



Suite 650 – 669 Howe Street  
Vancouver, British Columbia  
V6C 0B4 Canada  
www.japangold.com

## MANAGEMENT INFORMATION CIRCULAR AS AT SEPTEMBER 4, 2018

This Management Information Circular (“Information Circular”) is furnished in connection with the solicitation of proxies by management of Japan Gold Corp. for use at the annual general and special meeting (the “Meeting”) of shareholders of Japan Gold Corp. (the “Shareholders”) to be held on October 11, 2018 and any adjournment or postponement thereof, for the purposes set forth in the attached Notice of Annual General and Special Meeting. Except where otherwise indicated, the information contained herein is stated as of September 4, 2018.

In this Information Circular, references to the “Company” and “we” refer to Japan Gold Corp. “Common Shares” means common shares without par value in the capital of the Company. “Registered Shareholders” means Shareholders whose names appear on the records of the Company as the registered holders of Common Shares. “Non-Registered Shareholders” means Shareholders who do not hold Common Shares in their own name. “Intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Non-Registered Shareholders.

### GENERAL PROXY INFORMATION

#### Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged to send meeting materials directly to Registered Shareholders, as well as Non-Registered Shareholders who have consented to their ownership information being disclosed by the Intermediary holding the Common Shares on their behalf (non-objecting beneficial owners). We have not arranged for Intermediaries to forward the meeting materials to Non-Registered Shareholders who have objected to their ownership information being disclosed by the Intermediary holding the Common Shares on their behalf (objecting beneficial owners). As a result, objecting beneficial owners will not receive the Information Circular and associated meeting materials unless their Intermediary assumes the costs of delivery.

#### Appointment and Revocation of Proxies

The individuals named in the accompanying form of proxy (the “Proxy”) are officers of the Company or solicitors for the Company. **If you are a Registered Shareholder, you have the right to attend the meeting or vote by proxy and to appoint a person or company other than the person designated in the Proxy, who need not be a Shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of Proxy.**

If you are a Registered Shareholder you may wish to vote by proxy whether or not you 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 Trust Company of Canada (“Computershare”), in accordance with the instructions on the Proxy.

In all cases you should ensure 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.

Every Proxy may be revoked by an instrument in writing:

- (i) executed by the Shareholder or by his/her attorney authorized in writing or, where the Shareholder is a company, by a duly authorized officer or attorney of the company; and
- (ii) delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, at which the Proxy is to be used, or to the chairman of the Meeting on the day of the Meeting or any adjournment thereof,

or in any other manner provided by law.

**Only Registered Shareholders have the right to revoke a Proxy. Non-Registered Shareholders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries to revoke the Proxy on their behalf.** If you are a Non-Registered Shareholder, see “Voting by Non-Registered Shareholders” below for further information on how to vote your Common Shares.

### **Exercise of Discretion by Proxyholder**

If you vote by proxy, the persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (i) each matter or group of matters identified therein for which a choice is not specified;
- (ii) any amendment to or variation of any matter identified therein;
- (iii) any other matter that properly comes before the Meeting; and
- (iv) exercise of discretion of the Proxyholder.

**In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.** Management is not currently aware of any other matters that could come before the Meeting.

### **Voting by Non-Registered Shareholders**

The following information is of significant importance to Shareholders who do not hold Common Shares in their own name. Non-Registered Shareholders should note that the only Proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders.

If Common Shares are listed in an account statement provided to a Shareholder by an Intermediary, 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 name of the Shareholder’s Intermediary or an agent of that Intermediary. 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).

If you have consented to disclosure of your ownership information, you will receive a request for voting instructions from the Company (through Computershare). If you have declined to disclose your ownership information, you may receive a request for voting instructions from your Intermediary if they have assumed the cost of delivering the Information Circular and associated meeting materials. Every Intermediary has its own mailing procedures and provides its own return instructions to clients. However, most Intermediaries now delegate responsibility for obtaining voting instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in the United States and in Canada.

If you are a Non-Registered Shareholder, you should carefully follow the instructions on the voting instruction form received from Computershare or Broadridge in order to ensure that your Common Shares are voted at the Meeting. The voting instruction form supplied to you will be similar to the Proxy provided to the Registered Shareholders by the Company. However, its purpose is limited to instructing the Intermediary on how to vote on your behalf.

The voting instruction form sent by Computershare or Broadridge will name the same persons as the Company’s proxy to represent you at the Meeting. **Although as a Non-Registered Shareholder you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your Intermediary, you, or a person designated by you (who need not be a Shareholder), may attend at the Meeting as Proxyholder for your Intermediary and vote your Common Shares in that capacity.** To exercise this right to attend the meeting or appoint a Proxyholder of your own choosing, you should insert your own name or the name of the desired representative in the blank space provided in the voting instruction form. Alternatively, you may provide other written instructions requesting that you or your desired representative attend the Meeting as Proxyholder for your Intermediary. The completed voting instruction form or other written instructions must then be returned in accordance with the instructions on the form.

**If you receive a voting instruction form from Computershare or Broadridge, you cannot use it to vote Common Shares directly at the Meeting. The voting instruction form must be completed as described above and returned in accordance with its instructions well in advance of the Meeting in order to have the Common Shares voted.**

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

No person has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of directors and as disclosed in “Particulars of Matters to be Acted Upon – Related Party Private Placement”. For the purpose of this paragraph, “person” shall include each person: (a) who has been a director, senior officer or insider of the Company at any time since the commencement of the Company’s last fiscal year; (b) who is a proposed nominee for election as a director of the Company; or (c) who is an associate or affiliate of a person as defined in (a) or (b).

#### **RECORD DATE AND QUORUM**

The board of directors (the “**Board**”) of the Company has fixed the record date for the Meeting as the close of business on September 4, 2018 (the “**Record Date**”). Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote their Common Shares at the Meeting, except to the extent that any such Shareholder transfers any Common Shares after the Record Date and the transferee of those Common Shares establishes that the transferee owns the Common Shares and demands, not less than ten (10) days before the Meeting, that the transferee’s name be included in the list of Shareholders entitled to vote at the Meeting, in which case, only such transferee shall be entitled to vote such Common Shares at the Meeting.

Under the Articles of the Company, the quorum for the transaction of business at a meeting of Shareholders is two shareholders at a meeting of Shareholders, present in person or by Proxy.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

On the Record Date there were 68,314,409 Common Shares issued and outstanding, with each share carrying the right to one vote. Only Shareholders of record at the close of business on the Record Date will be entitled to vote in person or by proxy at the Meeting or any adjournment thereof.

To the knowledge of the directors and executive officers of the Company, as of the date of this Information Circular, the Shareholders who beneficially own, or exercise control or direction, directly or indirectly, Common Shares carrying 10% or more of the votes attached to Common Shares are:

Name	Number of Common Shares Owned, or Controlled or Directed, Directly or Indirectly <sup>(1)</sup>	Approximate Percentage of Total Outstanding Common Shares
Southern Arc Minerals Inc.	36,250,000	53.06%

(1) The above information was derived from the shareholder list maintained by the Company’s registrar and transfer agent, or from insider and beneficial ownership reports available at [www.sedi.com](http://www.sedi.com) and [www.sedar.com](http://www.sedar.com).

## PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Company's directors, the only matters to be placed before the Meeting are those set forth in the accompanying Notice of Meeting and discussed below.

### Presentation of Financial Statements

The audited consolidated financial statements of the Company for the financial year ended December 31, 2017, together with the auditor's report thereon, will be placed before the Meeting.

### Election of Directors

The Company proposes to fix the number of directors of the Company at six (6) and to nominate the persons listed below for election as directors. Each director will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated. Management does not contemplate that any of the nominees will be unable to serve as a director. If, prior to the Meeting, any vacancies occur in the slate of nominees herein listed, it is intended that discretionary authority shall be exercised by the person named in the Proxy as nominee to vote the Common Shares represented by Proxy for the election of any other person or persons as directors.

The following table sets out the names of the director nominees; their positions and offices in the Company; principal occupations; the period of time that they have been directors of the Company; and the number of Common Shares that each beneficially owns or over which control or direction is exercised.

Name, Residence and Present Position within the Company	Director Since	Number of Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Discretion is Exercised <sup>(1)</sup>	Principal Occupation <sup>(1)</sup>
<b>John Proust</b> <sup>(2)</sup> British Columbia, Canada <i>Chief Executive Officer, Chairman and Director</i>	September 15, 2016	100,000	Mr. Proust is an independent businessman and President of J. Proust & Associates Inc., through which Mr. Proust is the founder of numerous public and private companies. Mr. Proust is currently Chairman/CEO and director of Southern Arc Minerals Inc., Chairman and a director of Canada Energy Partners Inc., Non-executive Chairman and Director of Tethyan Resources plc, President and a director of Lincoln Ventures Ltd., a director of Rise Gold Corp., and a director of Pinedale Energy Limited.
<b>Michael Andrews</b> <sup>(3)(4)</sup> St. Ouen, Jersey, Channel Islands <i>President, Chief Operating Officer and Director</i>	September 15, 2016	500,000	Dr. Andrews is a geologist with over 40 years of research and mining industry experience in gold, copper, coal and iron exploration. Dr. Andrews is also currently a President, COO and a director of Southern Arc Minerals Inc., a Non-executive Director of both Tethyan Resources plc. and Kingsrose Mining Limited.
<b>John Carlile</b> <sup>(4)</sup> St. Brelade, Jersey, Channel Islands <i>Executive Vice President, Director</i>	September 15, 2016	588,000	Mr. Carlile is a geologist with more than 35 years of experience in the resource industry. Mr. Carlile is a director of Southern Arc Minerals Inc., and a Non-executive Director of Tethyan Resources plc.

Name, Residence and Present Position within the Company	Director Since	Number of Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Discretion is Exercised <sup>(1)</sup>	Principal Occupation <sup>(1)</sup>
<b>Robert Gallagher</b> <sup>(2)(3)</sup> British Columbia, Canada <i>Director</i>	September 15, 2016	250,000	Mr. Gallagher has worked in the mining industry for over 40 years and has extensive experience in the development and operation of large-scale mining projects. He is currently a director of Yamana Gold Inc., Capstone Mining Corp., BC Hydro and Southern Arc Minerals Inc.
<b>Mitsuhiko Yamada</b> <sup>(4)</sup> Tokyo, Japan <i>Director</i>	September 15, 2016	Nil	Mr. Yamada is a mining business professional with significant international experience. He held increasing senior roles with Sumitomo Corporation, overseeing all aspects of mining projects from exploration through to production, and ultimately achieving the position of Executive Officer and General Manager of Mineral Resources before retiring in 2012.
<b>Sally Eyre</b> <sup>(2)(4)</sup> British Columbia, Canada <i>Director</i>	September 15, 2016	Nil	Dr. Eyre, Ph.D. is a mining finance professional with extensive experience in global resource capital markets and mining operations. She currently serves as a director of Adventus Zinc Corp. She formerly served as President and Chief Executive Officer of Copper North Mining .

- (1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of management of the Company and has been furnished by the respective nominees. Unless otherwise stated above, any nominees named above have held the principal occupation or employment indicated for at least the five preceding years.
- (2) Member of the audit committee of the Company.
- (3) Member of the compensation committee of the Company.
- (4) Member of the corporate governance/nomination committee of the Company.

To the knowledge of the Company, no proposed director of the Company is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company), that:

- (a) was subject to an order that was issued while the director was acting in the capacity as director, chief executive officer or chief financial officer, or
- (b) was subject to an order that was issued after the director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of subsection (a) above, “order” means:

- (i) a cease trade order;
- (ii) an order similar to a cease trade order; or
- (iii) an order that denied the relevant company access to any exemption under securities legislation

that was in effect for more than 30 consecutive days.

Except as disclosed herein, to the knowledge of the Company, no proposed director of the Company:

- (a) is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in the 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;
- (b) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director or executive officer;
- (c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (d) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

### **Appointment of Auditor**

Management is recommending that Shareholders vote to appoint Ernst & Young LLP, of 700 West Georgia Street, Vancouver, British Columbia, as auditors of the Company until the next annual meeting of Shareholders and to authorize the directors to fix the remuneration to be paid to the auditor. The Board appointed Ernst & Young LLP as auditors of the Company effective March 21, 2017.

### **Approval of Stock Option Plan**

At the Meeting, Shareholders of the Company will be asked to approve the continuation of the Company's stock option plan (the "**Plan**"). The purpose of the Plan is to provide an incentive to directors, employees and consultants to acquire a proprietary interest in the Company, to continue their participation in the affairs of the Company and to increase their efforts on behalf of the Company.

The following summary of the Plan does not purport to be complete and is qualified in its entirety by reference to the Plan. A full copy of the Plan will be available at the Meeting for review by Shareholders. Shareholders may also obtain copies of the Plan from the Company prior to the Meeting on written request.

**Eligible Participants.** Options may be granted under the Plan to directors and senior officers of the Company or its subsidiaries, management company employees (collectively, the "**Directors**"), employees of the Company or its subsidiaries (collectively, the "**Employees**") or consultants of the Company or its subsidiaries (collectively, the "**Consultants**"). The Board, in its discretion, determines which of the Directors, Employees or Consultants will be awarded options under the Plan.

**Number of Shares Reserved.** The number of Common Shares which may be issued pursuant to options granted under the Plan may not exceed 10% of the issued and outstanding Common Shares at the date of granting of options (including all options granted by the Company prior to the adoption of the Plan and under the Plan). Options that are exercised, cancelled or expire prior to exercise continue to be issuable under the Plan.

**Limitations.** Under the Plan, the aggregate number of options granted to any one individual in a 12-month period must not exceed 5% of the issued and outstanding Common Shares of the Company, calculated on the date the option is granted. The aggregate number of options granted to any one Consultant in a 12-month period must not exceed 2% of the issued and outstanding Common Shares of the Company, calculated at the date the option is granted. The aggregate number of options granted to all persons retained to provide investor relations services to the Company (including Consultants and Employees or Directors whose role and duties primarily consist of providing investor relations services) must not exceed 2% of the issued and outstanding Common Shares of the Company in any 12-month period, calculated at the date an option is granted to any such person.

**Term of Options.** Subject to the termination and change of control provisions noted below, the term of any options granted under the Plan is determined by the Board and may not exceed ten years from the date of grant.

Exercise Price. The exercise price of options granted under the Plan is determined by the Board, provided that it is not less than the discounted market price, as that term is defined in the TSX Venture Exchange policy manual or such other minimum price as is permitted by the TSX Venture Exchange in accordance with the policies in effect at the time of the grant, or, if the Common Shares are no longer listed on the TSX Venture Exchange, then such other exchange or quotation system on which the Common Shares are listed or quoted for trading. The exercise price of stock options granted to insiders may not be decreased without disinterested Shareholder approval at the time of the proposed amendment.

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

Termination. Any options granted pursuant to the Plan will terminate upon the earliest of:

- (a) the end of the term of the option;
- (b) on the date the holder ceases to be eligible to hold the option (the “**Cessation Date**”), if the Cessation Date is as a result of dismissal for cause or regulatory sanction;
- (c) one year from the date of death or disability, if the Cessation Date is as a result of death or disability;
- (d) on such other date as fixed by the Board, provided that the date is no more than 90 days from the Cessation Date, if the Cessation Date is as a result of a reason other than death, disability or cause.

Disinterested Shareholder approval will be sought in respect of any material amendment to the Plan.

Shareholders will be asked at the Meeting to approve, with or without variation, the following ordinary resolution:

“BE IT RESOLVED as an ordinary resolution THAT:

- (a) the Company’s stock option plan be ratified, confirmed and approved, and that in connection therewith a maximum of 10% of the issued and outstanding Common Shares at the time of each grant be approved for granting as options; and
- (b) any director or officer of the Company be authorized and directed to do all acts and things and to execute and deliver all documents required, as in the opinion of such director or officer may be necessary or appropriate in order to give effect to this resolution.”

A copy of the Plan is available at the records office of the Company at Suite 1200 – 750 West Pender Street, Vancouver, British Columbia, Canada until the business day immediately preceding the date of the Meeting, and a copy will also be made available at the Meeting.

### **Adoption of New Articles**

The Board proposes to replace the Company’s current articles (the “**Existing Articles**”) with new articles (the “**New Articles**”). The primary reason for replacing the Existing Articles with the New Articles is to provide the Company with modernized articles which provide greater flexibility to the Board in carrying out the business of the Company.

#### *Comparison of Existing Articles to New Articles*

The main differences between the Existing Articles and the New Articles are that the New Articles provide for each of the following provisions, whereas the Existing Articles do not (or do not explicitly): (i) new quorum requirements; (ii) a Board member to appoint an alternate director to act in his/her place at meetings of the directors or committees of the directors at which the appointor is not present; and (iii) an advance notice provision which will provide Shareholders, directors and management of the Company with direction on the procedure for Shareholder nomination of directors.

The New Articles change the quorum for the transaction of business at a meeting of Shareholders from, subject to the special rights and restrictions attached to the shares of any class or series of shares, two shareholders entitled to vote at the meeting, present in person or by proxy, to, subject to the special rights and restrictions attached to the shares of any class or series of shares, one person who is a shareholder, or who is otherwise permitted to vote shares of the Company at a meeting of shareholders, present in person or by proxy.

The New Articles permit a director to appoint by notice in writing received by the Company any person (an “**appointee**”) who is qualified to act as a director to be his or her alternate to act in his or her place at meetings of the directors or committees of the directors at which the director is not present unless (in the case of an appointee who is not a director) the directors have reasonably disapproved the appointment of such person as an alternate director and have given notice to that effect to his or her appointor within a reasonable time after the notice of appointment is received by the Company. In order to deal with situations where a director knows that he or she will be unable to attend Board meetings for a certain period of time, it is possible under the New Articles for a director to appoint an alternate director to act on his or her behalf in his or her absence.

#### Advance Notice Provision

The New Articles include an advance notice provision (the “**Advance Notice Provision**”), which will provide Shareholders, directors and management of the Company with direction on the procedure for Shareholder nomination of directors. The Advance Notice Provision is the framework by which the Company seeks to fix a deadline by which holders of record of Common Shares of the Company must submit director nominations to the Company prior to any annual or special meeting of Shareholders, and sets forth the information that a Shareholder must include in the notice to the Company for the notice to be in proper written form.

The purpose of adopting the Advance Notice Provision is to: (i) facilitate orderly and efficient annual general or special meetings; (ii) ensure that all Shareholders receive adequate notice of the director nominations and sufficient information with respect to all nominees; and (iii) allow Shareholders to register an informed vote. The full text of the Advance Notice Provision is set out at Section 14.12 of the New Articles, a full copy of which will be available at the Meeting for review by Shareholders.

#### *Summary of the Advance Notice Provision*

Subject to the *Business Corporations Act* (British Columbia) (the “**Act**”), only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the Board may be made at any annual meeting of Shareholders, or at any special meeting of Shareholders if one of the purposes for which the special meeting was called was the election of directors. This nomination may be made:

- (i) by the Board, including pursuant to a notice of meeting;
- (ii) by or at the direction or request of one or more Shareholders pursuant to a proposal or requisition made in accordance with the provisions of the Act; or
- (iii) by any person who (A) at the close of business on the date of the giving of the notice provided for in the Advance Notice Provision and on the record date for notice of such meeting, is a registered or beneficial holder of one or more shares carrying the right to vote at such meeting; and (B) who complies with the notice procedures set forth in the Advance Notice Provision (a “**Nominating Shareholder**”).

In addition, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the secretary of the Company at the principal executive offices of the Company. To be timely, a Nominating Shareholder’s notice to the Company must be made:

- (i) in the case of an annual meeting of Shareholders, not less than 30 or more than 65 days prior to the date of the annual meeting, provided that if the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the meeting was made (the “**Notice Date**”), notice by the Nominating Shareholder may be made not later than the close of business on the 10th day following the Notice Date; and
- (ii) in the case of a special meeting of Shareholders (which is not also an annual meeting) called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th day following the Notice Date.

In no event shall any adjournment or postponement of a meeting of Shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder’s notice as described above.

To be in proper written form, a Nominating Shareholder’s notice must include:

- (i) for each person whom the Nominating Shareholder proposes to nominate for election as a director: (A) the name, age,

business address and residential address of the person; (B) the principal occupation or employment of the person; (C) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of Shareholders and as of the date of such notice; and (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and applicable securities laws; and

(ii) for the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and applicable securities laws.

The Company may require any proposed nominee to furnish such other information as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable Shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of the Advance Notice Provision. However, nothing in the Advance Notice Provision shall be deemed to preclude discussion by a Shareholder at a meeting of Shareholders of any matter, other than the nomination of directors, in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in the Advance Notice Provision.

A copy of the New Articles will be available for review at the Meeting, and will also be available for inspection by Shareholders during normal business hours at any time up to the Meeting at the Company's registered office located at Suite 1200 – 750 West Pender Street, Vancouver, British Columbia.

#### *Shareholder Confirmation*

Shareholders will be asked at the Meeting to approve, with or without variation, the following special resolution to adopt the New Articles for the Company in replacement of the Existing Articles:

“BE IT RESOLVED, as a special resolution, that:

- (a) the existing articles of the Company are cancelled in their entirety and the New Articles as more particularly described in the Company's Information Circular dated September 4, 2018, be adopted as the articles of the Company in substitution for, and to the exclusion of, the existing articles of the Company;
- (b) the Board of Directors of the Company be authorized, its absolute discretion, to determine whether or not to proceed with the foregoing resolution, without further approval, ratification or confirmation by the shareholders of the Company; and
- (c) any one director or officer of the Company be authorized and directed to do all acts and things and to execute and deliver all documents required which, in the opinion of such director or officer, may be necessary or appropriate in order to give effect to the foregoing resolutions.”

#### *Recommendation of the Board*

The Board has concluded that the adoption of the New Articles is in the best interests of the Company and its Shareholders. Accordingly, the Board unanimously recommends that the Shareholders approve the New Articles of the Company by voting FOR the resolution adopting the New Articles at the Meeting.

**Proxies received in favor of management will be voted in favor of the New Articles of the Company, unless the Shareholder has specified in the Proxy that his or her Common Shares are to be voted against such resolution.**

## OTHER BUSINESS

As of the date of this Information Circular, management of the Company knows of no other matters to be acted upon at the Meeting. However, should any other matters properly come before the Meeting, the Common Shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the Common Shares represented by the Proxy.

### EXECUTIVE COMPENSATION

For the purposes set out below a “**Named Executive Officer**” or “**NEO**” means:

- (a) the Company’s chief executive officer (“**CEO**”);
- (b) the Company’s chief financial officer (“**CFO**”);
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the CEO and the CFO, at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and
- (d) each individual who would be a named executive officer under subsection (c) above but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

As at December 31, 2017, the end of the most recently completed financial year of the Company, the Company had three NEOs, whose names and positions held within the Company are set out in the summary compensation table below.

An NEO or director of the Company is not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly by the NEO or director.

#### Director and Named Executive Officer Compensation

The following table is a summary of compensation (excluding compensation securities) paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company to each NEO and director for each of the Company’s two most recently completed financial years.

Table of compensation excluding compensation securities							
Name and position	Year Ended	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
<b>John Proust</b> <sup>(1)</sup> <i>CEO, Chairman and Director</i>	2017	120,000	Nil	Nil	Nil	Nil	120,000
	2016	35,000	Nil	Nil	Nil	Nil	35,000
<b>Vincent Boon</b> <sup>(2)</sup> <i>CFO and Corporate Secretary</i>	2017	84,000	Nil	Nil	Nil	Nil	84,000
	2016	14,000	Nil	Nil	Nil	Nil	14,000
<b>Michael Andrews</b> <sup>(3)</sup> <i>President, COO, and Director</i>	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	13,511	Nil	Nil	Nil	Nil	13,511
<b>Andrew Rowe</b> <sup>(4)</sup> <i>Vice President Exploration, Japan Country Manager</i>	2017	385,291	Nil	Nil	Nil	Nil	385,291
	2016	Nil	Nil	Nil	Nil	Nil	Nil

Table of compensation excluding compensation securities							
Name and position	Year Ended	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
<b>John Carlile</b> <sup>(5)</sup> <i>Executive Vice President and Director</i>	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
<b>Mitsuhiko Yamada</b> <sup>(6)</sup> <i>Director</i>	2017	126,000	Nil	Nil	Nil	Nil	126,000
	2016	21,000	Nil	Nil	Nil	Nil	21,000
<b>Robert Gallagher</b> <sup>(7)</sup> <i>Director</i>	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sally Eyre</b> <sup>(8)</sup> <i>Director</i>	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
<b>David Farrell</b> <sup>(9)</sup> <i>Former Director</i>	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
<b>Jeff Durno</b> <sup>(10)</sup> <i>Former President, former CEO and former Director</i>	2016	Nil	Nil	Nil	Nil	Nil	Nil
<b>Peter Leitch</b> <sup>(11)</sup> <i>Former CFO</i>	2016	Nil	Nil	Nil	Nil	Nil	Nil
<b>Scott Ackerman</b> <sup>(12)</sup> <i>Former Director</i>	2016	Nil	Nil	Nil	Nil	Nil	Nil
<b>Thomas O'Neill</b> <sup>(13)</sup> <i>Former Director</i>	2016	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

- (1) John Proust was appointed as the CEO, Chairman and a director on September 15, 2016.
- (2) Vincent Boon was appointed as the CFO and Corporate Secretary on September 15, 2016.
- (3) Michael Andrews was appointed as the President, Chief Operating Officer and a director on September 15, 2016.
- (4) Andrew Rowe was appointed as the Vice President Exploration on October 27, 2016.
- (5) John Carlile was appointed as the Executive Vice President and a director on September 15, 2016.
- (6) Mitsuhiko Yamada was appointed as a director on September 15, 2016.
- (7) Robert Gallagher was appointed as a director on September 15, 2016.
- (8) Sally Eyre was appointed as a director on September 15, 2016.
- (9) David Farrell was appointed as a director on September 15, 2016 and resigned as a director on March 2, 2018.
- (10) Jeff Durno resigned as President, CEO and a director on September 15, 2016.
- (11) Peter Leitch resigned as CFO and Corporate Secretary on September 15, 2016.
- (12) Scott Ackerman resigned as a director on September 15, 2016.
- (13) Thomas O'Neill resigned as a director on September 15, 2016.

There is no compensation awarded to, earned by, paid to, or payable to, a NEO or director of the Company, in any capacity with respect to the Company, by another person or company for each of the Company's two most recently completed financial years.

**Stock Options and Other Compensation Securities**

No compensation securities were granted or issued to any director or NEO of the Company by the Company or its subsidiaries in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

The following table contains information on the total amount of compensation securities, and underlying securities, held by each NEO or director on the last day of the most recently completed financial year end.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
<b>John Proust</b> <i>CEO, Chairman and Director</i>	Options	1,400,000	Sept. 15, 2016	\$0.40	\$0.27	\$0.325	Sept. 15, 2026
<b>Vincent Boon</b> <i>CFO and Corporate Secretary</i>	Options	125,000	Sept. 15, 2016	\$0.40	\$0.27	\$0.325	Sept. 15, 2026
<b>Andrew Rowe</b> <i>Vice President Exploration, Japan Country Manager</i>	Options	225,000	Sept. 15, 2016	\$0.40	\$0.27	\$0.325	Sept. 15, 2026
	Options	275,000	Mar 30, 2017	\$0.40	\$0.31	\$0.325	Oct. 28, 2026
<b>Michael Andrews</b> <i>President, COO, and Director</i>	Options	900,000	Sept. 15, 2016	\$0.40	\$0.27	\$0.325	Sept. 15, 2026
	Options	275,000	Oct. 28, 2016	\$0.40	\$0.42		Oct. 28, 2026
<b>John Carlile</b> <i>Executive Vice President and Director</i>	Options	475,000	Sept. 15, 2016	\$0.40	\$0.27	\$0.325	Sept. 15, 2026
<b>Mitsuhiko Yamada</b> <i>Director</i>	Options	100,000	Sept. 15, 2016	\$0.40	\$0.27	\$0.325	Sept. 15, 2026
<b>Robert Gallagher</b> <i>Director</i>	Options	200,000	Sept. 15, 2016	\$0.40	\$0.27	\$0.325	Sept. 15, 2026
<b>Sally Eyre</b> <i>Director</i>	Options	200,000	Sept. 15, 2016	\$0.40	\$0.27	\$0.325	Sept. 15, 2026
<b>David Farrell</b> <i>Former Director</i>	Options	200,000	Sept. 15, 2016	\$0.40	\$0.27	\$0.325	Sept. 15, 2026

No compensation securities were exercised by a director or NEO during the Company's most recently completed financial year.

#### Stock option plans and other incentive plans

See "Approval of Stock Option Plan" above for the material terms of the Company's Plan. The Plan was previously approved by Shareholders at the annual general meeting held on July 14, 2017, and will be placed before the Meeting for shareholder approval.

## **Employment, consulting and management agreements**

On September 16, 2016, the Company entered into a consulting services agreement with J. Proust & Associates Inc. (“**JPA**”) pursuant to which the Company agreed to retain the services of JPA as an independent contractor and JPA agreed to provide finance, accounting and administrative services to the Company. In consideration for JPA providing the services to the Company, the Company agreed to pay JPA, commencing April 1, 2016, \$28,000.00 plus GST monthly, which may be revised from time to time upon mutual agreement of the parties. Either party may, upon 90 days’ written notice to the other party, terminate the consulting services agreement.

The Company entered into an amended consulting agreement dated February 14, 2018 with JPA pursuant to which the Company agreed to retain the services of JPA to provide finance, accounting and administrative services. Pursuant to the amended agreement, the Company agreed to pay JPA C\$50,000 monthly as compensation with the commencement date of January 1, 2018. The consulting agreement has a term of one year and automatically renews each year until terminated by either party in accordance with the agreement. Either party may, upon 90 days’ written notice to the other party, terminate the consulting agreement.

On September 16, 2016, Southern Arc Minerals Japan KK (the “**Subsidiary**”), a wholly owned subsidiary of the Company, entered into a consulting agreement with M&S Yamada Consultants LLC (the “**Consultant**”) pursuant to which the Subsidiary agreed to retain the Consultant to provide consulting services from time to time, including providing analysis and strategic advice related to the development of the Subsidiary’s gold and copper-gold exploration projects in Japan (the “**Services**”). Mr. Mitsuhiro Yamada is a Managing Member and Representative Member of the Consultant. Pursuant to the consulting agreement, the Subsidiary agreed to pay the Consultant C\$7,000.00 monthly in consideration for the Consultant’s services and duties to the Subsidiary. The consulting agreement has a term of one year and automatically renews each year until terminated by either party in accordance with the agreement. Either party may, upon 30 days’ written notice to the other party, terminate the consulting agreement.

The Company entered into an amended consulting agreement dated November 27, 2017 with M&S Yamada Consultants Goudou Kaisha pursuant to which the Company agreed to retain the Consultant to provide the Services. Pursuant to the consulting agreement, the Company agreed to pay the Consultant C\$14,000.00 monthly as compensation for the Consultant’s services and duties. The consulting agreement has a term of one year and automatically renews each year until terminated by either party in accordance with the agreement. Either party may, upon 30 days’ written notice to the other party, terminate the consulting agreement.

Other than disclosed herein, the Company does not have any agreement or arrangement under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Company or any of its subsidiaries that were performed by a director or NEO, or performed by any other party but are services typically provided by a director or a NEO.

## **Oversight and Description of Director and Named Executive Officer Compensation**

The objective of the Company’s compensation program is to compensate the executive officers for their services to the Company at a level that is both in line with the Company’s fiscal resources and competitive with companies at a similar stage of development.

The Company compensates its executive officers based on their skill, qualifications, experience level, level of responsibility involved in their position, the existing stage of development of the Company, the Company’s resources, industry practice and regulatory guidelines regarding executive compensation levels.

The Board has implemented three levels of compensation to align the interests of the executive officers with those of the Shareholders. First, executive officers may be paid a monthly consulting fee or salary. Second, the Board may award executive officers long term incentives in the form of stock options. Finally, and only in special circumstances, the Board may award cash or share bonuses for exceptional performance that results in a significant increase in Shareholder value. The Company provides medical and dental benefits but it does not provide pension or other benefits to the executive officers.

The base compensation of the executive officers is reviewed and set annually by the Board. The CEO has substantial input in setting annual compensation levels. The CEO is directly responsible for the financial resources and operations of the Company. In addition, the CEO and Board from time to time determine the stock option grants to be made pursuant to the Company’s stock option plan. Previous grants of stock options are taken into account when considering new grants. The Board awards bonuses at its sole discretion. The Board does not have pre-existing performance criteria or objectives.

Compensation for the most recently completed financial year should not be considered an indicator of expected compensation levels in future periods. All compensation is subject to and dependent on the Company's financial resources and prospects.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as at the end of the Company's most recently completed financial year with respect to compensation plans under which equity securities of the Company are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plan (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by Shareholders (Stock Option Plan)	5,453,112	\$0.40	1,378,328
Equity compensation plans not approved by Shareholders	N/A	N/A	N/A
<b>Total:</b>	5,453,112	-	1,378,328

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors, executive officers, employees, proposed nominees for election as directors and their associates, or any former executive officers, directors and employees of the Company or any of its subsidiaries,

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

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed below, since the commencement of the Company's most recently completed financial year, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction that has materially affected or would materially affect the Company or any of its subsidiaries.

The Company entered into an administrative services agreement dated September 16, 2016 and as amended on February 14, 2018 with J. Proust & Associates Inc. ("JPA"). JPA is a private British Columbia company beneficially owned by John Proust. Pursuant to the agreement, JPA is paid a monthly fee for administrative, finance, and accounting services provided under the agreement. The Company is required to reimburse JPA for reasonable expenses incurred by JPA in connection with providing the services under the agreement. The consulting agreement has a term of one year and automatically renews each year until terminated by either party in accordance with the agreement. Either party may, upon 90 days' written notice to the other party, terminate the consulting agreement. During the financial year ended December 31, 2017, the Company paid a total of \$336,000 to JPA.

### MANAGEMENT CONTRACTS

Management functions of the Company or any of its subsidiaries are not to any substantial degree performed by anyone other than the directors or executive officers of the Company or subsidiary.

## STATEMENT OF CORPORATE GOVERNANCE

### Corporate Governance

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and charged with the day to day management of the Company. The Canadian Securities Administrators (“CSA”) have adopted National Policy 58-201 Corporate Governance Guidelines, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, the CSA has implemented National Instrument 58-101 Disclosure of Corporate Governance Practices (“NI 58-101”), which prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

### Board of Directors

The Board currently consists of six members, John Proust, Michael Andrews, John Carlile, Mitsuhiro Yamada, Robert Gallagher and Sally Eyre, and it is proposed that all six be nominated at the Meeting.

The Board has concluded that three directors, Mitsuhiro Yamada, Robert Gallagher and Sally Eyre are “independent” for purposes of membership on the Board, as provided in NI 58-101. John Proust, CEO and Chairman, Michael Andrews, President and Chief Operating Officer, and John Carlile, Executive Vice President, are not “independent” for the purposes of membership on the Board, as provided in NI 58-101.

The independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. The Board facilitates open and candid discussion among its independent directors through collective communication among its directors and management.

### Other Directorships

The following table sets forth the directors of the Company who are directors of other reporting issuers:

Name	Name of other reporting issuer
John Proust	Canada Energy Partners Inc. Lincoln Ventures Ltd. Pinedale Energy Ltd. Southern Arc Minerals Inc. Tethyan Resources plc Rise Gold Corp.
Michael Andrews	Southern Arc Minerals Inc. Tethyan Resources plc Kingsrose Mining Limited
John Carlile	Southern Arc Minerals Inc. Tethyan Resources plc
Robert Gallagher	Southern Arc Minerals Inc. Capstone Mining Corp. Yamana Gold Inc.
Sally Eyre	Adventus Zinc Corp.

### Orientation and Continuing Education

Orientation of new members of the Board is conducted informally by management and members of the Board. The Company has not adopted formal policies respecting continuing education for Board members.

## **Ethical Business Conduct**

The Board has adopted a formal code of business conduct and ethics (the “**Code**”) with the goal of promoting the highest moral, legal and ethical standards and conduct within the Company. Compliance with the Code and high standards of business conduct is mandatory for every director, officer, employee and consultant of the Company. The Code provides general parameters to help directors, officers, employees and consultants regarding matters including: (a) honest and ethical conduct, (b) full, fair, accurate, timely and understandable disclosure, (c) compliance with laws, rules and regulations, and (d) administration.

## **Nomination of Directors**

The Board has adopted a corporate governance/nominating committee charter. The Company’s corporate governance/nominating committee is comprised of Sally Eyre, Michael Andrews, John Carlile, and Mitsuhiko Yamada. The principal purpose of the corporate governance/nominating committee is to provide assistance to the Board in fulfilling its responsibility to the shareholders, potential shareholders, and the investment community by doing the following: (a) developing and recommending to the Board corporate governance principles applicable to the Company; (b) identifying and recommending qualified individuals for nomination to the Board for the next annual meeting of shareholders; and (c) providing such assistance as the Chair of the Board, if independent, or alternatively the lead director of the Board, may require.

## **Compensation**

The Company’s compensation committee is comprised of Robert Gallagher and Michael Andrews. The Board has adopted a compensation committee charter. The compensation committee is responsible for reviewing and determining the adequacy and form of compensation paid to the Company’s directors, executives and key employees. The compensation committee members evaluate the performance of senior management measured against the Company’s business goals and industry compensation levels. The compensation committee is also responsible for and has authority to administer the Company’s stock option plan and to make all decisions regarding option grants, including option terms and amendments, thereunder.

## **Board Committees**

The Board has no committees other than the audit committee, compensation committee, and corporate governance/nominating committee.

## **Assessments**

The Board annually, and at such other times as it deems appropriate, reviews the performance and effectiveness of the Board, the directors and its committees to determine whether changes in size, personnel or responsibilities are warranted. To assist in its review, the Board conducts informal surveys of its directors and receives a report from the audit committee respecting its effectiveness. As part of the assessments, the Board or the audit committee may review their respective mandate or charter and conduct reviews of applicable corporate policies.

## **AUDIT COMMITTEE**

### **Audit Committee Disclosure**

Pursuant to Section 224(1) of the British Columbia *Business Corporations Act* and National Instrument 52-110 of the Canadian Securities Administrators (“**NI 52-110**”) the Company is required to have an audit committee (the “**Committee**”) comprising not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company. NI 52-110 requires the Company as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

The primary function of the Committee is to assist the Board in fulfilling its financial oversight responsibilities by: (i) reviewing the financial reports and other financial information provided by the Company to regulatory authorities and Shareholders; (ii) reviewing the systems for internal corporate controls which have been established by the Board and management; and (iii) overseeing the Company’s financial reporting processes generally. In meeting these responsibilities the Committee monitors the financial reporting process and internal control system; reviews and appraises the work of external auditors and provides an avenue of communication between the external auditors, senior management and the Board. The Committee is also mandated to review and approve all material related party transactions.

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

The Company has adopted a Charter of the Audit Committee of the Board a copy of which is annexed hereto as Schedule "A".

## **Composition of the Audit Committee**

The Committee comprises of the following members: John Proust, Sally Eyre and Robert Gallagher. Dr. Eyre and Mr. Gallagher are considered to be independent. In addition, each member of the Committee is considered to be financially literate as defined by NI 52-110 in that they have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Committee are elected by the Board at its first meeting following the annual shareholders' meeting. Unless a chair is elected by the full Board, the members of the Committee designate a chair by a majority vote of the full Committee membership.

## **Relevant Education and Experience**

*John Proust* – Mr. Proust is the founder and principal shareholder of numerous public and private companies. He has directed, managed and advised public and private companies regarding corporate strategy and structure, debt and equity financing, mergers and acquisitions, and corporate restructuring since 1986. Mr. Proust has held senior positions and served on the boards of many private and TSXV / CSE listed companies. This experience has provided Mr. Proust with an understanding of the accounting principles used by the Company to prepare its financial statements. Mr. Proust's experience also allows him to analyze or evaluate the Company's financial statements.

*Sally Eyre* – Dr. Eyre is a mining finance professional with extensive experience in global resource capital markets and mining operations. This experience has provided Dr. Eyre with an understanding of the accounting principles used by the Company to prepare its financial statements. Dr. Eyre's experience also allows her to analyze or evaluate the Company's financial statements.

*Robert Gallagher* – Mr. Gallagher, P. Eng. has served on several boards, in senior executive roles for public companies. This experience and educational background has provided Mr. Gallagher with an understanding of the accounting principles used by the Company to prepare its financial statements. Mr. Gallagher's experience also allows him to analyze or evaluate the Company's financial statements.

## **Audit Committee Oversight**

Since the commencement of the Company's most recently completed financial year, the Board has not failed to adopt a recommendation of the Committee to nominate or compensate an external auditor.

## **Reliance on Certain Exemptions**

Since the commencement of the Company's most recently completed financial year, the Company has not relied on, the following exemptions:

- (a) the exemption in section 2.4 (*De Minimis Non-audit Services*), which provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided to the Company or its subsidiaries by the Company's external auditor;
- (b) the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), which provides an exemption from the requirements for the composition of the audit committee if a circumstance arises that affects the business or operations of the venture issuer, and a reasonable person would conclude that the circumstance can be best addressed by a member of the audit committee becoming an executive officer or employee of the venture issuer;
- (c) the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*), which provides an exemption from the requirements for the composition of the audit committee for if an audit committee member becomes a control person of the venture issuer or of an affiliate of the venture issuer for reasons outside the member's reasonable control;
- (d) the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*), which provides an exemption from the requirements for the composition of the audit committee if a vacancy on the audit committee arises as a result of the death, incapacity or resignation of an audit committee member and the Board is required to fill the vacancy; or

- (e) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemption*) of NI 52-110, which permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

**Pre-approval Policies and Procedures**

The Committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board, and where applicable the Committee, on a case-by-case basis.

**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 each of 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>
2017	\$47,000	Nil	Nil	Nil
2016	\$44,100	Nil	Nil	Nil

**Exemption**

The Company is relying on section 6.1 of NI 52-110 which provides that the Company, as 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.

**ADDITIONAL INFORMATION**

Additional information relating to the Company is available on the SEDAR website at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company’s comparative annual financial statements and management’s discussion and analysis for its most recently completed financial year, and available online at [www.sedar.com](http://www.sedar.com). Shareholders may request additional copies by mail to Suite 650 – 669 Howe Street, Vancouver, British Columbia, Canada, V6C 0B4.

**DIRECTORS’ APPROVAL**

The contents and the sending of the Notice of Meeting and this Information Circular have been approved by the Board.

**ON BEHALF OF THE BOARD OF DIRECTORS**

*“John Proust”*

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John Proust  
Chief Executive Officer

## Schedule “A”

### Charter of the Audit Committee of the Board of Directors of Japan Gold Corp. (the “Company”)

#### AUDIT COMMITTEE CHARTER

##### **Purpose**

The overall purpose of the Audit Committee (the “Committee”) of **Japan Gold Corp.** (formerly SKY RIDGE RESOURCES LTD. or the “Company”) is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Company, and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Board of Directors that through the involvement of the Committee, the external audit will be conducted independently of the Company's Management to ensure that the independent auditors serve the interests of Shareholders rather than the interests of Management of the Company. The Committee will act as a liaison to provide better communication between the Board of Directors and the external auditors. The Committee will monitor the independence and performance of the Company's independent auditors.

##### **Composition, Procedures and Organization**

- (1) The Committee shall consist of at least three members of the Board of Directors (the “Board”).
- (2) At least two (2) members of the Committee shall be independent and the Committee shall endeavour to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members' independent judgment. At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Company. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.
- (3) The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
- (4) Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
- (5) The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
- (6) The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
- (7) Meetings of the Committee shall be conducted as follows:
  - (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
  - (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and

- (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
- (8) The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

### **Responsibilities and Duties**

- (9) The overall duties and responsibilities of the Committee shall be as follows:
  - (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly consolidated financial statements and related financial disclosure;
  - (b) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
  - (c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
  - (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
- (10) The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
  - (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
  - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
  - (c) review the audit plan of the external auditors prior to the commencement of the audit;
  - (d) to review with the external auditors, upon completion of their audit:
    - i. contents of their report;
    - ii. scope and quality of the audit work performed;
    - iii. adequacy of the Company's financial and auditing personnel;
    - iv. cooperation received from the Company's personnel during the audit;
    - v. internal resources used;
    - vi. significant transactions outside of the normal business of the Company;
    - vii. significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
    - viii. the non-audit services provided by the external auditors;
  - (e) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and
  - (f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.

- (11) The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
- (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
  - (b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
  - (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
  - (d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
- (12) The Committee is also charged with the responsibility to:
- (a) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
  - (b) review and approve the financial sections of:
    - i. the annual report to Shareholders;
    - ii. the annual information form, if required;
    - iii. annual and interim MD&A;
    - iv. prospectuses;
    - v. news releases discussing financial results of the Company; and
    - vi. other public reports of a financial nature requiring approval by the Board, and report to the Board with respect thereto;
  - (c) review regulatory filings and decisions as they relate to the Company's consolidated financial statements;
  - (d) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
  - (e) review and report on the integrity of the Company's consolidated financial statements;
  - (f) review the minutes of any Committee meeting of subsidiary companies;
  - (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;
  - (h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
  - (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.

- (13) The Committee shall have the authority:
- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties;
  - (b) to set and pay the compensation for any advisors employed by the Committee; and
  - (c) to communicate directly with the internal and external auditors.