

**BANYAN GOLD CORP.**

**NOTICE OF ANNUAL GENERAL & SPECIAL MEETING OF SHAREHOLDERS TO BE HELD OCTOBER 18, 2019**

NOTICE IS HEREBY GIVEN that the Annual General & Special Meeting (the "**Meeting**") of the shareholders of Banyan Gold Corp. (the "**Corporation**") will be held at Suite 1000-1050 W. Pender Street., Vancouver, BC V6E 3Z7 on Friday October 18<sup>th</sup>, at 9:30 am (Vancouver Time), for the purposes of:

- A. receiving and considering the audited consolidated financial statements of the Corporation for the year ended September 30, 2018, together with the auditor's report thereon;**
- B. fixing the number of directors to be elected at the Meeting at four (4);**
- C. electing a board of directors until the next annual general meeting of shareholders of the Corporation or until their successors are duly elected or appointed;**
- D. appointing Geib & Company as auditor of the Corporation until the next annual general meeting of shareholders and to authorize the directors to fix the remuneration of such auditor;**
- E. considering, and if deemed advisable, approving the Corporation's rolling share option plan which allows for the issuance of that number of common shares as is equal to 10% of the Corporation's issued and outstanding common shares at any given time;**
- F. transacting such other business as may properly be brought before the Meeting or any adjournment or adjournments thereof.**

The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting is September 9<sup>th</sup>, 2019 (the "**Record Date**"). Shareholders of the Corporation whose names have been entered in the register of Shareholders at the close of business on that date will be entitled to receive notice of and to vote at the Meeting, provided that, to the extent a shareholder transfers the ownership of any of such Shareholder's shares after such date and the transferee of those shares establishes that the transferee owns the shares and requests, not later than 10 days before the Meeting, to be included in the list of shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those shares at the Meeting.

**A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof.**

A proxy will not be valid unless it is deposited with our transfer agent Computershare, (i) by mail using the enclosed return envelope or (ii) by hand delivery to Computershare, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1. Alternatively, you may vote by telephone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America), by facsimile to 1-866-249-7775 or 1-416-263-9524 (if outside North America), or by internet using the 15 digit control number located at the bottom of your proxy at [www.investorvote.com](http://www.investorvote.com). All instructions are listed in the enclosed form of proxy. Your proxy or voting instructions must be received in each case no later than 9:30 am (Vancouver Time) on October 16, 2019 or, if the Meeting is adjourned, 48 hours (excluding Saturdays and holidays) before the beginning of any adjournment of the Meeting.

The instrument appointing a proxy shall be in writing and shall be executed by the Shareholder or the Shareholder's attorney authorized in writing or, if the Shareholder is a company, under its corporate seal by an officer or attorney thereof duly authorized. Details of all matters proposed to be put before the Meeting are set forth in the accompanying Management Information Circular.

**BY ORDER OF THE BOARD OF DIRECTORS**

*"Mark Ayranto"*

Mark Ayranto, Chairman

## **BANYAN GOLD CORP.**

**Suite 250 - 2237 2<sup>nd</sup> Avenue  
Whitehorse, Yukon  
Canada Y1A 0K7**

**Telephone/Fax: 1.888.629.0444**

### **MANAGEMENT PROXY CIRCULAR as at September 9<sup>th</sup>, 2019**

**This Management Proxy Circular is furnished in connection with the solicitation of proxies by the management of Banyan Gold Corp. (the "Corporation") for use at the annual general and special meeting (the "Meeting") of its shareholders to be held on October 18<sup>th</sup>, 2019 at the time and place and for the purposes set forth in the accompanying Notice of the Meeting.**

In this Management Proxy Circular, references to "the Corporation", "we" and "our" refer to Banyan Gold Corp. "Common Shares" means Class "A" common shares without par value in the capital of the Corporation. "Beneficial Shareholders" means shareholders who do not hold Common Shares in their own name and "intermediaries" refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial 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 Corporation. The Corporation will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

#### **Appointment of Proxyholders**

The individuals named in the accompanying form of proxy (the "**Proxy**") are directors of the Corporation. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you 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.**

#### **Voting by Proxyholder**

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 persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,
- (b) any amendment to or variation of any matter identified therein, and
- (c) any other matter that properly comes before the Meeting.

**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.**

## Registered Shareholders

A proxy will not be valid unless it is deposited with our transfer agent Computershare, (i) by mail using the enclosed return envelope or (ii) by hand delivery to Computershare, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1. Alternatively, you may vote by telephone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America), by facsimile to 1-866-249-7775 or 1-416-263-9524 (if outside North America), or by internet using the 15 digit control number located at the bottom of your proxy at [www.investorvote.com](http://www.investorvote.com). All instructions are listed in the enclosed form of proxy. Your proxy or voting instructions must be received in each case no later than 9:30 am (Vancouver Time) on July 18, 2018 or, if the Meeting is adjourned, 48 hours (excluding Saturdays and holidays) before the beginning of any adjournment of the Meeting.

## Beneficial Shareholders

**The information in this section is of significant importance to shareholders who do not hold Common Shares in their own name.** Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Corporation as the registered holders of Common Shares) or as set out in the following disclosure.

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 Corporation. Such Common Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker (an "intermediary"). In Canada, the vast majority of such Common Shares are registered 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), and in the United States of America (the "United States" or the "U.S."), 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).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

### *If you are a Beneficial Shareholder:*

You should carefully follow the instructions of your broker or intermediary in order to ensure that your Common Shares are voted at the Meeting.

The form of proxy that will be supplied by your broker will be similar to the Proxy provided to registered shareholders by the Corporation. However, its purpose is limited to instructing the intermediary how to vote your Common Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada and in the United States. Broadridge mails a voting instruction form (a "**VIF**") in lieu of the Proxy provided by the Corporation. The VIF will name the same persons as the Corporation's Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Corporation) other than the persons designated in the VIF to represent your Common Shares at the Meeting, and that person may be you. To exercise this right, insert the name of your desired representative (which may be you), in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting voting of Common Shares to be represented at the Meeting. **If you receive a VIF from Broadridge, you cannot use it to vote Common Shares directly at the Meeting - the VIF must be returned to Broadridge, in accordance with its instructions, well in advance of the Meeting, in order to have your Common Shares voted or to have an alternate representative duly appointed to attend and vote your Common Shares at the Meeting.**

## 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 Alberta, 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 Corporation or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Corporation is incorporated under the *Business Corporations Act* (Alberta) (the "**Albert Act**"), 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.

### **Revocation of Proxies**

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the registered shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Computershare Trust Company, or to the Corporation's registered office at 166 Cougarstone Crescent SW, Calgary, AB T3H 4Z5, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- (b) personally attending the Meeting and voting the registered shareholder's Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

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

No director or executive officer of the Corporation, nor any person who has held such a position since the beginning of the last completed financial year of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting. All Directors and Officers may receive options under the rolling stock option plan.

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

The board of Directors of the Corporation (the "**Board**") has fixed September 9, 2019 as the record date (the "**Record Date**") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting, except to the extent that:

- (a) the shareholder has transferred the ownership of any such share after the record date, and
- (b) the transferee produces a properly endorsed share certificate for or otherwise establishes ownership of any of the transferred Common Shares and makes a demand to Valiant Trust Company no later than 10 days before the Meeting that the transferee's name be included in the list of shareholders in respect thereof.

The Common Shares of the Corporation are listed for trading on the TSX Venture Exchange (the "**TSXV**").

The Corporation is authorized to issue an unlimited number of Common Shares, an unlimited number of Class "B" common shares and an unlimited number of Preferred shares. As of September 9, 2019, the Corporation had outstanding 98,937,856 fully paid and non-assessable Common Shares without par value, each carrying the right to one vote. As at September 9, 2019, there were no Class "B" common shares and no Preferred shares issued or outstanding. No group of shareholders has the right to elect a specified number of directors. There are special rights and restrictions attached to the Common Shares, Class "B" common shares and Preferred shares as set out in the Articles of the Corporation.

To the knowledge of the directors and executive officers of the Corporation, no persons or corporations beneficially own, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Corporation as at September 9, 2019.

### **VOTES NECESSARY TO PASS RESOLUTIONS**

A simple majority of affirmative votes cast at the Meeting is required to pass all of the resolutions described herein. If there are more nominees for election as directors or appointment of the Corporation's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled all such nominees will be declared elected or appointed by acclamation.

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

To the knowledge of the Corporation's directors, the only matters to be placed before the Meeting are those matters set forth below.

#### **1. FINANCIAL STATEMENTS**

The audited financial statements of the Corporation for the years ended September 30, 2018 & 2017, the report of the auditor thereon and the related management discussion and analysis will be placed before the Meeting. Additional information may be obtained upon request from the Chief Financial Officer of the Corporation at 166 Cougarstone Crescent SW, Calgary AB T3H 4Z5 Telephone No. 1.888.629.0444. These documents and additional information are also available through the internet under the Corporation's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com).

#### **2. NUMBER OF DIRECTORS**

Under the Articles, the number of directors may be fixed or changed from time to time by ordinary resolution but shall not be fewer than three. The Board believes that four is a sufficient number of directors to efficiently carry out the duties of the Board at our current stage of development, as well as enhance the diversity of views, skills and experience the directors bring to the Board.

**The Board recommends that shareholders vote in favour of fixing the number of directors at four. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR setting the number of directors at four.**

#### **3. ELECTION OF DIRECTORS**

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is vacated earlier in accordance with the provisions of the Business Corporations Act (Alberta), each director elected will hold office until the conclusion of the next annual meeting of the Corporation, or if no director is then elected, until a successor is elected.

The following disclosure sets out the names of management's four nominees for election as directors, all major offices and positions with the Corporation and any of its significant affiliates each now holds, each nominee's principal occupation for the last five years, business or employment, the period of time during which each has been a director of the Corporation and the number of Common Shares of the Corporation beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at September 9, 2019.

Nominee Position with the Corporation and Residence	Principal Occupation	Director Since	Common Shares Beneficially Owned or Controlled <sup>(1)</sup>
Tara Christie President, CEO & Director Yukon, Canada	Ms. Christie is President of KECM Services a consulting company and has been active in a privately held placer mining businesses in Yukon since 1998. She is a member of the Board of Directors of Constantine Metal Resources Ltd, Klondike Gold and Western Gold and Copper. She served as a member of the Yukon Environmental and Socio-Economic Assessment Board (2004-2016).	Since June 2013	5,255,442
Steve Burleton <sup>(2)</sup> Director Toronto, Ontario, Canada	Mr. Burleton was President & CEO of GT Gold Corp. between June 2018 and September 2019. Prior to that he was Vice-President of Business Development at Richmond Mines Ltd. between February, 2015 and its' acquisition in November 2017. Mr. Burleton has over 18 years of experience in the Canadian investment banking industry having dealt with companies in mining, fertilizers and industrial products.	Since March 2017	650,000
Mark Ayranto <sup>(2)</sup> Director Vancouver, British Columbia, Canada	Since 2009 Mr. Ayranto has been a Vice President with Victoria Gold Corp. Previously, Mr. Ayranto was the VP, Corporate Development for StrataGold Corporation. Mr. Ayranto sits on the Yukon Mineral Advisory Board.	Since July 2010	1,973,393
David Reid <sup>(2)</sup> British Columbia, Canada	Mr. Reid is a senior partner and global co-chair of mining with DLA Piper (Canada) LLP. He has over 30 years of experience in mining and securities law, including over \$2-billion in corporate finance and merger and acquisition transactions since 2011	Since March 2017	3,918,824

Notes:

- (1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Corporation and has been furnished by the respective nominees.
- (2) Member of the Corporation's Audit Committee.

None of the proposed nominees for election as a director of the Corporation are proposed for election pursuant to any arrangement or understanding between the nominee and any other person, except the directors and officers of the Corporation acting solely in such capacity.

**The Board recommends that shareholders vote in favour of the nominees for election as directors. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the election of the four nominees as directors of the Corporation for the ensuing year.**

#### **Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

No proposed nominee for election as a director of the Corporation was a director or executive officer of any company (including the Corporation in respect of which this management proxy circular is prepared) acted in that capacity for a company that was:

- (a) subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days;
- (b) subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the Corporation being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under the securities legislation, for a period of more than 30 consecutive days;
- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or has 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;
- (d) subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) subject to any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

#### **4. APPOINTMENT OF AUDITOR**

Geib & Company, Suite 1020, 10201 Southport Rd SW., Calgary, Alberta T2W 4X9 will be nominated by Management at the Meeting for appointment as auditor of the Corporation at a remuneration to be fixed by the directors. Geib & Company was appointed as the Corporation's auditor during the last fiscal year ended September 30, 2018.

**Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the appointment of Geib & Company, as the auditor of the Corporation until the close of the next annual general meeting and FOR the proposed resolution to authorize the Board to fix the auditor's remuneration.**

#### **5. ROLLING STOCK OPTION PLAN**

Pursuant to the policies of the TSXV, a listed company is required to have an option plan in place if it intends to grant any options.

On March 15<sup>th</sup>, 2012, the Board approved the adoption of a new share option plan (the "**Plan**") in order to comply with the current policies of the TSXV and to increase the flexibility of the Corporation to provide incentives to directors, officers, employees, management and others who provide services to the Corporation. This was subsequently ratified by shareholders on April 30, 2012 and re-ratified on July 20, 2018. The Plan is a 10% maximum rolling plan and pursuant to the policies of the TSX-V, the Plan requires shareholder approval by ordinary resolution at every annual meeting of the Corporation while the Plan is in effect.

The following is a summary of the terms of the plan:

A maximum of 10% of the issued and outstanding Shares of the Corporation at the time an option is granted are reserved for options to be granted at the discretion of the Board to eligible optionees (an "**Optionee**").

The Plan is subject to the following restrictions:

- (f) The Corporation must not grant an option to a director, employee, consultant, or consultant company (the "**Service Provider**") in any twelve (12) month period that exceeds five percent (5%) of the outstanding shares, unless the Corporation has obtained by a majority of the votes cast by the shareholders of the Corporation eligible to vote at a shareholders' meeting, excluding votes attaching to shares beneficially owned by insiders and their associates ("**Disinterested Shareholder Approval**");
- (g) The aggregate number of options granted to a Service Provider conducting investor relations activities in any twelve (12) month period must not exceed two percent (2%) of the outstanding Shares calculated at the date of the grant, without the prior consent of the TSXV;
- (h) The Corporation must not grant an option to a consultant in any twelve (12) month period that exceeds two percent (2%) of the outstanding shares calculated at the date of the grant of the option;
- (i) The aggregate number of Shares reserved for issuance under options granted to insiders must not exceed ten percent (10%) of the outstanding Shares (in the event that the New Plan is amended to reserve for issuance more than ten percent (10%) of the outstanding Shares) unless the Corporation has obtained Disinterested Shareholder Approval to do so;
- (j) The number of Shares issued for option to insiders in any twelve (12) month period must not exceed ten percent (10%) of the outstanding Shares (in the event that the New Plan is amended to reserve for issuance more than ten percent (10%) of the outstanding Shares) unless the Corporation has obtained Disinterested Shareholder Approval to do so;
- (k) The issuance to any one Optionee within a twelve (12) month period of a number of Shares must not exceed five percent (5%) of outstanding Shares unless the Corporation has obtained Disinterested Shareholder Approval to do so; and
- (l) The exercise price of an option previously granted to an insider must not be reduced, unless the Corporation has obtained Disinterested Shareholder Approval to do so.

#### ***Material Terms of the Plan***

The following is a summary of the material terms of the Plan:

- (a) Persons who are Service Providers to the Corporation or its affiliates, or who are providing services to the Corporation or its affiliates, are eligible to receive grants of options under the Plan;
- (b) Options granted under the Plan are non-assignable and non-transferable and are issuable for a period of up to ten (10) years;
- (c) For options granted to Service Providers, the Corporation must ensure that the proposed Optionee is a bona fide Service Provider of the Corporation or its affiliates;
- (d) an Option granted to any Service Provider will expire within one year (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option), after the date the Optionee ceases to be employed by or provide services to the Corporation, but only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Corporation;
- (e) if an Optionee dies, any vested option held by him or her at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such option;



- (f) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's options, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same;
- (g) the exercise price of each option will be set by the Board on the effective date of the option and will not be less than the Discounted Market Price (as defined in the Plan);
- (h) vesting of options shall be at the discretion of the Board, and will generally be subject to: (i) the Service Provider remaining employed by or continuing to provide services to the Corporation or its affiliates, as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Corporation or its affiliates during the vesting period; or (ii) the Service Provider remaining as a Director of the Corporation or its affiliates during the vesting period;
- (i) the Corporation, may from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law; and
- (j) the Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Plan with respect to all Common Shares in respect of options which have not yet been granted under the Plan.

The Board has determined that, in order to reasonably protect the rights of participants, as a matter of administration, it is necessary to clarify when amendments to the Plan may be made by the Board without further shareholder approval. Accordingly, the Plan also provide that the Board may, without shareholder approval:

- (i) amend the Plan to correct typographical, grammatical or clerical errors;
- (ii) change the vesting provisions of an option granted under the Plan, subject to prior written approval of the TSXV, if applicable;
- (iii) change the termination provision of an option granted under the Plan if it does not entail an extension beyond the original expiry date of such option;
- (iv) make such amendments to the Plan as are necessary or desirable to reflect changes to securities laws applicable to the Corporation;
- (v) make such amendments as may otherwise be permitted by the TSXV Policies;
- (vi) if the Corporation becomes listed or quoted on a stock exchange or stock market senior to the TSXV, make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (vii) amend the Plan to reduce the benefits that may be granted to Service Providers.

A copy of the Plan will be available for inspection at the Meeting.

### ***Shareholder Approval***

At the Meeting, Shareholders will be asked to consider and vote on the ordinary resolution to approve the Plan dated for reference March 15, 2012, with or without variation, as follows:

**"BE IT RESOLVED**, that:

- 1) the Share Option Plan of the Company, first approved by the shareholders of the Company on April 30, 2012, as more fully described in the Company's Management Information Circular, be and is hereby renewed and approved as the stock option plan of the Company; and
- 2) to the extent permitted by law, the Corporation be authorized to abandon all or any part of the Plan if the Board deems it appropriate and in the best interest of the Corporation to do so; and

- 3) any one or more of the directors and officers of the Corporation be authorized to perform all such acts, deeds, and things and execute, under the seal of the Corporation or otherwise, all such documents as may be required to give effect to this resolution."

An ordinary resolution is a resolution passed by the shareholders of the Corporation at a general meeting by a simple majority of the votes cast in person or by proxy.

We believe the Plan provides incentive to and enables us to better align the interests of our directors and officers with those of our shareholders. **The Board recommends that shareholders vote FOR the resolution approving the Plan. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the resolution approving the Plan.**

## **6. Other Matters**

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

## STATEMENT OF EXECUTIVE COMPENSATION

### BANYAN GOLD CORP

(the "Issuer" or "Corporation" for the fiscal year ended September 30, 2018)

#### Named Executive Officer

In this section "Named Executive Officer" ("NEO") means the Chief Executive Officer (the "CEO"), the Chief Financial Officer (the "CFO") and the most highly compensated executive officer, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total compensation was more than \$150,000 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an executive officer of the Corporation at the end of the most recently completed financial year.

Tara Christie, President and CEO and David Rutt CFO and Corporate Secretary, are each a "NEO" of the Corporation for purposes of the following disclosure.

#### Summary Compensation Table

The compensation paid to the NEOs during the Corporation's two most recently completed financial years of September 30, 2018 and September 30, 2017 are set out below and expressed in Canadian dollars unless otherwise noted:

Name and Position	Year	Salary, consulting fees, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total Compensation (\$)
Tara Christie President & CEO	2018	163,300 <sup>(1)</sup>	Nil	Nil	Nil	Nil	163,300
	2017	120,000 <sup>(2)</sup>	Nil	Nil	Nil	Nil	120,000
David Rutt <sup>(3)</sup> CFO	2018	47,500 <sup>(3)</sup>	Nil	Nil	Nil	Nil	47,500
	2017	51,730 <sup>(3)</sup>	Nil	Nil	Nil	Nil	51,730

(1) Amount paid to KECM Services, a company controlled by Tara Christie. \$157,000 was paid for management services and \$6,300 was paid for project related profession fees.

(2) Amount paid to KECM Services, a company controlled by Tara Christie. \$93,750 was paid for management services and \$26,250 was paid for project related profession fees.

(3) Amount paid to 1195472 Ontario Ltd, a company controlled by David Rutt

#### Stock Options and Other Compensation Securities

The following table discloses the all compensations securities granted or issued to each NEO and director by the Company or one of its subsidiaries in the financial year ended September 30, 2018 for services provided or to be provided and the total amount of compensation securities held as at the Company's financial year end of September 30, 2018.

<b>Compensation Securities</b>							
<b>Name and Position</b>	<b>Type of Compensation Security</b>	<b>Number of underlying securities, number of underlying securities and percentage of class</b>	<b>Date of issue or grant (m/d/y)</b>	<b>Issue, conversion or exercise price (\$)</b>	<b>Closing price of security or underlying security on date of grant (\$)</b>	<b>Closing price of security or underlying security at year end (\$)</b>	<b>Expiry Date</b>
Tara Christie, President & CEO	Options	300,000	12/28/17	\$0.08	0.08	0.09	12/29/22
Mark Ayranto, Director	Options	100,000	12/28/17	\$0.08	0.08	0.09	12/29/22
David Reid, Director	Options	50,000	12/28/17	\$0.08	0.08	0.09	12/29/22
Steve Burleton, Director	Options	50,000	12/28/17	\$0.08	0.08	0.09	12/29/22
Jay Collins <sup>(1)</sup> , Director	Options	50,000	12/28/17	\$0.08	0.08	0.09	12/29/22
David Rutt, CFO	Options	50,000	12/28/17	\$0.08	0.08	0.09	12/29/22

(1) Jay Collins resigned as a director on October 27, 2018

(2) There were no vesting provisions on the options granted.

Stock Options Held at September 30, 2018 by NEO and Directors with exercise prices between \$0.05 and \$0.15.

<b>Name and Position</b>	<b>Total Options Held</b>
Tara Christie, President & CEO, Director	1,900,000
Mark Ayranto, Chairman, Director	763,350
Steve Burleton, Director	450,000
David Reid, Director	450,000
Jay Collins, Director <sup>(1)</sup>	450,000
David Rutt, CFO & Corporate Secretary	353,350

Exercise of Compensation Securities by Directors and NEOs							
Name and Position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
N/A							

No compensation security has been repriced, cancelled and replaced, had its term extended, or otherwise been materially modified, in the most recently completed financial year, including the original and modified terms.

Except for the vesting schedules noted in the above table, there are no restrictions or conditions for converting or exercising the compensation securities.

#### Stock Option Plan and Other Incentive Plans

On March 15<sup>th</sup>, 2012, the Board approved the adoption of a new share option plan (the "**Plan**") in order to comply with the current policies of the TSXV and to increase the flexibility of the Corporation to provide incentives to directors, officers, employees, management and others who provide services to the Corporation. This was subsequently ratified by shareholders on April 30, 2012 and re-ratified on July 20, 2018. The Plan is a 10% maximum rolling plan and pursuant to the policies of the TSX-V, the Plan requires shareholder approval by ordinary resolution at every annual meeting of the Corporation while the Plan is in effect.

The following is a summary of the terms of the plan:

A maximum of 10% of the issued and outstanding Shares of the Corporation at the time an option is granted are reserved for options to be granted at the discretion of the Board to eligible optionees (an "**Optionee**").

The Plan is subject to the following restrictions:

- (k) The Corporation must not grant an option to a director, employee, consultant, or consultant company (the "**Service Provider**") in any twelve (12) month period that exceeds five percent (5%) of the outstanding shares, unless the Corporation has obtained by a majority of the votes cast by the shareholders of the Corporation eligible to vote at a shareholders' meeting, excluding votes attaching to shares beneficially owned by insiders and their associates ("**Disinterested Shareholder Approval**");
- (l) The aggregate number of options granted to a Service Provider conducting investor relations activities in any twelve (12) month period must not exceed two percent (2%) of the outstanding Shares calculated at the date of the grant, without the prior consent of the TSXV;
- (m) The Corporation must not grant an option to a consultant in any twelve (12) month period that exceeds two percent (2%) of the outstanding shares calculated at the date of the grant of the option;

- (n) The aggregate number of Shares reserved for issuance under options granted to insiders must not exceed ten percent (10%) of the outstanding Shares (in the event that the New Plan is amended to reserve for issuance more than ten percent (10%) of the outstanding Shares) unless the Corporation has obtained Disinterested Shareholder Approval to do so;
- (o) The number of Shares issued for option to insiders in any twelve (12) month period must not exceed ten percent (10%) of the outstanding Shares (in the event that the New Plan is amended to reserve for issuance more than ten percent (10%) of the outstanding Shares) unless the Corporation has obtained Disinterested Shareholder Approval to do so;
- (p) The issuance to any one Optionee within a twelve (12) month period of a number of Shares must not exceed five percent (5%) of outstanding Shares unless the Corporation has obtained Disinterested Shareholder Approval to do so; and
- (q) The exercise price of an option previously granted to an insider must not be reduced, unless the Corporation has obtained Disinterested Shareholder Approval to do so.

***Other Material Terms of the Plan***

The following is a summary of the material terms of the Plan:

- (r) Persons who are Service Providers to the Corporation or its affiliates, or who are providing services to the Corporation or its affiliates, are eligible to receive grants of options under the Plan;
- (s) Options granted under the Plan are non-assignable and non-transferable and are issuable for a period of up to ten (10) years;
- (t) For options granted to Service Providers, the Corporation must ensure that the proposed Optionee is a bona fide Service Provider of the Corporation or its affiliates;
- (u) an Option granted to any Service Provider will expire within one year (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option), after the date the Optionee ceases to be employed by or provide services to the Corporation, but only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Corporation;
- (v) if an Optionee dies, any vested option held by him or her at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such option;
- (w) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's options, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same;
- (x) the exercise price of each option will be set by the Board on the effective date of the option and will not be less than the Discounted Market Price (as defined in the Plan);
- (y) vesting of options shall be at the discretion of the Board, and will generally be subject to: (i) the Service Provider remaining employed by or continuing to provide services to the Corporation or its affiliates, as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Corporation or its affiliates during the vesting period; or (ii) the Service Provider remaining as a Director of the Corporation or its affiliates during the vesting period;
- (z) the Corporation, may from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law; and

- (aa) the Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Plan with respect to all Common Shares in respect of options which have not yet been granted under the Plan.

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

The Corporation, as at fiscal year end September 30, 2018, did not have any employment, consulting and management agreements in place and as such, does not have any arrangements for change of control, severance, termination or constructive dismissal.

The Corporation has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Corporation for their services in their capacity as directors, or for committee participation, except for the granting from time to time of incentive stock options in accordance with the policies of the TSXV. The purpose of granting such options is to assist the Corporation in compensating, attracting, retaining and motivating the directors of the Corporation and to closely align the personal interests of such persons to that of the shareholders.

No amounts were paid to any director of the Corporation during the fiscal year ended September 30, 2018 for services as a consultant or expert for professional services.

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

The Company has established a Compensation Committee that is currently comprised of three members (Steve Burleton, Jay Collins and Mark Ayranto), who are independent. These persons have the necessary experience to enable them to make decisions on the suitability of the Company's compensation policies or practices

#### ***Executive and Employee Compensation Objective and Philosophy***

The Board of Directors recognizes that the Company's success depends greatly on its ability to attract, retain and motivate superior performing employees, which can only occur if the Company has an appropriately structured and implemented compensation program.

The principal objectives of the Company's executive compensation program are as follows:

- (a) to attract and retain qualified executive officers, which includes having compensation that is competitive within the marketplace;
- (b) to align executives' interests with those of the shareholders; and
- (c) to reward demonstration of both leadership and performance.

The Company does not have a formal compensation program with set benchmarks. Individual compensation is not directly tied to performance goals which are based on any specific objective and identifiable measure, such as the Company's share price or earnings per share. However, the Company does have a compensation program which seeks to reward an executive officer's current and future expected performance. Individual performance is reviewed for all executive officers based largely on a qualitative evaluation of the Company's achievement of corporate milestones and objectives.

### ***Compensation Review Process***

The Compensation Committee is tasked with the responsibility of, among other things, recommending to the Board compensation policies and guidelines for the Company and for implementing and overseeing compensation policies approved by the Board.

The Compensation Committee reviews annually and makes recommendations to the Board in respect of the compensation paid by the Company to its directors and executive officers. The committee is responsible for reviewing and considering corporate goals and objectives relevant to compensation for all executive officers, evaluating their performance in light of those corporate goals and objectives, and determining (or making recommendations to the Board with respect to) the level of compensation for the executive officers based on this evaluation. In considering executive officers other than the CEO, the committee shall take into account the recommendation of the CEO.

All compensation arrangements between the Company and any director or executive officer of the Company or between any subsidiary of the Company and any director or executive officer of the Company must be approved by the Compensation Committee.

The Board acknowledges that the Company, as a junior natural resource company, does not presently generate any revenues from commercial production, and that all management compensation to date has been derived primarily from cash in the Company's treasury, acquired by way of equity financings to date, and the grant of incentive stock options to management personnel and employees. Salary compensation to the Named Executive Officers is provided to consulting company's owned by the Named Executive Officers and is paid on a month to month basis.

With respect to the longer-term component of executive compensation, options granted to executive officers under the Company's Stock Option Plan serve to align the interests of those persons with the shareholders. As options are generally priced at market value at the time of grant, significant benefits of such compensation, if any, may not be realized by the executive until a significant period of time has passed.

### ***Elements of Executive Compensation Program***

The Company's compensation program consists of the following elements:

- (a) base salary or consulting fees;
- (b) equity participation through the Company's Stock Option Plan.

### ***Base Salary or Consulting Fees***

The Named Executive Officers of the Company are primarily compensated indirectly through consulting fees payable by the Company to their respective management companies on a month to month basis. In determining the annual base consulting fees, the Board of Directors, with the recommendation of the Corporate Governance and Compensation Committee, considered the following factors:



- (a) the particular responsibilities related to the position;
- (b) salaries paid by other companies in the mining industry which were similar in size as the Company, at the same stage of development as the Company and considered comparable to the Company;
- (c) the experience level of the Named Executive Officer; and
- (d) the amount of time and commitment which the Named Executive Officer devoted to the Company and is expected to devote to the Company in the future.

The Corporate Governance and Compensation Committee annually reviews the base consulting fees payable to the Named Executive Officers based on the aforementioned criteria to ensure that compensation levels are competitive and fair.

### ***Equity Participation***

The Company provides for equity participation in the Company through its Stock Option Plan. See "Stock Option Plans and Other Incentive Plans". The granting of stock options is intended to encourage the maximization of shareholder value by better aligning the interests of the executive officers with the interests of shareholders.

### ***Pension Disclosure***

The Company does not provide a pension to any NEO or director.

## **AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR**

National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators ("**NI 52-110**") requires the Corporation, as a venture issuer, to disclose annually in its management proxy circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following:

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

The audit committee has a charter. A copy of the audit committee charter is attached hereto as Schedule "A".

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

The current members of the audit committee are Steve Burleton, David Reid and Mark Ayranto. All three members are independent members of the audit committee as contemplated by NI 52-110. All audit committee members are considered to be financially literate.

### **Relevant Education and Experience**

See disclosure under heading "Election of Directors".

Each member of the audit committee has adequate education and experience that is relevant to their performance as an audit committee member and, in particular, the requisite education and experience that have provided the member with:

- an understanding of the accounting principles used by the issuer to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of

issues that can reasonably be expected to be raised by the issuer's financial statements, or experience actively supervising individuals engaged in such activities; and

- an understanding of internal controls and procedures for financial reporting.

### Audit Committee Oversight

The audit committee has not made any recommendations to the Board to nominate or compensate any auditor other than John J. Geib, Chartered Accountant.

### Reliance on Certain Exemptions

The Corporation's auditor, John J. Geib, Chartered Accountant, has not provided any material non-audit services.

### Pre-Approval Policies and Procedures

See audit committee charter for specific policies and procedures for the engagement of non-audit services adopted by the audit committee.

### External Auditor Service Fees

The audit committee has reviewed the nature and amount of the non-audit services provided by John J. Geib, Chartered Accountant to the Corporation to ensure auditor independence. Fees incurred are outlined in the following table.

Nature of Services	Fees Paid to Auditor in Year Ended September 30, 2018.	Fees Paid to Auditor in Year Ended September 30, 2017.
Audit Fees <sup>(1)</sup>	\$14,500	\$16,000
Audit-Related Fees <sup>(2)</sup>	-	-
Tax Fees <sup>(3)</sup>	2,000	2,000
All Other Fee <sup>(4)</sup>	-	-
Total	\$16,500	\$18,000

Notes:

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

## CORPORATE GOVERNANCE

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

## Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment or which is deemed to be a material relationship under NI 52-110.

The current independent directors of the Corporation are Mark Ayranto, Steve Burleton & David Reid. The non-independent directors are Tara Christie as she is an officer of the Corporation.

## Directorships of the Proposed Board

Name of Director	Name of Reporting Issuer	Market	Position	From	To
Tara Christie	Banyan Gold Corp.	TSX-V	Director	June 2013	Present
	Constantine Metal Resources Ltd.	TSX-V	Director	July 2006	Present
	Klondike Gold	TSX-V	Director	July 2016	Present
	Western Copper & Gold	TSX	Director	April 3, 2019	Present
Steve Burleton	Banyan Gold Corp.	TSX-V	Director	March 2017	Present
	GT Gold Corp.	TSX-V	Director	June 14, 2018	Sept 1, 2019
Mark Ayranto	Banyan Gold Corp.	TSX-V	Chairman & Director	July 2010	Present
David Reid	Banyan Gold Corp.	TSX-V	Director	March 2017	Present
	Boreal Metals Corp.	TSX-V	Director	Dec 2017	Present

## Nomination of Directors

The Board of Directors considers the Boards size each year when it considers the number of directors to recommend, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

Recommendations from the Board of Directors are presented to the shareholders at the annual general meeting for approval.

## Compensation

The directors of the Corporation are not paid an annual director's fee nor are they paid a fee to attend Board meetings. Directors are compensated only for time spent directly on the Corporation's business.

## Orientation and Continuing Education

When new directors are appointed, they receive orientation commensurate with their previous experience on the Corporation's properties and on the responsibilities of directors.

Board meetings may also include presentations by the Corporation's management and employees to give the directors additional insight into the Corporation's business.

## Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

### **Other Board Committees**

The Board has a Compensation committee.

### **Assessments**

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and its audit committee.

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is included in the audited financial statements for the year September 30, 2018 and 2017, the auditor's report and related management discussion and analysis, a copy of which is filed on [www.sedar.com](http://www.sedar.com). Copies of the Corporation's most current interim financial statements and the accompanying management discussion and analysis may be obtained from [www.sedar.com](http://www.sedar.com). A copy of the financial statements material is also available upon request from the Corporation's Chief Executive Officer at the office of the Corporation, telephone number: (403) 450-8450, fax number: (403) 450-8450.

### **OTHER MATTERS**

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this management proxy circular.

### **SHAREHOLDER PROPOSALS**

Pursuant to Alberta law, shareholder proposals to be considered for inclusion in the management proxy circular for the 2019 annual meeting of the Corporation must be received by the Secretary of the Corporation on or before the close of business on April 15, 2019.

### **DIRECTORS' APPROVAL**

The contents of this management proxy circular and its distribution to shareholders have been approved by the Board of Directors of the Corporation.

**DATED** at Calgary, Alberta, September 9, 2019.

### **THE BOARD OF DIRECTORS**

*"Mark Ayranto"*

**Mark Ayranto**  
Chairman

## SCHEDULE A

### BANYAN GOLD CORP. (the "Corporation")

#### AUDIT COMMITTEE CHARTER

##### 1. Mandate

The audit committee will assist the board of directors (the "Board") in fulfilling its financial oversight responsibilities. The audit committee will review and consider in consultation with the auditors the financial reporting process, the system of internal control and the audit process. In performing its duties, the audit committee will maintain effective working relationships with the Board, management, and the external auditors. To effectively perform their role, each audit committee member must obtain an understanding of the principal responsibilities of audit committee membership as well and the Corporation's business, operations and risks.

##### 2. Composition

The Board will appoint from among their membership an audit committee after each annual general meeting of the shareholders of the Corporation. The audit committee will consist of a minimum of three directors.

##### 2.1 Independence

A majority of the members of the audit committee must not be officers, employees or control persons of the Corporation.

##### 2.2 Expertise of Committee Members

Each member of the audit committee must be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the committee. At least one member of the audit committee must have accounting or related financial management expertise. The Board shall interpret the qualifications of financial literacy and financial management expertise in its business judgment and shall conclude whether a director meets these qualifications.

##### 3. Meetings

The audit committee shall meet in accordance with a schedule established each year by the Board, and at other times that the audit committee may determine. The audit committee shall meet at least annually with the Corporation's Chief Financial Officer and external auditors in separate executive sessions.

##### 4. Roles and Responsibilities

The audit committee shall fulfill the following roles and discharge the following responsibilities:

##### 4.1 External Audit

The audit committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor's report, including the resolution of disagreements between management and the external auditors regarding financial reporting and audit scope or procedures. In carrying out this duty, the audit committee shall:

- (a) recommend to the Board the external auditor to be nominated by the shareholders for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation;
- (b) review (by discussion and enquiry) the external auditors' proposed audit scope and approach;
- (c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;
- (d) review and recommend to the Board the compensation to be paid to the external auditors; and
- (e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards.

##### 4.2 Internal Control

The audit committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Corporation. In carrying out this duty, the audit committee shall:

- (a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Corporation; and
- (b) ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

### **4.3 Financial Reporting**

The audit committee shall review the financial statements and financial information prior to its release to the public. In carrying out this duty, the audit committee shall:

#### ***General***

- (a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions; and
- (b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.

#### ***Annual Financial Statements***

- (a) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;
- (b) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered; and
- (c) review management's discussion & analysis respecting the annual reporting period prior to its release to the public.

#### ***Interim Financial Statements***

- (a) review and approve the interim financial statements prior to their release to the public; and
- (b) review management's discussion & analysis respecting the interim reporting period prior to its release to the public.

#### ***Release of Financial Information***

- (a) where reasonably possible, review and approve all public disclosure, including news releases, containing financial information, prior to its release to the public.

### **4.4 Non-Audit Services**

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Corporation or any subsidiary of the Corporation shall be subject to the prior approval of the audit committee.

#### ***Delegation of Authority***

- (a) The audit committee may delegate to one or more independent members of the audit committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the audit committee at its next scheduled meeting.

#### ***De-Minimis Non-Audit Services***

- (a) The audit committee may satisfy the requirement for the pre-approval of non-audit services if:
  - (i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Corporation and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or
  - (ii) the services are brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated.

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

- (b) The audit committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:
  - (i) the pre-approval policies and procedures are detailed as to the particular service;
  - (ii) the audit committee is informed of each non-audit service; and
  - (iii) the procedures do not include delegation of the audit committee's responsibilities to management.

#### **4.5 Other Responsibilities**

The audit committee shall:

- (a) establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters;
- (b) establish procedures for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;
- (c) ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis;
- (d) review the policies and procedures in effect for considering officers' expenses and perquisites;
- (e) perform other oversight functions as requested by the Board; and
- (f) review and update this Charter and receive approval of changes to this Charter from the Board.

#### **4.6 Reporting Responsibilities**

The audit committee shall regularly update the Board about audit committee activities and make appropriate recommendations.

#### **5. Resources and Authority of the Audit Committee**

The audit committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to

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

#### **6. Guidance — Roles & Responsibilities**

The following guidance is intended to provide the audit committee members with additional guidance on fulfillment of their roles and responsibilities on the committee:

##### **6.1 Internal Control**

- (a) evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;
- (b) focus on the extent to which external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of an IT systems breakdown; and
- (c) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

##### **6.2 Financial Reporting**

###### ***General***

- (a) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements; and

- (b) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks; and
- (c) understand industry best practices and the Corporation's adoption of them.

***Annual Financial Statements***

- (d) review the annual financial statements and determine whether they are complete and consistent with the information known to committee members, and assess whether the financial statements reflect appropriate accounting principles in light of the jurisdictions in which the Corporation reports or trades its shares;
- (e) pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;
- (f) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses; warranty, professional liability; litigation reserves; and other commitments and contingencies;
- (g) consider management's handling of proposed audit adjustments identified by the external auditors; and
- (h) ensure that the external auditors communicate all required matters to the committee.

***Interim Financial Statements***

- (i) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;
- (j) meet with management and the auditors, either telephonically or in person, to review the interim financial statements; and
- (k) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:
  - (i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
  - (ii) changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financials statements are consistent with changes in the Corporation's operations and financing practices;
  - (iii) generally accepted accounting principles have been consistently applied;
  - (iv) there are any actual or proposed changes in accounting or financial reporting practices;
  - (v) there are any significant or unusual events or transactions;
  - (vi) the Corporation's financial and operating controls are functioning effectively;
  - (vii) the Corporation has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and
  - (viii) the interim financial statements contain adequate and appropriate disclosures.

**6.3 Compliance with Laws and Regulations**

- (a) periodically obtain updates from management regarding compliance with this policy and industry "best practices";
- (b) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements; and
- (c) review the findings of any examinations by securities regulatory authorities and stock exchanges.

**6.4 Other Responsibilities**

- (a) review, with the Corporation's counsel, any legal matters that could have a significant impact on the Corporation's financial statements.