice and the shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

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

## COMPLETION AND RETURN OF PROXY

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

## NON-REGISTERED HOLDERS

**Only shareholders whose names appear on the records of the Company as the registered holders of shares or duly appointed proxyholders are permitted to vote at the Meeting.** Most shareholders of the Company are "non-registered" shareholders because the shares they own are not registered in their names but instead registered in the name of a nominee such as a brokerage firm through which they purchased the shares; bank, trust company, trustee or administrator of self-administered RRSP's, RRIF's, RESP's and similar plans; or clearing agency such as The Canadian Depository for Securities Limited (a "**Nominee**"). If you purchased your shares through a broker, you are likely a non-registered holder.

In accordance with securities regulatory policy, the Company has distributed copies of the Meeting materials, being the Notice of Meeting, this Information Circular, and the Proxy, to the Nominees for distribution to non-registered holders.

Nominees are required to forward the Meeting materials to non-registered holders to seek their voting instructions in advance of the Meeting. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered holder. The Nominees often have their own form of proxy, mailing procedures and provide their own return instructions. If you wish to vote by proxy, you should carefully follow the instructions from the Nominee in order that your shares are voted at the Meeting.

If you, as a non-registered holder, wish to vote at the Meeting in person, you should appoint yourself as proxyholder by writing your name in the space provided on the request for voting instructions or proxy provided by the Nominee and return the form to the Nominee in the envelope provided. Do not complete the voting section of the form as your vote will be taken at the Meeting.

Non-registered holders who have not objected to their Nominee disclosing certain ownership information about themselves to the Company are referred to as "non-objecting beneficial owners" ("**NOBOs**"), as defined under National Instrument 54-101 ("**NI 54-101**"). Those non-registered holders who have objected to their Nominee disclosing ownership information about themselves to the Company are referred to as "objecting beneficial owners" ("**OBOs**"), as defined under NI 54-101.

As permitted under Canadian securities legislation, the Company will forward meeting materials directly to NOBOs. The Company does not intend to pay for Nominees to deliver the Meeting materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* to OBOs. As a result, OBOs will not receive the Meeting Materials unless their Nominee assumes the costs of delivery. The Company is not sending the Meeting materials to shareholders using "notice-and-access", as defined under NI 54-101.

## REVOCABILITY OF PROXY

In addition to revocation in any other manner permitted by law, a shareholder, his or her attorney authorized in writing or, if the shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting.

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of common shares without par value (referred to as "**shares**" in this Information Circular). As of the date of this Information Circular there are 13,752,688 shares issued and outstanding. Persons who are registered shareholders at the close of business on September 22, 2023 (the "**Record Date**") will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each share held. The Company has only one class of shares.

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

## ELECTION OF DIRECTORS AND OFFICERS

The directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed.

Shareholder approval will be sought to fix the number of directors of the Company at three (3).

Management of the Company proposes to nominate each of the following persons for election as a director. Information concerning such persons, as furnished by the individual nominees, as at September 22, 2023, is as follows:

<b>Name, Jurisdiction of Residence and Position</b>	<b>Principal Occupation or employment and, if not a previously elected Director, occupation during the past 5 years</b>	<b>Previous Service as a Director</b>	<b>Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly<sup>(1)</sup></b>
Paul F. Saxton British Columbia, Canada President, CEO, Corporate Secretary and Director <sup>(2)</sup>	President, CEO, Corporate Secretary & Director of the Company	Since August 18, 2009	56,320
Andrew F.B. Milligan <sup>(2)</sup> British Columbia, Canada Director	Director of the Company	Since August 18, 2009	4,971
Ronald Coombes <sup>(2)</sup> British Columbia, Canada Director	Director of the Company	Since July 25, 2013	2,355

(1) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at September 22, 2023, based upon information furnished to the Company by the individual directors. Unless otherwise indicated, such shares are held directly.

(2) Member of the Audit Committee.

Except as set out below, to the knowledge of the Company, no proposed director or officer:

- (a) is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer ("**CEO**") or chief financial officer ("**CFO**") of any company (including the Company) that:
  - (i) was the subject, while the proposed director was acting in the capacity as director, CEO or CFO of such company, of a cease trade or similar order or an order that denied the relevant company

access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, except as outlined below; or

- (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO but which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO of such company, except as outlined below; or
- (b) 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, except as outlined below; or
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Mr. Saxton was a director of a company that made a proposal under the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”). On April 8, 2016, Golden Band Resources Inc. (“**Golden Band**”) announced that its senior secured lender, Procon Resources Inc. (“**Procon**”) had made demand upon Golden Band for payment of all amounts due and owing by Golden Band under a credit agreement of approximately \$19.6 million. On July 22, 2016, the Proposal by Golden Band to its creditors was approved by the creditors. On August 12, 2016, Golden Band obtained an Order of the Court of Queen’s Bench For Saskatchewan granting it approval to implement the Proposal by the company to its creditors. Pursuant to the Proposal all existing equity interests of Golden Band were retracted, cancelled and extinguished and new equity interests have been issued to Procon. Golden Band ceased to be a reporting issuer and was subsequently delisted from the NEX Board of the TSX Venture Exchange. Mr. Saxton has served as Chairman, Chief Executive Officer and a Director of Golden Band since February 2013. He continues as Chief Executive Officer and a Director to the present.

Mr. Shim is the CFO of two companies that have been subject to cease trade orders. On May 6, 2019, the British Columbia Securities Commission issued a cease trade order (the “**CTO**”) against Canamex Gold Corp. (“**Canamex**”), its directors, officers and insiders for failure to file audited financial statements and associated management’s discussion & analysis and related certifications for the year ended December 31, 2018. Mr. Dong H. Shim is Chief Financial Officer of the corporation, and the CTO remains in effect as at the date of this Circular. On January 5, 2022, the British Columbia Securities Commission issued a cease trade order (the “**CTO**”) against Raffles Financial Group Limited (“**Raffles**”), its directors, officers and insiders for failure to file audited financial statements and associated management’s discussion & analysis and related certifications for the year ended June 30, 2021. Mr. Dong H. Shim is Chief Financial Officer of the Corporation, and the CTO remains in effect as at the date of this Circular.

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

#### Compensation Philosophy and Objectives

The directors of the Company (the “**Board of Directors**” or the “**Board**”) has the primary responsibility for developing executive compensation strategies for the Company.

The Company does not have a formal compensation program. The Board determines management compensation, without reference to formal objectives, criteria, or analysis. The general objectives of the Company's compensation strategy are to:

- (a) 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;
- (b) align management's interests with the long-term interest of shareholders;
- (c) provide a compensation package that is commensurate with other junior mineral exploration companies to enable the Company to attract and retain talent; and
- (d) to ensure that the total compensation package is designed in a manner that considers the constraints that the Company is under, being a natural resource company without a history of earnings. The Board ensures that total compensation paid to all Named Executive Officers, as hereinafter defined, is fair and reasonable. The Board relies on the experience of its members in assessing compensation levels.

The Board does not benchmark its executive compensation practices, but from time to time reviews the compensation practices of companies of similar size and stage of development to ensure that the compensation paid is competitive within the Company's industry and geographic location while taking into account the financial and other resources of the Company.

#### Analysis of Elements

Base salary will be used to provide the Named Executive Officers a set amount of money during the year, with the expectation that each Named Executive Officer will perform his responsibilities to the best of his ability and in the best interests of the Company.

The Company considers the granting of incentive stock options to be a significant component of executive compensation as it allows the Company to reward each Named Executive Officer's efforts to increase value for shareholders without requiring the Company to use cash from its treasury. Stock options are generally awarded to directors, officers, consultants, and employees at the commencement of employment and periodically thereafter. The terms and conditions of the Company's stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Company's stock option plan, as discussed in detail in the following section “Stock Option Plans and Incentive Plans.

#### Option-Based Awards

The Company's stock option plan will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Company. The Board has the responsibility to administer the compensation policies related to the executive management of the Company, including option-based awards. Also see “Approval and Ratification of the Stock Option Plan (Option-Based Awards)” below.

In determining the number of options to be granted to the executive officers, the Board takes into account the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the TSX Venture Exchange (the “**TSXV**”), and closely align the interests of the executive officers with the interests of shareholders.

In monitoring or adjusting the option allotments, the Board considers its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value, previous option grants and the objectives set for the Named Executive Officers and the Board. The scale of options is generally commensurate to the appropriate level of base compensation for each level of responsibility. In addition to determining the number of options to be granted pursuant to the methodology outlined above, the Board also makes the following determinations:

- parties who are entitled to participate in the stock option plan;
- the exercise price for each stock option granted, subject to the provision that the exercise price cannot be lower than a prescribed discount permitted by the TSXV from the market price on the date of grant;
- the date on which each option is granted;
- the vesting period, if any, for each stock option;
- the other material terms and conditions of each stock option grant; and
- any re-pricing or amendment to a stock option grant.

The Board makes these determinations subject to and in accordance with the provisions of the Company's stock option plan and the policies of the TSXV. The Board reviews and approves grants of options on an annual basis or periodically during a financial year.

#### Assessment of Risks Associated with Compensation Policies and Practices

As a result of the Company's small size and limited executive pool, the Company's process for determining executive compensation is relatively simple and does not include formal targets, criteria, or analysis. The Board has the responsibility of assessing risk as it pertains to the Company's compensation strategy. The Board has determined that, as at the date of this Information Circular, there are no identified risks arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company. In reaching this determination, the Board considered, for example, that the Company's compensation practices and policies do not include structural inconsistencies that are likely to unduly encourage or cause an executive officer to expose the Company to inappropriate or excessive risks.

The Company has not adopted a policy forbidding directors or officers from purchasing financial instruments that are designed to hedge or offset a decrease in market value of the Company's securities granted as compensation or held, directly or indirectly, by directors or officers. The Company is not aware of any directors or officers having entered into this type of transaction.

#### Compensation Governance

The Board oversees and recommends compensation for the Company's executive officers. The Board also oversees the Company's general compensation and benefits policies taking into consideration the compensation paid for directors and senior officers of companies of similar size and stage of development in the mineral exploration and development industry and determines appropriate compensation that reflects the time and effort expended by the directors and senior officers, while taking into account financial and other resources of the Company.

A compensation consultant or advisor has not been retained, at any time since the Company's most recently completed financial year, to assist the Board in determining compensation for any of the Company's directors or executive officers.

## Summary Compensation Table Excluding Compensation Securities

The following table (presented in accordance with Form 51-102F6V - *Statement of Executive Compensation – Venture Issuers* (“**Form 51-102F6V**”)) sets forth all annual compensation for services in all capacities to the Company for the two most recently completed financial years of the Company ending on December 31, 2022 (to the extent required by Form 51-102F6V) in respect of the directors of the Company and each of the individuals comprised of the Chief Executive Officer and the Chief Financial Officer, who acted in such capacity for all or any portion of the most recently completed financial year, and each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity (other than the Chief Executive Officer and the Chief Financial Officer), as at December 31, 2022 whose total compensation was, individually, more than \$150,000 for the financial year and any individual who would have satisfied these criteria but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of the most recently completed financial year (collectively the “**Named Executive Officers**” or “**NEOs**”).

NEO Name and Principal Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of All Other Compensation (\$)	Total Compensation Accrued (\$)
Paul Saxton President, CEO, Corporate Secretary & Director	2022	Nil	Nil	Nil	Nil	108,000 <sup>(1)</sup>	108,000
	2021	Nil	Nil	Nil	Nil	108,000 <sup>(2)</sup>	108,000
Dong Shim CFO (June 2020 to present)	2022	Nil	Nil	Nil	Nil	42,000 <sup>(3)</sup>	42,000
	2021	Nil	Nil	Nil	Nil	42,000 <sup>(4)</sup>	42,000
Andrew Milligan Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Ronald Coombes Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Shing Lee Former Director (March 2019 to January 2022)	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil

- (1) This amount represents management fees accrued (but not invoiced or paid) to Bromley Resources Ltd., a company owned by Mr. Saxton, for the period from January 1, 2022 to December 31, 2022.
- (2) This amount represents management fees accrued (but not invoiced or paid) to Bromley Resources Ltd., a company owned by Mr. Saxton, for the period from January 1, 2021 to December 31, 2021.
- (3) This amount represents management fees accrued to Shim & Associates LLP, a company controlled by Dong Shim, for the period from January 1, 2022 to December 31, 2022.
- (4) This amount represents management fees accrued to Shim & Associates LLP, a company controlled by Dong Shim, for the period from January 1, 2021 to December 31, 2021.

### External Management Companies

Other than as described below, none of the NEOs or directors of the Company have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with the Company to provide executive management services to the Company, directly or indirectly.

Bromley Resources Ltd., a private company owned by Mr. Paul Saxton, entered into an executive consulting agreement with the Company effective August 18, 2009 for a term of five years and was subsequently renewed under the same terms in August 2019. Pursuant to the agreement, Mr. Saxton provides management and administration services and acts as the President, Chief Executive Officer and Secretary of the Company for an annual fee of \$108,000 with such yearly increases as approved by the Board. Mr. Saxton has not invoiced the Company for his services and his annual fee is accrued to Bromley Resources Ltd.

Shim & Associates LLP, a private company controlled by Mr. Dong Shim, entered into a contract for management, accounting, tax and administrative services with the Company effective June 1, 2020 for a monthly fee of \$3,500 per month. The services agreement is on a month-to-month basis and will remain in effect until either party gives sixty (60) days' notice of termination.

See also "Consulting, Management, Termination and Change of Control Benefits" below.

## **Stock Option Plans and Incentive Plans**

### Narrative Discussion

The Company does not have any incentive plans, pursuant to which compensation that depends on achieving certain performance goals or similar conditions within a specified period is awarded, earned, paid or payable to the Named Executive Officer, other than the Company's stock option plan which may be considered to be an "incentive plan" within the meaning of Form 51-102F6V.

The Company has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Company or its subsidiaries for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultant or expert during the most recently completed financial year or subsequently, up to and including the date of this Information Circular, except as set forth below.

The Company has a Rolling 10% Stock Option Plan ("**the Plan**") for the granting of incentive stock options to the directors, officers, employees, or consultants. The purpose of granting such options is to assist the Company in compensating, attracting, retaining, and motivating the directors of the Company and to closely align the personal interests of such persons to that of the shareholders.

During the year ended December 31, 2020, 2,450,000 stock options ("**Options**") were granted. No Options were granted in 2021 or 2022. Also, there was no re-pricing of Options under the Plan or otherwise during the Company's completed financial year ended December 31, 2022. One Option expired in 2022. On March 8, 2023, the Company underwent a 10:1 stock consolidation. As of the date of this Information Circular, there are 225,000 Options outstanding. No Options have been exercised and no new Options have been granted to directors or Named Executive Officers.

### **Approval and Ratification of the Stock Option Plan (Option-Based Awards)**

On November 24, 2021, the TSX Venture Exchange adopted a new Policy 4.4 governing security-based compensation ("**New Policy 4.4**"). The changes to the policy generally relate to the expansion of the policy to cover several types of security-based compensation in addition to stock options.

On August 31, 2022, the Board adopted a new Rolling 10% Stock Option Plan (the "**Stock Option Plan**") on the same terms as the Company's previous stock option plan, but including a number of new features and updates, including certain features that comply with the New Policy 4.4. The Stock Option Plan now governs all Option grants made under the Company's previous stock option plan and are deemed to have been made under the Stock Option Plan. The Stock Option Plan was ratified and approved by the shareholders at the Annual General Meeting held on October 28, 2022, and later was approved by the TSX Venture Exchange on March 8, 2023.

The Stock Option Plan is a rolling stock option plan pursuant to which up to 10% of the outstanding shares may be reserved for issuance from time to time, less the number of shares reserved for issue under any other share compensation arrangement.

The material terms of the Company's Stock Option Plan are as follows:



- 1) Persons who are Service Providers, being a *bona fide* Director, Officer, Employee, Management Company Employee, Consultant or Consultant Company, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers are eligible to receive grants of Options under the Stock Option Plan;
- 2) The maximum aggregate number of common shares of the Company (the “**Common Shares**”) that may be reserved for issuance under the Stock Option Plan, together with all other Security Based Compensation Plans, at any point in time is 10% of the outstanding Common Shares as at the date of grant or issuance of any Security Based Compensation under any of such Security Based Compensation Plans;
- 3) The Stock Option Plan provides for the following limits on grants, for so long as the Company is subject to the requirements of the TSXV, unless disinterested shareholder approval is obtained or unless permitted otherwise pursuant to the policies of the TSXV:
  - a) the maximum number of Common Shares that may be issued to any Stock Option Plan participant (and where permitted pursuant to the policies of the TSXV), any company that is wholly-owned by any participant under the Stock Option Plan, together with any other security-based compensation arrangement, within a twelve (12) month period, may not exceed 5% of the issued Common Shares calculated on the date of grant;
  - b) the maximum number of Common Shares that may be issued to insiders collectively under the Stock Option Plan, together with any other security-based compensation arrangements, within a twelve (12) month period, may not exceed 10% of the issued Common Shares calculated on the date of grant, and
  - c) the maximum number of Common Shares that may be issued to insiders collectively under the Stock Option Plan, together with any other security-based compensation arrangements, may not exceed 10% of the issued Common Shares at any time.
- 4) For so long as such limitation is required by the TSXV, the maximum number of Options which may be granted within any twelve (12) month period to the Stock Option Plan participants who perform investor relations activities must not exceed 2% of the issued and outstanding Common Shares, and such Options must vest in stages over twelve (12) months with no more than 25% vesting in any three (3) month period. In addition, the maximum number of Common Shares that may be granted to any one consultant under the Stock Option Plan, together with any other security-based compensation arrangements, within a twelve (12) month period, may not exceed 2% of the issued Common Shares calculated on the date of grant.
- 5) Investor relations service providers cannot receive any security-based compensation other than Options:
  - a) The Exercise Price of an Option will be set by the Board at the time such Option is allocated under the Stock Option Plan and cannot be less than the discounted market price;
  - b) The term of an Option will be set by the Board at the time such Option is allocated under the Stock Option Plan. An Option can be exercisable for a maximum of 10 years from the effective date;
  - c) Vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under the Stock Option Plan, in the absence of a vesting schedule being specified at the time of grant, all such Options shall vest immediately. Where applicable, vesting of Options will generally be subject to:
    - i) the service provider remaining employed by or continuing to provide services to the Company or any of its affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its affiliates during the vesting period; or
    - ii) the service provider remaining as a director of the Company or any of its affiliates during the vesting period;
  - d) Options granted to investor relations service providers will vest such that:

- i) no more than 25% of the Options vest no sooner than three months after the Options were granted;
  - ii) no more than another 25% of Options vest no sooner than six months after the Options were granted;
  - iii) no more than 25% of Options vest no sooner than nine months after the Options were granted; and
  - iv) the remainder of the Options vest no sooner than 12 months after the Options were granted;
- e) In the case of an Optionee being dismissed from employment or service for Cause, such optionee's Options, whether or not vested at the date of dismissal will immediately terminate on the termination date without right to exercise same;
- f) All Options granted shall be evidenced by written option agreements;
- g) The Company will be required to obtain disinterested shareholder approval prior to any of the following actions being effective.
- (a) The Stock Option Plan, together with any other Security Based Compensation Plans, could result at any time in:
    - i) the aggregate number of Common Shares reserved for issuance to insiders exceeding 10% of the outstanding Common Shares; or
    - ii) The aggregate number of Common Shares reserved for issuance to insiders within any twelve (12) month period exceeding 10% of the outstanding Common Shares; or
    - iii) The aggregate number of Common Shares reserved for issuance to any one individual participant or service provider, within any twelve (12) month period, exceeding 5% of the outstanding Common Shares;
  - (b) Any reduction in the exercise price of an Option, or extension to the expiry date of an Option, held by an insider at the time of the proposed amendment is subject to disinterested shareholder approval in accordance with the policies of the TSXV.

The Stock Option Plan has also been prepared to allow Option holders to exercise Options on a “**Cashless Exercise**” or “**Net Exercise**” basis, as now expressly permitted by New Policy 4.4. A Cashless Exercise is a method of exercising stock options in which a securities dealer loans funds to an option holder or sells the same shares as those underlying an option, prior to or in conjunction with the exercise of options, to allow the option holder to fund the exercise of some or all of their options. A Net Exercise is a method of option exercise under which the option holder does not make any payment to the issuer for the exercise of their options and receives on exercise a number of shares equal to the intrinsic value (current market price less the exercise price) of the option valued at the current market price. Under New Policy 4.4, the current market price must be the 5-day volume weighted average trading price prior to option exercise. The Net Exercise method may not be utilized by persons performing investor relations services.

Pursuant to “Cashless Exercise – sections 1.31 and 1.32 of the Stock Option Plan, in the event of a Cashless Exercise or Net Exercise, the number of Options exercised, surrendered, or converted, and not the number of Common Shares actually issued by the Company, must be included in calculating the limits set forth in Sections 2.2, 2.6 and 2.10 of the Plan.

Pursuant to the Board's authority to govern the implementation and administration of the Stock Option Plan, all previously granted and outstanding stock options shall be governed by the provisions of the Stock Option Plan.

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

The following table sets forth information concerning all awards outstanding at the end of the most recently completed financial year under incentive plans of the Company, including awards granted before the most recently completed financial year, to the NEOs and directors who are not NEOs:

Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options (1) (\$)	Number of Shares or Units of Shares that Have Not Vested (#)	Market or Payout Value of Share-Based Awards that Have Not Vested (\$)
Paul Saxton President, CEO, Corporate Secretary & Director	43,000	\$3.00	August 17, 2025	Nil	N/A	N/A
Dong Shim CFO	12,500	\$3.00	August 17, 2025	Nil	N/A	N/A
Andrew Milligan Director	12,000	\$3.00	August 17, 2025	Nil	N/A	N/A
Ronald Coombes Director	20,000	\$3.00	August 17, 2025	Nil	N/A	N/A

(1) This amount is calculated based on the difference between the market value of the securities underlying the options at the end of the most recently completed financial year, (which represents the closing price of the shares on the TSXV on December 31, 2022) and the exercise or base price of the option.

## Employee, Consulting and Management Agreements

### Pension Plan Benefits

The Company does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

### Consulting, Management, Termination and Change of Control Benefits

Except as discussed below, the Company does not have any contract, agreement, plan, or arrangement that provides for payments to a Named Executive Officer following or in connection with any termination (whether voluntary, involuntary, or constructive), resignation, retirement, a change in control of the Company or its subsidiaries, or a change in a NEO's responsibilities.

Pursuant to Mr. Saxton's consulting agreement, in the event that Mr. Saxton is terminated for any reason other than just cause, he is entitled to a severance payment of up to one year's base fee, depending on length of service. If Mr. Saxton is terminated in the event of a change of control of the Company, or he terminates his engagement within 90 days after the occurrence of a change of control of the Company, Mr. Saxton is entitled to a severance payment of three times his annual base fee. Under the terms of Mr. Saxton's consulting agreement, the estimated incremental payment upon termination by the Company on a change of control of the Company, is that on termination Mr. Saxton is entitled to receive approximately \$330,000, based upon an amount equal to three times his base fee plus \$15,000 estimated for amounts owed in respect of accrued health insurance benefits.

Mr. Shim does not have any contract in connection with termination and change of control benefits in his capacity as CFO; however, Shim & Associates LLP is entitled to ninety days' notice if the management, accounting, and administrative services contract is terminated.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Prior to the Company's 10:1 stock consolidation effective March 8, 2023, there were 2,250,000 Options granted under the Company's Stock Option Plan. Post-consolidation, as of September 22, 2023, 225,000 Common Shares have been granted as Options and 161,632 Common Shares are reserved for issuance under the Company's current stock option plan and representing approximately 10% of the outstanding Common Shares. See Note (1) below.

Taking the Company's stock consolidation into consideration, the following table sets forth the Company's compensation plans under which equity securities are authorized for issuance as at the end of the most recently completed financial year being December 31, 2022:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b> <b>(a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b> <b>(b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b> <b>(c)</b>
Equity compensation plans approved by security holders	225,000	\$3.00	161,632 <sup>(1)</sup>
Equity compensation plans not approved by security holders	Nil	N/A	N/A
<b>Total</b>	225,000	\$3.00	161,632

(1) The number of securities remaining available for future issuance under the Company's 10% rolling stock option plan as at the end of the Company's most recently completed financial year, is calculated on the basis of 10% of the Company's issued and outstanding shares as at such date (being 10% of 3,866,324 = 386,632 minus options outstanding).

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

As at the date of this Information Circular, there was no indebtedness outstanding of any current or former director, executive officer or employee of the Company or its subsidiaries which is owing to the Company or its subsidiaries or to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries, entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Company, no proposed nominee for election as a director of the Company and no associate of such persons:

- (i) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or its subsidiaries; or
- (ii) is a person whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries, in relation to a securities purchase program or other program.

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

Except as set out herein, no person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee of management of the Company for election as a director of the Company and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

No informed person or proposed director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Company or its subsidiaries, except as set forth below.

As of the date of this Information Circular, the Company received advances totaling US\$330,000 from Dragon Hill, a company controlled by former director Mr. Shing Lee, for working capital and permitting advancements

at the Pine Grove project. The loan advances are currently unsecured, non-convertible and bear interest rate of 10 percent (10%). At December 31, 2022, accrued amounts owing to Dragon Hill are US\$413,046 including interest. Mr. Lee passed away in January 2022 and the repayment schedules for the advances are currently under negotiation with his estate.

## **APPOINTMENT OF AUDITORS**

The Company's auditor is Davidson & Company LLP, Chartered Professional Accountants, of 1200, 609 Granville Street, Vancouver, British Columbia, V7Y 1G6. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the reappointment of Davidson & Company LLP, Chartered Accountants to hold office for the ensuing year at a remuneration to be fixed by the directors.

## **MANAGEMENT CONTRACTS**

No management functions of the Company or its subsidiaries are performed to any substantial degree by a person other than the directors or executive officers of the Company or its subsidiaries.

## **AUDIT COMMITTEE**

### **Audit Committee's Charter**

The text of the Company's Audit Committee Charter is set forth in Schedule "A" attached to this Information Circular.

### **Composition of the Audit Committee**

The members of the Audit Committee are Andrew Milligan (Chair), Paul Saxton and Ronald Coombes. All members are considered "financially literate" within the meaning of National Instrument 52-110 ("**NI 52-110**"). Messrs. Milligan and Coombes are considered independent within the meaning of NI 52-110, Mr. Saxton is not considered independent within the meaning of NI 52-110 as he is President, CEO and Corporate Secretary of the Company.

### **Relevant Education and Experience of Directors**

**Paul Saxton** is a mining engineer with extensive mining industry experience. Mr. Saxton has held several senior executive positions related to exploration and development, mine construction, mine operations and merger and acquisitions within the mining industry. Since 2003, Mr. Saxton has been involved with Lincoln Gold Mining Inc. and he has served as the Company's President & CEO and a Director since the Company's reorganization in August 2009. Mr. Saxton has served as the Company's Corporate Secretary since August 2012.

**Andrew Milligan** is a business executive who has concentrated on mining ventures over the past 40 years. Mr. Milligan is and has been a director or officer of a number of public mining companies trading on both the American Stock Exchange and the TSXV and he has been a Director of the Company since its reorganization in August 2009.

**Ronald Coombes** is an experienced entrepreneur and fundraiser and has been president of several public mining companies since 2005. He has also served as director and CEO of many junior mining and exploration companies listed on the TSXV. Mr. Coombes has been a Director of the Company since July 2013.

### **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 Board of Directors.

### **Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

### **Pre-Approval Policies and Procedures**

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. The Audit Committee Charter requires that all non-audit services be pre-approved by the Audit Committee.

### **External Auditors Service Fees (By Category)**

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit fees are as follows:

<b>Financial Year Ending</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit Related Fees<sup>(2)</sup></b>	<b>Tax Fees<sup>(3)</sup></b>	<b>All Other Fees<sup>(4)</sup></b>
2022	36,000	Nil	Nil	Nil
2021	30,000	Nil	Nil	Nil

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

### **Exemption in Section 6.1 of NI 52-110**

The Company is relying on the exemption in Section 6.1 of NI 52-110 from the requirement of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations).

### **CORPORATE GOVERNANCE DISCLOSURE**

Corporate governance refers to the policies and structure of the Board of Directors of a corporation, whose members are elected by and are accountable to the shareholders of the corporation. Corporate governance encourages establishing a reasonable degree of independence of the Board of Directors from executive management and the adoption of policies to ensure the Board recognizes the principles of good management. The Board of the Company is committed to sound corporate governance practices, as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

National Policy 58-201 establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines. However, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore not all guidelines have been adopted. National Instrument 58-101 mandates disclosure of corporate governance practices which disclosure is set out below.

## Risk Management

The Board of Directors is responsible for the adoption of a strategic planning process, identification of principal risks and implementing risk management systems, succession planning and the continuous disclosure requirements of the Company under applicable securities laws and regulations. In addition, the Board is tasked with assessing risk as it pertains to the Company's compensation strategy (see also Executive Compensation – "Assessment of Risks Associated with Compensation Policies and Practices" above). The Audit Committee is also tasked with certain risk management responsibilities, as set forth in section 2. (e) of the Audit Committee Charter which is attached as Schedule "A" to this Information Circular.

## Independence of Members of Board

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "**material relationship**" is a relationship which could, in the view of the Company's Board, be reasonably expected to interfere with the exercise of a director's independent judgment or in the specified circumstances set forth in Section 1.4 of NI 52-110.

The Company's Board currently consists of three (3) directors, two of whom, namely Andrew Milligan and Ronald Coombes are considered by the Board to be independent based upon the tests for independence set forth in NI 52-110. Paul Saxton is not independent as he is the President, CEO and Corporate Secretary of the Company.

## Management Supervision by Board

The CEO and CFO report upon the operations of the Company separately to the Board annually and at such other times throughout the year as is considered necessary or advisable by the directors. The directors are encouraged to meet at any time they consider necessary without any members of management, including the non-independent directors, being present. The Company's auditors, legal counsel and employees may be invited to attend. The Audit Committee, which is composed of mostly independent directors, can meet with the Company's auditors with or without management being in attendance.

The Board considers that management is effectively supervised by the Board on an informal basis as the Board is actively and regularly involved in reviewing and supervising the operations of the Company and have regular and full access to management. Independent supervision of management is further accomplished by selecting management who demonstrate a high level of integrity and ability and having strong independent Board members. In addition, the Board may appoint from time to time an independent lead director to direct Board operations.

## Participation of Directors in Other Reporting Issuers

Mr. Saxton is a director of the following reporting issuer:

Name of Reporting Issuer	Market Traded On	Position Held	From	To
Goldcliff Resource Corporation	TSXV	Director	March 2004	Current

Mr. Coombes is a director of the following reporting issuer:

Name of Reporting Issuer	Market Traded On	Position Held	From	To
Providence Gold Mines Inc.	TSXV	Director	July 2017	Current

## Orientation and Continuing Education

While the Company does not have formal orientation and training programs, new Board members are provided with:

- 1) Information respecting the functioning of the Board of Directors, committees and copies of the Company's corporate governance policies;

- 2) Access to recent, publicly filed documents of the Company, technical reports, and the Company's internal financial information; and
- 3) Access to management and technical experts and consultants.

Board members are encouraged to communicate with management, auditors, and technical consultants to keep themselves current with industry trends and developments and changes in legislation with management's assistance and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records. Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business.

### **Ethical Business Conduct**

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to shareholders. The Board has adopted a Code of Conduct that is posted on its website at [www.lincolnmining.com](http://www.lincolnmining.com) and has instructed its management and employees to abide by the Code.

The Board has also 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.

### **Nomination of Directors**

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, considering the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence, and other factors. Members of the Board and representatives of the mining industry are consulted for possible candidates.

### **Audit Committee**

The Board has a charter for the Audit Committee to follow in carrying out its audit and financial review functions. A copy of the charter of the Audit Committee is reproduced in Schedule "A" attached to this Information Circular. The Audit Committee reviews all financial statements of the Company prior to their publication, reviews audits, considers the adequacy of audit procedures, recommends the appointment of independent auditors, reviews and approves the professional services to be rendered by them and reviews fees for audit services. The charter has set criteria for membership, which all members of the Audit Committee are required to meet consistent with NI 52-110 and other applicable regulatory requirements. The Audit Committee, as needed, meets separately (without management present) with the Company's auditors to discuss the various aspects of the Company's financial statements and the independent audit.

### **Board Committees**

As the directors are actively involved in the operations of the Company and the size of the Company's operations does not warrant a larger Board of Directors, the Board has determined that additional committees are not necessary at this stage of the Company's development.

### **Assessments**

The Board has no special structure in place for evaluating the effectiveness of the Board, its committees, and individual directors. Based on general feedback from individual directors and management, the Board will assess its operations and adequacy of information provided to the Board and make necessary changes.



## **Expectations of Management**

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **Approval and Ratification of the Stock Option Plan**

As described above under Executive Compensation – “Board Adoption of Stock Option Plan (Option-Based Awards)”, on August 31, 2022, the Board adopted a Rolling 10% Stock Option Plan (the “**Stock Option Plan**”). The Stock Option Plan was approved by the shareholders of the Company at the Annual General Meeting held on October 28, 2022, and was subsequently approved by the TSX Venture Exchange on March 8, 2023. Further details of the Stock Option Plan are contained in the Company's 2022 Information Circular dated September 29, 2022, which is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), under the Company's profile.

The policies of the TSXV require that a Rolling 10% Stock Option Plan receive yearly shareholder ratification at the Company's Annual General Meeting.

### ***Stock Option Plan Ratification Resolution***

At the Meeting, shareholders will be asked to consider, and if thought fit, to ratify, confirm and approve the Company's Rolling 10% Stock Option Plan by way of an ordinary resolution. The full text of the resolution is set out below. In order to be passed, the resolution requires the approval of a majority of the votes cast thereon by shareholders of the Company present in person or represented by proxy at the Meeting.

“**BE IT RESOLVED** as an ordinary resolution, with or without variation, that:

- a) The Company's Rolling 10% Stock Option Plan (the “**Stock Option Plan**”), dated for reference August 31, 2022, be and is hereby ratified, confirmed and approved;
- b) Subject to the effectiveness of the Stock Option Plan, all existing stock options of the Company's shall be governed by the terms of the Stock Option Plan;
- c) The Board of Directors of the Company or any committee thereof be and is hereby authorized, in its absolute discretion, to administer the Stock Option Plan and amend or modify the Stock Option Plan in accordance with its terms and conditions and with the policies of the TSX Venture Exchange;
- d) The Company is hereby authorized to allot and issue as fully paid and non-assessable that number of Common Shares granted to eligible participants under the Stock Option Plan;
- e) Option holders under the Stock Option Plan are permitted to exercise options on a “Cashless Exercise” or “Net Exercise” basis, with the exception of persons performing investor relations services;
- f) Any one or more of the directors and officers of the Company be authorized to perform all such acts, deeds, and things and execute, under the seal of the Company or otherwise, all such documents as may be required to give effect to this resolution; and
- g) To the extent permitted by law, the Company be authorized to abandon all or any part of the Stock Option Plan if the Board deems it appropriate and in the best interest of the Company to do so.”

**The directors of the Company unanimously recommend that shareholders vote in favour of the Stock Option Plan.**

**IT IS INTENDED THAT THE COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF THE ABOVE RESOLUTION.**

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on the Company's website at [www.lincolngold.com](http://www.lincolngold.com) or at [www.lincolnmining.com](http://www.lincolnmining.com) or on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), under the Company's issuer profile. Shareholders may contact the Company at Suite 400 – 789 West Pender Street, Vancouver, British Columbia, V6C 1H2, or telephone 604-688-7377, or email: [info@lincolnmining.com](mailto:info@lincolnmining.com) to request copies of the Company's financial statements and MD&A.

Financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year, which is filed on SEDAR+ under the Company's profile.

#### **OTHER MATTERS**

As of the date of this Information Circular, the Board is not aware of any other matter to come before the Meeting other than as set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

DATED at Vancouver, British Columbia, Canada

September 25, 2023

#### **APPROVED BY THE BOARD OF DIRECTORS**

*"Paul Saxton"*

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Paul Saxton  
President and CEO

## SCHEDULE "A"

### LINCOLN GOLD MINING INC. (the "Company")

#### AUDIT COMMITTEE CHARTER

##### 1. MISSION

Senior management, as overseen by the board of directors, has primary responsibility for the Company's financial reporting, accounting systems and internal controls. The audit committee is a standing committee of the board of directors established to assist the board of directors in fulfilling its responsibilities in this regard.

##### 2. RESPONSIBILITIES

The audit committee shall:

###### (a) Financial Information

- (i) Review the annual financial statements and related matters and recommend their approval to the board of directors, after discussing matters such as the selection of accounting policies, major accounting judgements, accruals and estimates with management;
- (ii) be responsible for reviewing the results of the external audit, including:
  - A. the auditor's engagement letter;
  - B. the reasonableness of the estimated audit fees;
  - C. the scope of the audit, including materiality, locations to be visited, audit reports required, areas of audit risk, timetable, deadlines and coordination with internal audit;
  - D. the post-audit management letter together with management's response;
  - E. the form of the audit report;
  - F. any other related audit engagements (e.g. audit of the company pension plan);
  - G. pre-approving non audit services performed by the auditor;
  - H. assessing the auditor's performance;
  - I. recommending the auditor for appointment by the board of directors and the compensation of the auditor;
  - J. meeting with the auditors to discuss pertinent matters, including the quality of accounting personnel;
- (iii) ensure 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 (except for disclosure required to be reviewed by the audit committee), and must periodically assess the adequacy of those procedures;
- (iv) establish 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;

(v) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company;

**(b) Interim Financial Statements**

(vi) obtain reasonable assurance on the process for preparing reliable quarterly interim financial statements from discussions with management and, where appropriate, reports from the external and internal auditors;

(vii) review, or engage the external auditors to review, the quarterly interim financial statements if not reviewed by the board of directors;

(viii) obtain reasonable assurance from management about the process for ensuring the reliability of other public disclosure documents that contain audited and unaudited financial information;

**(c) Accounting System and Internal Controls**

(ix) obtain reasonable assurance from discussions with and (or) reports from management, and reports from external and internal auditors that the Company's accounting systems are reliable and that the prescribed internal controls are operating effectively;

(x) direct the auditors' examinations to particular areas;

(xi) request the auditors to undertake special examinations (e.g., review compliance with conflict of interest policies);

(xii) review control weaknesses identified by the external and internal auditors, together with management's response;

(xiii) review the appointments of the chief financial officer and key financial executives;

(xiv) review accounting and financial human resources and succession planning within the Company.

**(d) Reporting**

(xv) report to the board of directors following each meeting on the major discussions and decisions made by the audit committee; and

(xvi) review the audit committee's terms of reference periodically and propose recommended changes to the board of directors.

**(e) Risk Management**

(xvii) review, at least annually, and more frequently, if necessary, the Company's policies for risk assessment and risk management (the identification, monitoring, and mitigation of risks).

(xviii) inquire of management and the independent auditor about significant business, political, financial and control risks or exposure to such risk.

(xviii) request the external auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are being managed or controlled.

(xx) assess the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board.

### **3. COMPOSITION AND REGULATIONS**

- (a) The audit committee shall be composed of at least three directors, the majority of whom will be independent in that he or she has no material relationship with the Company that could be reasonably expected to interfere with the exercise of the member's independent judgement.
- (b) All members shall be financially literate in that they are able to understand the level of complexity of the financial statements of the Company and the accounting issues that can reasonably be expected to be raised by the Company's financial statements.
- (c) The members and the chairperson of the audit committee shall be appointed by the board of directors for a one year term and may serve any number of consecutive terms.
- (d) The chairperson of the audit committee shall, in consultation with management and the auditors, establish the agenda for the meetings and ensure that properly prepared agenda materials are circulated to members with sufficient time for study prior to the meeting.
- (e) The audit committee shall have the power, authority and discretion delegated to it by the board of directors which shall not include the power to change the membership of or fill vacancies in the audit committee.
- (f) The audit committee shall conform to the regulations which may from time to time be imposed upon it by the board of directors. The board of directors shall have the power at any time to revoke or override the authority given to or acts done by the audit committee except as to acts done before such revocation or act of overriding and to terminate the appointment or change the membership of the audit committee or fill vacancies in it as it shall see fit.
- (g) The audit committee may meet and adjourn, as they think proper. A majority of the members of the audit committee shall constitute a quorum thereof. Questions arising shall be determined by a majority of votes of the members of the audit committee present, and in the case of an equality of votes, the chairperson shall not have a second or casting vote.
- (h) A resolution approved in writing by all of the members of the audit committee shall be valid and effective as if it had been passed at a duly called meeting. Such resolution shall be filed with the minutes of the proceedings of the audit committee and shall be effective on the date stated thereon or on the latest date stated in any counterpart.
- (i) The audit committee shall keep regular minutes of its meetings and record all material matters and shall cause such minutes to be recorded in the books kept for that purpose and shall distribute such minutes to the board of directors.
- (j) The audit committee shall have unrestricted and unfettered access to all Company personnel and documents and shall be provided with the resources necessary to carry out its responsibilities.

Approved by the Board

April 20, 2011