

Sunmetals

NOTICE OF ANNUAL GENERAL MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

FOR THE

ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF

SUN METALS CORP.

TO BE HELD ON APRIL 26, 2019

(CONTAINING INFORMATION AS OF MARCH 26, 2019)

SUN METALS CORP.
1055 West Hastings Street Suite 1900
Vancouver, BC V6E 2E9

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the “**Meeting**”) of the shareholders of Sun Metals Corp. (the “**Company**”) will be held on **Friday, April 26, 2019** at 10:00 a.m. (Vancouver time) at Suite 2200, HSBC Building, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8 for the following purposes:

1. To receive and consider the audited financial statements of the Company for the period from incorporation on June 23, 2017 to December 31, 2017 and the financial year ended December 31, 2018, and the auditor’s reports thereon.
2. To re-appoint KPMG LLP, as the Company’s auditor for the ensuing year, at a remuneration to be fixed by the Directors.
3. To set the number of directors for the ensuing year at six (6).
4. To elect directors to hold office for the ensuing year.
5. To approve the Company’s stock option plan.
6. To transact such other business as may properly be transacted at the Meeting or at any adjournment thereof.

An information circular accompanies this notice and contains details of matters to be considered at the Meeting.

A shareholder who is unable to attend the Meeting in person and who wishes to ensure that such shareholder’s shares will be voted at the Meeting is requested to complete, date and sign the enclosed form of proxy and deliver it in accordance with the instructions set out in the form of proxy and in the information circular. All proxies submitted must be received by 5:00 p.m., Pacific Time, on April 24, 2019.

As set out in the notes, the enclosed proxy is solicited by management, but, you may amend it, if you so desire, by striking out the names listed therein and inserting in the space provided, the name of the person you wish to represent you at the Meeting.

DATED at Vancouver, British Columbia, this 26th day of March, 2019.

By order of the Board of Directors.

SUN METALS CORP.

“Steve Robertson”

Steve Robertson
Chief Executive Officer

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SOLICITATION OF PROXIES

This Information Circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management (the “**Management**”) of Sun Metals Corp. (the “**Company**” or “**Sun Metals**”), for use at the annual general meeting (the “**Meeting**”) of the shareholders (the “**Shareholders**”) of the Company to be held on Friday, April 26, 2019, at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof.

The enclosed form of proxy (the “**Proxy**”) is solicited by Management. The solicitation will be primarily by mail, however, proxies may be solicited personally or by telephone by the regular officers and employees of the Company. The cost of solicitation will be borne by the Company.

APPOINTMENT OF PROXYHOLDERS

The persons named in the Proxy are representatives of the Company.

A Shareholder entitled to vote at the Meeting has the right to appoint a person (who need not be a Shareholder) to attend and act on the Shareholder's behalf at the Meeting other than the persons named in the accompanying form of proxy. To exercise this right, a Shareholder shall strike out the names of the persons named in the accompanying form of proxy and insert the name of the Shareholder's nominee in the blank space provided, or complete another suitable form of proxy.

VOTING BY PROXYHOLDER

Manner of Voting

The common shares represented by the Proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and, if the Shareholder specifies a choice on the Proxy with respect to any matter to be acted upon, the shares will be voted accordingly. On any poll, the persons named in the Proxy (the “**Proxyholders**”) will vote the shares in respect of which they are appointed. Where directions are given by the Shareholder in respect of voting for or against any resolution, the Proxyholder will do so in accordance with such direction.

The Proxy, when properly signed, confers discretionary authority on the Proxyholder with respect to amendments or variations to the matters which may properly be brought before the Meeting. At the time of printing this Circular, Management is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to Management should properly come before the Meeting, the proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the Proxyholder.

In the absence of instructions to the contrary, the Proxyholders intend to vote the common shares represented by each Proxy, properly executed, in favour of the motions proposed to be made at the Meeting as stated under the headings in this Circular.

Revocation of Proxy

A Shareholder who has given a Proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a Proxy may be revoked by instrument in writing executed by the Shareholder or by his or her attorney authorized in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer and deposited by hand with the Company's registrar and transfer agent, Computershare Trust Company of Canada (“**Computershare**”) by hand or mail at 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, or by fax within North America at 1-866-249-7775 or outside North American at 1-416-263-9524 at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the proxy is to be used, or to the Chair of the Meeting on the day of the Meeting or any adjournment of it. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

Voting Thresholds Required for Approval

In order to approve a motion proposed at the Meeting, a majority of not less than one-half of the votes cast will be required (an “**Ordinary Resolution**”) unless the motion requires a special resolution (a “**Special Resolution**”), in which case a majority of not less than two-thirds of the votes cast will be required. In the event a motion proposed at the Meeting requires disinterested Shareholder approval,

common shares held by Shareholders of the Company who are also “insiders”, as such term is defined under applicable securities laws, will be excluded from the count of votes cast on such motion.

ADVICE TO REGISTERED SHAREHOLDERS

Shareholders whose names appear on the records of the Company as the registered holders of common shares in the capital of the Company (the “**Registered Shareholders**”) may choose to vote by proxy whether or not they are able to attend the Meeting in person.

Registered Shareholders who choose to submit a Proxy may do so by completing, signing, dating and depositing the Proxy with Computershare, by hand or mail at 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, or by fax within North America at 1-866-249-7775 or outside North America at 1-416-263-952, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof. The Proxy may be signed by the Shareholder or by his or her attorney in writing, or, if the Registered Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold shares in their own name.

Shareholders who do not hold their shares in their own name (the “**Beneficial Shareholders**”) should note that only proxies deposited by Registered Shareholders can be recognized and acted upon at the Meeting.

If shares are listed in an account statement provided to a Shareholder by an intermediary, such as a brokerage firm, then, in almost all cases, those shares will not be registered in the Shareholder’s name on the records of the Company. Such shares will more likely be registered under the name of the Shareholder’s intermediary or an agent of that intermediary, and consequently the Shareholder will be a Beneficial Shareholder. In Canada, the vast majority of such shares are registered under the name CDS & Co. (being the registration name for the Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). The shares held by intermediaries or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, an intermediary and its agents are prohibited from voting shares for the intermediary’s clients. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their shares are communicated to the appropriate person.

These proxy-related materials are being sent to both Registered Shareholders and Beneficial Shareholders of the Company. If you are a Beneficial Shareholder and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. In this event, by choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purpose of voting shares registered in the name of their broker, agent or nominee, a Beneficial Shareholder may attend the Meeting as a Proxyholder for a Registered Shareholder and vote their shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their shares as Proxyholder for a Registered Shareholder should contact their broker, agent or nominee well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their shares as a Proxyholder.

There are two kinds of Beneficial Shareholders, those who object to their name being made known to the issuers of securities that they own (“**OBOs**” for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (“**NOBOs**” for Non-Objecting Beneficial Owners).

Non-Objecting Beneficial Owners

Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), issuers can obtain a list of their NOBOs from intermediaries for distribution of proxy-related materials directly to NOBOs. This year, the Company will rely on those provisions of NI 54-101 that permit it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a scannable voting instruction form (“**VIF**”) from the Company’s transfer agent, Computershare. These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone voting and internet voting as described on the VIF itself which contains complete instructions. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

If you are a Beneficial Shareholder and the Company or its agent has sent these proxy-related materials to you directly, please be advised that your name, address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding your securities on your behalf. By choosing to send these proxy-related materials to you directly, the Company (and not the intermediaries holding securities your behalf) has assumed responsibility for (i) delivering the proxy-related materials to you and (ii) executing your proper voting instructions as specified in the VIF.

Objecting Beneficial Owners

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their shares are voted at the Meeting.

Applicable regulatory rules require intermediaries to seek voting instructions from OBOs in advance of Shareholders’ meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by OBOs in order to ensure that their shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form provided to an OBO by its broker, agent or nominee is limited to instructing the registered holder of the shares on how to vote such shares on behalf of the OBO.

The form of proxy provided to OBOs by intermediaries will be similar to the Proxy provided to Registered Shareholders. However, its purpose is limited to instructing the intermediary on how to vote your shares on your behalf. The majority of intermediaries now delegate responsibility for obtaining instructions from OBOs to Broadridge Investor Communications (“**Broadridge**”). Broadridge typically supplies voting instruction forms, mails those forms to OBOs, and asks those OBOs to return the forms to Broadridge or follow specific telephonic or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of the shares to be represented at the meeting. **An OBO receiving a voting instruction form from Broadridge cannot use that form to vote shares directly at the Meeting. Instead, the voting instruction form must be returned to Broadridge or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure that such shares are voted.**

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

Except as otherwise disclosed herein, none of the directors (the “**Directors**”) or officers (the “**Officers**”) of the Company, at any time since the beginning of the Company’s last financial year, nor any proposed nominee for election as a Director, or any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting exclusive of the election of directors or the appointment of auditors.

RECORD DATE, VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

A Shareholder of record at the close of business on March 22, 2019 (the “**Record Date**”) who either personally attends the Meeting or who has completed and delivered a proxy in the manner and subject to the provisions described above, shall be entitled to vote or to have such shareholder’s shares voted at the Meeting, or any adjournment thereof.

The Company’s authorized capital consists of an unlimited number of common shares (the “**Common Shares**”) without par value and an unlimited number of preferred shares (the “**Preferred Shares**”). As at

the Record Date, the Company has 92,533,151 Common Shares issued and outstanding, each share carrying the right to one vote and no Preferred Shares issued and outstanding.

Principal Holders of Voting Securities

To the best of the knowledge of the directors and executive officers of the Company, no persons or corporations beneficially own, directly or indirectly, or exercise control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company, other than the persons set forth in the table below:

Person	Number of Common Shares beneficially owned, directly or indirectly	Percentage of the voting rights attached to the Common Shares
Teck Resources Limited	12,500,000	13.5% ⁽¹⁾

Notes:

(1) The Company has agreed to give Teck Resources Limited (“**Teck**”) the right to maintain its shareholding in the Company subject to certain conditions pursuant to an equity participation agreement. For more detail, please see the following section in this Circular: *Background and Corporate History – History – Non-Brokered Private Placement and Equity Participation*.

BACKGROUND AND CORPORATE HISTORY

Corporate Background

The Company was incorporated under the *Business Corporations Act* (British Columbia) (the “**BCBCA**”) on October 15, 2008 under the name North Bluff Capital Corp. (“**North Bluff**”). On May 2, 2018, North Bluff, a newly incorporated wholly-owned subsidiary of North Bluff (“**North Bluff Subco**”), and the Company (then a private company incorporated under the BCBCA on June 23, 2017 (“**PrivCo**”), completed a transaction (the “**Transaction**”) whereby North Bluff Subco and PrivCo amalgamated and the resulting company became a wholly-owned subsidiary of North Bluff named “Tsayta Resources Corporation” (“**Tsayta**”). As a result of the Transaction, North Bluff issued to the shareholders of PrivCo an aggregate of 34,780,001 Common Shares. The Transaction constituted a reverse takeover under the policies of the TSX Venture Exchange (the “**Exchange**”) and, in connection with the Transaction, North Bluff changed its name to “Sun Metals Corp.”

Prior to the Transaction, North Bluff had a financial year end of August 31. Following the Transaction, the Company assumed Tsayta’s financial year end of December 31.

The Company’s registered office is located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8 and its head and principal address is located at Suite 1900 – 1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9. The Common Shares of the Company are currently listed for trading on the Exchange under the symbol “SUNM”.

Summary of Business

The Company is a junior resource issuer and has no history of earnings nor has it earned revenue since commencing operations. The Company holds an option to acquire a 100% interest in the Stardust Project, located in northcentral British Columbia, Canada (the “**Option**”), pursuant to an option agreement between Tsayta and Lorraine Copper Corp. (“**Lorraine**”), dated November 7, 2017, as amended May 2, 2018, December 17, 2018 and March 26, 2019 (the “**Option Agreement**”). The Company is the operator of all related exploration activities at the Stardust Project. The Option on the Stardust Project is the sole business of the Company.

On February 1, 2019, the Company and Lorraine entered into an arrangement agreement (the “**Arrangement Agreement**”) pursuant to which the Company and Lorraine agreed to complete a plan of arrangement (the “**Arrangement**”) under Section 288 of the BCBCA whereby, among other things, (a) holders of common shares of Lorraine will receive, for each common share of Lorraine that they hold, 0.54 of a Common Share; and (b) Lorraine will be amalgamated with a wholly-owned subsidiary of the Company and Company will acquire all of the issued and outstanding common shares in the capital of Lorraine. As of the date hereof, the Arrangement remains subject to the approval of the securityholders of Lorraine (the “**Lorraine Securityholders**”) and the approval of the Supreme Court of British Columbia. On completion of the Arrangement, the Option Agreement will be terminated and the Company’s interest in the Stardust Project will convert to that of indirect ownership of the mineral claims underlying the Stardust Project through Tsayta.

Pursuant to the Arrangement Agreement, in the event that the mailing of meeting materials to Lorraine Securityholders in respect of the special meeting to approve the Arrangement has been completed but the Arrangement has not closed by March 31, 2019, Lorraine will agree to extend the timeframe of the Option Agreement, as amended, for a period of not less than 60 days.

On March 26, 2019, the Company and Lorraine agreed to amend the Option Agreement to extend the date on which the Company is to issue 31,529,315 Common Shares to Lorraine to within 5 business days of June 1, 2019. All other terms and provisions of the Option Agreement remain the same and in full force and effect.

History

In addition to the above mentioned events, the following events occurred within the Company’s last two completed financial years:

Concurrent Private Placement

In connection with the Transaction, on May 2, 2018, the Company completed a concurrent private placement to raise aggregate proceeds of \$6,447,100 through the sale of 25,788,400 subscription receipts, at a price of \$0.25 per subscription receipt. Proceeds raised through the private placement were used to continue funding the Company's business plan, satisfy the Company's financial obligations and for general working capital purposes. Each subscription receipt issued in connection with the Transaction automatically converted, for no additional consideration, into one unit of the Company. Each unit consisted of one Common Share and one common share purchase warrant, with each share purchase warrant entitling the holder thereof to acquire one additional Common Share at a price of \$0.35 per Common Share for a period of five years, subject to acceleration in certain circumstances.

Non-Brokered Private Placement and Equity Participation Agreement

On December 20, 2018, the Company announced the closing of a non-brokered private placement with PearTree Securities Inc. of 12,500,000 flow-through Common Shares (each, a "**Flow-Through Share**") at a price of \$0.413 per Flow-Through Share for gross proceeds of \$5,162,500. Teck was the end acquirer of the Flow-Through Shares pursuant to a donation arrangement (the "**Teck Acquisition**"). Following the Teck Acquisition, Teck held approximately 13.8% of the Company's issued and outstanding shares.

The Company has agreed to give Teck the right to maintain its shareholding in the Company subject to certain conditions pursuant to an equity participation agreement (the "**Equity Participation Agreement**"). Under the Equity Participation Agreement, should the Company propose to issue Common Shares or any securities that are convertible or exchangeable or exercisable into Common Shares, the Company shall notify Teck and Teck shall have the right to subscribe for and purchase from the Company the number of Common Shares such that Teck may maintain its percentage ownership in the Company. Teck's right to subscribe for Common Shares does not apply to issuances of Common Shares through equity compensation plans or in connection with a share or asset acquisition. However, in such circumstances and provided the number of Common Shares or securities are convertible or exchangeable or exercisable into Common Shares equals or exceeds 5% of the then issued and outstanding fully diluted Common Shares, Teck shall have the right to subscribe for by way of private placement such number of Common Shares so as to maintain its percentage ownership in the Company.

STATEMENT OF EXECUTIVE COMPENSATION

The following information regarding executive compensation is presented in accordance with National Instrument Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* (“**Form 51-102F6V**”).

Definitions

For the purpose of this information circular:

“**CEO**” means an individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**CFO**” means an individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**Director**” means an individual who acted as a director of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**equity incentive plan**” means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of IFRS 2 *Share-Based Payments*;

“**incentive plan**” means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

“**incentive plan award**” means compensation awarded, earned, paid, or payable under an incentive plan;

“**NEO**” or “**named executive officer**” means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) the most highly compensated executive officer, or the most highly compensated individual acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year; and

“**option-based award**” means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features.

Compensation Discussion and Analysis

The Board of Directors of the Company (the “**Board of Directors**” or “**Board**”) is responsible for reviewing and approving goals and objectives relevant to executive compensation and evaluating performance relative to those goals and objectives. The Board has constituted a compensation committee (the “**Compensation Committee**”) to consider compensation matters, report to the Board, and to make recommendations regarding executive compensation. The Compensation Committee is presently comprised of Donald McInnes, Mark O’Dea and Sean Tetzlaff, and is responsible for considering all forms of compensation to be granted to the CEO and the Directors, and for reviewing the CEO’s recommendations respecting compensation of the other officers of the Company. In its review of executive compensation, the Compensation Committee strives to ensure such arrangements reflect the responsibilities and risks associated with each position. It is the responsibility of the Board, as a whole, to determine the level of compensation of its senior executives and in so determining, the Board considers: (i) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and Shareholders; and (iv) rewarding performance, both on an individual basis and with respect to operations in general.

The Board of Directors may set, throughout the year, discretionary bonuses to serve as incentive mechanisms for the meeting of particular corporate goals and objectives, or for the Company's financial performance. NEOs are also eligible to participate in the Company's stock option plan (the "**Option Plan**") and receive grants of Options thereunder.

The Board of Directors has not conducted a formal evaluation of the implications of the risks associated with the Company's compensation policies. Risk management is a consideration of the Board of Directors when implementing its compensation policies and the Board of Directors does not believe that the Company's compensation policies result in unnecessary or inappropriate risk taking including risks that are likely to have a material adverse effect on the Company.

Stock Option Plans and Other Incentive Plans

The Company has adopted a stock option plan (the "**Option Plan**") effective March 31, 2018 pursuant to which the Board may grant options (the "**Options**") to purchase Common Shares of the Company to NEOs, directors and employees of the Company or affiliated corporations and to consultants retained by the Company.

The purpose of the Option Plan is to attract, retain, and motivate NEOs, directors, employees and other service providers by providing them with the opportunity, through options, to acquire an interest in the Company and benefit from the Company's growth. Under the Option Plan, the maximum number of Common Shares reserved for issuance, including Options currently outstanding, is equal to ten (10%) percent of the Shares outstanding from time to time (the "**10% Maximum**"). The 10% Maximum is an "evergreen" provision, meaning that, following the exercise, termination, cancellation or expiration of any Options, a number of Common Shares equivalent to the number of options so exercised, terminated, cancelled or expired would automatically become reserved and available for issuance in respect of future Option grants.

The number of Common Shares which may be the subject of Options on a yearly basis to any one person cannot exceed five (5%) percent of the number of issued and outstanding Shares at the time of the grant. Options may be granted to any employee, officer, director, consultant, affiliate or subsidiary of the Company exercisable at a price which is not less than the market price of common shares of the Company on the date of the grant. The directors of the Company may, by resolution, determine the time period during which any option may be exercised (the "**Exercise Period**"), provided that the Exercise Period does not contravene any rule or regulation of such exchange on which the Common Shares may be listed. All Options will terminate on the earliest to occur of (a) the expiry of their term; (b) the date of termination of an optionee's employment, office or position as director, if terminated for just cause; (c) ninety (90) days (or such other period of time as permitted by any rule or regulation of such exchange on which the Common Shares may be listed) following the date of termination of an optionee's position as a director or NEO, if terminated for any reason other than the optionee's disability or death; (d) thirty (30) days following the date of termination of an optionee's position as a consultant engaged in investor relations activities, if terminated for any reason other than the optionee's disability, death, or just cause; and (e) the date of any sale, transfer or assignment of the Option.

Options are non-assignable and are subject to early termination in the event of the death of a participant or in the event a participant ceases to be a NEO, director, employee, consultant, affiliate, or subsidiary of the Company, as the case may be. Subject to the foregoing restrictions, and certain other restrictions set out in the Option Plan, the Board is authorized to provide for the granting of Options and the exercise and method of exercise of options granted under the Option Plan.

Option-Based Awards

The Option Plan is used to attract, retain and incentivize qualified and experienced personnel. The Option Plan is an important part of the Company's long-term incentive strategy for its NEOs, as well as for its other Directors, officers, other management, employees and consultants, permitting them to participate in any appreciation of the market value of the Common Shares over a stated period of time. The Option Plan is designed to foster a proprietary interest in stock ownership, and to reinforce a commitment to the Company's long-term growth, performance and success as well as increases in shareholder value. The Board of Directors reviews the grant of stock options to NEOs from time to time, based on various factors such as the NEOs level of responsibility and role and importance in the Company achieving its corporate

goals, objectives and prospects. Previous grants of Options are taken into account when considering new grants of Options to NEOs.

Use of Financial Instruments

The Company does not have a policy that would prohibit a NEO or Director from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or Director. However, management is not aware of any NEO or Director having purchased or purchasing such an instrument.

COMPENSATION OF NEOS

Steve Robertson, Lauren McDougall and Ian Neill are the NEOs of the Company for the purposes of the following disclosure.

Oversight and Description of NEO Compensation

Compensation of NEOs

Sun Metals' Compensation Committee is responsible for assisting the Sun Metals Board in discharging the Sun Metals Board's oversight responsibilities relating to the attraction, compensation, evaluation and retention of key senior management employees, and in particular the CEO, with the skills and expertise needed to enable Sun Metals to achieve its goals and strategies at fair and competitive compensation and appropriate performance incentives.

Compensation of NEOs is reviewed annually and determined by the Board. The level of compensation for NEOs is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources. In the Board's view, there is, and has been, no need for the Company to design or implement a formal compensation program for NEOs.

Elements of NEO Compensation

As discussed above, the Company provides an Option Plan to motivate NEOs by providing them with the opportunity, through Options, to acquire an interest in the Company and benefit from the Company's growth. The Board does not employ a prescribed methodology when determining the grant or allocation of Options to NEOs. Other than the Option Plan, the Company does not offer any long term incentive plans, share compensation plans, retirement plans, pension plans, or any other such benefit programs for NEOs.

The Company grants annual incentives to individuals based on objectives determined by the Compensation Committee. Given that the Company is a junior company with no source of cash flow other than financings, the objectives can be subjective to a certain degree. The objectives are often based more on the general improvement of the Company in terms of share price performance, successful financings, and other factors as determined by the Compensation Committee. These factors are assessed against the objectives of the Company in light of the external environment and current business situation. The Compensation Committee will meet annually to discuss these objectives. The Company may satisfy the annual incentives by payment of cash bonuses or compensation securities awards. The Company takes into consideration the financial position of the Company, especially when raising financing is difficult, before any cash bonuses are paid.

In June 2018, the Compensation Committee determined the primary factors and related weighting to use for calculating Mr. Robertson and Mr. Neill's calendar 2018 cash bonus entitlement to be as follows:

Name and principal position	Share price performance compared to established peer group	Stardust Project	Additional Financing	CSR, Health & Safety	First Nations	Other Projects	Max. bonus as a percentage of salary
Steve Robertson <i>CEO and President</i>	50%	25%	20%	10%	5%	5%	70%
Ian Neill <i>VP Exploration</i>	50%	40%	Nil	10%	Nil	Nil	40%

During calendar 2018, the Company's share price exceeded the performance of the established peer group, and the Committee agreed that Mr. Robertson and Mr. Neill had met the Committee's expectations in regards to all additional factors, and so were awarded the maximum bonus for all factors. The Committee further agreed that Ms. McDougall's performance should be assessed using similar factors as Mr. Robertson and Mr. Neill and therefore awarded Ms. McDougall a cash bonus equal to 30% of the portion of her total Oxygen salary allocated to the Company in 2018.

Pension Plan Benefits

Sun Metals does not currently have or provide for, and is not expected to have or provide for, defined benefit plans or defined contributions plans, being plans that provide for payments or benefits at, following, or in connection with retirement, or provide for deferred compensation plans.

Summary Compensation Table

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each NEO, in any capacity, for the two most recently completed financial years:

Table of Compensation Excluding Compensation Securities								
Name and position	Year ⁽¹⁾	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Pension value (\$)	Value of all other compensation (\$)	Total compensation (\$)
Steve Robertson <i>CEO and President</i>	2018	210,000	147,000	Nil	Nil	Nil	Nil	357,000
	2017	30,000	Nil	Nil	Nil	Nil	Nil	30,000
Lauren McDougall <i>CFO and Corporate Secretary</i>	2018	61,455	18,437	Nil	Nil	Nil	Nil	79,892
	2017	2,120	Nil	Nil	Nil	Nil	Nil	2,120
Ian Neill <i>VP Exploration</i>	2018	157,500	63,000	Nil	Nil	Nil	Nil	220,500
	2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) The information presented in the table is with a financial year ended December 31. The information in respect of 2017 includes compensation from the date of incorporation on June 23, 2017 to December 31, 2017.

Compensation Securities Table

As of March 26, 2019, there are 8,650,000 Options outstanding under the Option Plan, 2,250,000 of which are held by NEOs of the Company. The following table sets forth particulars of all compensation securities granted or issued to each NEO of the Company as of the Record Date:

Name and position	Type of compensation security ⁽¹⁾	Number of compensation securities, number of underlying securities	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 ⁽²⁾ (\$)	Expiry date
Steve Robertson <i>CEO and President</i>	Options	600,000	May 2, 2018	0.25	0.25	0.30	May 2, 2023
		600,000	Dec 24, 2018	0.28	0.25	0.30	Dec 24, 2023
Lauren McDougall <i>CFO and Corporate Secretary</i>	Options	200,000	May 2, 2018	0.25	0.25	0.30	May 2, 2023
		150,000	Dec 24, 2018	0.28	0.25	0.30	Dec 24, 2023
Ian Neill <i>VP Exploration</i>	Options	300,000	May 2, 2018	0.25	0.25	0.30	May 2, 2023
		400,000	Dec 24, 2018	0.28	0.25	0.30	Dec 24, 2023

Notes:

- (1) Each Option entitles the holder to one Common Share upon exercise or release. For additional information see "Approval of Rolling Stock Option Plan" below.
- (2) As at December 31, 2018.

Exercise of Compensation Securities by NEOs

No NEO of the Company exercised compensation securities in the most recently completed financial year.

Employment, Consulting and Management Agreements

Management functions of the Company are not, to any substantial degree, performed other than by directors or NEOs of the Company. Other than as set out below, there are no agreements or arrangements that provide for compensation to NEOs or directors of the Company, or that provide for payments to a NEO or director at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, severance, a change of control in the Company or a change in the NEO or director's responsibilities.

The Company is party to an employment contract with Ian Neill (VP Exploration) dated June 15, 2018 (the "**Neill Employment Agreement**"), whereby if he is terminated without just cause or he resigns for good cause, he is entitled to any salary and bonus amounts owing, including, in the case of an annual bonus, the amount that would have been owed had he worked through the end of the year (the "**Neill Termination Final Wages**"), an additional lump sum amount equivalent to, 8.33% plus 16.67% per year of service to a combined maximum of 100% of annual salary (the "**Neill Severance**") as at the date of termination or resignation (the "**Neill Termination Date**"), continued insurance coverage to the end of the Severance Period (as defined in the Neill Employment Agreement) or until he obtains alternate coverage, and any Options vested as at the Neill Termination Date will remain open for exercise until the earlier of their expiry or 90 days from the Neill Termination Date. Upon completion of a "Change of Control" (as defined below) if Mr. Neill is terminated without cause, or he elects to resign for good cause pursuant to the terms of his employment agreement, Mr. Neill is entitled to receive the the Neill Termination Final Wages, an additional lump sum equivalent to 12 months' annual salary, the Neill Severance, and an additional lump sum equal to the average amount of cash bonus awarded to him during the 24 months preceding the Neill Termination Date divided by two (the "**Neill Average Bonus Amount**"), provided that if Mr. Neill has been employed less than 12 months then the Neill Average Bonus Amount will be zero and if he has worked between 12 and 24 months then the Neill Average Bonus Amount will be calculated based on the preceding 12 months. Mr. Neill will receive continued insurance coverage until the end of the "COC Severance Period" (as defined in the Neill Employment Agreement) or until he obtains alternative coverage.

The Company is party to an employment contract with Steve Robertson (President and CEO) dated June 15, 2018 (the "**Robertson Employment Agreement**"), whereby if he is terminated without just cause or he resigns for good cause, he is entitled to any salary and bonus amounts owing, including, in the case of an annual bonus, the amount that would have been owed had he worked through the end of the year (the "**Robertson Termination Final Wages**"), an additional lump sum amount equivalent to 100% of his annual salary as at the date of termination or resignation (the "**Robertson Termination Date**") in the event the Robertson Termination Date (as defined below) shall be greater than 12 months following the Effective Date (as defined in the Robertson Employment Agreement) or 50% of his annual salary as at the Robertson Termination Date in the event the Robertson Termination Date shall be less than 12 months following the Effective Date (the "**Robertson Severance**"), continued insurance coverage to the end of the Severance Period (as defined in the Robertson Employment Agreement) or until he obtains alternate coverage, and any Options vested as at the date of termination/resignation will remain open for exercise until the earlier of their expiry or 90 days from the Robertson Termination Date. Upon completion of a "Change of Control" (as defined below) if Mr. Robertson is terminated without cause, or he elects to resign for good cause pursuant to the terms of his employment agreement, Mr. Robertson is entitled to receive the Robertson Termination Final Wages, the Robertson Severance, an additional lump sum equal to 24 months' of his annual salary as at the Robertson Termination Date, and an additional lump sum equal to two times the average amount of cash bonus awarded to him during the 24 months preceding the Robertson Termination Date divided by two (the "**Robertson Average Bonus Amount**"), provided that if Mr. Robertson has been employed less than 12 months then the Robertson Average Bonus Amount will be zero and if he has worked between 12 and 24 months then the Robertson Average Bonus Amount will be calculated based on the preceding 12 months. Mr. Robertson will receive continued insurance coverage until the end of the "COC Severance Period" (as defined in the Robertson Employment Agreement) or until he obtains alternative coverage.

The Company is party to a Technical and Administrative Services Agreement dated November 1, 2017 with Oxygen Capital Corp. ("**Oxygen**") a privately held corporation incorporated in British Columbia, owned by Mr. McInnes, Mr. Tetzlaff and Dr. O'Dea (the "**TAS**"). Oxygen's offices are located at Suite 1900, 1055 West Hastings Street, Vancouver, BC V6E 2E9. Pursuant to the TAS, Oxygen provides technical and administrative services to the Company at cost, including providing some staffing who are seconded to the Company, office facilities and other administrative functions. Ms. McDougall is an employee of Oxygen and receives remuneration for CFO services provided to the Company directly from Oxygen. Ms. McDougall is allocated to the Company on an approximately 50% basis, and allocates the other 50% of her time as the corporate controller for Pure Gold Mining Inc. During the financial year ended December 31, 2018, Ms. McDougall was paid a total salary of \$130,800, and a total bonus of \$32,646.

On March 14, 2019, the Company entered into a change of control agreement with Lauren McDougall (the "**McDougall CoC Agreement**"), whereby, in the event of a Change of Control (as defined below), she will be entitled to receive, in one lump sum and within seven business days of the occurrence of the Change of Control, an amount equal to twelve times the base monthly fee and benefits payable under the TAS in respect of Ms. McDougall's services (the "**McDougall Severance**"); and a bonus equal to (i) the average amount of cash bonus awarded to Ms. McDougall and paid by the Company under the TAS during the previous 24 months, divided by two; or (ii) if Ms. McDougall has been providing services for between 12 and 24 months, the cash bonus awarded to Ms. McDougall and paid by the Company under the TAS in the previous 12 months (the "**McDougall Average Bonus Amount**"). In the event that Ms. McDougall has been providing services for less than 12 months, the McDougall Average Bonus Amount shall be zero. In addition to the foregoing, if Ms. McDougall holds any Options, rights, warrants or other entitlements for the purchase or acquisition of securities in the capital of the Company, regardless of whether such entitlements are then exercisable in accordance with the terms thereof, all such entitlements shall become immediately fully vested and any unexercised portion of such entitlements will thereafter be exercisable by Ms. McDougall until the earlier of their expiry or 90 days from the Change of Control, subject to extension in certain circumstances more fully laid out in the Option Plan.

For the purposes of the McDougall CoC Agreement, the Neill Employment Agreement and the Robertson Employment Agreement, "**Change of Control**" means:

- (a) the acquisition, beneficially, directly or indirectly, by any person or group of persons acting jointly or in concert, within the meaning of Multilateral Instrument 62-104, *Takeover*

Bids and Issuer Bids (or any successor instrument thereto), of common shares of the Company which, when added to all other common shares of Sun Metals at the time held beneficially, directly or indirectly by such person or persons acting jointly or in concert, totals for the first time more than 50% of the outstanding common shares of Sun Metals; or

- (b) the removal, by extraordinary resolution of the shareholders of Sun Metals, of more than 51% of the then incumbent directors of Sun Metals, or the election of a majority of directors to Sun Metals' board who were not nominees of Sun Metals' incumbent board at the time immediately preceding such election; or
- (c) the consummation of a sale of all or substantially all of the assets (greater than 90%) of Sun Metals, or the consummation of a reorganization, merger or other transaction which has substantially the same effect; or
- (d) a merger, consolidation, plan of arrangement or reorganization of Sun Metals that results in the beneficial, direct or indirect transfer of more than 50% of the total voting power of Sun Metals' outstanding securities to a person, or group of persons acting jointly and in concert, who are different from the person that have, beneficially, directly or indirectly, more than 50% of the total voting power prior to such transaction.

COMPENSATION OF DIRECTORS

Oversight and Description of Director Compensation

Sun Metals' Compensation Committee is responsible for assisting the Sun Metals Board in discharging the Sun Metals Board's oversight responsibilities relating to director compensation arrangements, to ensure they remain competitive and align directors' interests with those of shareholders. Directors are compensated for their services through annual retainer fees and Options granted pursuant to the Option Plan based on the recommendations of the Compensation Committee.

Summary Compensation Table

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each Director, in any capacity, for the two most recently completed financial years:

Table of Compensation Excluding Compensation Securities								
Name and position	Year⁽¹⁾	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Pension value (\$)	Value of all other compensation (\$)	Total compensation (\$)
Donald McInnes <i>Director and Chairman</i>	2018	120,000	Nil	Nil	Nil	Nil	Nil	120,000
	2017	100,000	Nil	Nil	Nil	Nil	Nil	100,000
Mark O'Dea <i>Director</i>	2018	23,333	Nil	Nil	Nil	Nil	Nil	23,333
	2017	100,000	Nil	Nil	Nil	Nil	Nil	100,000
Sean Tetzlaff <i>Director</i>	2018	26,667	Nil	Nil	Nil	Nil	Nil	26,667
	2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Glen Garratt <i>Director</i>	2018	23,333	Nil	Nil	Nil	Nil	Nil	23,333
	2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) The information presented in the table is with a financial year ended December 31. The information in respect of 2017 includes compensation from the date of incorporation on June 23, 2017 to December 31, 2017.

Compensation Securities Table

As of March 26, 2019, there are 8,650,000 Options outstanding under the Option Plan, 3,100,000 of which are held by Directors of the Company. The following table sets forth particulars of all compensation securities granted or issued to each Director of the Company as of the Record Date:

Name and position	Type of compensation security⁽¹⁾	Number of compensation securities, number of underlying securities	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⁽²⁾ (\$)	Expiry date
Donald McInnes <i>Director</i>	Options	600,000 600,000	May 2, 2018 Dec 24, 2018	0.25 0.28	0.25 0.25	0.30 0.30	May 2, 2023 Dec 24, 2023
Mark O'Dea <i>Director</i>	Options	400,000 400,000	May 2, 2018 Dec 24, 2018	0.25 0.28	0.25 0.25	0.30 0.30	May 2, 2023 Dec 24, 2023
Sean Tetzlaff <i>Director</i>	Options	300,000 400,000	May 2, 2018 Dec 24, 2018	0.25 0.28	0.25 0.25	0.30 0.30	May 2, 2023 Dec 24, 2023
Glen Garratt <i>Director</i>	Options	200,000 200,000	May 2, 2018 Dec 24, 2018	0.25 0.28	0.25 0.25	0.30 0.30	May 2, 2023 Dec 24, 2023

Notes:

- (1) Each Option entitles the holder to one Common Share upon exercise or release. For additional information see "Approval of Rolling Stock Option Plan" below.
- (2) As at December 31, 2018.

Exercise of Compensation Securities by Directors

No Director of the Company exercised compensation securities in the most recently completed financial year.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information with respect to all compensation plans under which equity securities are authorized for issuance as of December 31, 2018:

Equity Compensation Plan Information			
Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	8,650,000	\$0.26	456,840
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	8,650,000	\$0.26	456,840

Notes:

- (1) Represents the amount of Common Shares available for issuance under the Option Plan, which reserves a number of Common Shares for issuance, pursuant to the exercise of Options, that is equal to 10% of the issued and outstanding Common Shares from time to time.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date hereof, other than indebtedness that has been entirely repaid on or before the date of this information circular or “routine indebtedness”, as that term is defined in Form 51-102F5 of National Instrument 51-102 – *Continuous Disclosure Obligations*, none of

- (a) the individuals who are, or at any time since the beginning of the last financial year of the Company were, a Director or Officer;
- (b) the proposed nominees for election as Directors; or
- (c) any associates of the foregoing persons,

is, or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or any subsidiary of the Company (a “**Subsidiary**”), or is a person whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any Subsidiary.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For purposes of the following discussion, “**Informed Person**” means:

- (a) a Director or Officer;
- (b) a director or executive officer of a person or company that is itself an Informed Person or a Subsidiary;
- (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Company, other than the voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) the Company itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Except as disclosed below, elsewhere herein or in the Notes to the Company's financial statements for the financial year ended December 31, 2018, none of

- (a) the Informed Persons of the Company;
- (b) the proposed nominees for election as a Director; or
- (c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in a proposed transaction which has materially affected or would materially affect the Company or any subsidiary of the Company.

APPOINTMENT OF AUDITOR

KPMG LLP (“**KPMG**”) is the Company’s auditor and was first appointed as the Company’s auditor on May 28, 2018. Management is recommending the re-appointment of KPMG as Auditors for the Company, to hold office until the next annual general meeting of the shareholders at a remuneration to be fixed by the Board of Directors. Management recommends the appointment, and the persons named in the enclosed form of Proxy intend to vote in favour of such appointment.

MANAGEMENT CONTRACTS

Except as otherwise disclosed herein, the management functions of the Company are not, to any substantial degree, performed by persons other than the Directors and Officers.

PARTICULARS OF MATTERS TO BE ACTED UPON

Presentation of Financial Statements

The audited financial statements of the Company for the period from incorporation on June 23, 2017 to December 31, 2017 and the financial year ended December 31, 2018 (the “**Financial Statements**”) and the auditor’s report thereon (the “**Auditor’s Report**”), will be presented to Shareholders at the Meeting.

The Financial Statements, Auditor’s Report, and management’s discussion and analysis (“**MD&A**”) for the period from incorporation on June 23, 2017 to December 31, 2017 and the financial year ended December 31, 2018 are available under the Company’s profile on SEDAR at www.sedar.com. The Notice of Annual General Meeting of Shareholders, Information Circular, Request for Financial Statements (NI 51-102) and form of Proxy will be available from Computershare, at 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y or from the office of the Company’s counsel, which is located at Suite 2200, HSBC Building, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

Appointment and Remuneration of Auditor

Shareholders will be asked to approve the re-appointment of KPMG as the auditor of the Company to hold office until the next Annual and Special General Meeting of the Shareholders at remuneration to be fixed by the Board of Directors.

In the absence of instructions to the contrary, the Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, FOR appointing KPMG as the Company’s independent auditor for the ensuing year, and FOR authorizing the Board to fix the auditor’s pay.

Fixing the Number of Directors

Management proposes, and the persons named in the accompanying form of proxy intend to vote in favour of, fixing the number of Directors for the ensuing year at six (6). Although Management is nominating six (6) individuals to stand for election, the names of further nominees for Directors may come from the floor at the Meeting.

In the absence of instructions to the contrary, the Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, FOR fixing the number of Directors at six (6) for the ensuing year.

Election of Directors

The persons named in the enclosed Instrument of Proxy intend to vote in favour of fixing the number of directors at six (6). Although Management is nominating six (6) individuals to stand for election, the names of further nominees for Directors may come from the floor at the Meeting.

Each director of the Company is elected annually and holds office until the next annual general meeting of Shareholders or until his successor is duly elected, unless his office is earlier vacated, in accordance with the Articles of the Company.

In the absence of instructions to the contrary, the shares represented by Proxy will be voted for the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a Director.

INFORMATION CONCERNING NOMINEES SUBMITTED BY MANAGEMENT

The following table sets out the names of the persons proposed to be nominated by Management for election as a Director, the province or state and country in which they are ordinarily resident, the positions and offices which each presently holds with the Company, the period of time for which each has been a director of the Company, the respective principal occupations or employment during the past five years if such nominee is not presently an elected director and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Information Circular.

Name, Province and Country of ordinary residence⁽¹⁾, and positions held with the Company	Principal occupation and, IF NOT an elected Director, principal occupation during the past five years⁽¹⁾	Date(s) serving as a Director	No. of shares beneficially owned or controlled⁽¹⁾
DONALD MCINNES ⁽²⁾⁽³⁾⁽⁴⁾ British Columbia, Canada <i>Director</i>	VP of Oxygen Capital Corp., a private fully integrated mining house, since 2012	Since May 2, 2018	5,937,002
MARK O'DEA ⁽³⁾⁽⁴⁾⁽⁵⁾ British Columbia, Canada <i>Director</i>	President of Oxygen Capital Corp., a private fully integrated mining house, since 2012	Since May 2, 2018	7,375,001
SEAN TETZLAFF ⁽²⁾⁽³⁾⁽⁴⁾ British Columbia, Canada <i>Director</i>	Chief Financial Officer of Pure Gold Mining Inc. since 2014. VP of Oxygen Capital Corp., a private fully integrated mining house, since 2012.	Since May 2, 2018	3,999,999
GLEN GARRATT ⁽²⁾⁽⁵⁾ British Columbia, Canada <i>Director</i>	Partner of Eastfield Group.	Since May 2, 2018	600,000
STEVE ROBERTSON ⁽⁵⁾ British Columbia, Canada <i>CEO & PRESIDENT</i>	President & CEO Sun Metals since Nov 2017. VP Corporate Affairs with Imperial Metals 2013 – 2017.	New Nominee	3,000,000
RICHARD BAILES British Columbia, Canada <i>SPECIAL ADVISOR</i>	Consulting Geologist	New Nominee	1,249,999

Notes:

- (1) This information, not being within the knowledge of the Company, has been furnished by the respective nominees. Information provided as at the Record Date.
- (2) Member of Audit Committee.
- (3) Member of Compensation Committee.
- (4) Member of Corporate Governance and Nominating Committee.
- (5) Member of Health, Safety and Sustainability Committee.

The Company does not currently have an Executive Committee of its Board of Directors. Pursuant to National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), the Company is required to have an audit committee of its Board of Directors (the “**Audit Committee**”). As at the date of this Circular, the members of the Audit Committee are Donald McInnes, Sean Tetzlaff, and Glen Garratt.

Cease Trade Orders, Corporate and Personal Bankruptcies, Penalties and Sanctions

For purposes of the disclosure in this section, an “order” means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days; and for purposes of item (a)(i) below, specifically includes a management cease trade order which applies to directors or executive officers of a relevant company that was in effect for a period of more than 30 consecutive days whether or not the proposed director was named in the order.

None of the proposed directors, including any personal holding company of a proposed director:

- (a) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
 - (i) was subject to an order that was issued while the proposed director was acting in the capacity as a director, chief executive officer or chief financial officer of the company; or
 - (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer of the company; or
- (b) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets;
- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or 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) 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 since December 31, 2000, or before December 31, 2000 if the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed director, or
- (e) 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 security holder in deciding whether to vote for a proposed director.

Approval of Stock Option Plan

Shareholders are being asked to approve the Option Plan which was approved by the Board of Directors of the Company on March 31, 2018. The Option Plan is subject to the approval of the Exchange.

The following information is intended as a brief description of the Option Plan and is qualified in its entirety by the full text of the Option Plan, which is attached to this Circular as Schedule "C".

1. The maximum number of Common Shares that may be issued upon the exercise of Options granted under the Option Plan shall be a number equal to ten percent (10%) of the issued and outstanding Common Shares of the Company at the time of grant.
2. Subject to a minimum exercise price of \$0.10, the exercise price of any stock option grant, as determined by the Board in its sole discretion, shall not be less than the closing price of the Common Shares traded through the facilities of the Exchange prior to the announcement of the option grant less any allowable discount under the policies of the Exchange, or, if the Common Shares are no longer listed for trading on the Exchange, then such other exchange or quotation system on which the shares are listed or quoted for trading.
3. The Board shall not grant Options to any one person in any twelve (12) month period which will, when exercised, exceed five percent (5%) of the issued and outstanding Common Shares or to

any one consultant or to those persons employed by the Company who perform investor relations services which will, when exercised, exceed two percent (2%) of the issued and outstanding Common Shares.

4. Upon expiry of an Option, or in the event an option is otherwise terminated for any reason, the number of shares in respect of the expired or terminated option shall again be available for the purposes of the Option Plan. All Options granted under the Option Plan may not have an expiry date exceeding ten (10) years from the date on which the board of directors grant and announce the granting of the Option.
5. If the option holder ceases to be employed by the Company or ceases to be a consultant of the Company as a result of termination for cause, then the Option granted shall expire as of the date of delivery of written notice of termination. If the option holder ceases to be a director of the Company or ceases to be employed by the Company (other than by reason of death), or ceases to be a consultant of the Company as the case may be, as a result of early retirement, voluntary resignation, or termination other than for cause, then the Option granted shall expire on no later than either the expiry date of the Option or 90 days after the option holder ceases to be a director, ceases to be employed by the Company or ceases to be a consultant of the Company as the case may be, subject to the terms and conditions set out in the Option Plan.
6. In the event of a take-over bid, , if a *bona fide* offer (an “**Offer**”) is made for Common Shares, the options granted under the Option Plan shall become vested so as to permit the holder of such options to tender the underlying Common Shares pursuant to the Offer. However, if:
 - (a) the Offer is not completed within the time specified therein; or
 - (b) all of the Common Shares received upon such exercise and tendered by the Optionee (as defined in the Option Plan) pursuant to the Offer are not taken up or paid for by the offeror in respect thereof;then the Common Shares received upon such exercise, or in the case of sub-paragraph (b) above, the Common Shares that are not taken up and paid for, may be returned by the Optionee to the Company and reinstated as authorized but unissued Common Shares and with respect to such returned Common Shares, the option shall be reinstated as if it had not been exercised and the terms upon which such Common Shares were to vest, at the discretion of the Board, shall be reinstated. If any Common Shares are so returned to the Company, the Company shall immediately refund the exercise price to the Optionee for such Common Shares.
7. In the event of a Change of Control (as defined in the Option Plan), all options granted under the Stock Option Plan shall become vested and may be exercised in whole or in part by the holder thereof, subject to the approval of the Exchange.

In accordance with the policies of the Exchange, a plan with a rolling ten (10%) maximum must be confirmed by the Shareholders at each annual general meeting.

Shareholders will be asked to pass the following Ordinary Resolution approving the Option Plan:

“**BE IT RESOLVED THAT** the Option Plan is hereby approved and confirmed.”

In the absence of instructions to the contrary, the Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, FOR approval of the Option Plan.

OTHER MATTERS

As of the date of this Circular, management knows of no other matters to be acted upon at the Meeting. Should any other matters properly come before the Meeting, the shares represented by the proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the shares represented by the proxy.

AUDIT COMMITTEE DISCLOSURE

The Charter of the Company's audit committee and other information required to be disclosed by National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) is attached to this Circular as Schedule “A”.

CORPORATE GOVERNANCE DISCLOSURE

The information required to be disclosed by National Instrument 58-101 – *Disclosure of Corporate Governance Practices* is attached to this Circular as Schedule “B”.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Copies of the Company's Financial Statements and Management Discussion and Analysis may be obtained without charge upon request from the Company, at Suite 1900, 1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9. Financial information is provided in the Company's comparative consolidated Financial Statements and Management Discussion and Analysis for its most recently completed financial year, available on SEDAR at www.sedar.com.

DIRECTOR APPROVAL

The contents of this Circular and the sending thereof to the Shareholders have been approved by the Directors.

DATED at Vancouver, British Columbia, this 26th day of March, 2019.

SUN METALS CORP.

“Steve Robertson”

Steve Robertson
President & Chief Executive Officer

SCHEDULE "A"
FORM 52-110F2
AUDIT COMMITTEE DISCLOSURE
(VENTURE ISSUERS)

Item 1: The Audit Committee Charter

1. Role and Objective

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

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

2. Composition

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

3. Meetings

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

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

4. Resources and Authority

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

5. Responsibilities

a. **Chair**

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

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

b. The Committee

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

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

Financial Accounting and Reporting Process and Internal Controls

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

- the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
- the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- Provide oversight to related party transactions entered into by the Corporation.

Independent Auditor

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

Other Responsibilities

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

APPENDIX A TO THE AUDIT COMMITTEE CHARTER POLICY FOR APPROVAL OF NON AUDIT SERVICES

1. In the event that Sun Metals Corp. (the “**Corporation**”) or a subsidiary of the Corporation wishes to retain the services of the Corporation’s Independent Auditor for services other than the annual audit (e.g. tax compliance, tax advice or tax planning, to meet the requirements of a regulatory filing or due diligence, to receive advice on various matters, etc.), the Chief Financial Officer of the Corporation shall consult with the Audit Committee of the Board of Directors (the “**Committee**”), who shall have the authority to approve or disapprove such non-audit services. The Chair of the Committee has the authority to approve or disapprove such non-audit services on behalf of the Committee, and shall advise Committee of such pre-approvals no later than the time of the next meeting of the Committee following such pre-approval having been given.
2. The Committee, or the Chair of the Committee, as appropriate, shall confer with the Independent Auditor regarding the nature of the services to be provided and shall not approve any services that would be considered to impair the independence of the Independent Auditor. For greater clarity, the following is a non-exhaustive list of the categories of non-audit services that would be considered to impair the independence of the Independent Auditor:
 - (a) bookkeeping or other services related to or requiring management decisions in connection with the Corporation’s accounting records or financial statements;
 - (b) financial information systems design and implementation;
 - (c) appraisal or valuation services, fairness opinion or contributions-in-kind reports;
 - (d) actuarial services;
 - (e) internal audit outsourcing services;
 - (f) management functions;
 - (g) human resources;
 - (h) broker or dealer, investment adviser or investment banking services;
 - (i) legal services;
 - (j) expert services unrelated to the audit; and
 - (k) any other service that the Canadian Public Accountability Board or any other applicable regulatory authority determines is impermissible.
3. The Chief Financial Officer of the Corporation shall maintain a record of non-audit services approved by the Chair of the Committee or the Committee for each fiscal year and provide a report to the Committee any services pre-approved since the last report, at each meeting and no less frequently than on a quarterly basis.
4. In accordance with the requirements set forth under the “Exemption for minimal non-audit services” provided by Section 2.3(4) of National Instrument 52-110 – *Audit Committees*, whereby the Independent Auditor has commenced a service and:
 - (a) the Corporation or the subsidiary entity of the Corporation, as the case may be, and the Independent Auditor did not recognize the services as non-audit services at the time of the engagement;
 - (b) once recognized as non-audit services, the services are promptly brought to the attention of the Committee and approved by the Committee prior to the completion of the audit; and
 - (c) the aggregate fees for the non-audit services not previously approved constitute no more than 5% of the aggregate fees paid by the Corporation to the Corporation’s Independent Auditor during the financial year in which the services are provided,

such services shall be exempted from the requirements for pre-approval of non-audit services set out in this Policy.

Item 2: Composition of the Audit Committee

National Instrument 52-110 Audit Committees, (“**NI 52-110**”) provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company, which could, in the view of the Company's Board, reasonably interfere with the exercise of the member's independent judgment.

NI 52-110 provides that 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. The following sets out the members of the audit committee and their education and experience that is relevant to the performance of his responsibilities as an audit committee member.

The current members of the Audit Committee are Sean Tetzlaff, Glen Garratt and Donald McInnes, all of whom are independent and all of whom are financially literate as defined by NI 52-110.

Item 3: Relevant Education and Experience

All members of the Audit Committee have received relevant education in financial literacy and have been involved in enterprises which public report financial results, each of which requires a working understanding of, and ability to analyze and assess, financial information (including financial statements).

Donald McInnes

Mr. McInnes holds a B.A. from Dalhousie University and has over 30 years' experience in the mineral exploration industry; in that time has contributed to raising more than \$1 billion in debt and equity financing. Since 1993, Mr. McInnes has been a founder, president and director of a number of publicly-traded mineral exploration companies and has sat on numerous audit committees. He is currently, a director of Lattice, Liberty Gold and Aurelius. Mr. McInnes was previously Vice Chair of Alterra (March 2011 to February 2018) a director and audit committee member of True Gold (December 2012 to April 2016), Vice Chair of Blue Gold (September 2011 to December 2012), a director and audit committee member of Fronteer (2001 to April 2011) and was the founder of Kutcho Copper Corp. (formerly Western Keltic Mines Inc.), holding the position of President from 1993 to 2006, and Vice Chair and CEO of Plutonic from June 1999 to March 2011, a renewable power development company he founded with a portfolio of clean-energy projects, which merged to form Alterra. Mr. McInnes is also a director, and past Chair of the board of directors of Prostate Cancer Canada and was a Governor of the Business Council of British Columbia, a nonpartisan organization advising political leaders on issues to enhance British Columbia's competitiveness and prosperity. Mr. McInnes has also been a director of the Clean Energy Association of British Columbia, the Association for Mineral Exploration British Columbia and the Prospectors and Developers Association of Canada.

Sean Tetzlaff

Mr. Tetzlaff is an experienced financial professional with over 25 years of experience in the mining industry. He has been responsible for the successful execution of numerous equity investments, asset divestitures and merger and acquisitions transactions over his career. Mr. Tetzlaff currently serves as Chief Financial Officer and Corporate Secretary of Pure Gold Mining Inc. and is a director of Liberty Gold Corp. He served as Chief Financial Officer and Corporate Secretary of Blue Gold Mining Inc., which merged with Riverstone Resources Inc. in 2012 to become True Gold Mining Inc., which was sold to Endeavour Mining Corporation in 2016. He served as CFO, VP Finance and Corporate Secretary of Fronteer Gold from 2005 to 2011, when it was sold to Newmont for \$2.3 billion. Mr. Tetzlaff also served as CFO of Aurora Energy from 2006 to 2008, helping the company grow from initial public offering through to the advancement of one of the world's largest undeveloped uranium deposits. Mr. Tetzlaff has a tax background, having worked with KPMG LLP from 2000 through 2004.

Glen Garratt

Mr. Garratt completed a B.Sc. in Geology from the University of British Columbia in 1972 and has pursued a career in mineral exploration since that time. After working for a number of major and junior mining companies he founded a consulting/contracting company in 1979 and continues to service the mineral exploration community as President of Mincord Exploration Consultants Ltd. In 1986 Mr. Garratt

co-founded Eastfield Resources Ltd., a TSX-Venture Exchange listed company, which focused on mineral exploration in western North America. Subsequently Mr. Garratt has been active in developing several other junior exploration companies and is currently an officer and director of Eastfield as well as Cariboo Rose Resources Ltd. Woodjam Copper Corp. and Lorraine Copper Corp. which also trade on the TSX-V.

Item 4: Audit Committee Oversight

At no time during the Company’s most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Item 5: Reliance on Certain Exemptions

During the most recently completed financial year, the Company has not relied on certain exemptions set out in NI 52-110, namely section 2.4 (*De Minimus Non-audit Services*), subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), subsection 6.1.1(5) (*Events Outside Control of Member*), subsection 6.1.1(6) (*Death, Incapacity or Resignation*), and any exemption, in whole or in part, in Part 8 (*Exemptions*).

Item 6: Pre-Approval Policies and Procedures

The Audit Committee has adopted formal policies and procedures for the engagement of non-audit services. For further detail, please see Appendix A to the Audit Committee Charter appended to Item 1 of this Schedule.

Item 7: External Auditor Service Fees (By Category)

The following table sets out the aggregate fees charged to the Company by the Company’s auditor in each of the last two completed financial years for the category of fees described.

	FYE 2018 ⁽¹⁾	FYE 2017 ⁽¹⁾
Audit Fees ⁽²⁾	\$41,000	\$7,500
Audit-Related Fees ⁽³⁾	\$7,500	Nil
Tax fees ⁽⁴⁾	Nil	Nil
All Other Fees ⁽⁵⁾	Nil	Nil
Total Fees:	\$48,500	\$7,500

- (1) Sums included under FYE 2018 are in respect of fees paid to the Company’s current auditor, KPMG LLP in respect of its fiscal year ended December 31, 2018 and sums included under FYE 2017 are in respect of fees paid to the Company’s former auditor, A Chan and Company LLP, in respect of its former fiscal year ended August 31, 2017, prior to having completed the reverse takeover acquisition.
- (2) “Audit fees” include fees billed by the Company’s external auditor in the provision of audit services in each of the last two fiscal years for audit fees.
- (3) “Audited related fees” include the fees billed in each of the last two fiscal years for assurance and related services by the Company’s external auditor that are reasonably related to the performance of the audit or review of the Company’s financial statements and are not reported under “Audit fees” above. The services provided include due diligence assistance, accounting consultations on proposed transactions, and audit or attest services not required by legislation or regulation.
- (4) “Tax fees” include the fees billed in each of the last two fiscal years for professional services rendered by the Company’s external auditor for tax compliance, tax advice and tax planning.
- (5) “All other fees” include the fees billed in each of the last two fiscal years for products and services provided by the Company’s external auditor, other than “Audit fees”, “Audit related fees” and “Tax fees” above

Item 8: Exemption

During the most recently completed financial year, the Company relied on the exemption set out in section 6.1 of NI 52-110 with respect to compliance with the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*).

**SCHEDULE “B”
FORM 58-101F2
CORPORATE GOVERNANCE DISCLOSURE
(VENTURE ISSUERS)**

Item 1: Board Of Directors

The board of directors of the Company (the “**Board**”) supervises the CEO and the CFO. Both the CEO and CFO are required to act in accordance with the scope of authority provided to them by the Board.

Director	Independence
Donald McInnes	Independent
Mark O’Dea	Independent
Glen Garratt	Independent
Sean Tetzlaff	Independent

Item 2: Directorships

The Directors of the Company are currently Directors of the following other reporting issuers:

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position(s) Held	Term
Mark O’Dea	Liberty Gold Corp.	TSX	Chairman	April 2011 to Present
	Pure Gold Mining Inc.	TSX	Director	March 2014 to Present
	Discovery Metals Corp.	TSXV	Director	August 2016 to Present
Donald McInnes	Aurelius Minerals Inc.	TSX	Director	August 2012 to Present
	Lattice Biologics Inc.	TSXV	Director	June 1994 to Present
	Liberty Gold Corp.	TSX	Director	April 2011 to Present
Glen Garratt	Eastfield Resources Ltd.	TSXV	Officer, Director	February 1987 to Present
	Cariboo Rose Resources Ltd.	TSXV	Officer, Director	August 2006 to Present
	Consolidated Woodjam Copper Corp.	TSXV	Officer, Director	July 2001 to Present
	Lorraine Copper Corp.	TSXV	Officer, Director	May 2008 to Present

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position(s) Held	Term
Sean Tetzlaff	Liberty Gold Corp.	TSX	Director	February 2011 to Present
	Pure Gold Mining Inc.	TSX	Officer	May 2014 to Present

Orientation and Continuing Education

The Sun Metals Board does not have a formal process for the orientation of new Board members. Orientation is done on an informal basis. New members of the Board are provided with such information as is considered necessary to ensure that they are familiar with the Company's business and understand the responsibilities of the Board.

The Board does not have a formal program for the continuing education of its directors. Sun Metals expects its directors to pursue such continuing education opportunities as may be required to ensure that they maintain the skill and knowledge necessary to fulfill their duties as members of the Board. Directors can consult with the Company's professional advisors regarding their duties and responsibilities, as well as recent developments relevant to the Company and the Board.

Review of orientation and continuing education programs is the responsibility of Corporate Governance and Nominating Committee.

Item 4: Ethical Business Conduct

The Sun Metals Board has adopted a formal code of ethics.

Item 5: Nomination Of Directors

The identification of potential candidates for nomination as directors of Sun Metals is done by the Corporate Governance and Nominating Committee.

Item 6: Compensation

The compensation of directors and the CEO is determined by the Compensation Committee.

Item 7: Other Board Committees

The Board does not have any standing committees other than the Audit Committee comprised of Donald McInnes, Glen Garratt and Sean Tetzlaff (Chairman); a Compensation Committee comprised of Donald McInnes (Chairman), Mark O'Dea and Sean Tetzlaff; a Corporate Governance and Nominating Committee comprised of Donald McInnes (Chairman), Mark O'Dea and Sean Tetzlaff; and a Health, Safety and Sustainability Committee comprised of Mark O'Dea (Chairman), Glen Garratt and Steve Robertson.

Item 8: Assessments

The Board does not have any formal process for assessing the effectiveness of the Board, its committees, or individual directors. Such assessments are done on an informal basis by the CEO and the Board as a whole

SCHEDULE "C"
STOCK OPTION PLAN

(see attached)

SUN METALS CORP.
(formerly North Bluff Capital Corp.)

INCENTIVE STOCK OPTION PLAN

Dated March 31, 2018

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ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Defined Terms

For the purposes of this Plan, the following terms shall have the following meanings:

- (a) “Affiliate” has the meaning ascribed thereto by the Exchange;
- (b) “Board” means the Board of Directors of the Corporation or, as applicable, a committee consisting of not less than 3 Directors of the Corporation duly appointed to administer this Plan;
- (c) “Change of Control” means the acquisition by any person or by any person and all Affiliates, whether directly or indirectly, of the Common Shares, which, when added to all other Common Shares at the time held by such person or by such person and Affiliates, totals for the first time not less than fifty percent (50%) of the outstanding Common Shares or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board;
- (d) “Common Shares” means the common shares of the Corporation;
- (e) “Consultant” means an individual who:
 - (i) provides ongoing consulting, technical, management or other services to the Corporation or an Affiliate under a written contract with the Corporation or the Affiliate, other than services provided in relation to a Distribution,
 - (ii) possesses technical, business or management expertise of value to the Corporation or an Affiliate,
 - (iii) in the opinion of the Corporation, spends or will spend a reasonable amount of time and attention on the business and affairs of the Corporation or an Affiliate, and
 - (iv) has a relationship with the Corporation or an Affiliate that enables the Consultant to be knowledgeable about the business and affairs of the Corporation or the Affiliate,and includes a company of which a Consultant is an employee or shareholder and a partnership of which a Consultant is an employee or partner;
- (f) “Corporation” means Sun Metals Corp. (formerly North Bluff Capital Corp.) and its successor entities;
- (g) “Director” means a director of the Corporation or of an Affiliate;
- (h) “Disinterested Shareholder Approval” has the meaning ascribed thereto by the Exchange in “Policy 4.4 – Incentive Stock Options” of the Exchange’s Corporate Finance Manual;
- (i) “Eligible Person” means a Director, Officer, Employee or Consultant, and includes an issuer all the voting securities of which are owned by Eligible Persons;
- (j) “Employee” means an individual who:

- (i) is considered an employee of the Corporation or an Affiliate under the *Income Tax Act*, i.e. for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source,
 - (ii) works full-time for the Corporation or an Affiliate providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or the Affiliate over the details and method of work as an employee of the Corporation or the Affiliate, but for whom income tax deductions are not made at source, or
 - (iii) works for the Corporation or an Affiliate on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or the Affiliate over the details and method of work as an employee of the Corporation or the Affiliate, but for whom income tax deductions are not made at source;
- (k) “Exchange” means the TSX Venture Exchange and any successor entity;
 - (l) “Expiry Date” means the last day of the term for an Option, as set by the Board at the time of grant in accordance with Section 5.2 and, if applicable, as amended from time to time;
 - (m) “Insider” has the meaning ascribed thereto by the Exchange;
 - (n) “Investor Relations Activities” has the meaning ascribed thereto by the Exchange;
 - (o) “Management Company Employee” means an individual who is employed by a person providing management services to the Corporation or an Affiliate which are required for the ongoing successful operation of the business enterprise of the Corporation or the Affiliate, but excluding a person providing Investor Relations Activities;
 - (p) “Officer” means an officer of the Corporation or of an Affiliate, and includes a Management Company Employee;
 - (q) “Option” means an option to purchase Common Shares pursuant to this Plan;
 - (r) “Optionee” means a holder of Options;
 - (s) “Other Share Compensation Arrangement” means, other than this Plan and any Options, any stock option plan, stock options, employee stock purchase plan or other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares, including but not limited to a purchase of Common Shares from treasury which is financially assisted by the Corporation by way of loan, guarantee or otherwise;
 - (t) “Participant” means an Eligible Person who has been granted an Option; and
 - (u) “Plan” means this Stock Option Plan.

1.2 Interpretation

- (a) References to the outstanding Common Shares at any point in time shall be computed on a non-diluted basis.

ARTICLE 2 ESTABLISHMENT OF PLAN

2.1 Purpose

The purpose of this Plan is to advance the interests of the Corporation, through the grant of Options, by:

- (a) providing an incentive mechanism to foster the interest of Eligible Persons in the success of the Corporation and its Affiliates;
- (b) encouraging Eligible Persons to remain with the Corporation or its Affiliates; and
- (c) attracting new Directors, Officers, Employees and Consultants.

2.2 Shares Reserved

- (a) The aggregate number of Common Shares that may be reserved for issuance or issued in any 12 month period is limited to 10% of the issued and outstanding securities of the Corporation. For greater certainty, if an Option is surrendered, terminated or expires without being exercised, the Common Shares reserved for issuance pursuant to such Option shall be available for new Options granted under this Plan.
- (b) If there is a change in the outstanding Common Shares by reason of any share consolidation or split, reclassification or other capital reorganization, or a stock dividend, arrangement, amalgamation, merger or combination, or any other change to, event affecting, exchange of or corporate change or transaction affecting the Common Shares, the Board shall make, as it shall deem advisable and subject to the requisite approval of the relevant regulatory authorities, appropriate substitution and/or adjustment in:
 - (i) the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to this Plan;
 - (ii) the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to any outstanding unexercised Options, and in the exercise price for such shares or other securities or property; and
 - (iii) the vesting of any Options (subject to the approval of the Exchange if such vesting is mandatory under the policies of the Exchange), including the accelerated vesting thereof on conditions the Board deems advisable,and if the Corporation undertakes an arrangement or is amalgamated, merged or combined with another corporation, the Board shall make such provision for the protection of the rights of Participants as it shall deem advisable.
- (c) No fractional Common Shares shall be reserved for issuance under this Plan and the Board may determine the manner in which an Option, insofar as it relates to the acquisition of a fractional Common Share, shall be treated.

- (d) The Corporation shall, at all times while this Plan is in effect, reserve and keep available such number of Common Shares as will be sufficient to satisfy the requirements of this Plan.

2.3 Non-Exclusivity

Nothing contained herein shall prevent the Board from adopting such other incentive or compensation arrangements as it shall deem advisable.

2.4 Effective Date

This Plan shall be subject to the approval of any regulatory authority whose approval is required. Any Options granted under this Plan prior to such approvals being given shall be conditional upon such approvals being given, and no such Options may be exercised unless and until such approvals are given.

ARTICLE 3 ADMINISTRATION OF PLAN

3.1 Administration

- (a) This Plan shall be administered by the Board. Subject to the provisions of this Plan, the Board shall have the authority:
 - (i) to determine the Eligible Persons to whom Options are granted, to grant such Options, and to determine any terms and conditions, limitations and restrictions in respect of any particular Option grant, including but not limited to the nature and duration of the restrictions, if any, to be imposed upon the acquisition, sale or other disposition of Common Shares acquired upon exercise of the Option, and the nature of the events and the duration of the period, if any, in which any Participant's rights in respect of an Option or Common Shares acquired upon exercise of an Option may be forfeited;
 - (ii) to interpret the terms of this Plan, to make all such determinations and take all such other actions in connection with the implementation, operation and administration of this Plan, and to adopt, amend and rescind such administrative guidelines and other rules and regulations relating to this Plan, as it shall from time to time deem advisable, including without limitation for the purpose of ensuring compliance with Section 3.3 hereof.
- (b) The Board's interpretations, determinations, guidelines, rules and regulations shall be conclusive and binding upon the Corporation, Eligible Persons, Participants and all other persons.

3.2 Amendment, Suspension and Termination

The Board may amend, subject to the approval of any regulatory authority whose approval is required, suspend or terminate this Plan or any portion thereof. No such amendment, suspension or termination shall alter or impair any outstanding unexercised Options or any rights without the consent of such Participant. If this Plan is suspended or terminated, the provisions of this Plan and any administrative guidelines, rules and regulations relating to this Plan shall continue in effect for the duration of such time as any Option remains outstanding.

3.3 Compliance with Legislation

- (a) This Plan, the grant and exercise of Options hereunder and the Corporation's obligation to sell, issue and deliver any Common Shares upon exercise of Options shall be subject to all applicable federal, provincial and foreign laws, policies, rules and regulations, to the policies, rules and regulations of any stock exchanges or other markets on which the Common Shares are listed or quoted for trading and to such approvals by any governmental or regulatory agency as may, in the opinion of counsel to the Corporation, be required. The Corporation shall not be obligated by the existence of this Plan or any provision of this Plan or the grant or exercise of Options hereunder to sell, issue or deliver Common Shares upon exercise of Options in violation of such laws, policies, rules and regulations or any condition or requirement of such approvals.
- (b) No Option shall be granted and no Common Shares sold, issued or delivered hereunder where such grant, sale, issue or delivery would require registration or other qualification of this Plan or of the Common Shares under the securities laws of any foreign jurisdiction, and any purported grant of any Option or any sale, issue and delivery of Common Shares hereunder in violation of this provision shall be void. In addition, the Corporation shall have no obligation to sell, issue or deliver any Common Shares hereunder unless such Common Shares shall have been duly listed, upon official notice of issuance, with all stock exchanges on which the Common Shares are listed for trading.
- (c) Common Shares sold, issued and delivered to Participants pursuant to the exercise of Options shall be subject to restrictions on resale and transfer under applicable securities laws and the requirements of any stock exchanges or other markets on which the Common Shares are listed or quoted for trading, and any certificates representing such Common Shares shall bear, as required, a restrictive legend in respect thereof.

ARTICLE 4 OPTION GRANTS

4.1 Eligibility and Multiple Grants

Options shall only be granted to Eligible Persons. An Eligible Person may receive Options on more than one occasion and may receive separate Options, with differing terms, on any one or more occasions, subject to the terms of this Plan.

4.2 Option Agreement

Every Option shall be evidenced by an option agreement executed by the Corporation and the Participant, which shall, if the Participant is an Employee, Consultant or Management Company Employee, contain a representation and warranty by the Corporation and such Participant that such Participant is a bona fide Employee, Consultant or Management Company Employee, as the case may be, of the Corporation or an Affiliate. In the event of any discrepancy between this Plan and an option agreement, the provisions of this Plan shall govern.

4.3 Limitation on Grants and Exercises

- (a) **To any one person.** The number of Common Shares reserved for issuance to any one person in any 12 month period under this Plan and any Other Share Compensation Arrangement shall not exceed 5% of the outstanding Common Shares at the time of the grant, unless the Corporation has obtained Disinterested Shareholder Approval to exceed such limit.

- (b) **To Consultants.** The number of Common Shares reserved for issuance to any one Consultant in any 12 month period under this Plan and any Other Share Compensation Arrangement shall not exceed 2% of the outstanding Common Shares at the time of the grant.
- (c) **To persons employed to provide Investor Relations Activities.** The number of Common Shares reserved for issuance to persons providing Investor Relations Activities in any 12 month period under this Plan shall not exceed 2% of the outstanding Common Shares at the time of the grant.

ARTICLE 5 OPTION TERMS

5.1 Exercise Price

- (a) Subject to a minimum exercise price of \$0.10 per Common Share, the exercise price per Common Share for an Option shall not be less than the “Discounted Market Price”, as calculated pursuant to the policies of the Exchange, or such other minimum price as may be required or permitted by the Exchange.
- (b) If Options are granted within ninety days of a distribution by the Corporation by prospectus, then the exercise price per Common Share for such Option shall not be less than the greater of the minimum exercise price calculated pursuant to subsection (a) herein and the price per Common Share paid by the public investors for Common Shares acquired pursuant to such distribution. Such ninety day period shall begin:
 - (i) on the date the final receipt is issued for the final prospectus in respect of such distribution; and
 - (ii) in the case of a prospectus that qualifies special warrants, on the closing date of the private placement in respect of such special warrants.

5.2 Expiry Date

Every Option shall have a term not exceeding and shall therefore expire no later than 10 years after the date of grant.

5.3 Extension of Expiry Date During Black-Out Period

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

5.4 Effect of a Take-Over Bid

If a bona fide offer (an “**Offer**”) for Common Shares is made to the Optionee or to shareholders of the Company generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of subsection 1(1) of *Securities Act* (British Columbia), the Company shall, immediately upon

receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon (subject to the approval of the Exchange) all Common Shares subject to such Option will become fully vested and the Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Common Shares to be received upon such exercise, pursuant to the Offer. However, if:

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

then the Common Shares received upon such exercise, or in the case of sub-paragraph (b) above, the Common Shares that are not taken up and paid for, may be returned by the Optionee to the Company and reinstated as authorized but unissued Common Shares and with respect to such returned Common Shares, the Option shall be reinstated as if it had not been exercised and the terms upon which such Common Shares were to vest pursuant to paragraph 5.6 shall be reinstated. If any Common Shares are returned to the Company under this paragraph 5.4, the Company shall immediately refund the exercise price to the Optionee for such Common Shares.

5.5 Effect of a Change of Control

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

5.6 Vesting

Subject to the policies of the Exchange, the Board shall determine the manner in which an Option shall vest and become exercisable.

5.7 Non-Assignability

Options may not be assigned or transferred.

5.8 Ceasing to be Eligible Person

- (a) If a Participant who is an Officer, Employee or Consultant is terminated for cause, each Option held by such Participant shall terminate and shall therefore cease to be exercisable upon such termination for cause.
- (b) If a Participant dies prior to otherwise ceasing to be an Eligible Person, each Option held by such Participant shall terminate and shall therefore cease to be exercisable no later than the earlier of the Expiry Date and the date which is twelve months after the date of the Participant's death.
- (c) If a Participant ceases to be an Eligible Person other than in the circumstances set out in subsection (a) or (b) herein, each Option held by such Participant shall terminate and shall therefore cease to be exercisable no later than the earlier of the Expiry Date and the date which is 90 days after such event, always provided that the Board may, in its discretion, extend the date of such termination and the resulting period in which such Option remains exercisable to a date not exceeding the earlier of the Expiry Date and the date which is twelve months after such event, and further provided that the Board may, in its discretion, on a case-by-case basis and only with the approval of the Exchange, further extend the date of such termination and the resulting period in which such Option

remains exercisable to a date exceeding the date which is after twelve months of such event.

- (d) For greater certainty, if a Participant dies, each Option held by such Participant shall be exercisable by the legal representative of such Participant until such Option terminates and therefore ceases to be exercisable pursuant to the terms of Section 5.5(b).
- (e) If any portion of an Option is not vested at the time a Participant ceases, for any reason whatsoever, to be an Eligible Person, such unvested portion of the Option may not be thereafter exercised by the Participant or its legal representative, as the case may be, always provided that the Board may, in its discretion further and subject to the approval of the Exchange where the vesting of the said Participant's options was a requirement of the Exchange's policies, thereafter permit the Participant or its legal representative, as the case may be, to exercise all or any part of such unvested portion of the Option that would have vested prior to the time such Option otherwise terminates and therefore ceases to be exercisable pursuant to the terms of this Section. For greater certainty, and without limitation, this provision will apply regardless of whether the Participant ceased to be an Eligible Person voluntarily or involuntarily, was dismissed with or without cause, and regardless of whether the Participant received compensation in respect of dismissal or was entitled to a notice of termination for a period which would otherwise have permitted a greater portion of an Option to vest.

ARTICLE 6 EXERCISE PROCEDURE

6.1 Exercise Procedure

An Option may be exercised from time to time, and shall be deemed to be validly exercised by the Participant only upon the Participant's delivery to the Corporation at its registered office:

- (a) a written notice of exercise addressed to the Corporate Secretary of the Corporation, specifying the number of Common Shares with respect to which the Option is being exercised;
- (b) the originally signed option agreement with respect to the Option being exercised;
- (c) a certified cheque or bank draft made payable to the Corporation for the aggregate exercise price for the number of Common Shares with respect to which the Option is being exercised; and
- (d) documents containing such representations, warranties, agreements and undertakings, including such as to the Participant's future dealings in such Common Shares, as counsel to the Corporation reasonably determines to be necessary or advisable in order to comply with or safeguard against the violation of the laws of any jurisdiction;

and on the business day following, the Participant shall be deemed to be a holder of record of the Common Shares with respect to which the Option is being exercised, and thereafter the Corporation shall, within a reasonable amount of time, cause certificates for such Common Shares to be issued and delivered to the Participant.

6.2 Withholding

The Corporation may withhold from any amount payable to an optionee, either under this Plan or otherwise, such amount as it reasonably believes is necessary to enable the Corporation to comply with the applicable requirements of any federal, provincial, local, or foreign law, or any administrative policy of any applicable tax authority, relating to the withholding of tax or any other required deductions with respect to options (“**Withholding Obligations**”). The Corporation may also satisfy any liability for any such Withholding Obligations, on such terms and conditions as the Corporation may determine in its discretion, by (a) requiring an optionee, as a condition to the exercise of any Options, to make such arrangements as the Corporation may require so that the Corporation can satisfy such Withholding Obligations including, without limitation, requiring the optionee to remit to the Corporation in advance, or reimburse the Corporation for, any such Withholding Obligations or (b) selling on the optionee’s behalf, or requiring the optionee to sell, any Shares acquired by the optionee under the Plan, or retaining any amount which would otherwise be payable to the optionee in connection with any such sale.

ARTICLE 7 AMENDMENT OF OPTIONS

7.1 Consent to Amend

The Board may amend any Option with the consent of the affected Participant and the Exchange, including any shareholder approval required by the Exchange. For greater certainty, Disinterested Shareholder Approval is required for any reduction in the exercise price of an Option if the Participant is an Insider at the time of the proposed amendment.

7.2 Amendment Subject to Approval

If the amendment of an Option requires regulatory or shareholder approval, such amendment may be made prior to such approvals being given, but no such amended Options may be exercised unless and until such approvals are given.

ARTICLE 8 MISCELLANEOUS

8.1 No Rights as Shareholder

Nothing in this Plan or any Option shall confer upon a Participant any rights as a shareholder of the Corporation with respect to any of the Common Shares underlying an Option unless and until such Participant shall have become the holder of such Common Shares upon exercise of such Option in accordance with the terms of the Plan.

8.2 No Right to Employment

Nothing in this Plan or any Option shall confer upon a Participant any right to continue in the employ of the Corporation or any Affiliate or affect in any way the right of the Corporation or any Affiliate to terminate the Participant’s employment, with or without cause, at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any Affiliate to extend the employment of any Participant beyond the time which the Participant would normally be retired pursuant to the provisions of any present or future retirement plan of the Corporation or any Affiliate, or beyond the time at which he would otherwise be retired pursuant to the provisions of any contract of employment with the Corporation or any Affiliate.

8.3 Governing Law

This Plan, all option agreements, the grant and exercise of Options hereunder, and the sale, issue and delivery of Common Shares hereunder upon exercise of Options shall be, as applicable, governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The Courts of the Province of British Columbia shall have the exclusive jurisdiction to hear and decide any disputes or other matters arising herefrom.