



Pure Gold Mining Inc.

Notice of the 2019 Annual General Meeting of
Shareholders

Management Information Circular

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May 15, 2019

Dear Shareholders,

On behalf of the Board of Directors, I would like to invite you to attend the Annual General Meeting of Shareholders of Pure Gold Mining Inc., to be held on June 28, 2019 at 11:00 a.m. at the offices of Blake, Cassels & Graydon LLP, Suite 2600, 595 Burrard Street, Three Bentall Centre, Vancouver, British Columbia.

At the Meeting, we will update you on our projects and our plans for the future. You will also be able to meet and ask questions of the Board of Directors and senior management.

The enclosed Management Information Circular describes the business to be conducted at the Meeting. It is important that you exercise your vote, either in person at the meeting or by completing and returning your proxy form.

We look forward to speaking with you at the 2019 Annual General Meeting.

Sincerely,

(Signed) "*Darin Labrenz*"

Darin Labrenz
President and Chief Executive Officer

Table of Contents

MANAGEMENT INFORMATION CIRCULAR	6
General Information.....	6
Corporate Background.....	6
PART I: VOTING INFORMATION	7
Solicitation of Proxies	7
Notice to Shareholders in the United States and the United Kingdom	7
Notice and Access.....	7
Appointment and Revocation of Proxies	7
Advice to Beneficial Holders of Securities	8
Voting of Proxies.....	9
Voting Securities and Principal Holders Thereof.....	9
PART II: BUSINESS OF THE MEETING	10
Receipt of Financial Statements.....	10
Election of Directors	10
Advance Notice Policy	10
Nominees and Qualifications.....	10
Appointment of Auditor.....	18
Ratification and Approval of Stock Option Plan	20
PART III: REPORT ON COMPENSATION	21
Executive Compensation	21
Compensation of Directors	29
PART IV: STATEMENT OF CORPORATE GOVERNANCE PRACTICES	35
Corporate Governance Disclosure.....	35
Audit Committee	37
PART V: OTHER INFORMATION	41
Technical and Management Services Agreement	41
Costs of Management Services	41
Interest of Certain Persons in Matters to be Acted Upon	42
Interest of Informed Persons in Material Transactions	42

Indebtedness of Officers and Directors to the Corporation	42
Other Business	43
Additional Information	43
Approval by Directors	43
SCHEDULE "1"	i
Charter of the Audit Committee of Pure Gold Mining Inc.	i
SCHEDULE "2"	viii
SCHEDULE "3"	xvii

MANAGEMENT INFORMATION CIRCULAR

This management information circular, including all schedules hereto (the “Circular”) is furnished in connection with the solicitation of proxies by or on behalf of the management of Pure Gold Mining Inc. (the “Corporation”, or “Pure Gold”) to be used at the annual general meeting of the holders of common shares of Pure Gold (“Common Shares”), or any adjournment(s) or postponement(s) thereof (the “Meeting”) to be held at the offices of Blake, Cassels & Graydon LLP, Suite 2600, 595 Burrard Street, Three Bentall Centre, Vancouver, British Columbia, on June 28, 2019 at 11:00 a.m. (Vancouver time) for the purposes set forth in the Notice of Annual General Meeting of Shareholders of the Corporation (“Shareholders”) accompanying this Circular.

General Information

Except as otherwise stated, the information contained herein is given as of May 15, 2019. Unless otherwise stated, figures in this Circular are expressed in Canadian dollars (“\$”), the same currency that the Corporation uses in its consolidated financial statements for the fiscal period ended December 31, 2018, (the “**Annual Financial Statements**”).

The Corporation changed its financial year end from March 31 to December 31, effective for the fiscal period ended December 31, 2018. The phrase “the most recently completed” or “last completed” financial year, when used herein, refers to the nine months ended December 31, 2018.

Corporate Background

Pure Gold was incorporated on November 14, 2005 pursuant to the provisions of the Business Corporations Act (British Columbia) (“**BCBCA**”) under the name “Capo Resources Ltd.”. Effective May 15, 2008, the Corporation acquired 0785531 B.C. Ltd. through a reverse takeover, which completed its Qualifying Transaction requirement under TSX Venture Exchange Policy 2.4. The acquisition was accounted for according to the accounting guidelines for reverse takeover transactions that do not constitute a business combination, with 0785531 B.C. Ltd. being the deemed accounting acquirer for financial statement purposes.

The Qualifying Transaction described above involved the amalgamation of a wholly-owned subsidiary of the Corporation with 0785531 B.C. Ltd. These two entities were amalgamated as one corporation under the name Laurentian Exploration Ltd. The amalgamation was completed in accordance with the terms of a statutory Plan of Arrangement under the BCBCA. The amalgamated entity was a wholly-owned subsidiary of the Corporation at that time.

On January 22, 2009, the Corporation completed an amalgamation with its wholly owned subsidiary, Laurentian Exploration Ltd. These two entities were amalgamated as one corporation under the name Laurentian Goldfields Ltd. The amalgamation was completed in accordance with the terms of a statutory Plan of Arrangement under the BCBCA.

On June 24, 2014, the Corporation filed articles of amendment to change its name to Pure Gold Mining Inc.

The registered records office of the Corporation is c/o McMillan LLP, Suite 1500, PO Box 11117 Vancouver, British Columbia Canada V6E 4N7 and the head office and principal place of business and head office of the Corporation is located at 1900 – 1055 West Hastings Street, Vancouver, British Columbia V6E 2E9.

The Corporation’s principal activity is the exploration and development of the Madsen Gold Project located in Red Lake, Ontario Canada.

PART I: VOTING INFORMATION

Solicitation of Proxies

It is expected that the solicitation of proxies will be primarily by mail, but proxies may also be solicited personally, by telephone, e-mail, internet, facsimile or other means of communication by regular officers, employees and agents of the Corporation at nominal cost. The cost of solicitation by management will be borne directly by the Corporation. The Corporation will reimburse investment dealers, brokers, banks, custodians, nominees and other fiduciaries for permitted fees and costs incurred by them in mailing soliciting materials to the beneficial owners of Common Shares. Invoices for such permitted fees and costs should be directed to the attention of the Chief Financial Officer of the Corporation at Suite 1900, 1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9.

Notice to Shareholders in the United States and the United Kingdom

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

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

Notice-and-Access

The Corporation is availing itself of the “Notice-and-Access” provisions in Canadian securities laws that permit the Corporation to forego mailing paper copies of this Circular and proxy-related materials to Shareholders and instead make them available for review, print and download via the Internet. Non-registered Shareholders have received a Notice Package (as defined below), but will not receive a paper copy of this Circular or the proxy-related materials unless they request one as described in the Notice Package. Notice-and-Access will not be used for registered Shareholders as a result of certain restrictions in the Corporation’s articles that do not allow for the use of Notice-and-Access as a delivery method for registered Shareholders. Registered Shareholders will receive a paper copy of this Circular and all proxy-related materials.

In accordance with the requirements of National Instrument 54-101, *Communication With Beneficial Owners of Securities of a Reporting Issuer, of the Canadian Securities Administrators* (“**NI 54-101**”), the Corporation has distributed a notice (the “**Notice Package**”), in the form prescribed by NI 54-101 to the clearing agencies and intermediaries for onward distribution to non-registered Shareholders, of the Internet website location where such non-registered Shareholders may access the notice of Meeting, this Circular and the instrument of proxy (collectively, the “**Meeting Materials**”). The Corporation will pay for intermediaries to forward the Meeting Materials to objecting beneficial owners (as defined in NI 54-101).

Intermediaries are required to forward the Notice Package to non-registered Shareholders unless a non-registered Shareholder has waived the right to receive Meeting Materials. Typically, intermediaries will use a service corporation to forward the Notice Package to non-registered Shareholders.

Meeting Materials can be accessed directly online at www.puregoldmining.ca/agm.

Appointment and Revocation of Proxies

The proxy nominees named in the accompanying Proxy are officers and/or directors of the Corporation. **A Shareholder desiring to appoint another person or corporation, other than those management nominees named in the accompanying**

form of proxy, to represent such Shareholder at the Meeting, may do so either by inserting such person's or corporation's name in the blank space provided for that purpose in the accompanying Proxy or by completing another proper form of proxy and, in either case, depositing the properly completed and signed proxy at the office of the Corporation's registrar and transfer agent, Computershare Investor Services Inc. ("**Computershare**"), indicated on the enclosed envelope for receipt not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting, or delivering it to the Chair of the Board of Directors of the Corporation (the "**Board**") prior to the commencement of the Meeting on the date of such Meeting. Late proxies may be accepted or rejected by the Chair of the Meeting in his discretion, and the Chair is under no obligation to accept or reject any particular late proxy.

A proxy given by Shareholders for use at the Meeting may be revoked at any time prior to its use: (i) by instrument in writing, including another proxy bearing a later date, executed by the Shareholder or by its attorney duly authorized in writing, or, if the Shareholder is a corporation, by a duly authorized officer or member of the Board (each individually a "**Director**") thereof under its corporate seal, or by an attorney thereof duly authorized, and either deposited at the head office of the Corporation at Suite 1900, 1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9 or transmitted by fax to (604) 632-4678 at any time up to and including 11:00 a.m. (Vancouver time) on June 26, 2019 or the last business day before any adjourned or postponed Meeting; (ii) by attending the Meeting and notifying the Chair prior to the commencement of the Meeting that you have revoked your proxy; or (iii) in any other manner permitted by law.

Advice to Beneficial Holders of Securities

Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Many Shareholders may be "non-registered" Shareholders because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. More particularly, a person is not a registered Shareholder in respect of Common Shares which are held on behalf of that person (the "**Non-Registered Holder**") but which are registered either: (a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP's, RRIF's, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant.

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Corporation are referred to as "NOBOs". Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Corporation are referred to as "OBOs".

In accordance with the requirements of NI 54-101, the Corporation has elected to send the Notice of Meeting, this Circular and the Proxy (collectively, the "**Meeting Materials**") directly to the NOBOs.

Also in accordance with the requirements of NI 54-101, the Corporation has distributed copies of the Meeting Materials to the Intermediaries for onward distribution to OBOs. Intermediaries are required to forward the Meeting Materials to OBOs unless, in the case of certain proxy-related materials, the OBO has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to OBOs. With those Meeting Materials, Intermediaries or their service companies should provide OBOs with a request for voting instruction, Voting Instruction Form ("**VIF**") which, when properly completed and signed by such OBO and returned to the Intermediary or its service corporation, will constitute voting instructions which the Intermediary must follow. The purpose of this procedure is to permit OBOs to direct the voting of the Common Shares that they beneficially own.

The Meeting Materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. Meeting Materials will be sent electronically to those beneficial owners from whom consent has been obtained.

By choosing to send these materials to you directly, the Corporation (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Meeting Materials sent to beneficial owners who have not waived the right to receive Meeting Materials are accompanied by a VIF to be used instead of a Proxy. By returning the VIF in accordance with the instructions noted on it, a Non-Registered Holder is able to instruct the Registered Shareholder how to vote on behalf of the Non-Registered Shareholder. VIFs, whether provided by the Corporation or by an Intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the shares which they beneficially own. **Non-Registered Holders receiving a VIF cannot use that form to vote Common Shares directly at the**

Meeting. Non-Registered Holders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered. Should a Non-Registered Holder who receives a VIF wish to attend the Meeting or have someone else attend on his/her behalf, the Non-Registered holder may request a legal proxy as set forth in the VIF, which will grant the Non-Registered Holder or his/her nominee the right to attend and vote at the Meeting.

Voting of Proxies

Common Shares represented by properly completed and executed proxies that are received in the manner prescribed above will be voted (or withheld from voting) in accordance with the instructions of the Shareholder, including on any ballot votes that may take place at the Meeting. If you have not specified how to vote on a particular matter, then your proxy holder can vote your Common Shares as he or she sees fit. **Where no choice is specified, Common Shares represented by properly completed and executed proxies in favour of the management proxy nominees named in the printed portion of the enclosed Proxy will be voted “FOR” each of the matters to be voted on by Shareholders, as follows:**

- **“FOR” the election as Directors of the six nominees listed in this Circular for the ensuing year;**
- **“FOR” the appointment of PricewaterhouseCoopers LLP as independent auditors of the Corporation for the ensuing year and the authorization of the Directors to fix their remuneration; and**
- **“FOR” the ratification and approval of the Corporation’s Stock Option Plan, as attached as Schedule “2”.**

The accompanying Proxy also confers discretionary authority upon the proxy nominees named therein with respect to amendments or variations to matters identified in the Notice of Meeting, or other matters as may properly come before the Meeting. At the date of this Circular, management of the Corporation (“**Management**”) knows of no such amendments, variations or other matters to come before the Meeting. However, if any amendments, variations or other matters which are not now known to Management should properly come before the Meeting, the Common Shares represented by proxies in favour of the Management nominees named in the accompanying form of proxy will be voted on such matters in accordance with the best judgment of such proxy nominees.

Voting Securities and Principal Holders Thereof

Only Shareholders of the Corporation who are listed on its Register of Shareholders on the record date of May 15, 2019 (the “**Record Date**”) are entitled to receive notice of and to attend and vote at the Meeting (See “*Voting of Proxies*” above).

At May 15, 2019, the Corporation had 267,211,692 Common Shares issued and outstanding. Each Common Share outstanding on the Record Date carries the right to one vote.

To the knowledge of the Directors and executive officers of the Corporation, as of May 15, 2019, AngloGold Ashanti International Exploration Holdings Limited (“**AngloGold**”) owns in excess of 10% of the Common shares of the Corporation. AngloGold directly holds 38,171,251 or approximately 14.29% of the Corporation’s issued and outstanding Common Shares and 6,400,000 Common Share purchase warrants, that if exercised would bring AngloGold’s ownership percentage to 16.29%, on a partially diluted basis. AngloGold is Pure Gold’s single largest shareholder. As a result, AngloGold may have the ability to influence the outcome of matters submitted to the Pure Gold shareholders for approval, which could include the election and removal of directors, amendments to Pure Gold’s corporate governance documents and business combinations. Pure Gold’s interests and those of AngloGold may at times conflict, and this conflict might be resolved against Pure Gold’s interests. The concentration of 14.29% of Pure Gold’s issued and outstanding shares in the hands of one shareholder may discourage an unsolicited bid for the Common Shares, and this may adversely impact the value and trading price of the Common Shares. AngloGold’s participation in, or failure to participate in any issuance of additional Pure Gold securities may have a material impact on the value and trading price of the Common Shares.

PART II: BUSINESS OF THE MEETING

Receipt of Financial Statements

The Annual Financial Statements and accompanying auditor's report thereon will be presented at the Meeting, and will be mailed to those registered and beneficial Shareholders of the Corporation who requested them. The Annual Financial Statements are available under the Corporation's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com and at www.puregoldmining.ca.

Election of Directors

The Board currently consists of six Directors. Each Director is to hold office until the next annual meeting or until his or her successor is duly elected unless his or her office is earlier vacated in accordance with the articles of the Corporation.

Advance Notice Policy

On September 23, 2016 the shareholders of the Corporation approved the adoption of an advance notice policy (the "Advance Notice Policy"). The Advance Notice Policy provides for advance notice to the Corporation in circumstances where nominations of persons for election to the Board are made by Shareholders other than pursuant to (i) a requisition of a meeting made pursuant to the provisions of the BCBCA or (ii) a shareholder proposal made pursuant to the provisions of the BCBCA.

No person will be eligible for election as a Director of the Corporation unless nominated in accordance with the Advance Notice Policy.

The foregoing is merely a summary of the Advance Notice Policy, is not comprehensive, and is qualified by the full text of such policy, a copy of which is attached to this Circular as Schedule "3".

Nominees and Qualifications

The following tables sets out the name of Management's Nominees for election as Director, and other information including: the place in which each is ordinarily resident, his principal occupation and principal occupations held in the last five years, the number of Common Shares beneficially owned, or controlled or directed directly or indirectly, the number of outstanding options to purchase Common Shares ("Options") held by the Nominee, the period or periods during which each has served as a Director, current membership on committees of the Board, record of attendance at meetings of the Board and its committees through December 31, 2018, and whether or not the Board has determined each Nominee to be independent. There are no contracts, arrangements or understandings between any Director or executive officer or any other person pursuant to which any of the nominees has been nominated for election as a Director of the Corporation.

Management of the Corporation does not anticipate that any of the proposed Nominees will be unable to serve as a director; however, if for any reason any of the proposed Nominees do not stand for election or are unable to serve as such, the Common Shares represented by proxies given in favour of Management's Nominee(s) may be voted by the person designated by Management of the Corporation in the enclosed Proxy, in their discretion, in favour of another nominee.

In the absence of a contrary instruction, the persons designated by Management of the Corporation in the enclosed form of proxy intend to vote "FOR" the election of the Directors set out in the following tables. The total value of Common Shares has been calculated using the market price of the Common Shares of Pure Gold on the TSX-V on December 31, 2018 (\$0.65). The number of Common Shares of Pure Gold owned by each Director, are as at May 15, 2019.

Darin Labrenz, P. Geo ⁽¹⁾

Age: 53



Squamish,
British Columbia,
Canada

Non-Independent Director since
February 15, 2011

President & CEO

President & CEO and director of the Corporation since February 15, 2011. Formerly with Terrane Metals Corp. (2006-2010), as Chief Geologist and subsequently VP Business Development. Prior to Terrane, senior geologist and management within Placer Dome Group (1996 – 2006).

Areas of Expertise

Finance and Management; Financial markets; Exploration and Geology; Mergers and Acquisitions; and Shareholder Communications.

Board / Committee Membership

Meeting Attendance

Board

6 of 6

100%

Health, Safety & Environment Committee

1 of 1

100%

Common Shares and Options (as at May 15, 2019)

Common Shares	Options	Total Value of Common Shares	
1,500,000	2,300,000	\$975,000	

Notes:

(1) Mr. Labrenz is also a director of Laurentian Copper Corp. a subsidiary of Pure Gold.

Graeme Currie⁽¹⁾

Age: 59



West Vancouver,
British Columbia,
Canada

Independent Director since March 4,
2014

Chair of the Board

Formerly Director, Investment Banking at Canaccord Genuity Limited from 1983 until retirement in August 2012. Prior to his role in Investment Banking he was employed in the Research Department for over 22 years, beginning in 1983, achieving the position of Senior Mining Analyst, specifically focused on coverage of the junior mining sector.

Areas of Expertise

Finance and Management; Financial markets; Exploration and Geology; Mergers and Acquisitions; and Shareholder Communications.

Board / Committee Membership

Meeting Attendance

Board (Chair)	6 of 6	100%
Audit Committee	3 of 3	100%
Compensation Committee (Chair)	2 of 2	100%

Common Shares and Options (as at May 15, 2019)

Common Shares ⁽²⁾	Options	Total Value of Common Shares	
2,200,000	1,450,000	\$1,430,000	

Notes:

⁽¹⁾ Mr. Currie is a member of the board of directors of Balmoral Resources Inc.

⁽²⁾ Includes 150,000 shares owned by the spouse of Mr. Currie.

Mark O'Dea, P.Geo., Ph.D.,

Age: 51



**North Vancouver,
British Columbia,
Canada**

Independent Director since March 4, 2014

Dr. O'Dea is a mining industry entrepreneur. A seasoned geologist and deal maker, Dr. O'Dea has built and financed international mining companies from Canada to Africa, taking them from exploration and discovery to development and operations. His companies are built on a common foundation: high-quality, long-life projects with lasting economic opportunities, community benefits and environmental protection. Most recently, Dr. O'Dea co-founded and served as Executive Chairman of True Gold Mining Inc. ("**True Gold**"). After building the Karma Heap Leach Gold Mine in Burkina Faso, West Africa, True Gold was sold to Endeavour Mining Corp. in 2016. As co-founder and CEO of Fronteer Gold, Dr. O'Dea grew the company from start-up to its 2011 sale to Newmont Mining Corp., a deal which included the spin-out of Liberty Gold.

He also co-founded and served as Chairman of True North Nickel Inc. and CEO of Aurora Energy Resources Inc. sold to RNC Minerals and Paladin Energy Ltd in 2014 and 2011, respectively. Co-founder of Oxygen Capital Corp. ("**Oxygen**")¹, Dr. O'Dea is currently chairman of Liberty Gold and a director of Discovery Metals Corp. and Sun Metals Corp. His many honours include EY's Entrepreneur of the Year™ for 2014 in the Pacific mining and metals category, the Globe and Mail's Top 40 Under 40, and the Association for Mineral Exploration British Columbia's Murray Pezim Award for perseverance and success in financing mineral exploration.

Areas of Expertise

Finance and Management; Development, Exploration and Geology; Mergers and Acquisitions; Capital markets; Human Resources and Compensation; and Public Reporting and Shareholder Communications.

Board / Committee Membership

Meeting Attendance

Board / Committee Membership	Meeting Attendance	
Board	6 of 6	100%
Compensation Committee	2 of 2	100%
Corporate Governance Committee	0 of 0	N/A

Common Shares and Options (as at May 15, 2019)

Common Shares⁽²⁾	Options	Total Value of Common Shares	
4,734,800	1,250,000	\$3,077,620	

Notes:

- ⁽¹⁾ There is no management or administrative fee paid to Oxygen in connection with the services it provides or those provided by Dr. O'Dea to Pure Gold. Dr. O'Dea does not receive any additional remuneration or compensation from Pure Gold relating to his position as director of Oxygen.
- ⁽²⁾ Includes 1,830,000 shares owned by a corporation controlled by Dr. O'Dea

Troy Fierro

Age: 56



**Mesa,
Arizona,
USA**

Independent Director since May 12, 2014

Mining engineer with over 30 years of industry experience. Formerly held executive positions with Fronteer Gold Inc., Metallica Resources Inc., and Coeur d'Alene Mines, where he has overseen the development, construction or management of mines in Nevada, Mexico, Argentina, Chile, and Alaska. Formerly director of Grayd Resources, Timberline Resources, Gold Canyon Resources and ORLA Mining.

Areas of Expertise

Engineering, development and operations; Finance and Management; Mergers and Acquisitions; and Capital markets.

Board / Committee Membership	Meeting Attendance	
Board	6 of 6	100%
Audit Committee	3 of 3	100%
Compensation Committee	2 of 2	100%
Health, Safety & Environment Committee	1 of 1	100%

Common Shares and Options (as at May 15, 2019)

Common Shares	Options	Total Value of Common Shares	
900,000	850,000	\$585,000	

Robert Pease ⁽¹⁾, B. Sc., P. Geo,

Age: 61



**White Rock,
British Columbia,
Canada**

**Independent Director since
June 25, 2014**

Mr. Pease held the position of interim President and CEO of Liberty Gold Inc. from November 2015 through February 2016. Mr. Pease holds a B.Sc. degree in Earth Sciences from the University of Waterloo, a Professional Geologist (British Columbia) certification and is a Fellow of the Geological Association of Canada. He is a Past-Chair of the AME BC, and a member of the Health & Safety Committee of the AME BC. In 2010, he was named "BC Mining Person of the Year" by the Mining Association of BC, and in 2015 he was a co-recipient of the E.A. Scholz Award for Excellence in Mine Development by the AME BC. From November 2011 to February 2015, Mr. Pease was President and Chief Executive Officer of Sabina Gold & Silver Corp., a mineral exploration corporation. Mr. Pease was also President and Chief Executive Officer of Terrane Metals Corp. from its inception in 2006 until its acquisition in 2010 by Thompson Creek Metals Company; and was a director and strategic advisor of Richfield Ventures Corp., a publicly-traded exploration-stage mining corporation acquired by New Gold Inc. in 2011. Mr. Pease was employed by Placer Dome Inc. for twenty five years, and held the position of General Manager (Canada Exploration and Global Major Projects) toward the end of his time with that corporation. At Placer Dome he was responsible for managing all aspects of that corporation's Canadian exploration and oversaw the geological aspects of its world-wide, advanced, major exploration and development projects.

Areas of Expertise

Construction (mining); Operations and Development (mining); Exploration and Geology; Health and Safety; Mergers and Acquisitions; Corporate Governance; and Shareholder Communications.

Board / Committee Membership		Meeting Attendance	
Board		6 of 6	100%
Health, Safety & Environment Committee (Chair)		1 of 1	100%
Corporate Governance Committee		0 of 0	N/A
Common Shares and Options (as at May 15, 2019)			
Common Shares	Options	Total Value of Common Shares	
451,818	850,000	\$293,682	

Notes:

⁽¹⁾ Mr. Pease is also on the Board of Liberty Gold Corp., Libero Copper Corp., FPX Nickel Corp. and Endurance Gold Corporation.

Lenard Boggio ⁽¹⁾, FCPA, FCA

Age: 64



**North Vancouver,
British Columbia,
Canada**

Independent Director since March 4, 2014

Formerly Partner with PricewaterhouseCoopers LLP (and prior Coopers & Lybrand LLP) from 1982 until retirement from PwC in May 2012. During that time he was Leader of the B.C. Mining Group of PwC, a senior member of PwC's Global Mining Industry Practice and an audit practitioner for publicly listed Canadian, U.S. and U.K. mineral resource and energy clients.

Areas of Expertise

Accounting, Audit and Finance; International and Business Tax; Mergers and Acquisitions; Corporate Governance; Human Resources and Compensation; Public Reporting and Shareholder Communications.

Board / Committee Membership		Meeting Attendance	
Board		6 of 6	100%
Audit Committee (Chair)		3 of 3	100%
Corporate Governance Committee (Chair)		0 of 0	N/A
Common Shares and Options (as at May 15, 2019)			
Common Shares	Options	Total Value of Common Shares	
600,000 ⁽²⁾	850,000	\$390,000	

Notes:

⁽¹⁾ Mr. Boggio is also on the Board of Equinox Gold Corp., Titan Mining Corporation, and Sprott Resource Holdings Inc.

⁽²⁾ 300,000 Common Shares are owned by the spouse of Mr. Boggio.

Except as set out below, to the knowledge of the Corporation, as of the date of this Circular: (a) no proposed director of Pure Gold is, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any corporation (including Pure Gold) that, (i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant corporation access to any exemption under securities legislation, in each case in effect for a period of more than 30 consecutive days (each an “**order**”) that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; 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; (b) no proposed director of Pure Gold is, or has been within 10 years before the date of this Circular, a director or executive officer of any corporation (including Pure Gold) 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; (c) no proposed director of Pure Gold has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became 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 director, officer or shareholder; and (d) no proposed director of Pure Gold has been subject to: (i) 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 (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for a proposed director. To the knowledge of Pure Gold, no personal holding corporation of any proposed director is or has been, as applicable, subject to the foregoing during the applicable time periods.

Mr. Lenard Boggio was a director of Great Western Minerals Group Ltd. (“**GWMG**”) from January 2013 until his resignation together with all the then current directors in July 2015. In April 2015, GWMG announced that a support agreement was entered into with the holders of a majority of GWMG’s secured convertible bonds and GWMG was granted protection from its creditors under the Companies’ Creditors Arrangements Act upon receiving an initial order from the Ontario Court of Justice Commercial List. In May 2015, an order was issued by the Financial and Consumers Affairs Authority of the Province of Saskatchewan that all trading in the securities of GWMG be ceased due to its failure to file financial statements for the year ended December 31, 2014. In December 2015, the Monitor of GWMG issued a press release announcing that it had filed an assignment in bankruptcy on behalf of GWMG.

Mr. Robert Pease was a director until November 8, 2018, of Red Eagle Mining Corp. (“**Red Eagle**”) which owned and operated the Santa Rosa mine in Colombia. Due to start up issues, Red Eagle had difficulty servicing its project debt and the mine was only able to commence commercial production on the basis of forbearances from the secured lenders. In August 2018, Red Eagle obtained a firm commitment from a third party to refinance the debt with substantial concessions and co-operation from the secured lenders. In October 2018, this third party defaulted on its commitment and as a result, the secured lenders withdrew their forbearances and appointed a receiver-manager over the assets of Red Eagle. It is expected that legal action will be commenced by Red Eagle against the third party who defaulted on the financing commitment.

Red Eagle is currently subject to a cease-trade order issued by the British Columbia Securities Commission on November 20, 2018, for failure to file interim financial statements, management’s discussion and analysis, and certification of interim filings for the period ended September 30, 2018.

Appointment of Auditor

At the Meeting, Shareholders will be asked to vote for the re-appointment of PricewaterhouseCoopers LLP, Chartered Accountants (“**PwC**”), the present auditors of Pure Gold, as the auditors of the Corporation to hold office until the close of the next annual meeting of Shareholders and to authorize the directors to fix their remuneration. A simple majority of the votes cast at the Meeting must be voted in favour thereof.

Unless such authority is withheld, the Management proxy nominees named in the accompanying Proxy intend to vote “for” the appointment of PwC as auditors of the Corporation to hold office until the close of the next annual meeting of Shareholders and to authorize the directors to fix their remuneration.

Ratification and Approval of Stock Option Plan

The Board has established the Option Plan as described under 'Executive Compensation – Description of Stock Option Plan'.

The policies of the TSX Venture Exchange require stock option plans which reserve for issuance up to 10% (instead of a fixed number) of a listed corporation's shares be approved annually by its shareholders. That approval is being sought at the Meeting by way of an ordinary resolution.

Therefore, at the Meeting, shareholders will be asked to pass a resolution in the following form:

"UPON MOTION IT WAS RESOLVED that the Corporation approve and ratify, subject to regulatory approval, the Stock Option Plan pursuant to which the directors may, from time to time, authorize the issuance of options to directors, officers, employees and consultants of the Corporation and its subsidiaries to a maximum of 10% of the issued and outstanding common shares at the time of the grant, with a maximum of 5% of the Corporation's issued and outstanding shares being reserved to any one person on a yearly basis."

Following the Meeting (assuming approval of the Option Plan by the shareholders), any options granted pursuant to the Option Plan will not require further shareholder or Exchange approval unless the exercise price is reduced or the expiry date is extended for an option held by an insider of the Corporation.

The full text of the Plan is attached hereto as Schedule "2".

Unless otherwise directed, it is the intention of the Management Designees, if named as Proxyholder, to vote in favour of the ordinary resolution approving the Option Plan.

PART III: REPORT ON COMPENSATION

Executive Compensation

Unless otherwise noted, the following information is for the Corporation's last completed financial period (which ended December 31, 2018).

A. Named Executive Officers

For the purposes of this Circular, a Named Executive Officer ("NEO") of the Corporation means each of the following individuals:

- (a) the chief executive officer ("CEO") of the Corporation;
- (b) the chief financial officer ("CFO") of the Corporation; and
- (c) the Corporation's VP Operations, VP Exploration and Chief Geoscientist being the Corporation's three most highly compensated executive officers, or individuals acting in a similar capacity, other than the CEO and CFO, at the end of, or during, the most recently completed financial year as their individual total compensation was more than \$150,000 for that financial year.

B. Compensation Discussion and Analysis

The Compensation Committee of the Corporation's board of directors (the "Board") is responsible for ensuring that the Corporation has appropriate procedures for executive compensation and making recommendations to the Board with respect to the compensation of the Corporation's executive officers. The Compensation Committee seeks to ensure that total compensation paid to all executive officers is fair and reasonable and is consistent with the Corporation's compensation philosophy.

The Compensation Committee is also responsible for recommending compensation for the directors and granting stock options to the directors, officers and employees of, and consultants to, the Corporation pursuant to the Corporation's Stock Option Plan.

The Compensation Committee is currently comprised of Mr. Graeme Currie (Chair), Dr. Mark O'Dea and Mr. Troy Fierro.

During the fiscal period ended December 31, 2018, the Compensation Committee held two meetings on compensation matters.

The Compensation Committee does not specifically consider the implications of risks associated with the Corporation's compensation policies and practices given that the payment on annual cash bonuses has been sporadic and heavily dependent upon the financial stability of the Corporation. The Corporation does not use a formal Bonus Plan with measureable metrics that may be manipulated by an NEO to achieve a compensation objective. Therefore the Compensation Committee does not believe its compensation policies lead to any NEO taking excessive risks.

The Compensation Committee does not prohibit any NEO or director from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by any NEO or director, primarily because such instruments are not readily available for the Corporation's equity securities.

The Corporation follows the practice of compensating its NEOs such that compensation is competitive with peer group companies, allows the Corporation to attract and retain its key employees, and allows the Corporation to compensate based on performance. Pure Gold has adopted a 'pay for performance' philosophy whereby fixed pay is positioned slightly below market-competitive levels while incentive programs are structured to provide above-market total compensation for high levels of performance. This philosophy is linked to the Corporation's business strategy which includes increasing stakeholder value. In addition, the compensation programs aim for simplicity and responsiveness to market changes.

Compensation Philosophy and Principles

The complement of personnel currently assembled at Pure Gold has a successful track-record in the discovery and advancement of high-quality mineral exploration and development assets. The Corporation recognizes that its success will be driven primarily by its people and that its senior management and employees provide Pure Gold with a distinct advantage in a very competitive labour market. As Pure Gold's near-term and long-term successes will depend on its ability to attract and retain highly qualified and motivated executives dedicated to the Corporation's accomplishments, it is necessary to provide appropriate and competitive compensation arrangements.

When determining both compensation policies and individual compensation levels for executive officers, including the CEO, and those individuals employed by Oxygen fulfilling the role of executive officer of the Corporation (individually an "**Executive**" and together, the "**Executives**"), the Compensation Committee takes into consideration a variety of factors. These factors include the overall assessment by each of the Board and the Compensation Committee concerning the Executive's individual performance and that individual's contribution towards meeting corporate objectives and performance goals, levels of responsibility and length of service, level of experience, and industry comparables. The compensation strategy recognizes the need to retain high-calibre executives, to reward performance in achieving annual objectives and to motivate them to remain with the Corporation and enhance Shareholder value.

The Corporation's agreement and relationship with Oxygen (the "**Oxygen Agreement**") also contemplates this need, and is predicated on providing the Corporation with a larger and more talented pool of personnel than Pure Gold alone might otherwise be able to attract and retain, at a total cost to the Corporation that is lower than if those personnel had been hired directly. The Corporation pays Oxygen for the cost of the Oxygen employees allocated to it (plus tax and applicable benefits) pro-rata to time spent on the business of the Corporation. There is no mark-up or additional direct charge to the Corporation from Oxygen under the Oxygen Agreement. The Corporation works closely with Oxygen in establishing the base salary compensation of personnel providing services to Pure Gold.

Unchanged from prior years, the Corporation's compensation philosophy for its Executives can be described as "pay for performance". To provide compensation that is 1) competitive with peer group companies, 2) allows the Corporation to attract and retain its key employees, and 3) allows the Corporation to compensate based on performance.

Executive compensation at Pure Gold is comprised primarily of the following components: (i) annual base salary; (ii) participation in the Stock Option Plan (iii) participation in bonus plans as may be implemented from time to time; and (iv) participation in Pure Gold's extended benefits plans for Executives and other perquisites (with a value less than \$50,000 per annum). The Board considers each component of Executive compensation, when assessing the total compensation package for the Corporation's NEOs. The Board relies heavily on the recommendations of the Compensation Committee and any independent consultants that it retains from time to time to provide analyses, recommendations and benchmarks, having regard to the total compensation levels among comparable companies, to ensure that the Corporation is compensating its Executives fairly and competitively and is able to attract and retain qualified individuals to help the Corporation continue to meet its business plan objectives.

Compensation Consultant

During the fiscal period ended December 31, 2018, the Compensation Committee engaged Lane Caputo Compensation Inc. ("**Lane Caputo**") to provide advice on compensation matters at Pure Gold, particularly to help the Corporation benchmark itself against its peers and provide an independent view of market trends in the industry by position. Lane Caputo is an executive compensation firm specializing in executive and board of director compensation reviews, strategic short and long-term incentive design, executive retention issues and compensation and executive contract issues surrounding mergers and acquisitions. They provide researched and objective advice, supporting clients in their pursuit of practical and defensible pay policies, plans and practices, enhancing shareholder value while recognizing local market pressures.

Lane Caputo was last contracted to provide advice on Pure Gold's compensation practices in the year ended March 31, 2017. As Pure Gold had changed significantly and had advanced its Madsen Project through feasibility, the Compensation Committee wanted current independent metrics to gauge its compensation practices. The Lane Caputo report was delivered to the Compensation Committee in November 2018.

The following table describes the fees paid by the Corporation to any compensation consultant or advisor in each of the two last fiscal years:

	Fiscal period ended December 31, 2018	Fiscal year ended March 31, 2018
Executive Compensation-Related Fees ¹	\$25,200	\$Nil
All Other Fees ²	Nil	Nil
Total	\$25,200	\$Nil

Annual Base Salary

The base salary is based on a benchmark which was determined by a salary survey arranged by Lane Caputo with a selection of junior mining companies³ at the same or similar stage of operations as the Corporation. The positions reviewed were Presidents, CEOs, CFOs, VP Operations, VP, Exploration and Chief Geoscientist for base salary, bonuses, other compensation and stock options.

After the above information is considered a target salary is determined. The target salary is the optimal salary paid to an individual who is proficient, experienced, has sufficient skills and potential and is performing at a high level. The initial salary granted is based on these factors and the Corporation's intention is that each individual will reach the target base salary after satisfactory annual reviews by the Compensation Committee.

As a result of the information from the salary survey and the ongoing transition of the Corporation to a developer / producer, salaries for the NEO's were increased effective January 1, 2019 as follows: Darin Labrenz, President & CEO from \$275,000 to \$400,000, Philip Smerchanski, VP, Exploration from \$210,000 to \$245,000, Sean Tetzlaff, CFO & Secretary from \$210,000 to \$260,000, Ken Donner, VP Operations from \$210,000 to \$300,000 and Chris Lee, Chief Geoscientist from \$190,000 to \$220,000.

Annual Short-term Cash Incentives

Annual cash incentives are granted to individuals based on objectives determined by the Compensation Committee for effort "above and beyond" the ordinary circumstances. Given that the Corporation is a junior company with no source of cash flow other than financings, the objectives can be subjective to a certain degree. The objectives are often based more on the general improvement of the Corporation in terms of successful financings, property acquisitions, property option agreements, establishing control procedures, and other factors as determined by the Compensation Committee. These factors are assessed against the objectives of the Corporation considering the external environment and current business situation. The Compensation Committee meets annually to discuss these objectives with individuals and objectives will be aligned with the position of each individual. The Corporation may satisfy the annual incentives by payment of cash bonuses or stock awards. The Corporation takes into consideration the financial position of the Corporation, especially in when raising financing is difficult, before any cash bonuses are paid.

¹ Represents the aggregate fees billed by each consultant or advisor, or any of its affiliates, for services related to determining compensation for any of the company's directors and executive officers.

² Represents the aggregate fees billed for all other services provided by each consultant or advisor, or any of its affiliates, that are not reported under the heading "Executive Compensation-Related Fees".

³ Peer group selection of mining companies as chosen by Lane Caputo consisted of: Atlantic Gold Inc., Barkerville Gold Mines Ltd., Bear Creek Mining Corp., Continental Gold Ltd., Equinox Gold Corp., Harte Gold Corp., Midas Gold Corp., Orezone Gold Corp., Roxgold Inc., Sabina Gold & Silver Inc., Victoria Gold Corp., and Wesdome Gold Mines Ltd.

In December 2018, the Compensation Committee met to determine factors to use for calculating NEO bonuses for the fiscal period ended December 31, 2018. The Committee felt that share price performance and health, safety and environment were two factors, along with a degree of subjectivity, on which NEOs would be judged, in determining bonus entitlement.

To assess share price performance, it was determined that a comparison to a junior mining index or ETF would be appropriate and the GDXJ - VanEck Vectors Junior Gold Miners ETF (the “**GDXJ**”), was chosen. Health, safety and environment performance would be assessed based on the number of lost time accidents, safety incidents and reportable environmental incidents at the Madsen Gold Property. The following chart outlines the weighting of each of these performance measures to the bonus entitlement for each NEO.

Name and principal position	Share price performance	Health, Safety & Environment	Max. bonus as a percentage of salary	Actual bonus awarded (\$)
Darin Labrenz President & CEO	75%	25%	60%	165,000
Philip Smerchanski VP, Exploration	60%	40%	40%	84,000
Sean Tetzlaff CFO & Secretary	75%	25%	40%	84,000
Ken Donner VP, Operations	50%	50%	40%	84,000
Chris Lee Chief Geoscientist	75%	25%	40%	76,000

For the fiscal period ended December 31, 2018, the Corporation’s share price exceeded the GDXJ by over 28% and the Corporation’s health, safety and environment record was exemplary, with no lost time accidents and full compliance with all environmental obligations for the Madsen Gold Project. The Committee also subjectively looked at the overall improvement in the Corporation and its advancement of the Madsen Gold Project when determining the final amount of cash bonus awarded to each NEO. As a result, the Board awarded the NEOs the maximum bonus applicable for the period. There were no stock incentives issued to NEOs during the fiscal periods ended December 31, 2018, March 31, 2018 or March 31, 2017.

Stock options

Stock options are a particularly important component of compensation in the mining industry where executives and employees need to be aligned with the risk/reward profile of shareholders through participation in share appreciation. The number of stock options granted annually to each position will be near the median levels in the peer group and should be sufficient that, when combined with each position’s other elements of compensation, will allow total direct compensation to achieve above-market positioning for superior share price performance.

The granting of options is segregated into active officers and directors, non-active directors and officers, non-independent directors and independent directors. Non-independent directors are defined for this purpose as directors who also hold an officer position and therefore will not receive additional compensation for holding an office and directorship simultaneously.

The grant is then based on the level of involvement in the Corporation’s affairs and target stock option grants are determined using relevant Compensation Committee member experience, peer comparisons and recommendations on compensation philosophy in the 2018 Lane Caputo report. The philosophy is to grant options based on the involvement, proficiency, experience and performance levels. This target grant is determined by individual and that individual is reviewed annually by the Compensation Committee. The Compensation Committee also assesses whether cash positions have allowed for other forms of compensation.

The Corporation grants overall options based on the total available stock option grant, which is determined by the rules of the TSX Venture Exchange and described below under the heading "Description of Stock Option Plan". The Corporation does consider previous grants of option-based awards when considering new grants. During the fiscal period ended December 31, 2018, the Corporation granted nil options to its NEO's as the Board did not feel that a grant was appropriate until the results of the Corporation's feasibility study for the Madsen Gold Project was published. This did not occur until February 2019.

C. Summary Compensation Table

The following table (presented in accordance with National Instrument Form 51-102F6) contains a summary of the compensation paid to the NEOs during the three most recently completed financial periods.

Name and principal position	Fiscal Period Ended ¹	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) ²	Non-equity incentive plan compensation		Pension value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans (\$)	Long term incentive plans (\$)			
Darin Labrenz President & CEO	Dec 31, 2018	206,250	Nil	Nil	165,000	Nil	Nil	Nil	371,250
	Mar 31, 2018	275,000	Nil	255,131	50,000	Nil	Nil	Nil	580,131
	Mar 31, 2017	218,750	Nil	232,295	100,000	Nil	Nil	Nil	551,045
Philip Smerchanski VP, Exploration	Dec 31, 2018	157,500	Nil	Nil	84,000	Nil	Nil	Nil	241,500
	Mar 31, 2018	210,000	Nil	170,089	42,000	Nil	Nil	Nil	422,089
	Mar 31, 2017	194,167	Nil	238,442	72,000	Nil	Nil	Nil	504,609
Sean Tetzlaff CFO & Secretary	Dec 31, 2018	157,500	Nil	Nil	84,000	Nil	Nil	Nil	241,500
	Mar 31, 2018	210,000	Nil	170,089	25,000	Nil	Nil	Nil	405,089
	Mar 31, 2017	188,333	Nil	154,863	60,000	Nil	Nil	Nil	403,196
Ken Donner VP, Operations	Dec 31, 2018	157,500	Nil	Nil	84,000	Nil	Nil	Nil	241,500
	Mar 31, 2018	202,500	Nil	170,089	40,000	Nil	Nil	Nil	412,589
	Mar 31, 2017	100,000	Nil	306,352	14,500	Nil	Nil	Nil	420,852
Chris Lee Chief Geoscientist	Dec 31, 2018	142,500	Nil	Nil	76,000	Nil	Nil	Nil	218,500
	Mar 31, 2018	190,000	Nil	170,089	20,000	Nil	Nil	Nil	380,089
	Mar 31, 2017	177,501	Nil	207,470	43,500	Nil	Nil	Nil	428,471

¹ The Corporation changed its year end from March 31, to December 31, effective for the fiscal period ended December 31, 2018. Compensation amounts reported for the fiscal period ended December 31, 2018 represents compensation paid during the period of April 1, 2018 to December 31, 2018.

²The Corporation uses the Black-Scholes Option Pricing Model to calculate the grant date fair value of option-based awards. The model requires six key inputs: risk-free interest rate, exercise price of the Option, market price of the Common Shares at date of grant, expected dividend yield, expected life of the Option and share price volatility, all of which, except for the exercise price of the Option and market price of the Common shares at date of grant, are estimates of management. There were no options granted during the nine-month period ended December 31, 2018. The estimates for awards made during prior financial years are described in the corresponding management information circulars of the Corporation for those years.

The total compensation shown in the last column is total compensation of each NEO reported in the other columns. The value of the in-the-money options currently held by each NEO (based on share price less option exercise price) is set forth in the 'Value of Unexercised in-the-money Options' column of the "Outstanding Share-Based and Option-Based Awards" table below.

Employment Agreements

The Corporation entered into an employment agreement with Darin Labrenz dated September 3, 2014, effective April 1, 2014 and amended October 22, 2018. The agreement provides that Mr. Labrenz will provide services to the Corporation in his role as President, CEO and a director of the Corporation for an annual salary of \$200,000. Prior to this date, Mr. Labrenz provided services to the Corporation as an employee at a salary of \$170,000 per annum. Mr. Labrenz's salary was increased by the Board to \$275,000 on January 1, 2017 and to \$400,000 on January 1, 2019.

The Corporation entered into an employment agreement with Mr. Donner dated September 29, 2016 and amended October 22, 2018. The agreement provided that Mr. Donner will provide services to the Corporation in his role as Vice President, Operations of the Corporation for an annual salary of \$200,000. Mr. Donner's salary was increased by the Board to \$210,000 per annum on January 1, 2018 and to \$300,000 on January 1, 2019.

Each of Messrs Tetzlaff, Smerchanski and Lee are employees of Oxygen Capital Corp. and are allocated to the Corporation on a 100% basis. During the fiscal year ended March 31, 2017, Mr. Tetzlaff was paid a salary of \$150,000 which was increased by the Board to \$190,000 per annum on June 7, 2016 on his assumption of the role of Corporate Secretary and to \$210,000 on January 1, 2017 and to \$260,000 on January 1, 2019.

During the fiscal year ended March 31, 2017, Mr. Smerchanski was paid a salary of \$180,000, which was increased by the Board to \$190,000 on May 4, 2016 on his assumption of the role of Vice President, Exploration and then to \$210,000 on January 1, 2017 and to \$245,000 on January 1, 2019.

During the fiscal year ended March 31, 2017, Mr. Lee was paid a salary of \$180,000 which was increased by the Board to \$190,000 on January 1, 2017 and to \$220,000 on January 1, 2019.

The terms of the employment agreements were determined through negotiation between each of the respective NEOs and the Board, with advice from legal counsel, based on industry standards at the time the employment agreements were entered into.

D. Incentive Plan Awards

Outstanding Share-Based and Option-Based Awards

The following table sets out for each NEO, the incentive stock options to purchase common shares of the Corporation (option-based awards) held as of December 31, 2018. The closing price of the Corporation's shares on the TSX Venture Exchange on December 31, 2018 was \$0.65.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date (m/d/y)	Value of unexercised 'in-the-money' options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Darin Labrenz President & CEO	750,000	0.49	Dec/15/22	120,000	Nil	Nil
	750,000	0.44	Dec/21/21	157,500	Nil	Nil
	450,000	0.11	Dec/11/20	243,000	Nil	Nil
	350,000	0.28	Mar/19/20	129,500	Nil	Nil
	1,000,000	0.35	Apr/8/19	300,000	Nil	Nil
Philip Smerchanski VP, Exploration	500,000	0.49	Dec/15/22	80,000	Nil	Nil
	500,000	0.44	Dec/21/21	105,000	Nil	Nil
	200,000	0.63	May/26/21	4,000	Nil	Nil
	250,000	0.11	Dec/11/20	135,000	Nil	Nil
	150,000	0.28	Mar/19/20	55,500	Nil	Nil
	200,000	0.35	Feb/10/20	60,000	Nil	Nil
Sean Tetzlaff CFO & Secretary	100,000	0.35	Apr/8/19	30,000	Nil	Nil
	500,000	0.49	Dec/15/22	80,000	Nil	Nil
	500,000	0.44	Dec/21/21	105,000	Nil	Nil
	250,000	0.11	Dec/11/20	135,000	Nil	Nil
	150,000	0.28	Mar/19/20	55,500	Nil	Nil
	150,000	0.32	May/13/19	49,500	Nil	Nil

	150,000	0.35	Apr/8/19	45,000	Nil	Nil
Ken Donner	500,000	0.49	Dec/15/22	80,000	Nil	Nil
VP, Operations	500,000	0.44	Dec/21/21	105,000	Nil	Nil
	300,000	0.72	Oct 11/21	Nil	Nil	Nil
Chris Lee	500,000	0.49	Dec/15/22	80,000	Nil	Nil
Chief Geoscientist	400,000	0.44	Dec/21/21	84,000	Nil	Nil
	200,000	0.63	May 26/21	4,000	Nil	Nil
	100,000	0.11	Dec/11/20	54,000	Nil	Nil
	100,000	0.35	Apr/8/19	30,000	Nil	Nil

Value of Share-Based and Option-Based Awards Vested or Earned During the Year

Name	Option-based awards – Value vested during the year (\$) ^(a)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Darin Labrenz President & CEO	149,000	N/A	Nil
Philip Smerchanski VP, Exploration	92,833	N/A	Nil
Sean Tetzlaff CFO & Secretary	90,833	N/A	Nil
Ken Donner VP, Operations	48,333	N/A	Nil
Chris Lee Chief Geoscientist	61,000	N/A	Nil

The

following table sets forth, for each NEO, the values of all incentive plan awards which vested or were earned during the period ended December 31, 2018.

(a) Represents the dollar value that would have been realized from Options if the Options that vested during the nine months ended December 31, 2018 had been exercised on the applicable vesting date. This is calculated by multiplying the number of Options that vested during the nine months ended December 31, 2018 by the difference between the closing price of the Common Shares on the TSX Venture Exchange on the date of vesting and the exercise price of the Options.

Narrative Discussion of Option-based Awards

There were no option-based awards granted or exercised during the fiscal period ended December 31, 2018 by any NEO.

The following option-based awards were granted during the Corporation's last completed fiscal period to the NEOs.

NAMED EXECUTIVE OFFICERS	Securities Under Options Granted (#)	Exercise Price (\$/Security)	Market Value of Securities Underlying Options on the Date of Grant (\$/Security)
Darin Labrenz President & CEO	Nil	Not applicable	Not applicable
Philip Smerchanski VP Exploration	Nil	Not applicable	Not applicable
Sean Tetzlaff CFO & Secretary	Nil	Not applicable	Not applicable
Ken Donner VP, Operations	Nil	Not applicable	Not applicable
Chris Lee Chief Geoscientist	Nil	Not applicable	Not applicable

E. Pension Plan Benefits

The Corporation does not have a pension plan or deferred compensation plan.

F. Termination and Change of Control Benefits

The Corporation has entered into agreements directly with Darin Labrenz and Ken Donner. Messrs Tetzlaff, Smerchanski and Lee are employed by Oxygen Capital Corp. a corporation that provides technical and administrative services to the Corporation. See “Employment Agreements” above.

Darin Labrenz

Under Mr. Labrenz’s employment agreement, termination of employment without cause entitles Mr. Labrenz to receive any unpaid salary, an additional lump sum amount equal to two (2) weeks plus one month per completed year of service calculated from the date of employment to a maximum of twelve (12) months. Any outstanding stock options shall remain in full force and effect in accordance with the original terms thereof, whether or not vested until the earlier of their normal expiry or such earlier time as determined by the Board of Directors. The Corporation would continue to pay benefits for Mr. Labrenz until the earlier of six months from termination or the date at which Mr. Labrenz obtained similar benefits through other employment. The Corporation would also pay Mr. Labrenz an amount equal to six months of his long term disability insurance premiums.

Termination with cause entitles Mr. Labrenz to receive only any unpaid salary plus an amount of any accrued unpaid vacation pay to the date of termination and the amount, if any, of any other compensation payable to him which has not been paid.

By way of an amendment to his employment agreement dated October 22, 2018, in the event of a “Change of Control” of the Corporation, Mr. Labrenz shall be entitled to a lump sum payment equal to 36 months of his base salary plus the cost of his benefits. Additionally, he shall be entitled to a bonus payment equal to three (3) times the average bonus paid in the previous two years.

Ken Donner

Under Mr. Donner’s employment agreement, termination of employment without cause entitles Mr. Donner to receive any unpaid salary, an additional lump sum amount equal to two (2) weeks plus one month per completed year of service calculated from the date of employment to a maximum of twelve (12) months. Any outstanding stock options shall remain in full force and effect in accordance with the original terms thereof, whether or not vested until the earlier of their normal expiry or such earlier time as determined by the Board of Directors. The Corporation would continue to pay benefits for Mr. Donner for the duration of the severance period.

Termination with cause entitles Mr. Donner to receive only any unpaid salary plus an amount of any accrued unpaid vacation pay to the date of termination and the amount, if any, of any other compensation payable to him which has not been paid.

By way of an amendment to his employment agreement dated October 22, 2018, in the event of a “Change of Control” of the Corporation, Mr. Donner shall be entitled to a lump sum payment equal to 24 months of his base salary plus the cost of his benefits. Additionally, he shall be entitled to a bonus payment equal to two (2) times the average bonus paid in the previous two years.

Philip Smerchanski

Mr. Smerchanski and the Corporation entered into a Change of Control agreement on April 1, 2014 and amended October 22, 2018. Pursuant to the amended agreement, in the event of a “Change of Control” of the Corporation, Mr. Smerchanski shall be entitled to a lump sum payment equal to 24 months of his base salary plus the cost of his benefits. Additionally, he shall be entitled to a bonus payment equal to two (2) times the average bonus paid to him in the previous two years.

Any outstanding unvested Options shall immediately vest on a Change of Control and any unexercised portion of such Options shall therefore be exercisable for a term that is the lesser of (i) two years after the Change of Control and (ii) the remaining term of such Options.

Sean Tetzlaff

Mr. Tetzlaff and the Corporation entered into a Change of Control agreement on May 13, 2014 and amended October 22, 2018. Pursuant to the amended agreement, in the event of a "Change of Control" of the Corporation, Mr. Tetzlaff shall be entitled to a lump sum payment equal to 24 months of his base salary plus the cost of his benefits. Additionally, he shall be entitled to a bonus payment equal to two (2) times the average bonus paid to him in the previous two years.

Any outstanding unvested Options shall immediately vest on a Change of Control and any unexercised portion of such Options shall therefore be exercisable for a term that is the lesser of (i) two years after the Change of Control and (ii) the remaining term of such Options.

Chris Lee

Mr. Lee and the Corporation entered into a Change of Control agreement on May 17, 2016 and amended October 22, 2018. Pursuant to the amended agreement, in the event of a "Change of Control" of the Corporation, Mr. Lee shall be entitled to a lump sum payment equal to 24 months of his base salary plus the cost of his benefits. Additionally, he shall be entitled to a bonus payment equal to two (2) times the average bonus paid to him in the previous two years.

Any outstanding unvested Options shall immediately vest on a Change of Control and any unexercised portion of such Options shall therefore be exercisable for a term that is the lesser of (i) two years after the Change of Control and (ii) the remaining term of such Options.

For purposes of the above NEO contracts, a "Change of Control" is defined as the occurrence of any of the following events or transactions:

- a) the Corporation sells, transfers or otherwise disposes of all or substantially all (90% or more) of its assets;
- b) any person, or combination of persons acting jointly in concert by virtue of an agreement, arrangement, commitment or understanding, by virtue of a takeover bid as that term is defined in the Securities Act (Ontario) or otherwise, acquires from a person or persons other than the Corporation 50% or more of the voting rights attached to all outstanding voting securities of the Corporation;
- c) a merger, amalgamation, arrangement, consolidation, reorganization or transfer takes place in which securities of the Corporation possessing more than 50% of the total combined voting power of the Corporation's outstanding voting securities are acquired by a person or persons different from the persons holding those voting securities immediately prior to such event, and the composition of the Board following such event is such that the directors of the Corporation prior to the transaction constitute less than 50% of the Board membership following the event;
- d) individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date of this Agreement, whose election, or nomination for election by the Corporation's shareholders, was approved by a vote of at least two-thirds of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened proxy contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the management or the Board of the Corporation; or
- e) any person or any combination of persons acting jointly or in concert by virtue of an agreement, arrangement, commitment or understanding acquires, directly or indirectly, the right to appoint a majority of the directors of the Corporation.

Compensation of Directors

The Board, on the recommendation of the Compensation Committee, reviews and approves changes to the Corporation's director compensation arrangements from time to time to ensure they remain competitive in light of the time commitments required from directors, and align directors' interests with those of Shareholders. Directors who are not

officers or employees of the Corporation or any of its subsidiaries are compensated for their services as directors through annual retainer fees and Options issuable from time to time under the Stock Option Plan based on the recommendations of the Compensation Committee.

For the fiscal period ended December 31, 2018, non-executive directors of the Corporation (other than the Chair and Dr. Mark O'Dea, as discussed below) were paid a base retainer fee of C\$35,000 per annum. The Chair of the Audit Committee and Compensation Committee received an additional \$10,000 and \$5,000 per annum, respectively. These amounts are consistent with prior years as no increase to director compensation was recommended by the 2018 Lane Caputo report

In February 2018, on the advice of the Compensation Committee, the Board authorized an increase in the annual base compensation for Mr. Graeme Currie (Chair) and Dr. Mark O'Dea to \$150,000 and \$135,000 per annum, respectively, to better reflect the considerable time and effort spent by these individuals marketing and promoting the Corporation and their significant contribution in helping finance the Corporation.

Directors are also reimbursed for reasonable out-of-pocket expenses incurred in attending meetings or otherwise carrying out their duties as directors of the Corporation.

The following table describes director compensation for non-NEO directors for the fiscal periods ended December 31, 2018, and March 31, 2018 and 2017.

Name ¹	Fiscal period ended ¹	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$) ²	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other Compensation (\$)	Total (\$)
Graeme Currie	Dec 31, 2018	120,000	Nil	Nil	Nil	Nil	Nil	120,000
	Mar 31, 2018	160,000	Nil	170,087	Nil	Nil	Nil	330,087
	Mar 31, 2017	58,750	Nil	154,863	Nil	Nil	Nil	213,613
Dr. Mark O'Dea	Dec 31, 2018	101,250	Nil	Nil	Nil	Nil	Nil	101,250
	Mar 31, 2018	135,000	Nil	136,070	Nil	Nil	Nil	271,070
	Mar 31, 2017	33,750	Nil	123,891	Nil	Nil	Nil	157,641
Lenard Boggio	Dec 31, 2018	33,750	Nil	Nil	Nil	Nil	Nil	33,750
	Mar 31, 2018	45,000	Nil	102,053	Nil	Nil	Nil	147,053
	Mar 31, 2017	35,000	Nil	92,918	Nil	Nil	Nil	130,418
Troy Fierro	Dec 31, 2018	26,250	Nil	Nil	Nil	Nil	Nil	26,250
	Mar 31, 2018	35,000	Nil	102,053	Nil	Nil	Nil	137,053
	Mar 31, 2017	25,000	Nil	92,918	Nil	Nil	Nil	120,418
Robert Pease	Dec 31, 2018	26,250	Nil	Nil	Nil	Nil	Nil	26,250
	Mar 31, 2018	35,000	Nil	102,053	Nil	Nil	Nil	137,053
	Mar 31, 2017	27,500	Nil	92,918	Nil	Nil	Nil	120,418

¹ The Corporation changed its year end from March 31, to December 31, effective for the fiscal period ended December 31, 2018. Compensation amounts reported for the fiscal period ended December 31, 2018 represents compensation paid during the period of April 1, 2018 to December 31, 2018.

²The Corporation uses the Black-Scholes Option Pricing Model to calculate the grant date fair value of option-based awards. The model requires six key inputs: risk-free interest rate, exercise price of the Option, market price of the Common Shares at date of grant, expected dividend yield, expected life of the Option and share price volatility, all of which, except for the exercise price of the Option and market price of the Common shares at date of grant, are estimates of management. There were no options granted during the nine-month period ended December 31, 2018. The estimates for awards made during prior financial years are described in the corresponding management information circulars of the Corporation for those years.

The value of the in-the-money options currently held by each director (based on share price less option exercise price) is set forth in the 'Value of Unexercised in-the-money Options' column of the "Outstanding Share-Based and Option-Based Awards" table below.

Other than participation in the Corporation's stock option plan, the Corporation has no arrangements, standard or otherwise pursuant to which directors are compensated by the Corporation 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 Circular.

Share-Based and Option-based Awards to Directors

The following table sets out for each non-NEO director the incentive stock options to purchase common shares of the Corporation (option-based awards) held as of December 31, 2018. The closing price of the Corporation's shares on the TSX Venture Exchange on December 31, 2018 was \$0.65.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date (m/d/y)	Value of unexercised 'in-the-money' options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Graeme Currie	600,000	0.35	Apr/8/19	180,000	Nil	Nil
	450,000	0.11	Dec/11/20	243,000	Nil	Nil
	500,000	0.44	Dec/21/21	105,000	Nil	Nil
	500,000	0.49	Dec/15/22	80,000	Nil	Nil
Dr. Mark O'Dea	500,000	0.35	Apr/8/19	150,000	Nil	Nil
	450,000	0.11	Dec/11/20	243,000	Nil	Nil
	400,000	0.44	Dec/21/21	84,000	Nil	Nil
	400,000	0.49	Dec/15/22	64,000	Nil	Nil
Lenard Boggio	300,000	0.35	Apr/8/19	90,000	Nil	Nil
	250,000	0.11	Dec/11/20	135,000	Nil	Nil
	300,000	0.44	Dec/21/21	63,000	Nil	Nil
	300,000	0.49	Dec/15/22	48,000	Nil	Nil
Troy Fierro	300,000	0.35	Apr/8/19	90,000	Nil	Nil
	250,000	0.11	Dec/11/20	135,000	Nil	Nil
	300,000	0.44	Dec/21/21	63,000	Nil	Nil
	300,000	0.49	Dec/15/22	48,000	Nil	Nil
Robert Pease	300,000	0.35	Apr/8/19	90,000	Nil	Nil
	250,000	0.11	Dec/11/20	135,000	Nil	Nil
	300,000	0.44	Dec/21/21	63,000	Nil	Nil
	300,000	0.49	Dec/15/22	48,000	Nil	Nil

Value of Share-Based and Option-Based Awards Vested or Earned During the Year

The following table sets forth, for each non-NEO director, the values of all incentive plan awards which vested or were earned during the year ended December 31, 2018.

Name	Option-based awards – Value vested during the year	Share-based awards – Value vested during the year	Non-equity incentive plan compensation – Value earned during the year

	(\$) ⁽¹⁾	(\$)	(\$)
Graeme Currie	Nil	Nil	Nil
Dr. Mark O'Dea	Nil	Nil	Nil
Lenard Boggio	Nil	Nil	Nil
Troy Fierro	Nil	Nil	Nil
Robert Pease	Nil	Nil	Nil

⁽¹⁾ Represents the dollar value that would have been realized from Options if the Options that vested in the nine-month period ended December 31, 2018 had been exercised on the applicable vesting date. This is calculated by multiplying the number of Options that vested during nine-month period ended December 31, 2018 by the difference between the closing price of the Common Shares on the TSX Venture Exchange on the date of vesting and the exercise price of the Options.

Narrative Discussion of Option-based Awards

There were no option-based awards exercised during the Corporation's last completed financial year by any non-NEO director.

The following option-based awards were granted during the Corporation's last completed financial year to each non-NEO director.

Director	Securities Under Options Granted (#)	Exercise or Base Price (\$/Security)	Market Value of Securities Underlying Options on the Date of Grant (\$/Security)
Graeme Currie	Nil	N/A	N/A
Dr. Mark O'Dea	Nil	N/A	N/A
Lenard Boggio	Nil	N/A	N/A
Troy Fierro	Nil	N/A	N/A
Robert Pease	Nil	N/A	N/A

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth the Corporation's compensation plans under which equity securities are authorized for issuance as at the end of the most recently completed financial year.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	18,450,000 ⁽¹⁾	\$0.39 ⁽²⁾	7,184,105 ⁽³⁾
Equity compensation plans not approved by security holders	NIL	NIL	NIL
Total	18,291,666	\$0.39	4,040,272

Notes:

- ⁽¹⁾ Represents approximately 7.2% of the Corporation's outstanding share capital as at December 31, 2018.
- ⁽²⁾ The weighted average exercise price of the outstanding options is calculated based on the weighted average exercise price of the outstanding options underlying each grant as of December 31, 2018.
- ⁽³⁾ Equal to the difference between 10% of the issued and outstanding shares at December 31, 2018 and the number of outstanding stock options at December 31, 2018.

Description of Stock Option Plan

The Board has established an incentive stock option plan (the "Option Plan"). The purpose of the Option Plan is to attract and motivate the directors, officers and employees of the Corporation (and any of its subsidiaries), employees of any management corporation and consultants to the Corporation (collectively the "Optionees") and thereby advance the Corporation's interests by providing them an opportunity to acquire an equity interest in the Corporation through the exercise of stock options granted to them under the Option Plan.

Pursuant to the Option Plan, the Board may grant options to Optionees in consideration of them providing their services to the Corporation or a subsidiary. The number of shares subject to each option is determined by the Board within the guidelines established by the Option Plan. The options enable the Optionees to purchase shares of the Corporation at a price fixed pursuant to such guidelines. The options are exercisable by the Optionee giving the Corporation notice and payment of the exercise price for the number of shares to be acquired.

The Plan authorizes the Board to grant stock options to the Optionees on the following terms:

1. The number of shares subject to issuance pursuant to outstanding options, in the aggregate, cannot exceed 10% of the Corporation's issued shares.
2. The number of shares subject to issuance upon the exercise of options granted under the Option Plan by one Optionee or all Optionees providing investor relations services is subject to the following limitations
 - (a) no Optionee can be granted options during a 12 month period to purchase more than
 - (i) 5% of the issued shares of the Corporation unless disinterested shareholder approval has been obtained (such approval has not been sought), or
 - (ii) 2% of the issued shares of the Corporation, if the Optionee is a consultant, and
 - (b) the aggregate number of shares subject to options held by all Optionees providing investor relations services cannot exceed 2% in the aggregate.
3. Unless the Option Plan has been approved by disinterested shareholders (such approval has not been obtained), options granted under the Option Plan, together with all of the Corporation's previously established and outstanding stock options, stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of its shares, shall not result, at any time, in
 - (a) the number of shares reserved for issuance pursuant to stock options granted to insiders exceeding 10% of the shares outstanding at the time of granting,
 - (b) the grant to insiders as a group, within a one year period, of options to purchase that number of shares exceeding 10% of the outstanding shares, or
 - (c) the issuance to any one insider and such insider's associates, within a one year period, of shares totalling in excess of 5% of the outstanding shares.
4. The exercise price of the options cannot be set at less than the closing trading price of the Corporation's shares on the day before the granting of the stock options.
5. The options may be exercisable for up to ten years.
6. There are not any vesting requirements unless the Optionee is a consultant providing investor relations services to the Corporation, in which case the options must vest over at least 12 months with no more than one-quarter vesting in any three month period. However, the Board may impose additional vesting requirements and, subject to obtaining any required approval from the TSX Venture Exchange (the "Exchange"), may authorize all unvested options to vest immediately. If there is a 'change of control' of the Corporation (due to a take-over bid being made for the Corporation or similar events), all unvested options, subject to obtaining any required approval from the Exchange, shall vest immediately.

7. The options can only be exercised by the Optionee (to the extent they have already vested) for so long as the Optionee is a director, officer or employee of, or consultant to, the Corporation or any subsidiary or is an employee of the Corporation's management corporation and within a period thereafter not exceeding the earlier of:
- (a) the original expiry date;
 - (b) 90 days after ceasing to be a director, officer or employee of, or consultant to, the Corporation at the request of the Board or for the benefit of another director or officer; and
 - (c) if the Optionee dies, within one year from the Optionee's death.

If the Optionee is terminated 'for cause', involuntarily removed or resigns (other than at the request of the Board or for the benefit of another director or officer) from any of such positions the option will terminate concurrently.

8. The options are not assignable except to a wholly-owned holding corporation.
9. Disinterested shareholder approval must be obtained prior to the reduction of the exercise price of options granted to insiders of the Corporation.

Any amendments to the Option Plan or outstanding stock options are subject to the approval of the Exchange and, if required by the Exchange, of the shareholders of the Corporation, possibly with only 'disinterested shareholders entitled to vote. The amendment to an outstanding stock option will also require the consent of the Optionee.

No options have been granted under the Option Plan which remain subject to shareholder approval.

The Plan does not permit stock options to be transformed into stock appreciation rights.

PART IV: STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Corporate Governance Disclosure

National Instrument 58-101 *Disclosure of Corporate Governance Practices* of the Canadian securities administrators requires the Corporation to annually disclose certain information regarding its corporate governance practices. That information is disclosed below.

1. Board of Directors

The Board has determined Graeme Currie, Dr. Mark O'Dea, Lenard Boggio, Troy Fierro and Robert Pease to be "independent" based upon the tests for independence set forth in National Instrument 52-110 *Audit Committees*. As President and CEO, Mr. Darin Labrenz is a current member of Management and thus is not considered to be independent.

The Board approves and supervises all significant decisions of the Corporation and reviews the results.

The Board is actively involved in the Corporation's strategic planning process. The Board discusses and reviews all materials relating to strategic and operating plans with Management. The Board is responsible for reviewing and approving strategic operating plans and budgets. Management must seek Board approval for any transaction that would have a significant impact on the strategic plan.

The Board is responsible for selecting the President and Chief Executive Officer and appointing senior management and for monitoring their performance. The Board delegates to management responsibility for, among other things, meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Corporation's business, evaluating new business opportunities and complying with applicable regulatory requirements.

The Board periodically reviews the Corporation's business and implementation of appropriate systems to manage any associated risks, communications with investors and the financial community and the integrity of the Corporation's internal control and management information systems. The Board also monitors the Corporation's compliance with timely disclosure obligations and reviews material disclosure documents prior to distribution. The Board has recently adopted a disclosure policy to ensure the accurate and timely communications of all important information to the investing public.

2. Directorships

Certain of the directors are presently a director of one or more other reporting issuers (public companies), as follows:

Director	Other Issuers
Darin Labrenz	N/A
Graeme Currie	Balmoral Resources Ltd.
Dr. Mark O'Dea	Liberty Gold Corp. Discovery Metals Corp. Sun Metals Corp.
Lenard Boggio	Equinox Gold Corp. Titan Mining Corporation Sprott Resource Holdings Inc.
Troy Fierro	N/A
Robert Pease	Liberty Gold Corp. Endurance Gold Corporation Libero Mining Corp. FPX Nickel Corp

3. Orientation and Continuing Education

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

- a) information respecting the functioning of the Board of Directors, committees and copies of the Corporation's corporate governance policies;
- b) access to recent, publicly filed documents of the Corporation's technical reports and the Corporation's internal financial information;
- c) access to management and technical experts and consultants; and
- d) a summary of significant corporate and securities responsibilities.

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 Corporation's operations. Board members have full access to the Corporation's records.

4. Ethical Business Conduct

The Board has responsibility for the stewardship of the Corporation including responsibility for strategic planning, identification of the principal risks of the Corporation's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Corporation's internal control and management information systems. To facilitate meeting this responsibility, the Board of Directors seeks to foster a culture of ethical conduct by striving to ensure the Corporation carries out its business in line with high business and moral standards and applicable legal and financial requirements. In that regard, the Board

- has adopted a written Code of Business Conduct and Ethics (the "Code") for its directors, officers, employees and consultants.
- has established a Whistleblower Policy which details complaint procedures for financial concerns.
- encourages management to consult with legal and financial advisors to ensure the Corporation is meeting those requirements.
- is cognizant of the Corporation's timely disclosure obligations and reviews material disclosure documents such as financial statements, Management's Discussion & Analysis (MD&A) and press releases prior to their distribution.
- actively monitors the Corporation's compliance with the Board's directives and ensures that all material transactions are thoroughly reviewed and authorized by the Board before being undertaken by management.

The Board must also comply with the conflict of interest provisions of the British Columbia *Business Corporations Act*, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

5. Nomination of Directors

The Board has responsibility for identifying potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other facts. Members of the Board and representatives of the mining industry are consulted for possible candidates.

6. Board Committees

The Board has established the following committees. See "Election of Directors – Nominees and Qualifications" for the members of these committees. The functions of these committees are described below.

Compensation Committee: The Compensation Committee is responsible for the review of all compensation (including stock options) paid by the Corporation to the Board of Directors, senior management and employees of the Corporation, to report to the Board of Directors on the results of those reviews and to make recommendations to the Board for

adjustments to such compensation.

The policy used by the Committee in determining compensation is that the compensation should (i) reflect the Corporation's current state of development, (ii) reflect the Corporation's performance, (iii) reflect individual performance, and (iv) in respect of the executives, align their interests with those of the shareholders, and (v) assist the Corporation in retaining key individuals. The main elements of the executive compensation consists of base remuneration and incentive stock options which rewards executives for delivering value to the Corporation's shareholders through measurable increases in the value of the Corporation's common shares or asset base.

The Compensation Committee is comprised of a majority of independent directors.

The members of the Compensation Committee have a range of skills and experience which the Corporation believes provides the expertise necessary to make decisions on the Corporation's executive compensation policies and practices. Their relevant experience is set out in their respective biographies under the heading "Election of Directors – Nominees and Qualifications". In addition, the Compensation Committee has retained input from independent outside consultants as necessary.

Corporate Governance Committee: The Corporate Governance Committee is responsible for advising the Board of Directors of the appropriate corporate governance procedures that should be followed by the Corporation and the Board and monitoring whether they comply with such procedures. The Corporate Governance Committee is comprised of a majority of independent directors.

During the year ended December 31, 2018, the Board dealt directly with matters that would otherwise have been reviewed by the Corporate Governance Committee.

Audit Committee: The Audit Committee is described in the next section. The Audit Committee is composed of a majority of independent directors.

Health, Safety & Environment Committee: was established on May 8, 2017, is responsible for assisting the Board in fulfilling its oversight responsibilities relating to monitoring sustainable development practices, and the development and implementation of any environmental, health and safety policies of the Corporation. The Health, Safety & Environment Committee is made up of a majority of independent directors and the Corporation's, President & CEO.

7. Assessments

The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions.

8. Nomination

The Board determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members and the President.

Audit Committee

National Instrument 52-110 *Audit Committees* ("NI 52-110") requires the Corporation's Audit Committee to meet certain requirements. It also requires the Corporation to disclose in this Circular certain information regarding the Audit Committee. That information is disclosed below.

Overview

The Audit Committee of the Corporation's Board of Directors is principally responsible for:

- recommending to the Corporation's Board of Directors the external auditor to be nominated for election by the Corporation's shareholders at each annual general meeting and negotiating the compensation of such external auditor.

- overseeing the work of the external auditor.
- reviewing the Corporation's annual and interim financial statements, Management Discussion & Analysis (MD&A) and press releases regarding earnings before they are reviewed and approved by the Board of Directors and publicly disseminated by the Corporation.
- reviewing the Corporation's financial reporting procedures and internal controls to ensure adequate procedures are in place for the Corporation's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph.

The Audit Committee's Charter

The Corporation's Board of Directors have adopted a Charter for the Audit Committee which sets out the Committee's mandate, organization, powers and responsibilities. The complete Charter is attached as Schedule 1 to this Circular.

Composition of the Audit Committee

The Audit Committee consists of three directors.

The following table sets out the names of the members of the Audit Committee and whether they are "independent" and "financially literate" for the purpose of NI 52-110.

Name of Member	Independent ⁽¹⁾	Financially Literate ⁽²⁾
Lenard Boggio	Yes	Yes
Graeme Currie	Yes	Yes
Troy Fierro	Yes	Yes

⁽¹⁾ Pursuant to NI 52-110, to be considered independent, a member of the Committee must not have any direct or indirect 'material relationship' with the Corporation. A material relationship is a relationship which could, in the view of the Board of Directors of the Corporation, reasonably interfere with the exercise of a member's independent judgment.

⁽²⁾ Pursuant to NI 52-110, to be considered financially literate, a member of the Committee must have 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.

Relevant Education and Experience

The education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

- an understanding of the accounting principles used by the Corporation to prepare its financial statements;
- the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more persons engaged in such activities; and
- an understanding of internal controls and procedures for financial reporting, are as follows:

Name of Member	Experience
Lenard Boggio	Formerly Partner, PwC (and prior Coopers & Lybrand) where he worked from 1982 until his retirement from the firm in 2012. He qualified as a Chartered Accountant in 1985. He was Leader of the B.C. Mining Group of PwC, a senior member of PwC's Global Mining Industry Practice and an audit practitioner for publicly listed Canadian, U.S. and U.K. mineral resource and energy clients. The scope of his clients' activities included exploration, development and production stage operations in the Americas, Africa, Europe and Asia.

Graeme Currie	Formerly Director, Investment Banking at Canaccord Genuity Limited from 1983 until retirement in August 2012. Prior to his role in Investment Banking he was employed in the Research Department for over 22 years achieving the position of Senior Mining Analyst, specifically focused on coverage of the junior mining sector.
Troy Fierro	Mining engineer with over 30 years of industry experience. Formerly held executive positions with Fronteer Gold Inc., Metallica Resources Inc., and Coeur d'Alene Mines, where he has overseen the development, construction or management of mines in Nevada, Mexico, Argentina, Chile, and Alaska. Formerly director of Grayd Resources, Timberline Resources, Gold Canyon Resources and ORLA Mining.

Complaints

The Audit Committee has a "Whistleblower Policy" which outlines procedures for the confidential, anonymous submission by employees regarding the Corporation's accounting, auditing and financial reporting obligations, without fear of retaliation of any kind. If an applicable individual has any concerns about accounting, audit, internal controls or financial reporting matters which they consider to be questionable, incorrect, misleading or fraudulent, the applicable individual is urged to come forward with any such information, complaints or concerns, without regard to the position of the person or persons responsible for the subject matter of the relevant complaint or concern.

The applicable individual may report their concern in writing and forward it to the Chair of the Audit Committee in a sealed envelope labelled "*To be opened by the Audit Committee only.*" Further, if the applicable individual wishes to discuss any matter with the Audit Committee, this request should be indicated in the submission. Any such envelopes received by the Corporation will be forwarded promptly and unopened to the Chair of the Audit Committee.

Promptly following the receipt of any complaints submitted to it, the Audit Committee will investigate each complaint and take appropriate corrective actions.

The "Whistleblower Policy" will be reviewed by the Audit Committee on a periodic basis.

Audit Committee Oversight

Since the commencement of the Corporation's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Corporation's Board of Directors.

Reliance on Exemptions in NI 52-110 regarding *De Minimis* Non-audit Services or on a Regulatory Order Generally

Since the commencement of the Corporation's most recently completed financial year, the Corporation has not relied on the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 (which exempts all non-audit services provided by the Corporation's auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Corporation, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit) or an exemption from NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in under the heading "External Auditors" in the Audit Committee Charter attached hereto.

External Auditor Service Fees (By Category)

The following table discloses the fees billed to the Corporation by its external auditor during the last two financial years.

Fiscal Period Ended	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
December 31, 2018	\$54,100	\$Nil	\$Nil	\$1,767
March 31, 2018	\$75,700	\$Nil	\$Nil	\$7,535

- 1) The aggregate fees billed by the Corporation's auditor for audit fees to date.
- 2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not disclosed in the 'Audit Fees' column.
- 3) The aggregate fees billed for professional services rendered by the Corporation's auditor for tax compliance, tax advice, and tax planning.
- 4) The aggregate fees billed for professional services other than those listed in the other three columns.

Reliance on Exemptions in NI 52-110 regarding Audit Committee Composition & Reporting Obligations

Since the Corporation is a Venture Issuer it is relying on the exemption contained in section 6.1 of NI 52-110 from the requirements of Part 5 *Reporting Obligations* (which requires certain prescribed disclosure about the Audit Committee in this Circular) and Part 3 *Composition of the Audit Committee* of NI 52-110.

PART V: OTHER INFORMATION

Technical and Management Services Agreement

On March 17, 2014, the Corporation entered into the Oxygen Agreement with Oxygen, a privately held corporation incorporated in British Columbia (of which Dr. O'Dea and Mr. Tetzlaff are directors). The agreement was amended October 1, 2017, to reflect the Corporation's need for committed office space. Pursuant to the Oxygen Agreement, Oxygen provides technical and administrative services on a cost recovery basis. Oxygen does not earn any revenue as a result of its relationship with the Corporation. Oxygen's office is located at Suite 1900, 1055 West Hastings Street, Vancouver B.C. Canada V6E 2E9 (the "**Oxygen Office**"). Under the terms of the Oxygen Agreement, and without limiting or abrogating the duties of the Corporation's President and Chief Executive Officer, or its Chief Financial Officers, Oxygen provides the Corporation:

- access to, and the use of the assets contained in, the Oxygen Office as a "Shared Facility"; and
- services, staff and expertise as determined necessary by Chief Executive Officer or its Chief Financial Officer.

The Oxygen Agreement is intended to provide the Corporation with a number of technical and administrative services and access, on an as-needed basis, to Oxygen's roster of geologists, mining engineers, investor relations and financial professionals (the "**Oxygen Talent**") that would not necessarily otherwise be available to the Corporation at this stage of the Corporation's development. Access to the Oxygen Talent and Oxygen Office is also generally at a lower cost than would otherwise be available to the Corporation if it had to seek out and engage such persons or contract for such administrative and office services on a full time basis. Oxygen has no management role in the Corporation.

Costs of Management Services

Shared Facilities and General and Administration charges

The allocation of Oxygen Office costs to the Corporation is determined on a monthly basis, based on actual costs incurred by Oxygen for operation of the Oxygen Office (the "**G&A Overhead Charge**"). The G&A Overhead Charge allocated to the Corporation reflects the number of individuals providing services to the Corporation relative to the overall number of individuals providing services to other entities serviced by Oxygen that have access to the Oxygen Office.

There is no prescribed incremental fee, mark-up on actual costs incurred by Oxygen, or additional charge paid by the Corporation to Oxygen, or any of Oxygen's directors in connection with the technical and administrative services received. The G&A Overhead Charge reflects an allocation to the Corporation of the actual cost paid by Oxygen to third-parties for services (plus applicable tax) and an allocation of the wages and employment benefits paid to the employees of Oxygen providing services to the Corporation. **Oxygen does not make any profit on this arrangement.** The total G&A Overhead Charge for the nine-month period ended December 31, 2018 was \$1,508,921 (year ended March 31, 2018 - \$1,574,696). Messrs. Tetzlaff, Smerchanski and Lee receive remuneration directly from Oxygen, as noted in this Circular in their capacity as NEOs; they do not receive any additional compensation from Oxygen in any other capacity.

Oxygen is required to prepare and deliver to the Corporation an annual budget, including an estimate of the G&A Overhead Charge, and costs for employee salaries. In the event that Oxygen anticipates that the total annual costs of providing services pursuant to the Oxygen Agreement will exceed the costs outlined in the annual budget by greater than 15%, Oxygen is required to use commercially reasonable efforts to inform the Corporation in writing of such increased costs as soon as it become aware of such cost.

Employees

Messrs. Tetzlaff, Smerchanski and Lee employees of Oxygen and receive their remuneration for their services directly from Oxygen. Accordingly, and as noted in this Circular, remuneration for Messrs. Tetzlaff, Smerchanski and Lee, have been disclosed as if each was directly employed by the Corporation. The total cost to the Corporation through the fiscal period ended December 31, 2018 for the Oxygen Talent was \$875,457 (March 31, 2018 - \$849,142). The Corporation

received services from 9 employees of Oxygen in the fiscal period ended December 31, 2018 (year ended March 31, 2018 – 9).

Termination of the Oxygen Agreement and Indemnification

The Oxygen Agreement is for an initial term of three years, and shall be automatically renewed from time to time thereafter for additional terms of one year unless otherwise terminated. The Oxygen Agreement may be terminated by either party giving at least 180 days' prior written notice of such termination, or immediately in the event of (i) the commission by Oxygen of any fraudulent act, or (ii) upon a wind-up liquidation, dissolution, bankruptcy, sale of substantially all assets, sale of business or if insolvency proceeding have been commenced or are being contemplated by Oxygen. Notwithstanding any termination of the Oxygen Agreement, the Corporation will continue to be bound by any agreements contracted on its behalf by Oxygen prior to termination, and has indemnified Oxygen in connection with the due performance of such agreements.

Security Deposit

Oxygen operates on a cost recovery basis and does not maintain a treasury balance sufficient to deliver access to the administrative and technical resources it provides. Accordingly, pursuant to the Oxygen Agreement, the Corporation has paid to Oxygen a security deposit (the “**Security Deposit**”) equal to an estimated amount of three months of administrative and technical services. This Security Deposit allows Oxygen to manage its invoicing and payment cycle with its suppliers and personnel while continuing to provide services to the Corporation.

As at December 31, 2018, the Security Deposit totaled \$305,280 (March 31, 2018 - \$305,280). The Security Deposit will be applied to the last invoice, and any surplus will be refunded to the Corporation within 60 days of the effective date of termination, provided that the Corporation has paid all outstanding or potential future fees, costs and expenses.

Interest of Certain Persons in Matters to be Acted Upon

Other than as disclosed elsewhere in this Circular, none of the directors or executive officers of the Corporation, no proposed nominee for election as a director of the Corporation, none of the persons who have been directors or executive officers of the Corporation since the commencement of the Corporation's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

Interest of Informed Persons in Material Transactions

Other than as set for the herein as related to the Oxygen Agreement, to the knowledge of the Corporation, after reasonable enquiry, no director or executive officer of the Corporation, proposed nominee for election as director of the Corporation, principal shareholder of the Corporation (or any director or officer thereof), or any associate or affiliate of any of the foregoing had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries, and no proposed nominee for election as director of the Corporation, or associate of any of the foregoing, has any material interest, direct or indirect, in any matter to be acted upon at the Meeting (other than the election of directors or the appointment of the auditors).

Indebtedness of Officers and Directors to the Corporation

No director, executive officer, or employee of the Corporation or any of its subsidiaries, former director, executive officer, or employee of the Corporation or any of its subsidiaries, proposed nominee for election as director of the Corporation, or any associate of any of the foregoing, has been or is indebted to the Corporation or any of its subsidiaries, at any time during its last completed financial year or has had any indebtedness to another entity which has been the subject of a guarantee, support agreement, letter of credit, or other similar arrangement provided by the Corporation or any of its subsidiaries.

Other Business

Management is not aware of any matters to come before the Meeting other than those 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 judgement on such matter.

Additional Information

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Shareholders of the Corporation may request a copy of the Corporation's consolidated financial statements and management's discussion and analysis by writing to the Corporate Secretary, Pure Gold Mining Inc., at Suite 1900, 1055 West Hastings Street, Vancouver B.C. Canada V6E 2E9 or by telephone at (604) 646-8000.

Financial information is provided in the Corporation's comparative consolidated financial statements and management's discussion and analysis for its most recently completed financial year, available on SEDAR at www.sedar.com.

Approval by Directors

The contents of this Circular and the sending, communication or delivery thereof to the Shareholders have been approved by the Board of the Corporation. A copy of this Circular has been sent to each director, each Shareholder entitled to notice of the Meeting and the auditors of the Corporation.

DATED as of the 15th day of May 2019.

"Darin Labrenz"

Darin Labrenz, President & Chief Executive Officer

SCHEDULE "1"

Charter of the Audit Committee of Pure Gold Mining Inc.

1. ROLE AND OBJECTIVE

The Audit Committee (the "**Committee**") is appointed by and reports to the Board of Directors (the "**Board**") of Pure Gold Mining Inc. (the "**Corporation**"). The Committee assists the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Corporation.

The Committee and its membership shall to the best of its ability, knowledge and acting reasonably, meet all applicable legal, regulatory and listing requirements, including, without limitation, those of any stock exchange on which the Corporation's shares are listed, the Canada Business Corporations Act (the "Act"), and all applicable securities regulatory authorities.

2. COMPOSITION

- The Committee shall be composed of three or more directors as shall be designated by the Board from time to time.
- Each member of the Committee shall be "independent" and financially literate (as such terms are defined under applicable securities laws and exchange requirements for audit committee purposes). Each member of the Committee shall be able to read and understand the Corporation's financial statements, including the Corporation's statement of financial position, income statement and cash flow statement and any other applicable statements or notes to the financial statements.
- Members of the Committee shall be appointed at a meeting of the Board, typically held immediately after the annual shareholders' meeting. Each member shall serve until his/her successor is appointed unless he/she shall resign or be removed by the Board or he/she shall otherwise cease to be a director of the Corporation. Any member may be removed or replaced at any time by the Board.
- Where a vacancy occurs at any time in the membership of the Committee, it may be filled by a vote of a majority of the Board.
- The Chair of the Committee may be designated by the Board or, if it does not do so, the members of the Committee may elect a chair by vote of a majority of the full Committee membership. The Chair of the Committee shall be an independent director (as described above).
- If the Chair of the Committee is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee to preside.
- The Chair of the Committee presiding at any meeting shall not have a casting vote.
- The Committee shall appoint a secretary (the "**Secretary**") who need not be a member of the Committee or a director of the Corporation. The Secretary shall keep minutes of the meetings of the Committee. This role is normally filled by the Secretary of the Corporation.

3. MEETINGS

- The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements, provided that meetings of the Committee shall be convened whenever requested by the auditor that is appointed by the shareholders (the "**Independent Auditor**") or any member of the Committee in accordance with the Act.
- The Chair of the Committee shall prepare and/or approve an agenda in advance of each meeting.

- Notice of the time and place of every meeting may be given orally, in writing, by facsimile or by e-mail to each member of the Committee at least 48 hours prior to the time fixed for such meeting.
- A member may in any manner waive notice of the meeting. Attendance of a member at the meeting shall constitute waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.
- Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
- A majority of Committee members, present in person, by video-conference, by telephone or by a combination thereof, shall constitute a quorum.
- If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.
- If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
- At all meetings of the Committee, every question shall be decided by a majority of the votes cast. In case of an equality of votes, the matter will be referred to the Board for decision. Any decision or determination of the Committee reduced to writing and signed by all of the members of the Committee shall be fully effective as if it had been made at a meeting duly called and held.
- The CEO and CFO are expected to be available to attend meetings, but a portion of every meeting will be reserved for in camera discussion without the CEO or CFO, or any other member of management, being present.
- The Committee may by specific invitation have other resource persons in attendance such officers, directors and employees of the Corporation and its subsidiaries, and other persons, including the Independent Auditor, as it may see fit, from time to time, to attend at meetings of the Committee.
- The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.
- The Committee shall have the right to determine who shall and who shall not be present at any time during a meeting of the Committee.
- Minutes of Committee meetings shall be sent to all Committee members.
- The Chair of the Committee shall report periodically the Committee's findings and recommendations to the Board.

4. RESOURCES AND AUTHORITY

- The Committee shall have access to such officers and employees of the Corporation and its subsidiaries and to such information with respect to the Corporation and its subsidiaries as it considers being necessary or advisable in order to perform its duties and responsibilities.
- The Committee shall have the authority to engage and obtain advice and assistance from internal or external legal, accounting or other advisors and resources, as it deems advisable, at the expense of the Corporation.
- The Committee shall have the authority to communicate directly with the Independent Auditor.

5. RESPONSIBILITIES

A. Chair

To carry out its oversight responsibilities, the Chair of the Committee shall undertake the following:

- provide leadership to the Committee with respect to its functions as described in this Charter and as otherwise may be appropriate, including overseeing the logistics of the operations of the Committee;
- chair meetings of the Committee, unless not present (including in camera sessions), and reports to the Board following each meeting of the Committee on the findings, activities and any recommendations of the Committee;
- ensures that the Committee meets on a regular basis and at least four times per year;
- in consultation with the Committee members, establishes a calendar for holding meetings of the Committee;
- establish the agenda for each meeting of the Committee, with input from other Committee members, and any other parties, as applicable;
- ensures that Committee materials are available to any director on request;
- acts as liaison and maintains communication with the Chair of the Board (or Lead Director if an individual other than the Chair) and the Board to optimize and coordinate input from Board members, and to optimize the effectiveness of the Committee. This includes reporting to the full Board on all proceedings and deliberations of the Committee at the first meeting of the Board after each Committee meeting and at such other times and in such manner as the Committee considers advisable;
- report annually to the Board on the role of the Committee and the effectiveness of the Committee in contributing to the objectives and responsibilities of the Board as a whole;
- ensure that the members of the Committee understand and discharge their duties and obligations;
- foster ethical and responsible decision making by the Committee and its individual members;
- encourage Committee members to ask questions and express viewpoints during meetings;
- together with the Corporate Governance Committee, oversee the structure, composition, membership and activities delegated to the Committee from time to time;
- ensure that resources and expertise are available to the Committee so that it may conduct its work effectively and efficiently and pre-approves work to be done for the Committee by consultants;
- facilitate effective communication between members of the Committee and management;
- encourage the Committee to meet in separate, regularly scheduled, non-management, closed sessions with the Independent Auditor;
- attend each meeting of shareholders to respond to any questions from shareholders as may be put to the Chair; and
- perform such other duties and responsibilities as may be delegated to the Chair by the Board from time to time.

B. The Committee

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the Independent Auditor as well as any officer of the Corporation, or outside counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties.

The Committee is hereby delegated the duties and powers specified in Section 171 of the Act and, without limiting these duties and powers, the Committee will carry out the following responsibilities:

Financial Accounting and Reporting Process and Internal Controls

- review the annual audited financial statements to satisfy itself that they are presented in accordance with applicable Canadian accounting standards and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review and approve the interim financial statements prior to their being filed with the appropriate regulatory authorities. The Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the Independent Auditor as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.
- review management's internal control report and the evaluation of such report by the Independent Auditor, together with management's response. The Committee shall assess the integrity of internal controls and financial reporting procedures and ensure implementation of such controls and procedures.
- review the financial statements, management's discussion and analysis relating to annual and interim financial statements, annual and interim earnings press releases and any other public disclosure documents that are required to be reviewed by the Committee under any applicable laws before the Corporation publicly discloses this information.
- be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and periodically assess the adequacy of these procedures.
- meet no less frequently than annually with the Independent Auditor and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee deems appropriate.
- inquire of management and the Independent Auditor about significant risks or exposures, both internal and external, to which the Corporation may be subject, and assess the steps management has taken to minimize such risks.
- review the post-audit or management letter containing the recommendations of the Independent Auditor and management's response and subsequent follow-up to any identified weaknesses.
- oversee the Corporation's plans to adopt changes to accounting standards and related disclosure obligations.
- in consultation with the Corporate Governance Committee, ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting and overseeing a corporate code of ethics for senior financial personnel.
- 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.
- provide oversight to related party transactions entered into by the Corporation.

Independent Auditor

- recommend to the Board for approval by shareholders, the selection, appointment and compensation of the Independent Auditor;
- be directly responsible for oversight of the Independent Auditor and the Independent Auditor shall report directly to the Committee.
- ensure the lead audit partner and the other audit partners (if any) at the Independent Auditor is replaced in compliance with applicable laws.
- be directly responsible for overseeing the work of the Independent Auditor, including the resolution of disagreements between management and the Independent Auditor regarding financial reporting.
- with reference to the procedures outlined separately in “Procedures for Approval of Non-Audit Services” (attached hereto as Appendix ‘A’), pre-approve all audit and non-audit services not prohibited by law to be provided by the Independent Auditor.
- monitor and assess the relationship between management and the Independent Auditor and monitor, confirm, support and assure the independence and objectivity of the Independent Auditor. The Committee shall establish procedures to receive and respond to complaints with respect to accounting, internal accounting controls and auditing matters.
- review the Independent Auditor's audit plan, including scope, procedures, timing and staffing of the audit.
- review the results of the annual audit with the Independent Auditor, including matters related to the conduct of the audit, and receive and review the auditor's interim review reports.
- obtain timely reports from the Independent Auditor describing critical accounting policies and practices, alternative treatments of information within applicable Canadian accounting principles that were discussed with management, their ramifications, and the Independent Auditor' preferred treatment and material written communications between the Corporation and the Independent Auditor.
- review fees paid by the Corporation to the Independent Auditor and other professionals in respect of audit and non-audit services on an annual basis.
- review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former Auditor of the Corporation.

Other Responsibilities

- perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate;
- institute and oversee special investigations, as needed; and
- review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

Enacted April 3, 2014

Appendix A (to Schedule 1)

Policy for Approval of Non Audit Services

1. In the event that Pure Gold Mining Inc. (the “Corporation”) or a subsidiary of the Corporation wishes to retain the services of the Corporation’s Independent Auditor for services other than the annual audit (e.g. tax compliance, tax advice or tax planning, to meet the requirements of a regulatory filing or due diligence, to receive advice on various matters, etc.), the Chief Financial Officer of the Corporation shall consult with the Audit Committee of the Board of Directors (the “Committee”), who shall have the authority to approve or disapprove such non-audit services. The Chair of the Committee has the authority to approve or disapprove such non-audit services on behalf of the Committee, and shall advise Committee of such pre-approvals no later than the time of the next meeting of the Committee following such pre-approval having been given.

2. The Committee, or the Chair of the Committee, as appropriate, shall confer with the Independent Auditor regarding the nature of the services to be provided and shall not approve any services that would be considered to impair the independence of the Independent Auditor. For greater clarity, the following is a non-exhaustive list of the categories of non-audit services that would be considered to impair the independence of the Independent Auditor:
 - (a) bookkeeping or other services related to or requiring management decisions in connection with the Corporation’s accounting records or financial statements;
 - (b) financial information systems design and implementation;
 - (c) appraisal or valuation services, fairness opinion or contributions-in-kind reports;
 - (d) actuarial services;
 - (e) internal audit outsourcing services;
 - (f) management functions;
 - (g) human resources;
 - (h) broker or dealer, investment adviser or investment banking services;
 - (i) legal services;
 - (j) expert services unrelated to the audit; and
 - (k) any other service that the Canadian Public Accountability Board or any other applicable regulatory authority determines is impermissible.

3. The Chief Financial Officer of the Corporation shall maintain a record of non-audit services approved by the Chair of the Committee or the Committee for each fiscal year and provide a report to the Committee any services pre-approved since the last report, at each meeting and no less frequently than on a quarterly basis.

4. In accordance with the requirements set forth under the “Exemption for minimal non-audit services” provided by Section 2.3(4) of National Instrument 52-110 – Committees, whereby the Independent Auditor has commenced a service and:
 - (a) the Corporation or the subsidiary entity of the Corporation, as the case may be, and the Independent Auditor did not recognize the services as non-audit services at the time of the engagement;
 - (b) once recognized as non-audit services, the services are promptly brought to the attention of the Committee and approved by the Committee prior to the completion of the audit; and
 - (c) the aggregate fees for the non-audit services not previously approved are immaterial in comparison to the aggregate fees paid by the Corporation to the Corporation’s Independent Auditor during the financial year in which the services are provided, such services shall be exempted from the requirements for pre-approval of non-audit services set out in this Policy.

SCHEDULE "2"

2019 Stock Option Plan

1. PURPOSE OF THE PLAN

The Corporation hereby establishes a stock option plan for directors, officers, Employees, Management Corporation Employees and Consultants of the Corporation and its subsidiaries (collectively, "Eligible Persons"), to be known as the "2019 Stock Option Plan" (the "Plan"). The purpose of the Plan is to give to Eligible Persons, as additional compensation, the opportunity to participate in the success of the Corporation by granting to such individuals options, exercisable over periods of up to ten (10) years as determined by the Board, to buy shares of the Corporation at a price not less than the Market Price prevailing on the date the option is granted less any applicable discount permitted by the TSX Policies and approved by the Board.

2. DEFINITIONS

In this Plan, the following terms shall have the following meanings:

- 2.1 "**Associate**" means an "Associate" as defined in the TSX Policies.
- 2.2 "**Board**" means the Board of Directors of the Corporation as constituted from time to time.
- 2.3 "**Change of Control**" means the acquisition by any person or by any person and all Joint Actors, whether directly or indirectly, of voting securities (as defined in the Securities Act) of the Corporation, which, when added to all other voting securities of the Corporation at the time held by such person or by such person and a Joint Actor, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Corporation or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board.
- 2.4 "**Corporation**" means Laurentian Goldfields Ltd. and its successors.
- 2.5 "**Consultant**" means a "Consultant" as defined in the TSX Policies.
- 2.6 "**Consultant Corporation**" means a "Consultant Corporation" as defined in the TSX Policies.
- 2.7 "**Disability**" means any disability with respect to an Optionee which the Board, in its sole and unfettered discretion, considers likely to prevent permanently the Optionee from:
 - (a) being employed or engaged by the Corporation, its subsidiaries or another employer, in a position the same as or similar to that in which he was last employed or engaged by the Corporation or its subsidiaries; or
 - (b) acting as a director or officer of the Corporation or its subsidiaries.
- 2.8 "**Discounted Market Price**" means, in respect of Shares on a particular grant date, the Market Price less the maximum discount permitted by the Exchanges applicable to incentive stock options.
- 2.9 "**Disinterested Shareholder Approval**" means approval by a majority of the votes attaching to shares voted at a meeting of shareholders of the Corporation, excluding the votes attaching to shares held by persons with an interest in the subject matter of the resolution, in accordance with TSX Policies.
- 2.10 "**Eligible Persons**" has the meaning given to that term in section 1 hereof.
- 2.11 "**Employee**" means an "Employee" as defined in the TSX Policies.
- 2.12 "**Exchanges**" means the TSX Venture Exchange and, if applicable, any other stock exchange on which the Shares are listed.
- 2.13 "**Expiry Date**" means the date set by the Board under paragraph 3.1 of the Plan as the last date on which an Option may be exercised, as may be extended in accordance with paragraph 4.5 of the Plan.
- 2.14 "**Grant Date**" means the date specified in an Option Agreement as the date on which an Option is granted.

- 2.15 "**Insider**" means an "Insider" as defined in the TSX Policies.
- 2.16 "**Investor Relations Activities**" means "Investor Relations Activities" as defined in the TSX Policies.
- 2.17 "**Joint Actor**" means a person "acting jointly or in concert" with another person as that phrase is interpreted in Multilateral Instrument 62-104 *Take-Over Bids and Issuer Bids*.
- 2.18 "**Management Corporation Employee**" means a "Management Corporation Employee" as defined in the TSX Policies.
- 2.19 "**Market Price**" of Shares at any Grant Date means the last closing price per Share on the last day on which Shares were traded prior to the day on which the Corporation announces the grant of the Option or, if the grant is not announced, on the Grant Date, or if the Shares are not listed on any stock exchange, "Market Price" of Shares means the price per Share on the over-the-counter market determined by dividing the aggregate sale price of the Shares sold by the total number of such Shares so sold on the applicable market for the last day prior to the Grant Date.
- 2.20 "**Option**" means an option to purchase Shares granted pursuant to, or otherwise subject to, this Plan.
- 2.21 "**Option Agreement**" means an agreement, in the form attached hereto as Schedule "A", whereby the Corporation grants to an Optionee an Option.
- 2.22 "**Optionee**" means each of the Eligible Persons granted an Option pursuant to this Plan and their heirs, executors and administrators.
- 2.23 "**Option Price**" means the exercise price of an Option, being the price per Share at which the Optionee may acquire Option Shares pursuant to the exercise of such Option, such price to be specified in the Option Agreement for such Option, as adjusted from time to time in accordance with the provisions of section 5.
- 2.24 "**Option Shares**" means the aggregate number of Shares which an Optionee may purchase under an Option.
- 2.25 "**Plan**" means this 2019 Stock Option Plan.
- 2.26 "**Securities Act**" means the *Securities Act*, R.S.B.C. 1996, c.418, as amended, as at the date hereof.
- 2.27 "**Shares**" means the common shares in the capital of the Corporation as constituted on the Grant Date provided that, in the event of any adjustment pursuant to section 5, "Shares" shall thereafter mean the shares or other property resulting from the events giving rise to the adjustment.
- 2.28 "**TSX Policies**" means the policies included in the TSX Venture Exchange Corporate Finance Manual and "**TSX Policy**" means any one of them, and such terms include the policies of any other stock exchange or quotation system on which the Shares may be listed or quoted.
- 2.29 "**Unissued Option Shares**" means the number of Shares, at a particular time, which have been reserved for issuance upon the exercise of an Option but which have not been issued, as adjusted from time to time in accordance with the provisions of section 5, such adjustments to be cumulative.
- 2.30 "**Vested**" means that an Option has become exercisable in respect of a number of Option Shares by the Optionee pursuant to the terms of the Option Agreement.

3. GRANT OF OPTIONS

3.1 Option Terms

The Board may from time to time authorize the grant of Options to Eligible Persons. The Option Price of each Option shall be not less than the Discounted Market Price on the Grant Date provided that if an Option is granted within 90 days of the distribution of Shares by the Corporation pursuant to a prospectus, the Option Price must be the greater of the Discounted Market Price and the per share price paid for Shares acquired under such distribution. The 90 day period begins: (a) on the date a final receipt is issued for the prospectus, or, in the case of an initial public offering of Shares, on the date of listing of the Shares; or (ii) in the case of a prospectus that qualifies the distribution of Shares upon the exercise of special warrants, on the date of issuance of such special warrants.

The Expiry Date for each Option shall be set by the Board at the time of issue of the Option and shall not be more than ten (10) years after the Grant Date, subject to the operation of paragraph 4.5. Options shall not be assignable (or transferable) by the Optionee.

3.2 Previously Granted Options

In the event that on the date this Plan is implemented and effective (the "**Effective Date**") there are outstanding stock options (the "**Pre-Existing Options**") that were previously granted by the Corporation pursuant to any stock option plan in place prior to the Effective Date (a "**Pre-Existing Plan**"), all such Pre-Existing Options shall, effective as of the Effective Date, be governed by and subject to the terms of the Plan.

3.3 Limits on Shares Issuable on Exercise of Options

At the time of grant of any Option, the aggregate number of Shares reserved for issuance under the Plan which may be made subject to Options at any time and from time to time (including those issuable upon the exercise of Pre-Existing Options) shall not exceed 10% of the total number of issued and outstanding Shares, on a non-diluted basis, as constituted on the Grant Date of such Option.

Any Shares subject to an Option which has been granted under the Plan and which has been subsequently cancelled or terminated in accordance with the terms of the Plan, without having been exercised, will again be available for issuance pursuant to the exercise of Options granted under the Plan.

The number of Shares which may be issuable under the Plan, together with all of the Corporation's other previously established or proposed share compensation arrangements, within a one-year period:

- (a) to any one Optionee, shall not exceed 5% of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis, unless the Corporation has obtained Disinterested Shareholder Approval to exceed such limit, if required by TSX Policies;
- (b) to Insiders as a group shall not exceed 10% of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis, unless the Corporation has obtained Disinterested Shareholder Approval to exceed such limit, if required by TSX Policies;
- (c) to any one Consultant shall not exceed 2% of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis; and
- (d) to all Eligible Persons who undertake Investor Relations Activities shall not exceed 2% in the aggregate of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis.

3.4 Option Agreements

Each Option shall be confirmed by the execution of an Option Agreement. Each Optionee shall have the option to purchase from the Corporation the Option Shares at the time and in the manner set out in the Plan and in the Option Agreement applicable to that Optionee. In respect of Options granted to Employees, Consultants, Consultant Companies or Management Corporation Employees, such person is required to be, and the Corporation will represent in the applicable Option Agreement, that the Optionee is a bona fide Employee, Consultant, Consultant Corporation or Management Corporation Employee, as the case may be, of the Corporation or its subsidiary. The execution of an Option

Agreement by the Corporation shall constitute conclusive evidence that the Option issued thereunder has been issued in compliance with this Plan.

4. EXERCISE OF OPTION

4.1 When Options May be Exercised

Subject to paragraphs 4.3, 4.4 and 4.5, an Option may be exercised to purchase any number of Option Shares up to the number of Vested Unissued Option Shares at any time after the Grant Date up to 4:00 p.m. Pacific Standard Time on the Expiry Date and shall not be exercisable thereafter.

4.2 Manner of Exercise

The Option shall be exercisable by delivering to the Corporation a written notice specifying the number of Option Shares in respect of which the Option is being exercised together with payment in full of the Option Price for each such Option Share. Upon receipt of such notice and payment by the Corporation, there will be a binding contract for the issue of the Option Shares in respect of which the Option is exercised, upon and subject to the provisions of the Plan. Delivery of the Optionee's cheque payable to the Corporation in the amount of the Option Price shall constitute payment of the Option Price unless the cheque is not honoured upon presentation in which case the Option shall not have been validly exercised.

4.3 Vesting of Option Shares

The Board, subject to the policies of the Exchanges, may determine and impose terms upon which each Option shall become vested in respect of Option Shares. Unless otherwise specified by the Board at the time of granting an Option, and subject to the other limits on Option grants set out in paragraph 3.3 hereof, all Options granted under the Plan shall vest and become exercisable in full upon grant, except Options granted to Consultants performing Investor Relations Activities, which Options must vest in stages over twelve months with no more than one-quarter of the Options vesting in any three month period. Notwithstanding the foregoing, in the event that a Pre-Existing Plan imposed vesting requirements on a Pre-Existing Option, such vesting requirements must be satisfied before any such Pre-Existing Options shall become vested.

4.4 Termination of Employment

If an Optionee ceases to be an Eligible Person, his or her Option shall be exercisable as follows (subject to any extension that may be approved by the Board and permitted by TSX Policies):

(a) Death or Disability

If the Optionee ceases to be an Eligible Person, due to his or her death or Disability or, in the case of an Optionee that is a corporation, the death or Disability of the person who provides management or consulting services to the Corporation or to any entity controlled by the Corporation, the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of:

- (i) 365 days after the date of death or Disability; and
- (ii) the Expiry Date;

(b) Termination For Cause

If the Optionee ceases to be an Eligible Person as a result of "termination for cause" of such Optionee by the Corporation or its subsidiary (or in the case of an Optionee who is a Management Corporation Employee or Consultant, by the Optionee's employer), as that term is interpreted by the courts of the jurisdiction in which the Optionee is employed or engaged, any outstanding Option held by such Optionee on the date of such termination, whether in respect of Option Shares that are Vested or not, shall be cancelled as of that date.

(c) Early Retirement, Voluntary Resignation or Termination Other than For Cause

If the Optionee ceases to be an Eligible Person due to his or her retirement at the request of his or her employer earlier than the normal retirement date under the Corporation's retirement policy then in

force, or due to his or her voluntary resignation, or to his or her termination by the Corporation or its subsidiary other than for cause (or, in the case of an Optionee who is a Management Corporation Employee or a Consultant, the termination of the Corporation providing management or consultant services to the Corporation or its subsidiary), any outstanding Option then held by such Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of: (i) the Expiry Date; and (ii) the date that is 90 days (or 30 days if the Optionee was engaged in Investor Relations Activities) after the Optionee ceases to be an Eligible Person.

(d) Spin-Out Transactions

If pursuant to the operation of sub-paragraph 5.3(c) an Optionee receives options (the "**New Options**") to purchase securities of another corporation (the "**New Corporation**") in respect of the Optionee's Options (the "**Subject Options**"), the New Options shall expire on the earlier of: (i) the Expiry Date of the Subject Options; (ii) if the Optionee does not become an Eligible Person in respect of the New Corporation, the date that the Subject Options expire pursuant to sub-paragraph 4.4(a), (b) or (c), as applicable; (iii) if the Optionee becomes an Eligible Person in respect of the New Corporation, the date that the New Options expire pursuant to the terms of the New Corporation's stock option plan that correspond to sub-paragraphs 4.4(a), (b) or (c) hereof; and (iv) the date that is two (2) years after the Optionee ceases to be an Eligible Person in respect of the New Corporation or such shorter period as determined by the Board.

For purposes of this paragraph 4.4, the dates of death, Disability, termination, retirement, voluntary resignation, ceasing to be an Eligible Person and incapacity shall be interpreted to be without regard to any period of notice (statutory or otherwise) or whether the Optionee or his or her estate continues thereafter to receive any compensatory payments from the Corporation or is paid salary by the Corporation in lieu of notice of termination.

For greater certainty, an Option that had not become Vested in respect of certain Unissued Option Shares at the time that the relevant event referred to in this paragraph 4.4 occurred, shall not be or become Vested or exercisable in respect of such Unissued Option Shares and shall be cancelled.

4.5 **Extension of Expiry Date During Black-Out Period**

If the Expiry Date in respect of any Option occurs during or within five (5) trading days following a trading black-out period imposed by the Corporation, the Expiry Date of the Option shall be automatically extended to the date that is ten (10) trading days following the end of such black-out period (the "**Extension Period**"); provided that if an additional black-out period is subsequently imposed by the Corporation during the Extension Period, then such Extension Period shall be deemed to commence following the end of such additional black-out period to enable the exercise of such Options within ten (10) trading days following the end of the last imposed black-out period.

4.6 **Effect of a Take-Over Bid**

If a *bona fide* offer (an "**Offer**") for Shares is made to the Optionee or to shareholders of the Corporation generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Corporation, within the meaning of subsection 1(1) of the Securities Act, the Corporation shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon (subject to the approval of the Exchanges) all Option Shares subject to such Option will become Vested and the Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Option Shares received upon such exercise, pursuant to the Offer. However, if:

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

then the Option Shares received upon such exercise, or in the case of sub-paragraph (b) above, the Option Shares that are not taken up and paid for, may be returned by the Optionee to the Corporation and reinstated as authorized but unissued Shares and with respect to such returned Option Shares, the Option shall be reinstated as if it had not been exercised and the terms upon which such Option Shares were to become Vested pursuant to paragraph 4.3 shall be reinstated. If any Option Shares are returned to the Corporation under this paragraph 4.6, the Corporation shall immediately refund the exercise price to the Optionee for such Option Shares.

4.7 Acceleration of Expiry Date

If at any time when an Option granted under the Plan remains unexercised with respect to any Unissued Option Shares, an Offer is made by an offeror, the Board may, upon notifying each Optionee of full particulars of the Offer, declare all Option Shares issuable upon the exercise of Options granted under the Plan, Vested, and declare that the Expiry Date for the exercise of all unexercised Options granted under the Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer provided that any accelerated vesting of Options granted to Consultants performing Investor Relations Activities shall be subject to the prior written approval of the Exchanges. The Board shall give each Optionee as much notice as possible of the acceleration of the Options under this paragraph, except that not less than 5 business days and not more than 35 days' notice is required.

4.8 Compulsory Acquisition or Going Private Transaction

If and whenever, following a take-over bid or issuer bid, there shall be a compulsory acquisition of the Shares of the Corporation pursuant to Division 6 of the *Business Corporations Act* (British Columbia) or any successor or similar legislation, or any amalgamation, merger or arrangement in which securities acquired in a formal take-over bid may be voted under the conditions described in Section 8.2 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*, then following the date upon which such compulsory acquisition, amalgamation, merger or arrangement is effective, an Optionee shall be entitled to receive, and shall accept, for the same exercise price, in lieu of the number of Shares to which such Optionee was theretofore entitled to purchase upon the exercise of his or her Options, the aggregate amount of cash, shares, other securities or other property which such Optionee would have been entitled to receive as a result of such bid if he or she had tendered such number of Shares to the take-over bid.

4.9 Effect of a Change of Control

If a Change of Control occurs, all Option Shares subject to each outstanding Option will become vested, whereupon such Option may be exercised in whole or in part by the Optionee, subject to the approval of the Exchanges, if necessary.

4.10 Exclusion From Severance Allowance, Retirement Allowance or Termination Settlement

If the Optionee retires, resigns or is terminated from employment or engagement with the Corporation or any subsidiary of the Corporation (including, in the case of a Management Corporation Employee or Consultant, termination of the corporation providing such management or consulting services to the Corporation or its subsidiary), the loss or limitation, if any, pursuant to the Option Agreement with respect to the right to purchase Option Shares which were not Vested at that time or which, if Vested, were cancelled, shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Optionee.

4.11 Shares Not Acquired

Any Unissued Option Shares not acquired by an Optionee under an Option which has expired may be made the subject of a further Option pursuant to the provisions of the Plan.

5. ADJUSTMENT OF OPTION PRICE AND NUMBER OF OPTION SHARES

5.1 Share Reorganization

Whenever the Corporation issues Shares to all or substantially all holders of Shares by way of a stock dividend or other distribution, or subdivides all outstanding Shares into a greater number of Shares, or combines or consolidates all outstanding Shares into a lesser number of Shares (each of such events being herein called a "**Share Reorganization**") then effective immediately after the record date for such dividend or other distribution or the effective date of such subdivision, combination or consolidation, for each Option:

- (a) the Option Price will be adjusted to a price per Share which is the product of:
 - (i) the Option Price in effect immediately before that effective date or record date; and
 - (ii) a fraction, the numerator of which is the total number of Shares outstanding on that effective date or record date before giving effect to the Share Reorganization, and the denominator of

which is the total number of Shares that are or would be outstanding immediately after such effective date or record date after giving effect to the Share Reorganization; and

- (b) the number of Unissued Option Shares will be adjusted by multiplying (i) the number of Unissued Option Shares immediately before such effective date or record date by (ii) a fraction which is the reciprocal of the fraction described in clause (a)(ii).

5.2 Special Distribution

Subject to the prior approval of the Exchanges, whenever the Corporation issues by way of a dividend or otherwise distributes to all or substantially all holders of Shares;

- (a) shares of the Corporation, other than the Shares;
- (b) evidences of indebtedness;
- (c) any cash or other assets, excluding cash dividends (other than cash dividends which the Board has determined to be outside the normal course); or
- (d) rights, options or warrants;

then to the extent that such dividend or distribution does not constitute a Share Reorganization (any of such non-excluded events being herein called a "**Special Distribution**"), and effective immediately after the record date at which holders of Shares are determined for purposes of the Special Distribution, for each Option the Option Price will be reduced, and the number of Unissued Option Shares will be correspondingly increased, by such amount, if any, as is determined by the Board in its sole and unfettered discretion to be appropriate in order to properly reflect any diminution in value of the Option Shares as a result of such Special Distribution.

5.3 Corporate Organization

Whenever there is:

- (a) a reclassification of outstanding Shares, a change of Shares into other shares or securities, or any other capital reorganization of the Corporation, other than as described in paragraphs 5.1 or 5.2;
- (b) a consolidation, merger or amalgamation of the Corporation with or into another corporation resulting in a reclassification of outstanding Shares into other shares or securities or a change of Shares into other shares or securities;
- (c) an arrangement or other transaction under which, among other things, the business or assets of the Corporation become, collectively, the business and assets of two or more companies with the same shareholder group upon the distribution to the Corporation's shareholders, or the exchange with the Corporation's shareholders, of securities of the Corporation, or securities of another corporation, or both; or
- (d) a transaction whereby all or substantially all of the Corporation's undertaking and assets become the property of another corporation;

(any such event being herein called a "**Corporate Reorganization**") the Optionee will have an option to purchase (at the times, for the consideration, and subject to the terms and conditions set out in the Plan) and will accept on the exercise of such option, in lieu of the Unissued Option Shares which he would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that he would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, he had been the holder of all Unissued Option Shares or if appropriate, as otherwise determined by the Board.

5.4 Determination of Option Price and Number of Unissued Option Shares

If any questions arise at any time with respect to the Option Price or number of Unissued Option Shares deliverable upon exercise of an Option following a Share Reorganization, Special Distribution or Corporate Reorganization, such questions shall be conclusively determined by the Corporation's auditor, or, if they decline to so act, any other firm of Chartered Accountants in Vancouver, British Columbia, that the Board may designate and who will have access to all appropriate records and such determination will be binding upon the Corporation and all Optionees.

5.5 Regulatory Approval

Any adjustment to the Option Price or the number of Unissued Option Shares purchasable under the Plan pursuant to the operation of any one of paragraphs 5.1, 5.2 or 5.3 is subject to the approval of the Exchanges and any other governmental authority having jurisdiction.

6. MISCELLANEOUS

6.1 Right to Employment

Neither this Plan nor any of the provisions hereof shall confer upon any Optionee any right with respect to employment or continued employment with the Corporation or any subsidiary of the Corporation or interfere in any way with the right of the Corporation or any subsidiary of the Corporation to terminate such employment.

6.2 Necessary Approvals

The Plan shall be effective only upon the approval of the shareholders of the Corporation given by way of an ordinary resolution. Any Options granted under this Plan prior to such approval shall only be exercised, to the extent to which such Options are vested, upon the receipt of such approval. Disinterested Shareholder Approval (as required by the Exchanges) will be obtained for any reduction in the exercise price of any Option granted under this Plan if the Optionee is an Insider of the Corporation at the time of the proposed amendment. The obligation of the Corporation to sell and deliver Shares in accordance with the Plan is subject to the approval of the Exchanges and any governmental authority having jurisdiction. If any Shares cannot be issued to any Optionee for any reason, including, without limitation, the failure to obtain such approval, then the obligation of the Corporation to issue such Shares shall terminate and any Option Price paid by an Optionee to the Corporation shall be immediately refunded to the Optionee by the Corporation.

6.3 Administration of the Plan

The Board shall, without limitation, have full and final authority in their discretion, but subject to the express provisions of the Plan, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations deemed necessary or advisable in respect of the Plan. Except as set forth in paragraph 5.4, the interpretation and construction of any provision of the Plan by the Board shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Corporation and all costs in respect thereof shall be paid by the Corporation.

6.4 Income Taxes

As a condition of and prior to participation in the Plan, any Optionee shall on request authorize the Corporation in writing to withhold from any remuneration otherwise payable to him or her any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of his or her participation in the Plan.

6.5 Amendments to the Plan

The Board may from time to time, subject to applicable law and to the prior approval, if required, of the shareholders, the Exchanges or any other regulatory body having authority over the Corporation or the Plan, suspend, terminate or discontinue the Plan at any time, or amend or revise the terms of the Plan or of any Option granted under the Plan and the Option Agreement relating thereto, provided that no such amendment, revision, suspension, termination or discontinuance shall in any manner adversely affect any Option previously granted to an Optionee under the Plan without the consent of that Optionee.

6.6 Form of Notice

A notice given to the Corporation shall be in writing, signed by the Optionee and delivered to the head business office of the Corporation.

6.7 No Representation or Warranty

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

6.8 Compliance with Applicable Law

If any provision of the Plan or any Option Agreement contravenes any law or any order, policy, by-law or regulation of any regulatory body or Exchange having authority over the Corporation or the Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

6.9 No Assignment

No Optionee may transfer or assign any of his or her rights under the Plan or any Option granted thereunder.

6.10 Rights of Optionees

An Optionee shall have no rights whatsoever as a shareholder of the Corporation in respect of any of the Unissued Option Shares (including, without limitation, voting rights or any right to receive dividends, warrants or rights under any rights offering).

6.11 Conflict

In the event of any conflict between the provisions of this Plan and an Option Agreement, the provisions of this Plan shall govern.

6.12 Governing Law

The Plan and each Option Agreement issued pursuant to the Plan shall be governed by the laws of the province of British Columbia.

6.13 Time of Essence

Time is of the essence of this Plan and of each Option Agreement. No extension of time will be deemed to be or to operate as a waiver of the essentiality of time.

6.14 Entire Agreement

This Plan and the Option Agreement sets out the entire agreement between the Corporation and the Optionees relative to the subject matter hereof and supersedes all prior agreements, undertakings and understandings, whether oral or written.

SCHEDULE “3”

Advance Notice Policy

INTRODUCTION

Pure Gold Mining Inc. (the "**Corporation**") is committed to: (i) facilitating an orderly and efficient annual general or, where the need arises, special meeting, process; (ii) ensuring that all shareholders receive adequate notice of the director nominations and sufficient information with respect to all nominees; and (iii) allowing shareholders to register an informed vote.

The purpose of this Advance Notice Policy (the "**Policy**") is to provide shareholders, directors and Management with direction on the nomination of directors. This Policy is the framework by which the Corporation seeks to fix a deadline by which holders of record of common shares of the Corporation must submit director nominations to the Corporation prior to any annual or, if applicable, special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Corporation for the notice to be in proper written form.

It is the position of the Corporation that this Policy is beneficial to shareholders and other stakeholders. This Policy will be subject to an annual review, and will reflect changes as required by securities regulatory agencies or stock exchanges, or so as to meet industry standards.

NOMINATIONS OF DIRECTORS

1. Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board of directors of the Corporation (the "**Board**") may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:
 - a. by or at the direction of the Board, including pursuant to a notice of meeting;
 - b. by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the *Business Corporations Act* (British Columbia) (the "**Act**"), or a requisition of the shareholders made in accordance with the provisions of the Act; or
 - c. by any person (a "**Nominating Shareholder**"): (A) who, at the close of business on the Notice Date (as defined below) and on the record date for notice at such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in this Policy.
2. In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Corporate Secretary of the Corporation at the principal executive offices of the Corporation in accordance with the provisions of this Policy.
3. To be timely, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must be made:
 - a. in the case of an annual meeting of shareholders (including an annual and special meeting of shareholders), not less than 30 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement (as defined below) of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the later of: (i) the date of the public announcement (as defined below) of this Policy; and (ii) the Notice Date in respect of such meeting;
 - b. in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement (as defined below) of the date of the special meeting of shareholders was made; or

- c. in the case of a meeting of shareholders of the type contemplated in (a) or (b) above for which notice-and-access is to be used for the delivery of the applicable proxy-related materials and for which the Notice Date is not less than 50 days prior to the date of such meeting of shareholders, not less than 40 days prior to the date of such meeting of shareholders.
4. To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must set forth:
 - a. as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person; (C) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and
 - b. as to the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Corporation and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below).
5. In addition, to be considered timely and in proper written form, a Nominating Shareholder's notice shall be promptly updated and supplemented, if necessary, so that the information provided or required under this Policy to be provided in such notice shall be true and correct as of the record date for the meeting.
6. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this Policy; provided, however, that nothing in this Policy shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The Chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
7. For purposes of this Policy:
 - a. "**public announcement**" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and
 - b. "**Applicable Securities Laws**" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.
8. Notwithstanding any other provision of this Policy, notice given to the Corporate Secretary of the Corporation pursuant to this Policy may only be given by personal delivery, facsimile transmission or by email (at stetzlaff@puregoldmining.ca), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Corporate Secretary at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.
9. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this Policy.



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