



## INFORMATION CIRCULAR

(all information as at June 25, 2021 unless otherwise noted)

### PERSONS MAKING THE SOLICITATION

This Information Circular is furnished in connection with the solicitation of proxies being made by the management of ALX Resources Corp. (the "**Company**") for use at the Annual General Meeting of the Company's shareholders (the "**Meeting**") to be held on **Friday, July 30, 2021** at the time and place and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be made primarily by mail, proxies may be solicited personally or by telephone by directors, officers and employees of the Company. All costs of this solicitation will be borne by the Company.

### DATE AND CURRENCY

The date of this Information Circular is June 25, 2021. Unless otherwise stated, all amounts herein are in Canadian dollars.

### NOTE OF CAUTION Concerning COVID-19 Outbreak

**At the date of this Notice and the accompanying Information Circular it is the intention of the Company to hold the Meeting at the location stated above in this Notice. We are continuously monitoring development of current coronavirus (COVID-19) outbreak ("COVID-19"). In light of the rapidly evolving public health guidelines related to COVID-19, we ask shareholders to consider voting their shares by proxy and not attend the meeting in person. Shareholders who do wish to attend the Meeting in person, should carefully consider and follow the instructions of the federal Public Health Agency of Canada: (<https://www.canada.ca/en/public-health/services/diseases/coronavirus-disease-covid-19.html>). We ask that shareholders also review and follow the instructions of any regional health authorities of the Province of British Columbia, including the Vancouver Coastal Health Authority, the Fraser Health Authority and any other health authority holding jurisdiction over the areas you must travel through to attend the Meeting. Please do not attend the Meeting in person if you are experiencing any cold or flu-like symptoms, or if you or someone with whom you have been in close contact has travelled to/from outside of Canada within the 14 days immediately prior to the Meeting. All shareholders are strongly encouraged to vote by submitting their completed form of proxy (or voting instruction form) prior to the Meeting by one of the means described on pages 2 to 6 of the Information Circular accompanying this Notice.**

**The Company reserves the right to take any additional pre-cautionary measures deemed to be appropriate, necessary or advisable in relation to the Meeting in response to further developments in the COVID-19 outbreak, including: (i) holding the Meeting virtually or by providing a webcast of the Meeting; (ii) hosting the Meeting solely by means of remote communication; (iii) changing the Meeting date and/or changing the means of holding the Meeting; (iv) denying access to persons who exhibit cold or flu-like symptoms, or who have, or have been in close contact with someone who has, travelled to/from outside of Canada within the 14 days immediately prior to the Meeting; and (v) such other measures as may be recommended by public health authorities in connection with gatherings of**

persons such as the Meeting. Should any such changes to the Meeting format occur, the Company will announce any and all of these changes by way of news release, which will be filed under the Company's profile on SEDAR as well as on our Company website at [www.alxresources.com](http://www.alxresources.com). We strongly recommend you check the Company's website prior to the Meeting for the most current information. In the event of any changes to the Meeting format due to the COVID-19 outbreak, the Company will not prepare or mail amended Meeting Proxy Materials.

## GENERAL PROXY INFORMATION

### Management Solicitation

The solicitation of proxies by the management of the Company will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation by the directors, officers and employees of the Company. The Company does not reimburse shareholders, nominees or agents for costs incurred in obtaining from their principals authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers, and the Company will reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

### Appointment of Proxies

Registered shareholders are entitled to vote at the Meeting. A shareholder is entitled to one vote for each common share that such shareholder holds on the record date of **June 25, 2021** (the "**Record Date**") on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting.

The persons named as proxyholders (the "Designated Persons") in the enclosed form of proxy are directors and/or officers of the Company.

**A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR OR ON BEHALF OF THAT SHAREHOLDER AT THE MEETING, OTHER THAN THE DESIGNATED PERSONS NAMED IN THE ENCLOSED FORM OF PROXY.**

**TO EXERCISE THE RIGHT, THE SHAREHOLDER MAY DO SO BY STRIKING OUT THE PRINTED NAMES AND INSERTING THE NAME OF SUCH OTHER PERSON AND, IF DESIRED, AN ALTERNATE TO SUCH PERSON, IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY. SUCH SHAREHOLDER SHOULD NOTIFY THE NOMINEE OF THE**

**APPOINTMENT, OBTAIN THE NOMINEE’S CONSENT TO ACT AS PROXY AND SHOULD PROVIDE INSTRUCTION TO THE NOMINEE ON HOW THE SHAREHOLDER’S SHARES SHOULD BE VOTED. THE NOMINEE SHOULD BRING PERSONAL IDENTIFICATION TO THE MEETING.**

In order to be voted, the completed form of proxy must be received by the Company’s registrar and transfer agent, Computershare Investor Services Inc. (the “**Transfer Agent**”) at their offices located at 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1 by mail or fax, at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) prior to the scheduled time of the Meeting, or any adjournment or postponement thereof. Alternatively, the completed form of proxy may be delivered to the chairman of the Meeting on the day of the Meeting, or any adjournment or postponement thereof.

A proxy may not be valid unless it is dated and signed by the shareholder who is giving it or by that shareholder’s attorney-in-fact duly authorized by that shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer or attorney-in-fact for the corporation. If a form of proxy is executed by an attorney-in-fact for an individual shareholder or joint shareholders, or by an officer or attorney-in-fact for a corporate shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarially certified copy thereof, must accompany the form of proxy.

**Revocation of Proxies**

A shareholder who has given a proxy may revoke it at any time before it is exercised by an instrument in writing:

- (a) executed by that shareholder or by that shareholder’s attorney-in-fact authorized in writing or, where the shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation; and
- (b) delivered either:
  - (i) to the Company at the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or
  - (ii) to the chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or
  - (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either:

- (a) attendance at the Meeting and participation in a poll (ballot) by a shareholder, or
- (b) submission of a subsequent proxy in accordance with the foregoing procedures.

A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

## **Voting of Proxies and Exercise of Discretion**

A shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space. If the instructions as to voting indicated in the proxy are certain, the Common Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy. The Common Shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

**IF NO CHOICE IS SPECIFIED IN THE PROXY WITH RESPECT TO A MATTER TO BE ACTED UPON, THE PROXY CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO THAT MATTER UPON THE DESIGNATED PERSONS NAMED IN THE FORM OF PROXY. IT IS INTENDED THAT THE DESIGNATED PERSONS WILL VOTE THE COMMON SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company is not aware of any such amendments, variations, or other matters to come before the Meeting.

In the case of abstentions from, or withholding of, the voting of the Common Shares on any matter, the Common Shares that are the subject of the abstention or withholding will be counted for determination of a quorum, but will not be counted as affirmative or negative on the matter to be voted upon.

## **Registered Shareholders**

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by completing, dating and signing the enclosed form of proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1 by delivery, by phone at 1-866-734-8683 (toll free) or online at [www.investorvote.com](http://www.investorvote.com).

In all cases ensuring that the proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used.

## **Beneficial Shareholders**

**The information set out in this section is of significant importance to those shareholders who do not hold shares in their own name. Shareholders who do not hold their shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that only proxies deposited by shareholders whose names appear on the records of the Company as the registered holders of Common Shares can be recognized and acted upon at the Meeting.** If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Company. Such Common Shares will more likely

be registered under the names of the shareholder's broker or an agent of that broker. In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person well in advance of the Meeting.

The Company does not have access to names of Beneficial Shareholders. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the Form of Proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge typically prepares a special voting instruction form, mails this form to the Beneficial Shareholders and asks for appropriate instructions regarding the voting of Common Shares to be voted at the Meeting. Beneficial Shareholders are requested to complete and return the voting instructions to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free number and access Broadridge's dedicated voting website (each as noted on the voting instruction form) to deliver their voting instructions and to vote the Common Shares held by them. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. A Beneficial Shareholder receiving a Broadridge voting instruction form cannot use that form as a proxy to vote Common Shares directly at the Meeting – the voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have its Common Shares voted at the Meeting.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

Alternatively, a Beneficial Shareholder may request in writing that his or her broker send to the Beneficial Shareholder a legal proxy which would enable the Beneficial Shareholder to attend at the Meeting and vote his or her Common Shares.

All references to shareholders in this Information Circular are to registered shareholders, unless specifically stated otherwise.

## Notice to Shareholders in the United States

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

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

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

Except as disclosed elsewhere in this Information Circular, no director or executive officer of the Company who was a director or executive officer since the beginning of the Company's last financial year, each proposed nominee for election as a director of the Company, or any associate or affiliates of any such directors, executive officers or nominees, 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 other than the election of directors, the appointment of auditors or the approval of the Company's stock option plan (the "**Stock Option Plan**"), as such persons are eligible to participate in the Stock Option Plan.

### VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue unlimited Common Shares without par value. As at **June 25, 2021**, the Company has **173,710,608** issued and outstanding fully paid and non-assessable Common Shares without par value, each share carrying the right to one vote. The Company has no other classes of voting securities.

Only registered shareholders as of the record date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting.

To the knowledge of the directors and senior officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, securities carrying more than 10% of the voting rights attached to any class of voting securities of the Company other than as set forth below:

Name	Number of Shares	Percentage of Outstanding Shares <sup>(1)</sup>
Holystone Energy Company Limited	25,585,623 <sup>(2)</sup>	14.73%

(1) Based on 173,710,608 Common Shares issued and outstanding as of June 25, 2021, on an undiluted basis.

(2) On March 8, 2017 Holystone Energy Company Limited (“**Holystone**”) acquired control over 5,635,000 Common Shares held by Burkehill Uranium Corp., pursuant to Holystone’s acquisition of Burkehill Uranium Corp.

## RECEIPT OF FINANCIAL STATEMENTS

The directors will place before the Meeting the financial statements for the year ended December 31, 2020 together with the auditors’ report thereon.

## ELECTION OF DIRECTORS

The directors of the Company are elected at each Annual General Meeting and hold office until the next Annual General Meeting or until their successors are elected or appointed, unless his office is earlier vacated in accordance with the articles of the Company (the “**Articles**”) or with the provisions of applicable corporate legislation. In the absence of instructions to the contrary, the enclosed form of proxy will be voted for the nominees listed in the form of proxy, all of whom are presently members of the board of directors (the “**Board**”).

### Number of Directors

At the Meeting, shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company for the ensuing year at six. The number of directors will be approved if the affirmative vote of the holders of at least a majority of common shares present or represented by proxy at the Meeting and entitled to vote are voted in favour to set the number of directors at six.

### Election of Directors

Management of the Company proposes to nominate each of the following persons for election as a director of the Company to hold office until the next Annual General Meeting of the shareholders or until their successors are elected or appointed. Information concerning such persons, as furnished by the individual nominees, is as follows:

Name, Province and Country of Residence and Position Held with the Company <sup>(1)</sup>	Period during which the Nominee has served as a Director	Principal Occupation during the past five years	Number of Common Shares held <sup>(2)</sup>
<b>Warren Stanyer</b> <sup>(9)(11)</sup> Chairman, CEO and Director  <i>Delta, British Columbia, Canada</i>	September 2015	Chairman, CEO and Director of ALX Resources Corp., President, CEO and Director of Nevada Sunrise Gold Corp., former Director of Eureka Resources Inc., former Director of Alpha Exploration Inc., and Director and Officer of New Moon Minerals Corp.	2,510,225 <sup>(3)</sup>

<b>Name, Province and Country of Residence and Position Held with the Company <sup>(1)</sup></b>	<b>Period during which the Nominee has served as a Director</b>	<b>Principal Occupation during the past five years</b>	<b>Number of Common Shares held <sup>(2)</sup></b>
<b>Robert Sierd Eriks</b> President & Chief Geologist  <i>Qualicum Beach, British Columbia, Canada</i>	July 2017	President and Chief Geologist of ALX Resources Corp. since November 2017, Director since July 2017, Former Interim President & CEO from February 2017 to November 2017, and former Vice-President, Exploration, of the Company, from 2015 to 2017. Former Vice-President, Exploration, UEX Corporation from 2007 to 2014.	128,000 <sup>(4)</sup>
<b>David Miller<sup>(10)(11)</sup></b> Director  <i>Riverton, Wyoming, USA</i>	May 2017	Independent businessman, professional economic geologist and elected member of the Wyoming Legislature. Former CEO of Strathmore Minerals Corp., until 2013.	Nil <sup>(5)</sup>
<b>Jody Dahrouge<sup>(9)</sup></b> Director  <i>Stony Plain, Alberta, Canada</i>	April 2015	Professional Geologist; Principle of Dahrouge Geological Ltd. and Director of Commerce Resources Corp.	7,004,056 <sup>(6)</sup>
<b>Jean-Jacques Gautrot<sup>(10)</sup></b> Director <i>Boury-En-Vexin, France</i>	June 2017	President of JJ Gautrot Consulting S.A. since 2014; President of EVOCATI Consulting Alliance since 2019; former Senior Advisor to the CEO of AREVA, from 2008 to 2016.	Nil <sup>(7)</sup>
<b>Howard Haugom<sup>(9)(10)(11)</sup></b> Director <i>West Vancouver, British Columbia, Canada</i>	June 2016	Director of Burkehill Capital Corp.	Nil <sup>(8)</sup>

1. The information as to country of residence and principal occupation, and common shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Company, has been furnished by the respective nominees as at the date of this Information Circular.
2. Includes issued shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at the date of this Information Circular.
3. Mr. Stanyer holds 1,700,000 options exercisable into Common Shares and 487,000 warrants exercisable into Common Shares.
4. Mr. Eriks holds 1,600,000 options exercisable into Common Shares and 78,000 warrants exercisable into Common Shares.
5. Mr. Miller holds 1,600,000 options exercisable into Common Shares.
6. Mr. Dahrouge holds 3,882,500 Common Shares personally, 1,012,390 through 877384 Alberta Ltd., 315,000 through Dahrouge Geological Consulting Ltd., 956,666 through DG Resource Management Ltd., companies controlled by Mr. Dahrouge. Mr. Dahrouge also controls 837,500 Common Shares held by Debbie Dahrouge. Mr. Dahrouge holds 1,700,000 options and 1,350,000 warrants exercisable into Common Shares. Mr. Dahrouge also controls 850,000 warrants exercisable into Common shares held by Debbie Dahrouge.
7. Mr. Gautrot holds 1,600,000 options exercisable into Common Shares.
8. Dr. Haugom holds 1,600,000 options exercisable into Common Shares and 500,000 warrants exercisable into Common Shares.
9. Member of the Audit Committee.
10. Member of the Governance Committee.



11. Member of the Compensation Committee.

The term of office of those nominees set out above, who are presently directors, will expire as of the date of the Meeting. All of the directors who are elected at the Meeting will have their term of office expire at the next Annual General Meeting or at such time when their successors are duly elected or appointed in accordance with the Articles, or with the provisions of applicable corporate legislation or until such director's earlier death, resignation or removal.

**Management recommends the approval of each of the nominees listed above for election as directors of the Company for the ensuing year.**

Management does not contemplate that any of its nominees will be unable to serve as directors. If any vacancies occur in the slate of nominees listed above before the Meeting, then the Designated Persons intend to exercise discretionary authority to vote the common shares represented by proxy for the election of any other persons as directors.

**Orders**

No proposed director of the Company is, or within the 10 years before the date of this Information Circular has been, a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to an order that was issued while the proposed director was acting in the capacity of director, chief executive officer or chief financial officer, or
- (b) 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 of director, chief executive officer or chief financial officer.

For the purposes of the above, "order" means:

- (a) a cease trade order;
- (b) an order similar to a cease trade order; or
- (c) an order that denied the relevant company access to any exemption and securities legislation, that was in effect for a period of more than 30 consecutive days.

**Bankruptcies**

Other than what is disclosed below, no proposed director of the Company is, or was, within the 10 years before the date of this Information Circular, a director or an executive officer of any company that, while the 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.

No proposed director of the Company has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, become subject to or instituted any proceedings, arrangement or compromise with

creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

### **Penalties or Sanctions**

No proposed director has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, or has entered into a settlement agreement with respect to same, or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to reasonable Shareholders in deciding whether to vote for a proposed director.

The above information was provided by each director or officer of the Company

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Named Executive Officer**

In this section, “Named Executive Officer” (“**NEO**”) means each of the following individuals:

- (a) a Chief Executive Officer (“**CEO**”);
- (b) a Chief Financial Officer (“**CFO**”);
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at December 31, 2020.

Patrick Groening, CFO, Robert Sierd Eriks, President and Chief Geologist, and Former Interim President and CEO, and Warren Stanyer, CEO and Chairman, are each an NEO of the Company for the purposes of the following disclosure.

The following disclosure sets out the compensation that the Board intended to pay, make payable, award, grant, give or otherwise provide to each NEO and director for the financial year ended December 31, 2020.

### **Compensation and Discussion Analysis**

The compensation committee does not have a formal process for reviewing compensation of the directors and senior officers, and reviews of compensation are conducted on a periodic basis.

The compensation committee deals with executive compensation matters. The compensation committee regularly considers the implications of the risks associated with the Company’s compensation program and how it might mitigate those risks. The Company does not currently believe there are any risks arising from compensation policies and practices that are reasonably likely to have an adverse effect on the Company.

The Company did not retain any compensation consultants during the financial year ended December 31, 2020.

The Company's compensation programs are designed to recognize and reward executive performance consistent with the success of the Company's business. These policies and programs are intended to attract and retain capable and experienced people. The philosophy of the Board and the compensation committee is to ensure that the Company's compensation goals and objectives, as applied to the actual compensation paid to the Company's CEO and other executive officers, are aligned with the Company's overall business objectives and with shareholder interests.

The compensation committee considers a variety of factors when determining both compensation policies and programs and individual compensation levels. These factors include the long-range interests of the Company and its shareholders, overall financial and operating performance of the Company and the compensation committee's assessment of each executive's individual performance and contribution toward meeting corporate objectives.

### **Report on Executive Compensation**

The compensation committee assumes responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of the Company. The compensation committee determines the type and amount of compensation for the President and CEO. The compensation committee also reviews the compensation of the Company's senior executives.

### **Philosophy and Objectives**

The compensation program for the senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including:

- (a) attracting and retaining qualified executives;
- (b) motivating the short and long-term performance of these executives; and
- (c) better aligning their interests with those of the Company's shareholders.

In compensating its senior management, the Company employs a combination of salary and equity participation through its share option plan.

### **Elements of the Compensation Program for the Fiscal Year 2020**

The significant elements of compensation awarded during the financial year ended December 31, 2020 to the NEOs was paid in cash. The Company does not presently have a long-term incentive plan for its NEOs. There is no policy or target regarding allocation between cash and non-cash elements of the Company's compensation program. The compensation committee reviews periodically the total compensation package of each of the Company's executive officers on an individual basis, and makes recommendations for the individual components of its compensation.

### **Cash Salary**

As a general rule, the Company seeks to offer its NEOs a compensation package that is in line with that offered by other companies in our industry, and as an immediate means of rewarding the NEO for efforts expended on behalf of the Company.

## **Equity Participation**

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Company's share option plan. Options to purchase Common Shares are granted to senior executives taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. Options that vest on terms established by the Board are generally granted to senior executives of the Company.

## **Option-Based Awards**

The Company has in place a share option plan, most recently approved by shareholders on July 30, 2020 (the "**Plan**"). It is attached hereto as Schedule "C". The Plan has been established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the Board. The Plan provides that options will be issued pursuant to option agreements to directors, officers, employees or consultants of the Company or a subsidiary of the Company. All options expire on a date not later than 10 years after the issuance of such option. Previous grants of option-based awards are taken into account when considering new grants of options. Subject to the requirements of the policies of the TSXV and the prior receipt of any necessary regulatory approval, the Board may, in its absolute discretion, amend or modify the Plan or any outstanding option granted under the Plan, as to the provisions set out in the Plan. There are currently options outstanding to purchase an aggregate of 14,350,000 Common Shares.

The Plan is also intended to emphasize management's commitment to the growth of the Company and the enhancements of shareholders' equity through, for example, improvements in its resource base and share price increments.

The Company relies on discussions of the Board without any formal objectives in granting options, other than management's consideration of the NEO's duties and responsibilities, the NEO's execution of such duties, and the impact of stock options on the total compensation package as envisioned by the Board for each of the NEOs. In view of the current situation wherein the Company is not in a position to pay cash salaries commensurate with the NEO's positions in comparison with industry standards, the Board generally relies on stock options to design an equitable compensation package.

Given the evolving nature of the Company's business, the Board continues to review and redesign the overall compensation plan for senior management so as to continue to address the objectives identified above.

At least annually, the Board reviews the grant of stock options to management and employees. The Board approves base salaries and stock options at the same time to facilitate consideration of target direct compensation to executive officers. Additional options may be granted as options are replenished within the Plan. Options are granted at other times of the year to individuals commencing employment with the Company. The exercise price for the options is set in accordance with the policies of the TSXV.

## **Perquisites and Other Personal Benefits**

The Company's NEOs are not generally entitled to significant perquisites or other personal benefits not offered other employees to the Company.

## SUMMARY COMPENSATION TABLE

The compensation paid to the NEO's during the Company's three most recently completed financial years ended December 31, 2020, 2019, and 2018 is as set out below and is expressed in Canadian dollars.

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans (\$)	Long-term incentive plans (\$)			
Patrick Groening CFO	2020	75,000	Nil	8,468	Nil	Nil	Nil	Nil	83,468
	2019	67,500	Nil	14,945	Nil	Nil	Nil	Nil	82,445
	2018	45,000	Nil	Nil	Nil	Nil	Nil	Nil	45,000
Warren Stanyer Chairman & CEO	2020	123,000	Nil	12,702	Nil	Nil	Nil	Nil	135,702
	2019	123,000	Nil	17,080	Nil	Nil	Nil	Nil	140,080
	2018	123,000	Nil	Nil	Nil	Nil	Nil	Nil	123,000
Robert Sierd Eriks President & Chief Geologist	2020	123,000	Nil	12,702	Nil	Nil	Nil	Nil	135,702
	2019	123,000	Nil	19,215	Nil	Nil	Nil	Nil	142,215
	2018	123,000	Nil	Nil	Nil	Nil	Nil	Nil	123,000

Notes:

(1) The value is based on the calculated fair value on the dates of grant. The Company has no pension plans for its directors, officers or employees.

## INCENTIVE PLAN AWARDS

### Outstanding Share-based Awards and Option-based Awards

No share-based awards were granted to the NEOs of the Company. The following table sets out all option-based awards outstanding as at December 31, 2020, for each NEO:

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date (M/D/Y)	Value of unexercised in-the-money options (\$) <sup>(7)</sup>
Patrick Groening <sup>(10)</sup>	200,000 <sup>(1)</sup>	0.07	01/16/25	2,000
	350,000 <sup>(2)</sup>	0.07	06/06/24	3,500
	150,000 <sup>(3)</sup>	0.135	01/16/22	Nil
	100,000 <sup>(4)</sup>	0.10	08/17/22	Nil
Warren Stanyer <sup>(9)</sup>	300,000 <sup>(1)</sup>	0.07	01/16/25	3,000
	400,000 <sup>(2)</sup>	0.07	06/06/24	4,000

	250,000 <sup>(6)</sup>	0.10	09/25/25	Nil
	100,000 <sup>(7)</sup>	0.10	07/22/21	Nil
	150,000 <sup>(3)</sup>	0.135	01/16/22	Nil
	100,000 <sup>(4)</sup>	0.10	08/17/22	Nil
Robert Sierd Eriks <sup>(11)</sup>	300,000 <sup>(1)</sup>	0.07	01/16/25	3,000
	450,000 <sup>(2)</sup>	0.07	06/06/24	4,500
	200,000 <sup>(6)</sup>	0.10	09/25/25	Nil
	50,000 <sup>(5)</sup>	0.10	11/08/21	Nil
	100,000 <sup>(3)</sup>	0.135	01/16/22	Nil
	100,000 <sup>(4)</sup>	0.10	08/17/22	Nil

Notes:

- (1) These options to purchase Common Shares were granted on January 16, 2020.
- (2) These options to purchase Common Shares were granted on June 6, 2019.
- (3) These options to purchase Common Shares were granted on January 16, 2017.
- (4) These options to purchase Common Shares were granted on August 17, 2017.
- (5) These options to purchase Common Shares were granted on November 8, 2016.
- (6) These options to purchase Common Shares were granted on September 25, 2015.
- (7) These options to purchase Common Shares were granted on July 22, 2016.
- (8) Based on the closing price of \$0.08 for the Common Shares of the Company on the TSXV on December 31, 2020.
- (9) Subsequent to the year ended December 31, 2020, on February 26, 2021, Mr. Stanyer was granted 400,000 options to purchase Common shares exercisable at a price of \$0.075 per share and valid until February 26, 2026.
- (10) Subsequent to the year ended December 31, 2020, on February 26, 2021, Mr. Groening was granted 300,000 options to purchase Common shares exercisable at a price of \$0.075 per share and valid until February 26, 2026.
- (11) Subsequent to the year ended December 31, 2020, on February 26, 2021, Mr. Eriks was granted 400,000 options to purchase Common shares exercisable at a price of \$0.075 per share and valid until February 26, 2026.

### Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out all incentive plans (value vested or earned) during the year ended December 31, 2020, for each NEO:

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 (\$)
Patrick Groening	15,608	Nil	Nil
Warren Stanyer	19,855	Nil	Nil
Robert Sierd Eriks	21,278	Nil	Nil

### TERMINATION AND CHANGE OF CONTROL BENEFITS

Patrick Groening and the Company entered into a consulting agreement dated December 1, 2016 whereby Mr. Groening provides CFO services for the Company through his consulting company, Wardelaine Consulting Corp. (the “Consultant”) (the “Groening Agreement”). Under the terms of the Groening Agreement, the Consultant may terminate his obligations under the Groening Agreement upon giving 30 days’ notice in writing to the Company. The Groening Agreement is subject to the terms and conditions of the Employment Termination Policy.

Warren Stanyer and the Company entered into an employment agreement dated November 24, 2017 (the “**Effective Date**”) whereby Mr. Stanyer provides CEO services for the Company (the “**Stanyer Agreement**”). Under the terms of the Stanyer Agreement, the Mr. Stanyer may terminate his obligations under the Stanyer Agreement upon giving 30 days’ notice in writing to the Company. The Company may terminate the Stanyer Agreement without cause with notice, payment of base salary in lieu of notice, or a combination of both, of 3 months plus an additional 1 month for each full year of service from the Effective Date up to a maximum of 12 months.

In the event of a Change of Control, as defined in the Stanyer Agreement, in the event that Mr. Stanyer’s employment is terminated by the Company within 90 days following a Change of Control event without cause or Mr. Stanyer terminates his employment within 90 days following a Change of Control event for good reason, the Company shall pay to Mr. Stanyer an amount equal to 24 months base salary, subject to the required deductions.

Robert Sierd Eriks and the Company entered into an employment agreement dated November 24, 2017 whereby Mr. Eriks provides his services as President of the Company (the “**Eriks Agreement**”). The Eriks Agreement contains the same termination and change of control provisions as the Stanyer Agreement.

## DIRECTOR COMPENSATION

### Director Compensation Table

The compensation provided to the directors, excluding a director who is already set out in disclosure for an NEO for the Company’s most recently completed financial year of December 31, 2020 is as set out below:

Name	Fees earned (\$)	Share-based Awards (\$)	Option-based awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
David Miller	12,000	Nil	12,702	Nil	Nil	Nil	24,702
Jean-Jacques Gautrot	12,000	Nil	12,702	Nil	Nil	Nil	24,702
Jody Dahrouge	12,000	Nil	12,702	Nil	Nil	Nil	24,702
Howard Haugom	12,000	Nil	12,702	Nil	Nil	Nil	24,702

Notes:

- (1) The value is based on the calculated fair value on the dates of grant. The Company has no pension plans for its directors, officers or employees.

### Outstanding Share-based Awards and Option-based Awards

No share-based awards were granted to the directors of the Company. The following table sets out all option-based awards outstanding as at December 31, 2020, for each director, excluding a director who is already set out in disclosure for a NEO for the Company:

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date (M/D/Y)	Value of unexercised in-the-money options (\$) <sup>(10)</sup>
David Miller <sup>(11)</sup>	300,000 <sup>(1)</sup>	0.07	01/16/25	3,000
	400,000 <sup>(9)</sup>	0.07	06/06/24	4,000

	400,000 <sup>(6)</sup>	0.10	05/12/22	Nil
	100,000 <sup>(8)</sup>	0.10	08/17/22	Nil
Jean-Jacques Gautrot <sup>(11)</sup>	300,000 <sup>(1)</sup>	0.07	01/16/25	3,000
	400,000 <sup>(9)</sup>	0.07	06/06/24	4,000
	400,000 <sup>(7)</sup>	0.10	06/19/22	Nil
	100,000 <sup>(8)</sup>	0.10	08/17/22	Nil
Jody Dahrouge <sup>(11)</sup>	300,000 <sup>(1)</sup>	0.07	01/16/25	3,000
	400,000 <sup>(9)</sup>	0.07	06/06/24	4,000
	250,000 <sup>(2)</sup>	0.10	09/25/25	Nil
	100,000 <sup>(4)</sup>	0.10	07/22/21	Nil
	150,000 <sup>(5)</sup>	0.135	01/16/22	Nil
	100,000 <sup>(8)</sup>	0.10	08/17/22	Nil
Howard Haugom <sup>(11)</sup>	300,000 <sup>(1)</sup>	0.07	01/16/25	3,000
	400,000 <sup>(9)</sup>	0.07	06/06/24	4,000
	150,000 <sup>(3)</sup>	0.10	03/15/26	Nil
	100,000 <sup>(4)</sup>	0.10	07/22/21	Nil
	150,000 <sup>(5)</sup>	0.135	01/16/22	Nil
	100,000 <sup>(8)</sup>	0.10	08/17/22	Nil

Notes:

- (1) These options to purchase Common Shares were granted on January 16, 2020.
- (2) These options to purchase Common Shares were granted on September 25, 2015.
- (3) These options to purchase Common Shares were granted on March 15, 2016.
- (4) These options to purchase Common Shares were granted on July 22, 2016.
- (5) These options to purchase Common Shares were granted on January 16, 2017.
- (6) These options to purchase Common Shares were granted on May 12, 2017.
- (7) These options to purchase Common Shares were granted on June 19, 2017.
- (8) These options to purchase Common Shares were granted on August 17, 2017.
- (9) These options to purchase Common Shares were granted on June 6, 2019.
- (10) Based on the closing price of \$0.08 for the Common Shares of the Company on the TSXV on December 31, 2020.
- (11) Subsequent to the year ended December 31, 2020, on February 26, 2021, was granted 400,000 options to purchase Common shares exercisable at a price of \$0.075 per share and valid until February 26, 2026.

### Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out all incentive plans (value vested or earned) during the year ended December 31, 2020, for each director:

Name	Option-based awards – Value vested during the year (\$) <sup>(1)</sup>	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
David Miller	19,855	Nil	Nil
Jean-Jacques Gautrot	19,855	Nil	Nil
Jody Dahrouge	19,855	Nil	Nil
Howard Haugom	19,855	Nil	Nil

Note:



(1) The value is based on the calculated fair value on the dates of grant.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of all the Company's equity compensation plans as of December 31, 2020. The Company's equity compensation plan consists of the Plan:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights <sup>(1)</sup>	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	10,900,000	\$0.09	4,294,077 <sup>(2)</sup>
Equity compensation plans not approved by security holders	Nil	Nil	Nil
<b>Total</b>	10,900,000 <sup>(3)</sup>	\$0.09	4,294,077 <sup>(2)</sup>

(1) The Company does not have any warrants or rights outstanding under any equity compensation plans.

(2) Based on the Company's issued and outstanding common shares of 151,940,778 as at December 31, 2020.

(3) As of the date of this information circular there are options outstanding for the purchase of 14,350,000 common shares. Since the year ended December 31, 2020 there have been 3,450,000 stock options granted, no stock options have been exercised, and no stock options have been cancelled.

The Plan provides for the issuance of stock options to acquire up to 10% of the issued and outstanding common shares as of the date of granting of the options. Pursuant to the policies of the TSX Venture Exchange (the "**Exchange**"), a rolling stock option plan needs to be re-approved by the shareholders of the Company annually. See "Particulars of Matters To Be Acted Upon – *Approval of Stock Option Plan*".

## APPOINTMENT OF AUDITOR

Shareholders will be asked to approve the appointment of De Visser Gray, Chartered Accountants, as auditor for the Company to hold office until the next Annual General Meeting of the shareholders, at a remuneration to be fixed by the directors. De Visser Gray, Chartered Accountants, were appointed as the auditor of the Company since inception in March 2008.

**Management recommends that shareholders vote in favour of the appointment of De Visser Gray LLP, Chartered Professional Accountants, as the Company's auditors for the Company's fiscal year ending December 31, 2021 at remuneration to be fixed by the Company's Board of Directors.**

## PARTICULARS OF MATTERS TO BE ACTED UPON

### Approval of Stock Option Plan

TSXV policies require the Company to implement an incentive stock option plan every year. Accordingly, the Company proposes to implement the Stock Option Plan for insiders, employees, and other service providers to the Company. The Company's Stock Option Plan is attached hereto as Schedule "C".

The Stock Option Plan will reserve 10% of the issued and outstanding Common Shares of the Company for incentive stock option grants under the plan to qualifying persons. In addition, the Stock Option Plan will limit the number of stock options which may be granted to any one individual to not more than 5% of the total issued shares of the Company in any 12 month period. The number of options granted to any one consultant, or a person employed to provide investor relations activities, in any 12 month period must not exceed 2% of the total issued shares of the Company. All existing stock options previously granted will be deemed to be incorporated into the Stock Option Plan. Any new stock options granted under the plan may be subject to such vesting provisions as determined by the Board. Shareholders are referred to the Stock Option Plan, a copy of which may be obtained by contacting the Company.

The Stock Option Plan must be approved by a majority of the shareholders entitled to vote present in person or by proxy at the Meeting, and be accepted for filing by the TSXV. In the event such shareholder approval is not obtained, the Company will not proceed with the Stock Option Plan.

### *Shareholder Approval*

In order to exercise stock options granted under the Stock Option Plan, the Stock Option Plan must first be accepted by the Exchange. In order to obtain Exchange acceptance, the Exchange requires that "rolling" stock option plans receive shareholder approval at a company's Annual General Meeting. For these reasons and also to ensure that the Stock Option Plan is acceptable to the Company's shareholders, the directors of the Company will ask the shareholders to approve the Stock Option Plan at the Meeting. Accordingly, the shareholders will be asked to consider and, if thought fit, pass the following resolution.

"RESOLVED, AS AN ORDINARY RESOLUTION, THAT SUBJECT TO TSXV APPROVAL:

1. The Company's Stock Option Plan (the "**Plan**"), approved by shareholders on July 30, 2020, is approved and confirmed, including the reserving for issuance under the Plan at any time of a maximum of 10% of the issued and outstanding common shares of the Company, subject to any amendments that may be required by the TSX Venture Exchange ("**TSXV**").
2. The Company be authorized to abandon or terminate all or any part of the Plan if the directors of the Company deems it appropriate and in the best interests of the Company to do so;
3. The Company be and is hereby authorized to grant options pursuant and subject to the terms and conditions of the Plan;

4. The Company be and is hereby, at the discretion of the board of directors (the “**Board**”), to amend the exercise price of previously granted option agreements, without further approval by the shareholders, all in accordance with the policies of the TSXV; and
5. Any one or more of the directors and officers of the Company be authorized and directed to perform all such acts, deeds and things and execute, under the seal of the Company or otherwise, all such documents and other writings, including treasury orders, stock exchange and securities commissions forms, as may be required to give effect to the true intent of this resolution.”

**It is the intention of the persons named in the enclosed instrument of proxy, if not expressly directed otherwise in such instrument of proxy, to vote such proxies FOR the ordinary resolution to approve the Stock Option Plan. An ordinary resolution is a resolution passed by the disinterested shareholders of the Company at a general meeting by a simple majority of the votes cast in person or by proxy.**

**Management of the Company recommends that shareholders vote in favour of the above resolution.**

## **CORPORATE GOVERNANCE**

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices (NI 58-101)*, the Company is required to disclose its corporate governance practices with respect to the corporate governance guidelines adopted in NI 58-101. These Guidelines are not prescriptive, but have been used by the Company in adopting its corporate governance practices. The Company’s approach to corporate governance is set out in this Information Circular attached as Schedule “A”.

## **AUDIT COMMITTEE**

Under National Instrument 52-110 *Audit Committees (NI 52-110)*, venture issuers are required to provide certain disclosure with respect to their audit committee, including the text of the audit committee’s charter, the composition of the audit committee and the fees paid to the external auditor. This information with respect to the Company is provided in Schedule “B”.

## **MANAGEMENT CONTRACTS**

Management functions of the Company are generally performed by directors and senior officers of the Company and not, to any substantial degree, by any other person to whom the Company has contracted.

## **ADDITIONAL INFORMATION**

Financial information is provided in the Company’s comparative financial statements for the years ended December 31, 2020 and 2019 and the Management Discussion & Analysis for the year ended December 31, 2020 which are available, along with additional information relating to the Company, on SEDAR at [www.sedar.com](http://www.sedar.com) or on the Company’s website at [www.alxresources.com](http://www.alxresources.com).

To request copies of the Company's financial statements and management discussion and analysis, shareholders can contact the Company at (604) 629-0293 or by email at [info@alxresources.com](mailto:info@alxresources.com)

### **APPROVAL OF THE BOARD OF DIRECTORS**

The contents of this Information Circular have been approved and the delivery of it to each shareholder of the Company entitled thereto and to the appropriate regulatory agencies has been authorized by the Board.

DATED at Vancouver, British Columbia, this 25<sup>th</sup> day of June, 2021.

**By Order of the Board of Directors of**

**ALX RESOURCES CORP.**

Per: “Warren Stanyer”  
Chairman, CEO and Director



## SCHEDULE "A" CORPORATE GOVERNANCE DISCLOSURE

Corporate Governance is the process and structure used to direct and manage the business and affairs of an issuer with the objective of enhancing value for its owners. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") of the Canadian Securities Administrators requires the Company to disclose in this Information Circular a summary of the corporate governance policies that the Company has in place.

### Board of Directors

Robert Sierd Eriks is President and Chief Geologist of the Company and is therefore not an independent director. Warren Stanyer is Chairman and CEO of the Company and is therefore not an independent director. Howard Haugom, David Miller, and Jean-Jacques Gautrot are independent directors. Jody Dahrouge provides geological services to the Company and therefore is not independent.

### Directorships

<i>Name of Director</i>	<i>Names of other Reporting Issuers</i>	
Jody Dahrouge	Commerce Resources Inc.	[CCE: TSXV]
Warren Stanyer	Nevada Sunrise Gold Corporation	[NEV: TSXV]
David Miller	County International Inc.	[CCJ: ASX]

### Orientation and Continuing Education

While the Company does not have formal orientation or training programs for new board members, new board members are provided with full access to the Company's records, including all publicly filed documents of the Company, technical reports, internal financial information, management & technical experts and consultants and a summary of significant securities disclosure obligations. 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.

### Ethical Business Conduct

Corporate governance is the structure and process used to direct and manage the business and affairs of a corporation with the objective of enhancing shareholder value. The Board believes that the Company has in place corporate governance practices that are both effective and appropriate to the Company's size and its business operations.

On February 13, 2018, the Board adopted an Insider Trading Policy, to which all directors, officers, employees and consultants of the Company are subject. The Insider Trading Policy was adopted to:

- a) prevent inadvertent violations of the insider trading laws;
- b) avoid even the appearance of impropriety on the part of Company Personnel; and
- c) protect the reputation of the Company and the Company Personnel.

The Company's Insider Trading Policy outlines: the types of trades subject to the policy; the definition of what constitutes Inside Information; prohibitions against trading on inside information; prohibitions against speculating, short-selling, puts and calls; restrictions on trading during black-out periods; use of discretionary accounts; what constitutes unacceptable trading; prohibitions against tipping; reporting requirements; and enforcement of the policy.

On October 25, 2018, the Board adopted a Whistleblower Policy, to which all directors, officers, employees and consultants of the Company are subject. The Whistleblower Policy was adopted to:

- a) maintain a workplace in which the Company can receive, retain, and address all complaints received by the Company regarding violations or perceived violations of its policies and all applicable laws and regulations;
- b) to comply with applicable Canadian securities laws and to provide a procedure for reporting, and encouraging directors, officers, employees and consultants of the Company to report evidence of any misconduct without fear of discrimination, harassment or retaliation;
- c) to provide for the receipt, retention and treatment of complaints received by the Company, and the confidential anonymous submission to the Company of concerns; and
- d) to protect any employee, officer, director or consultant of the Company who legitimately and in good faith discloses any violation or alleged violation of various policies, laws, or internal controls.

The Whistleblower Policy outlines: complaint procedures; confidentiality and anonymity; non-retaliation; and procedures for receiving and investigating reports made.

### **Nomination of Directors**

The Board has the responsibility for identifying potential Board candidates. The Board assesses potential candidates to fill perceived needs on the Board for required skill, expertise, independence and other factors.

### **Compensation**

Compensation is determined by the Board and is based on the compensation paid for directors and senior officers of companies of a similar size and stage of development. The appropriate compensation reflects the need to provide incentive and compensation for the time and effort expended by the directors and its management while taking into account the financial and other resources of the Company.

### **Other Board Committees**

The Company appointed a compensation committee (the "**Compensation Committee**") on July 30, 2020 which currently consists of Howard Haugom, David Miller, and Warren Stanyer as members. The Compensation Committee determines the compensation being paid to the Company's directors and officers and makes recommendations to the Board.

The Company appointed a governance committee (the “**Governance Committee**”) on July 30, 2020 which currently consists of Howard Haugom, Jean-Jacques Gautrot, and David Miller as members. The Governance Committee determines the Company’s board policy’s and mandates.

### **Assessments**

The Board conducts informal annual assessments of the Board’s effectiveness, its individual directors and its committees.

## **SCHEDULE "B"**

### **AUDIT COMMITTEE INFORMATION**

Pursuant to NI 52-110, the Company is required to include the following summary of the audit committee responsibilities, composition and authority. The Company's Audit Committee is governed by an audit committee charter, the text of which follows:

*Mandate:* The primary function of the audit committee (the "**Committee**") is to assist the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. The Committee's primary duties and responsibilities are to serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements, review and appraise the performance of the Company's external auditor; and provide an open avenue of communication among the Company's auditor, financial and senior management and the Board.

*Composition:* The Committee shall be comprised of a minimum three directors as determined by the Board. If the Company ceases to be a "venture issuer" (as that term is defined in NI 52-110), then all of the members of the Committee shall be free from any material relationship with the Company that, in the opinion of the Board, would interfere with the exercise of their independent judgment as a member of the Committee.

If the Company ceases to be a "venture issuer" then all members of the Committee shall also have accounting or related financial management expertise. For the purposes of the Company's Audit Committee Charter, the definition of "financially literate" is 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 Company's financial statements. The members of the Committee shall be elected by the Board at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

*Meetings:* The Committee shall meet a least once annually, or more frequently as circumstances dictate or as may be prescribed by securities regulatory requirements. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditor.

*Responsibilities and Duties:* To fulfill its responsibilities and duties, the Committee shall:

1. Documents/Reports Review: review and update the Audit Committee Charter annually and review the Company's financial statements, management discussion and analysis and any annual and interim earnings press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditor.
2. External Auditor:
  - (a) review annually, the performance of the external auditor who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company;
  - (b) obtain annually, a formal written statement of external auditor setting forth all relationships between the external auditor and the Company and review and discuss with the external auditor any disclosed relationships or services that may impact the objectivity and independence of the external auditor;



- (c) take, or recommend that the Board take, appropriate action to oversee the independence of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (d) recommend to the Board the selection and, where applicable, the replacement of the external auditor nominated annually for shareholder approval and to recommend to the Board the compensation to be paid to the external auditor;
- (e) at each meeting, where desired, consult with the external auditor, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;
- (f) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company;
- (g) review with management and the external auditor the audit plan for the year-end financial statements and review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditor. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditor during the fiscal year in which the non-audit services are provided,
  - (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services, and
  - (iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee.

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

### 3. Financial Reporting Processes:

- (a) in consultation with the external auditor, review with management the integrity of the Company's financial reporting process, both internal and external;
- (b) consider the external auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
- (c) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditor and management;
- (d) review significant judgments made by management in the preparation of the financial statements and the view of the external auditor as to appropriateness of such judgments;

- (e) following completion of the annual audit, review separately with management and the external auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
  - (f) review any significant disagreement among management and the external auditor in connection with the preparation of the financial statements;
  - (g) review with the external auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented;
  - (h) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
  - (i) review certification process;
  - (j) establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
  - (k) establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
4. Other - review any related-party transactions, engage independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay compensation for any independent counsel and other advisors employed by the Committee.

*Composition of the Audit Committee:* As at the current date, the Company's audit committee is comprised of the three directors, Warren Stanyer, Howard Haugom and Jody Dahrouge. All of the audit committee members are "financially literate" as that term is defined in NI 52-110.

#### *Relevant Education and Experience*

Below are biographies of the Company's Audit Committee members:

#### Warren Stanyer

Mr. Stanyer has over twenty-five years of experience in the mineral exploration industry, focused mainly on uranium in the Athabasca Basin. Mr. Stanyer began his career with Pioneer Metals Corporation, a diverse explorer for gold, base metals and uranium, with properties in New Mexico, BC, Manitoba and Saskatchewan. In 1999, Pioneer signed an option agreement with Cameco Corporation which led to the formation of the uranium exploration company, UEX Corporation in 2002. Mr. Stanyer held the positions of Corporate Secretary and Vice President, Corporate Development in both Pioneer and UEX, prior to the acquisition of Pioneer by Barrick Gold Corporation in 2006.

After leaving UEX in 2007, Mr. Stanyer began consulting for Northern Continental Resources, a junior exploration company focused on uranium in the Athabasca Basin. He was appointed President and CEO in 2008, and in 2009 he steered the successful sale of the Company to Hathor Exploration Limited, in competition with Denison Mines.

He became Chairman of Guyana Frontier Mining Corp. in December 2010, and was President and CEO from September 2011 to December 2012. In 2013, as a Director of Alpha Minerals Inc. he served as Chairman of the Special Committee during its acquisition by Fission Uranium Corp., which completed in December 2013. He was appointed Director of Fission Uranium until 2014. Currently Mr. Stanyer serves as President, CEO and a Director of Nevada Sunrise Gold Corporation, a junior exploration company focused on mineral exploration in Nevada, USA. He is also a Director of New Moon Minerals Corporation, a private mineral exploration company. Mr. Stanyer is financially literate

and is able to evaluate and understand the financial statements of the Company at the current level of complexity.

#### Howard Haugom

Dr. Haugom is co-owner of Quilts Etc., a national linen retail chain and a partner at Burkehill Capital Corp, a Vancouver based private equity firm. He has taught extensively at Simon Fraser University, worked for both the private (Canadian Pacific) and public sectors (BC Treasury Board) as an Economist, and has been a consultant to the gold resource sector. Dr. Haugom received Economic degrees (specializing in international trade/finance and Resource Economics from the University of Victoria - BA and MA, 1984) and a PhD (1991) from Simon Fraser University. Dr. Haugom is financially literate and is able to evaluate and understand the financial statements of the Company at the current level of complexity.

#### Jody Dahrouge

Mr. Dahrouge is a professional geologist with 30 years of experience in Canada and internationally, and has a successful background in uranium exploration and project generation within the Athabasca Basin.

Since 1998, Mr. Dahrouge has been the president of Dahrouge Geological Consulting Ltd., a geological services company that provides consulting services to a broad range of public and private exploration and mining companies. He previously served as President and COO and as a director of Fission Energy Corp. He is a professional geologist (Alberta and British Columbia) and holds Bachelor of Science degrees in geology and computing science, both from the University of Alberta. Mr. Dahrouge is financially literate and is able to evaluate and understand the financial statements of the Company at the current level of complexity.

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

*Reliance on Certain Exemptions:* At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

*Pre-approval Policies and Procedures:* The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services to the extent set forth in the Company's Audit Committee Charter (see under the heading "External Auditor").

*External Auditor Service Fees:* In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The fees paid by the Company to its auditor in the last two fiscal years, by category, are as follows:

<b>Financial Year Ending</b>	<b>Audit Fees</b>	<b>Audit Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
December 31, 2020	\$20,000	Nil	\$2,000	Nil
December 31, 2019	\$22,000	Nil	\$2,000	Nil

The Company is a venture issuer and as such, is relying on section 6.1 of NI 52-110 which provides that a venture issuer is not required to comply with Part 3 *Composition of the Audit Committee* and Part 5 *Reporting Obligations* of NI 52-110.

**SCHEDULE "C"**  
**ALX RESOURCES STOCK OPTION PLAN**



## **ALX RESOURCES CORP.**

### **STOCK OPTION PLAN**

#### **1. Purpose**

The purpose of the Stock Option Plan (the “**Plan**”) of **ALX RESOURCES CORP.**, a corporation incorporated under the *Business Corporations Act* (British Columbia) (the “**Corporation**”) is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation, and of its subsidiaries and affiliates, if any, to acquire common shares in the share capital of the Corporation (the “**Shares**”), thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs.

#### **2. Administration**

The Plan shall be administered by the Board of Directors of the Corporation or by a special committee of the directors appointed from time to time by the Board of Directors of the Corporation pursuant to rules of procedure fixed by the Board of Directors (such committee or, if no such committee is appointed, the Board of Directors of the Corporation, is hereinafter referred to as the “**Board**”). A majority of the Board shall constitute a quorum, and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the directors.

Subject to the provisions of the Plan, the Board shall have authority to construe and interpret the Plan and all option agreements entered into thereunder, to define the terms used in the Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all participants in the Plan and on their legal personal representatives and beneficiaries.

Each option granted hereunder may be evidenced by an agreement in writing, signed on behalf of the Corporation and by the optionee, in such form as the Board shall approve. Each such agreement shall recite that it is subject to the provisions of this Plan.

#### **3. Stock Exchange Rules**

All options granted pursuant to this Plan shall be subject to rules and policies of any stock exchange or exchanges on which the common shares of the Corporation are then listed and any

other regulatory body having jurisdiction hereinafter (hereinafter collectively referred to as, the “**Exchange**”).

#### **4. Shares Subject to Plan**

Subject to adjustment as provided in Section 16 hereof, the Shares to be offered under the Plan shall consist of common shares of the Corporation's authorized but unissued common shares. The aggregate number of Shares issuable upon the exercise of all options granted under the Plan shall not exceed 10% of the issued and outstanding common shares of the Corporation from time to time. If any option granted hereunder shall expire or terminate for any reason in accordance with the terms of the Plan without being exercised, the unpurchased Shares subject thereto shall again be available for the purpose of this Plan.

#### **5. Maintenance of Sufficient Capital**

The Corporation shall at all times during the term of the Plan reserve and keep available such numbers of Shares as will be sufficient to satisfy the requirements of the Plan.

#### **6. Eligibility and Participation**

Directors, officers, consultants, and employees of the Corporation or its subsidiaries, and employees of a person or company which provides management services to the Corporation or its subsidiaries (“**Management Company Employees**”) shall be eligible for selection to participate in the Plan (such persons hereinafter collectively referred to as “**Participants**”). Subject to compliance with applicable requirements of the Exchange, Participants may elect to hold options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the Plan in the same manner as if the options were held by the Participant.

Subject to the terms hereof, the Board shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted and vested, and the number of Shares to be subject to each option. In the case of employees or consultants of the Corporation or Management Company Employees, the option agreements to which they are party must contain a representation of the Corporation that such employee, consultant or Management Company Employee, as the case may be, is a bona fide employee, consultant or Management Company Employee of the Corporation or its subsidiaries.

A Participant who has been granted an option may, if such Participant is otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional option or options if the Board shall so determine.

#### **7. Exercise Price**

- (a) The exercise price of the Shares subject to each option shall be determined by the Board, subject to applicable Exchange approval, at the time any option is granted. In no event shall such exercise price be lower than the exercise price permitted by the Exchange.
- (b) Once the exercise price has been determined by the Board, accepted by the Exchange and the option has been granted, the exercise price of an option may be

reduced upon receipt of Board approval, provided that in the case of options held by insiders of the Corporation (as defined in the policies of the Exchange), the exercise price of an option may be reduced only if disinterested shareholder approval is obtained and further provided that in any case the exercise price may be reduced only if at least 6 months have elapsed since the later of (i) the date of commencement of the term of the option, (ii) the date the Corporation's shares commenced trading on the Exchange, and (iii) the date the exercise price of such option was last reduced.

## **8. Number of Optioned Shares**

- (a) The number of Shares subject to an option granted to any one Participant shall be determined by the Board, but no one Participant shall be granted an option which exceeds the maximum number permitted by the Exchange.
- (b) No single Participant may be granted options to purchase a number of Shares equalling more than 5% of the issued common shares of the Corporation in any twelve-month period unless the Corporation has obtained disinterested shareholder approval in respect of such grant and meets applicable Exchange requirements.
- (c) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued common shares of the Corporation in any twelve-month period to any one consultant of the Corporation (or any of its subsidiaries).
- (d) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued common shares of the Corporation in any twelve month period to persons employed to provide investor relation activities. Options granted to Consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than  $\frac{1}{4}$  of the options vesting in any 3 month period.

## **9. Duration of Option**

Each option and all rights thereunder shall be expressed to expire on the date set out in the option agreement and shall be subject to earlier termination as provided in Sections 11 and 12, provided that in no circumstances shall the duration of an option exceed the maximum term permitted by the Exchange. For greater certainty, if the Corporation is listed on the TSX-V, the maximum term may not exceed 10 years.

## **10. Option Period, Consideration and Payment**

- (a) The option period shall be a period of time fixed by the Board not to exceed the maximum term permitted by the Exchange, provided that the option period shall be reduced with respect to any option as provided in Sections 11 and 12 covering cessation as a director, officer, consultant, employee or Management Company Employee of the Corporation or its subsidiaries, or death of the Participant.



- (b) Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.
- (c) Subject to any vesting restrictions imposed by the Board, options may be exercised in whole or in part at any time and from time to time during the option period. To the extent required by the Exchange, no options may be exercised under this Plan until this Plan has been approved by a resolution duly passed by the shareholders of the Corporation.
- (d) Except as set forth in Sections 11 and 12, no option may be exercised unless the Participant is at the time of such exercise a director, officer, consultant, or employee of the Corporation or any of its subsidiaries, or a Management Company Employee of the Corporation or any of its subsidiaries.
- (e) To the extent the grant or exercise of an Option hereunder gives rise to any tax or other statutory withholding obligation (including, without limitation, income and payroll withholding taxes imposed by any jurisdiction), prior to the delivery of the Option or Common Shares being acquired upon the exercise of the Option, as the case may be, the Company may:
  - i. require the Optionee to remit to the Company a cash payment; or
  - ii. withhold from any remuneration or consideration whatsoever payable to the Optionee, an amount sufficient to pay any tax or other statutory withholding obligation associated with the grant or exercise of the Option, as the case may be.

The Company shall have the right to require an Optionee to remit to the Company a cash payment in an amount sufficient to pay any tax or other statutory withholding obligation associated with a grant or exercise of an Option hereunder as a condition to the delivery of any Option or Common Shares being acquired upon the exercise of an Option, as the case may be.

- (f) The exercise of any option will be contingent upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Shares with respect to which the option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Shares with respect to which the option is exercised and any required withholding taxes. No Participant or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any common shares of the Corporation unless and until the certificates for Shares issuable pursuant to options under the Plan are issued to him or them under the terms of the Plan.

#### **11. Ceasing To Be a Director, Officer, Consultant or Employee**

If a Participant shall cease to be a director, officer, consultant, employee of the Corporation, or its subsidiaries, or ceases to be a Management Company Employee, for any reason (other than death), such Participant may exercise such Participant's option to the extent that the Participant

was entitled to exercise it at the date of such cessation, provided that such exercise must occur within: 1) 90 days after the Participant ceases to be a director, officer, consultant, employee or a Management Company Employee, unless such Participant was engaged in investor relations activities, in which case such exercise must occur within 30 days after the cessation of the Participant's services to the Corporation.

Nothing contained in the Plan, nor in any option granted pursuant to the Plan, shall as such confer upon any Participant any right with respect to continuance as a director, officer, consultant, employee or Management Company Employee of the Corporation or of any of its subsidiaries or affiliates.

## **12. Death of Participant**

Notwithstanding section 11, in the event of the death of a Participant, the option previously granted to him shall be exercisable only within the one (1) year after such death and then only:

- (a) by the person or persons to whom the Participant's rights under the option shall pass by the Participant's will or the laws of descent and distribution; and
- (b) if and to the extent that such Participant was entitled to exercise the Option at the date of his death.

## **13. Rights of Optionee**

No person entitled to exercise any option granted under the Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such option until certificates representing such Shares shall have been issued and delivered.

## **14. Proceeds from Sale of Shares**

The proceeds from the sale of Shares issued upon the exercise of options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine.

## **15. Disinterested shareholder approval**

The Corporation will obtain disinterested shareholder approval if a stock option plan, together with all of the Corporation's previously established and outstanding stock option plans or grants, could result at any time in the number of shares reserved for issuance under stock options granted to Insiders exceeding 10% of the issued shares; or the grant is to Insiders, within a 12 month period, of a number of options exceeding 10% of the issued shares; or the issuance is to any one Optionee, within a 12 month period, of a number of shares exceeding 5% of the issued shares; or if the Corporation is decreasing the exercise price of stock options previously granted to Insiders.

## **16. Adjustments**

If the outstanding common shares of the Corporation are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation or another

corporation or entity through re-organization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, any adjustments relating to the Shares optioned or issued on exercise of options and the exercise price per Share as set forth in the respective stock option agreements shall be made in accordance to the terms of such agreements.

Adjustments under this Section shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Share shall be required to be issued under the Plan on any such adjustment.

#### **17. Transferability**

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein or the extent, if any, permitted by the Exchange. During the lifetime of a Participant any benefits, rights and options may only be exercised by the Participant.

#### **18. Amendment and Termination of Plan**

Subject to applicable approval of the Exchange, the Board may, at any time, suspend or terminate the Plan. Subject to applicable approval of the Exchange, the Board may also at any time amend or revise the terms of the Plan; provided that no such amendment or revision shall result in a material adverse change to the terms of any options theretofore granted under the Plan, unless shareholder approval, or disinterested shareholder approval, as the case may be, is obtained for such amendment or revision.

#### **19. Necessary Approvals**

The ability of a Participant to exercise options and the obligation of the Corporation to issue and deliver Shares in accordance with the Plan is subject to any approvals which may be required from shareholders of the Corporation and any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation. If any Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such Shares shall terminate and any option exercise price paid to the Corporation will be returned to the Participant.

#### **20. Effective Date of Plan**

The Plan has been adopted by the Board of the Corporation subject to the approval of the Exchange and, if so approved, subject to the discretion of the Board, the Plan shall become effective upon such approvals being obtained.

#### **21. Interpretation**

The Plan will be governed by and construed in accordance with the laws of the Province of British Columbia.

Approved by the board of directors on May 4, 2016.