



**LUMINEX RESOURCES CORP.**

**NOTICE OF MEETING  
AND  
MANAGEMENT INFORMATION  
AND PROXY CIRCULAR**

for the  
Annual General Meeting  
to be held on  
September 21, 2021

**Dated as of August 10, 2021**

**LUMINEX RESOURCES CORP.**

**NOTICE OF MEETING**

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “**Meeting**”) for the financial year ended December 31, 2020 of the shareholders of Luminex Resources Corp. (the “**Company**”) will be held at 410 – 625 Howe Street, Vancouver, British Columbia on September 21, 2021 at 10:30 a.m. (Pacific Time), for the following purposes:

1. to receive the consolidated financial statements of the Company, together with the auditor’s report thereon, for the financial year ended December 31, 2020;
2. to appoint KPMG LLP, Chartered Professional Accountants, as the Company’s auditor until the next annual meeting of shareholders and for the directors to set their remuneration;
3. to elect directors to hold office until the next annual meeting of Company shareholders; and
4. to transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

If you are a *registered shareholder* of the Company and are unable to attend the Meeting in person, please date and execute the accompanying form of proxy for the Meeting and deposit it with Computershare Investor Services Inc. at 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department, before 10:30 a.m. (Pacific time), on September 17, 2021, or no later than 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting.

If you are a *non-registered shareholder* of the Company and receive these materials through your broker or another intermediary, please complete and return the request for voting instructions in accordance with the instructions provided to you by your broker or such other intermediary.

Due to the ongoing COVID-19 pandemic and provincial and federal guidance regarding public gatherings, shareholders and proxyholders are encouraged not to attend the Meeting in person in order to mitigate potential risks to the health and safety of shareholders, employees, and the community. There will be strict limitations on the number of persons permitted entry to the physical meeting location and guests will not be permitted entry. We strongly recommend that all shareholders vote by proxy or voting instruction form in advance of the Meeting date.

DATED at Vancouver, British Columbia, this 10<sup>th</sup> day of August, 2021.

BY ORDER OF THE BOARD OF DIRECTORS

*(SIGNED) MARSHALL KOVAL*

MARSHALL KOVAL  
Director and Chief Executive Officer

**LUMINEX RESOURCES CORP.**  
410 – 625 Howe Street  
Vancouver, British Columbia V6C 2T6  
Tel: 604 646-1890  
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## **INFORMATION CIRCULAR**

(As at August 10, 2021, except as indicated)

Luminex Resources Corp. (the “**Company**”) is providing this information circular (the “**Circular**”) and a form of proxy in connection with management’s solicitation of proxies for use at the annual general meeting (the “**Meeting**”) of the Company to be held at 410 – 625 Howe Street, Vancouver, British Columbia on Tuesday, September 21, 2021 at 10:30 a.m. (Pacific Time), and at any adjournments thereof, for the purposes set forth in the accompanying notice of meeting (the “**Notice of Meeting**”).

Due to the ongoing COVID-19 pandemic and provincial and federal guidance regarding public gatherings, shareholders and proxyholders are encouraged not to attend the Meeting in person in order to mitigate potential risks to the health and safety of shareholders, employees, and the community. There will be strict limitations on the number of persons permitted entry to the physical meeting location and guests will not be permitted entry. We strongly recommend that all shareholders vote by proxy or voting instruction form in advance of the Meeting date.

The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact with shareholders. The Company will pay the cost of solicitation.

All currency figures in this Circular are in Canadian dollars, unless otherwise indicated.

### **NOTICE-AND-ACCESS**

The Company is sending proxy related materials to its registered and non-registered (beneficial) shareholders using “notice-and-access”, as defined under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*. Notice-and-access is a set of rules for reducing the volume of materials that must be physically mailed to shareholders by allowing issuers to post their information circular and additional materials online. Instead of receiving paper copies of meeting materials, shareholders receive a “notice-and-access notice” containing prescribed information, as well as a form of proxy or voting information form, as applicable.

The Company will not use procedures known as “stratification” in relation to its use of the notice-and access provisions in relation to the Meeting. Stratification occurs when a reporting issuer using notice and-access provides a paper copy of the relevant information circular to some, but not all, shareholders with the notice package in relation to the relevant meeting.

### **APPOINTMENT OF PROXYHOLDER**

The purpose of a proxy is to designate persons who will vote the proxy on a shareholder’s behalf in accordance with the instructions given by the shareholder in the proxy. The persons whose names are printed on the form of proxy are officers or directors of the Company (the “**Management Proxyholders**”).

**A shareholder has the right to appoint a person other than a Management Proxyholder to represent the shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the form as mailed. A proxyholder need not be a shareholder.**

## **VOTING BY PROXY**

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting.** Common shares of the Company (“**Common Shares**”) represented by a properly executed proxy will be voted or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

**If a shareholder does not specify a choice and the shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.**

**The form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting.** As of the date of this Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

## **COMPLETION AND RETURN OF PROXY**

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, Computershare Investor Services Inc. at 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

## **NON-REGISTERED HOLDERS**

**Only shareholders whose names appear on the records of the Company as the registered holders of Common Shares or duly appointed proxyholders are permitted to vote at the Meeting.** Most shareholders of the Company are “non-registered” shareholders because the Common Shares they own are not registered in their names but instead registered in the name of a nominee such as a brokerage firm through which they purchased the Common Shares; bank, trust company, trustee or administrator of self-administered RRSPs, RRIFs, RESPs and similar plans; or clearing agency such as the Canadian Depository for Securities Limited (a “**Nominee**”). If you purchased your Common Shares through a broker, you are likely a non-registered holder.

In accordance with relevant securities laws and regulations, the Company has distributed copies of the notice-and-access notice and form of proxy to the Nominees for distribution to non-registered holders.

Nominees are required to forward the Meeting materials to non-registered holders to seek their voting instructions in advance of the Meeting. Common Shares held by Nominees can only be voted in accordance with the instructions of the non-registered holder. The Nominees often have their own form of proxy, mailing procedures and provide their own return instructions. If you wish to vote by proxy, you should carefully follow the instructions from the Nominee in order to ensure that your Common Shares are voted at the Meeting.

If you, as a non-registered holder, wish to vote at the Meeting in person, you should appoint yourself as proxyholder by writing your name in the space provided on the request for voting instructions or proxy provided by the Nominee and return the form to the Nominee in the envelope provided. Do not complete the voting section of the form as your vote will be taken at the Meeting. However, due to the ongoing COVID-19 pandemic and provincial and federal guidance regarding public gatherings, shareholders and proxyholders are encouraged not to attend the Meeting in person in order to mitigate potential risks to the health and safety of shareholders, employees, and the community. There will be strict limitations on the number of persons permitted entry to the physical meeting location and guests will not be permitted entry. We strongly recommend that all shareholders vote by proxy or voting instruction form in advance of the Meeting date.

Non-registered holders who have not objected to their Nominee disclosing certain ownership information about themselves to the Company are referred to as “non-objecting beneficial owners” (“**NOBOs**”). Those non-registered holders who have objected to their Nominee disclosing ownership information about themselves to the Company are referred to as “objecting beneficial owners” (“**OBOs**”).

The Company is not sending the Meeting materials directly to NOBOs in connection with the Meeting, but rather has distributed copies of the Meeting materials to the Nominees for distribution to NOBOs.

The Company does not intend to pay for Nominees to deliver the Meeting materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* to OBOs. As a result, OBOs will not receive the Meeting materials unless their Nominee assumes the costs of delivery.

**REVOCABILITY OF PROXY**

In addition to revocation in any other manner permitted by law, a shareholder, his or her attorney authorized in writing or, if the shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by an instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting.

**VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

The Company is authorized to issue an unlimited number of Common Shares, of which 108,573,352 Common Shares were issued and outstanding as of August 3, 2021 (the “**Record Date**”). Persons who are registered shareholders at the close of business on the Record Date will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each Common Share held. The Company has only one class of shares.

To the knowledge of the directors and executive officers of the Company, no person beneficially owns, controls or directs, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all shares of the Company, other than the following:

Name	Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly	Percentage of Outstanding Common Shares
Ross Beaty	21,551,567 <sup>(1)</sup>	19.85%

<sup>(1)</sup> Does not include 265,000 Company options granting Mr. Beaty the right to acquire an additional 265,000 Common Shares.

## ELECTION OF DIRECTORS

The Company currently has five (5) directors, all of whom have been nominated for re-election. The directors of the Company are elected at each annual general meeting and generally hold office until the next annual general meeting or until their successors are appointed. In the absence of instructions to the contrary, proxies will be voted for the nominees listed herein.

The Company is required by applicable securities laws to have an audit committee. Members of the audit committee (the “**Audit Committee**”) are as set out below.

Management of the Company proposes to nominate each of the following persons for election as a director. Information concerning such persons, as furnished by the individual nominees, is as follows:

<b>Name, Jurisdiction of Residence and Position<sup>(1)</sup></b>	<b>Principal Occupation or Employment and, if not a Previously Elected Director, Occupation During the Past 5 Years<sup>(1)</sup></b>	<b>Director Since</b>	<b>Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly<sup>(1)</sup></b>
Marshall Koval WA, United States <i>Chief Executive Officer and Director</i>	CEO & President of Lumina Gold Corp. and CEO of Anfield Gold Corp., both mining companies.	August 27, 2018	2,340,090
Lyle Braaten BC, Canada <i>VP Legal Counsel and Director</i>	CEO & President of Miedzi Copper Corp., a mining company.	March 16, 2018	885,193
Donald Shumka <sup>(2)</sup> BC, Canada <i>Director</i>	President of Walden Management Ltd., an investment firm.	August 27, 2018	292,250
David Farrell <sup>(2)</sup> BC, Canada <i>Director</i>	President of Davisa Consulting, a private consulting firm.	August 27, 2018	271,000
John Wright <sup>(2)</sup> BC, Canada <i>Director</i>	Semi retired mining professional.	August 27, 2018	530,750

<sup>(1)</sup> The information as to country of residence, principal occupation and number of Common Shares beneficially owned by the nominees (directly or indirectly or over which control or direction is exercised) is not within the knowledge of the management of the Company and has been furnished by the respective nominees.

<sup>(2)</sup> Member of the Audit Committee.

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the company acting solely in such capacity.

Except as set out below, to the knowledge of the Company, no proposed director:

- (a) is, as at the date of this Circular, or has been, within 10 years before the date of the Circular, a director, chief executive officer (“**CEO**”) or chief financial officer (“**CFO**”) of any company (including the Company) that:

- (i) was subject, while the proposed director was acting in the capacity as director, CEO or CFO of such company, to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or
  - (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO but which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO of such company; or
  - (iii) 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; or
- (b) 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; or
- (c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (d) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Donald Shumka was a director of Paladin Energy Ltd. (“**Paladin**”) while it was the subject of a cease trade order issued by the Ontario Securities Commission on October 4, 2017 as a result of Paladin’s failure to file its annual information form, audited financial statements, related management’s discussion and analysis and officer certifications for the year ended June 30, 2017. This was the result of Paladin being in voluntary administration at the time and not being able to release financial information. Paladin’s shares were suspended from trading on the Toronto Stock Exchange (“**TSX**”) on May 18, 2017 and from the Australian Stock Exchange (“**ASX**”) on June 12, 2017. On August 10, 2017, Paladin’s shares were delisted from the TSX. Paladin’s shares were reinstated for trading on the ASX on February 16, 2018 and it does not plan on applying to have its shares re-listed on the TSX. The cease trade order was revoked by the Ontario Securities Commission effective June 29, 2018. Mr. Shumka resigned as a director of Paladin on December 8, 2017.

The following directors of the Company hold directorships in other reporting issuers as set out below:

Name of Director	Name of Other Reporting Issuers
Lyle Braaten	Ero Copper Corp. (TSX-ERO) Lumina Gold Corp. (TSX-V-LUM)
David Farrell	Northern Vertex Mining Corp. (TSX-V-NEE) Fortuna Silver Mines Inc. (TSX-FVI)

Name of Director	Name of Other Reporting Issuers
Marshall Koval	Equinox Gold Corp. (TSX-EQX) Lumina Gold Corp. (TSX-V-LUM)
Donald Shumka	Lumina Gold Corp. (TSX-V-LUM) RIWI Corp. (CSE-RIW)
John Wright	Ero Copper Corp. (TSX-ERO) SilverCrest Metals Inc. (TSX-V-SIL)

## EXECUTIVE COMPENSATION

### Report on Executive Compensation

The overall objective of the Company's compensation program is to attract and retain directors and officers with appropriate expertise to assist the Company with its business goals and objectives. The Company does not currently have a compensation committee. The Company's board of directors (the "**Board**") is responsible for the determination and review of the Company's executive compensation arrangements. The Company considers that its current directors have sufficient industry knowledge and experience, through other executive and corporate positions held, to fulfill the needs of the Company in formulating executive compensation arrangements.

The Company's compensation structure is designed to reward performance and to be competitive with the compensation arrangements of other Canadian resource companies of similar structure, size and scope of operations. Each executive officer's position is evaluated to establish skill requirements and level of responsibility and this evaluation provides a basis for internal and external comparisons of positions. In addition to industry comparables (which are based primarily upon the directors' knowledge and experience), the Board considers a variety of factors when determining both compensation policies and programs and individual compensation levels. These factors include the long-term interests of the Company and its shareholders, overall financial and operating performance of the Company and the Board's assessment of each executive's individual performance and contribution towards meeting corporate objectives. Executive officers' compensation is composed of three major components: (i) base salary; (ii) cash bonus; and (iii) stock options. Interested executives do not participate in reviews, discussions or decisions of the Board regarding this remuneration.

Base salary ranges are determined at the discretion of the Board utilizing the knowledge of the Company's directors with regard to similar positions in Canadian resource companies of comparable size and scope of operations. The salary for each executive officer's position is then further determined having regard to the incumbent's responsibilities, individual performance factors, overall corporate performance, potential for advancement, and the assessment of the Board of such matters as are presented by management.

The second component of executive officers' compensation is cash bonuses. In light of a recommendation from the directors or management, the Board may grant executive officers cash bonuses. To date the performance criteria and objectives considered by the Board for determining the availability of such bonuses include the Company's share performance generally and each executive officer's role in the progress of the Company's main mineral projects.

The third component of executive officers' compensation is stock options. The Board may from time to time grant stock options to executive officers under the Company's stock option plan (the "**Stock Option Plan**"). Grants of stock options are intended to align the interests of the executive officers with those of



the shareholders over the longer-term. Options to purchase up to 580,000 Common Shares were granted to executive officers during the fiscal year ended December 31, 2020.

The Board does not directly correlate the relationship between the different elements of compensation in determining the overall compensation plan.

The Company does not currently have any employment contracts with its executive officers.

### **Compensation Discussion and Analysis**

Compensation paid to the Company's Named Executive Officers (as defined below) during the fiscal year ended December 31, 2020 consisted of salaries, bonuses and option-based awards. No other compensation was paid to these individuals during the fiscal year. There have been no significant changes to the compensation structure of the Company since December 31, 2020 to the date of this Circular.

In determining whether to grant options to executive officers of the Company, management proposes a number of options to be granted based on an executive officer's individual performance, and the performance of the Company based on that individual's activities. The Board has final approval for any such proposals. The Board does not generally consider the number of stock options held from previous grants when considering new grants but does consider the timing of such grants (i.e. grants are generally not made to an individual more frequently than on an annual basis).

### **Option-based Awards**

The Stock Option Plan has been and will be used by the Board to provide stock options which are granted in consideration of the level of responsibility of the director and executive officer as well as his or her impact and/or contribution to the longer-term operating performance of the Company. Any grant of stock options under the Stock Option Plan, as well as their vesting provisions, term and exercise price, is within the discretion of the Board, subject to restrictions as detailed in the Stock Option Plan. In determining the number of options to be granted, the Board takes into account the total number of options previously granted across the Company. The Company ensures that the exercise prices of any options granted are determined in accordance with the policies of the TSX Venture Exchange (the "TSX-V"). It is the Company's intention to closely align the interests of the beneficiaries of stock option grants with the interests of the Company's shareholders.

### **Compensation Risk Management and Mitigation**

The Board has considered the implications of the risks associated with, and is responsible for setting and overseeing, the Company's compensation policies and practices. The Board does not provide specific monitoring and oversight of compensation policies and practices, but does review, consider and adjust these matters annually. The Company does not use any specific practices to identify and mitigate compensation policies that could encourage a Named Executive Officer or individual at a principal business unit or division to take inappropriate or excessive risks. These matters are dealt with on a case-by-case basis. The Company currently believes that none of its policies encourage its Named Executive Officers to take such risks. The Company has not identified any risks arising from its compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

The Company does not currently have an anti-hedging policy in place for directors, officers or employees and such persons may therefore purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, units of exchange funds, puts, calls or other derivative securities that are designed to hedge or offset a decrease in market value of equity securities of the

Company. The Board will assess the need and consider implementing such a policy in the future, if warranted.

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

### Summary Compensation Table

The following table (presented in accordance with National Instrument Form 51-102F6 *Statement of Executive Compensation*) sets forth all annual and long-term compensation for services in all capacities to the Company for the three most recently completed financial years of the Company, being the completed financial years during which the Company was a reporting issuer, in respect of:

- (a) each individual who acted as CEO or CFO for all or any portion of the most recently completed financial year;
- (b) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, (other than the CEO and the CFO), whose total compensation was, individually, more than \$150,000 for the most recently completed financial year; and
- (c) any individual who would have satisfied these criteria 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 the most recently completed financial year.

(collectively the “Named Executive Officers” or “NEOs”).

NEO Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans <sup>(1)</sup>	Long-term Incentive Plans			
Marshall Koval <sup>(2)</sup> <i>President, CEO and director</i>	2020	178,236	Nil	31,404 <sup>(3)</sup>	40,000	Nil	Nil	Nil	249,640
	2019	173,040	Nil	30,671 <sup>(4)</sup>	40,000	Nil	Nil	Nil	243,711
	2018	56,000	Nil	45,452 <sup>(5)(6)</sup>	30,000	Nil	Nil	Nil	131,452
Martin Rip <i>CFO</i>	2020	95,256	Nil	27,478 <sup>(3)</sup>	45,000	Nil	Nil	Nil	167,734
	2019	89,496	Nil	26,581 <sup>(4)</sup>	30,000	Nil	Nil	Nil	146,077
	2018	28,964	Nil	45,452 <sup>(5)(6)</sup>	25,000	Nil	Nil	Nil	99,416
Diego Benalcazar <i>President</i>	2020	190,186	Nil	27,478 <sup>(3)</sup>	40,000	Nil	Nil	Nil	257,664
	2019	217,082	Nil	28,626 <sup>(4)</sup>	25,000	Nil	Nil	Nil	270,708
	2018	70,042	Nil	45,452 <sup>(5)(6)</sup>	22,500	Nil	Nil	Nil	137,994
Leo Hathaway <i>Senior VP Exploration</i>	2020	127,512	Nil	29,441 <sup>(3)</sup>	45,000	Nil	Nil	Nil	201,953
	2019	123,804	Nil	28,626 <sup>(4)</sup>	30,000	Nil	Nil	Nil	182,430
	2018	40,068	Nil	45,452 <sup>(5)(6)</sup>	25,000	Nil	Nil	Nil	110,520

NEO Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans <sup>(1)</sup>	Long-term Incentive Plans			
John Youle VP Corporate Affairs	2020	175,922	Nil	27,478 <sup>(3)</sup>	35,000	Nil	Nil	Nil	238,400
	2019	133,476	Nil	20,447 <sup>(4)</sup>	25,000	Nil	Nil	Nil	178,923
	2018	40,346	Nil	31,816 <sup>(5)(6)</sup>	25,000	Nil	Nil	Nil	97,162

- (1) Payments made under annual incentive plans relate to bonuses paid to NEOs during the applicable financial year.
- (2) Mr. Koval is a director of the Company. He does not receive any additional remuneration from the Company pertaining specifically to his role as director.
- (3) The value of option-based awards represents the grant date fair value of the stock options awarded (i.e. total number of options granted times the fair value per option). For fiscal 2020, the Company granted stock options on November 26, 2020, which were valued using the Black-Scholes valuation model with the following assumptions: (i) Dividend yield: 0%, (ii) risk free interest rate: 0.39%, (iii) expected option life: 5 years and (iv) expected volatility: 71%. The grant date fair value and the fair value for accounting purposes reported in the Company's financial statements are the same, except that the expense in the financial statements is recognized over the vesting period of the options (and is reported in U.S. dollars)
- (4) The value of option-based awards represents the grant date fair value of the stock options awarded (i.e. total number of options granted times the fair value per option). For fiscal 2019, the Company granted stock options on October 16, 2019, which were valued using the Black-Scholes valuation model with the following assumptions: (i) Dividend yield: 0%, (ii) risk free interest rate: 1.585%, (iii) expected option life: 5 years and (iv) expected volatility: 74%. The grant date fair value and the fair value for accounting purposes reported in the Company's financial statements are the same, except that the expense in the financial statements is recognized over the vesting period of the options (and is reported in U.S. dollars).
- (5) The value of option-based awards represents the grant date fair value of the stock options awarded (i.e. total number of options granted times the fair value per option). For fiscal 2018, the Company granted stock options on October 5, 2018, which were valued using the Black-Scholes valuation model with the following assumptions: (i) Dividend yield: 0%, (ii) risk free interest rate: 2.45%, (iii) expected option life: 5 years and (iv) expected volatility: 101%. The grant date fair value and the fair value for accounting purposes reported in the Company's financial statements are the same, except that the expense in the financial statements is recognized over the vesting period of the options (and is reported in U.S. dollars).
- (6) On August 31, 2018, certain concessions and properties of Lumina Gold Corp. ("Lumina") were spun out to shareholders of Lumina through the Company (the "Arrangement"). Pursuant to the Arrangement, certain Named Executive Officers who held stock options of Lumina prior to completion of the Arrangement received "replacement" stock options of Lumina and stock options the Company in exchange for their previously held Lumina stock options. Stock options of the Company that were granted pursuant to the Arrangement have not been included in the above table, as they are not considered a new grant of options for purposes of executive compensation.

There has been no repricing or other significant changes to the terms of any option-based award program during the most recently completed financial year, other than as described above in connection with the granting of stock options of the Company pursuant to the Arrangement.

## Incentive Plan Awards

### *Outstanding Option-Based Awards*

The following table sets forth information concerning all awards outstanding under incentive plans of the Company at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the Named Executive Officers.

NEO Name	Option-Based Awards			
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options <sup>(1)</sup> (\$)
Marshall Koval	22,500	0.65	Dec. 30, 2021	450
	22,500	0.54	Dec. 7, 2022	2,925
	75,000	0.80	Oct. 5, 2023	Nil
	75,000	0.63	Oct. 16, 2024	3,000
	80,000	0.68	Nov. 26, 2025	Nil
Martin Rip	15,000	0.65	Dec. 30, 2021	300
	18,000	0.54	Dec. 7, 2022	2,340
	75,000	0.80	Oct. 5, 2023	Nil
	65,000	0.63	Oct. 16, 2024	2,600
	70,000	0.68	Nov. 26, 2025	Nil
Diego Benalcazar	15,000	0.65	Dec. 30, 2021	300
	15,000	0.54	Dec. 7, 2022	1,950
	75,000	0.80	Oct. 5, 2023	Nil
	70,000	0.63	Oct. 16, 2024	2,800
	70,000	0.68	Nov. 26, 2025	Nil
Leo Hathaway	22,500	0.65	Dec. 30, 2021	450
	22,500	0.54	Dec. 7, 2022	2,925
	75,000	0.80	Oct. 5, 2023	Nil
	70,000	0.63	Oct. 16, 2024	2,800
	75,000	0.68	Nov. 26, 2025	Nil
John Youle	15,000	0.65	Dec. 30, 2021	300
	15,000	0.54	Dec. 7, 2022	1,950
	52,500	0.80	Oct. 5, 2023	Nil
	50,000	0.63	Oct. 16, 2024	2,000
	70,000	0.68	Nov. 26, 2025	Nil

<sup>(1)</sup> This amount is calculated based on the difference between the market value of the Common Shares underlying the options at the end of the most recently completed financial year, which was \$0.67, and the exercise or base price of the option.

***Value Vested Or Earned During The Year***

The value vested or earned during the most recently completed financial year of incentive plan awards granted to Named Executive Officers are as follows:

NEO Name	Option-Based Awards – Value Vested During The Year <sup>(1)</sup> (\$)	Share-Based Awards - Value Vested During The Year (\$)	Non-Equity Incentive Plan Compensation - Value Earned During The Year (\$)
Marshall Koval	7,750	Nil	40,000
Martin Rip	6,983	Nil	45,000

NEO Name	Option-Based Awards – Value Vested During The Year <sup>(1)</sup> (\$)	Share-Based Awards - Value Vested During The Year (\$)	Non-Equity Incentive Plan Compensation - Value Earned During The Year (\$)
Diego Benalcazar	7,367	Nil	40,000
Leo Hathaway	7,367	Nil	45,000
John Youle	5,233	Nil	35,000

<sup>(1)</sup> The aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date is calculated by determining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.

### Pension Plan Benefits

The Company does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

### Termination and Change of Control Benefits

The Company is not party to any contracts, agreements, plans or arrangements that provide for payments to the Named Executive Officers of the Company for any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company, or a change in a Named Executive Officer’s responsibilities.

### Director Compensation

Other than compensation paid to the Named Executive Officers, and except as noted in the table below, no additional compensation in the form of cash was paid to directors in their capacity as directors of the Company or its subsidiaries, in their capacity as members of the Board or of a committee of the Board or its subsidiaries, or as consultants or experts, during the Company’s most recently completed financial year ended December 31, 2020.

The following table sets forth all compensation paid to directors who are not also Named Executive Officers, for the Company’s most recently completed financial year:

Director Name <sup>(1)</sup>	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Lyle Braaten	Nil	Nil	29,441 <sup>(2)</sup>	45,000	Nil	79,464 <sup>(3)</sup>	153,905
David Farrell	Nil	Nil	29,441 <sup>(2)</sup>	Nil	Nil	Nil	29,441
Donald Shumka	Nil	Nil	29,441 <sup>(2)</sup>	Nil	Nil	Nil	29,441
John Wright	Nil	Nil	29,441 <sup>(2)</sup>	Nil	Nil	Nil	29,441

<sup>(1)</sup> Relevant disclosure has been provided in the “Summary Compensation Table” above for Marshall Koval.

<sup>(2)</sup> The value of option-based awards represents the grant date fair value of the stock options awarded (i.e. total number of options granted times the fair value per option). For fiscal 2020, the Company granted stock options on November 26, 2020, which were valued using the Black-Scholes valuation model with the following assumptions: (i) Dividend yield: 0%, (ii) risk free interest rate: 0.39%, (iii) expected option life: 5 years and (iv) expected volatility: 71%. The grant date fair value and the fair value for accounting purposes reported in the Company’s financial statements are the same, except that the expense in the financial statements is recognized over the vesting period of the options (and is reported in U.S. dollars).

<sup>(3)</sup> Fees paid to Lyle Braaten pertain to his services as an officer of the Company.

The Company has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Company or its subsidiaries for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultants or experts during the most recently completed financial year or subsequently, up to and including the date of this Circular.

The Company has a stock option plan for the granting of incentive stock options to the officers, employees and directors. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating the Board and to closely align the personal interests of such persons to that of the shareholders.

***Incentive Plan Awards - Outstanding Option-Based Awards***

The following table sets forth information concerning all awards outstanding under incentive plans of the Company at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the directors who are not Named Executive Officers.

Director Name <sup>(1)</sup>	Option-Based Awards			
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options <sup>(2)</sup> (\$)
Lyle Braaten	22,500	0.65	Dec. 30, 2021	450
	22,500	0.54	Dec. 7, 2022	2,925
	75,000	0.80	Oct. 5, 2023	Nil
	70,000	0.63	Oct. 16, 2024	2,800
	75,000	0.68	Nov. 26, 2025	Nil
David Farrell	90,000	0.80	Oct. 5, 2023	Nil
	70,000	0.63	Oct. 16, 2024	2,800
	75,000	0.68	Nov. 26, 2025	Nil
Donald Shumka	15,000	0.65	Dec. 30, 2021	300
	15,000	0.54	Dec. 7, 2022	1,950
	90,000	0.80	Oct. 5, 2023	Nil
	70,000	0.63	Oct. 16, 2024	2,800
	75,000	0.68	Nov. 26, 2025	Nil
John Wright	90,000	0.80	Oct. 5, 2023	Nil
	70,000	0.63	Oct. 16, 2024	2,800
	75,000	0.68	Nov. 26, 2025	Nil

<sup>(1)</sup> Relevant disclosure has been provided in the “Summary Compensation Table” above for Marshall Koval.

<sup>(2)</sup> This amount is calculated based on the difference between the market value of the Common Shares underlying the options at the end of the most recently completed financial year, which was \$0.67, and the exercise or base price of the option.

***Incentive Plan Awards - Value Vested Or Earned During The Year***

The value vested or earned during the most recently completed financial year of incentive plan awards granted to directors who are not Named Executive Officers are as follows:

<b>Director Name <sup>(1)</sup></b>	<b>Option-Based Awards - Value Vested During The Year <sup>(2)</sup> (\$)</b>	<b>Share-Based Awards - Value Vested During The Year (\$)</b>	<b>Non-Equity Incentive Plan Compensation - Value Earned During The Year (\$)</b>
Lyle Braaten	7,367	Nil	45,000
David Farrell	7,767	Nil	Nil
Donald Shumka	7,767	Nil	Nil
John Wright	7,767	Nil	Nil

<sup>(1)</sup> Relevant disclosure has been provided in the “Summary Compensation Table” above for Marshall Koval.

<sup>(2)</sup> The aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date is calculated by determining the difference between the market price of the underlying Common Shares and the exercise or base price of the options under the option-based award on the vesting date.

**Securities Authorized for Issuance Under Equity Compensation Plans**

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

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by securityholders	4,259,973	\$0.68	4,559,277
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
<b>Total</b>	<b>4,259,973</b>	<b>\$0.68</b>	<b>4,559,277</b>

**APPOINTMENT AND REMUNERATION OF AUDITOR**

The persons named in the accompanying proxy intend to vote for the appointment of KPMG LLP, Chartered Professional Accountants (“KPMG”), as auditors of the Company and to authorize the directors to fix their remuneration. KPMG was appointed as auditors of the Company on March 16, 2018.

## AUDIT COMMITTEE

### Composition of the Audit Committee

The following are the members of the Audit Committee:

Audit Committee Member	Independence	Financial Literacy
David Farrell	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
Donald Shumka	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
John Wright	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>

<sup>(1)</sup> As defined by National Instrument 52-110 *Audit Committees* (“NI 52-110”).

### Audit Committee Charter

The text of the Company’s Audit Committee Charter is attached as Schedule “A” hereto.

### Composition of the Audit Committee and Relevant Education and Experience

**David Farrell** is President of Davisa Consulting, a private consulting firm working with global mining companies. He has over twenty-five years of corporate and mining experience, and has negotiated, structured and closed more than \$25 billion worth of M&A and structured financing transactions for natural resource companies. Prior to founding Davisa Consulting, he was Managing Director of Mergers & Acquisitions at Endeavour Financial Corp., working in Vancouver and London. Prior to Endeavour Financial Corp., David was a lawyer at Stikeman Elliott LLP, working in Vancouver, Budapest and London. Mr. Farrell graduated from the University of British Columbia with a B.Comm. (Honours, Finance) and an LL.B., and holds the ICD.D designation from the Rotman School of Management and the Institute of Corporate Directors.

**Donald Shumka** is Managing Director of Walden Management Ltd., a firm providing financial consulting services to a variety of clients. Mr. Shumka received his Bachelor of Arts degree from the University of British Columbia and a Masters of Business Administration from Harvard University. From 1966 to 1979 he worked in a variety of positions in the forestry industry, from 1979 to 1989 he was Vice-President and Chief Financial Officer of West Fraser Timber Co. Ltd., and from 1989 to 2004 he headed the Forest Products Group for two Canadian investment banks. Mr. Shumka has been active in the not for profit sector and is currently Chair of the Emily Carr University Foundation.

**John Wright** is a metallurgical engineer. He was a co-founder, and former Director, President and Chief Operating Officer of Pan American Silver Corp. Mr. Wright was also the co-founder of Equinox Resources Ltd. Previously, he spent 10 years with Teck Cominco Ltd. where he worked at the Trail Smelter operations and later participated in the management of the feasibility studies, marketing and mine construction at the Afton, Highmont, Bull Moose and David Bell Mines. Mr. Wright is a former Director of Lumina Copper Corp., Northern Peru Copper Corp., Global Copper Corp., Regalito Copper Corp. and Capstone Mining Corp. Mr. Wright has been involved in multiple asset purchases and sales and the accounting associated therewith. Mr. Wright has a B Sc. (Honours) in Applied Metallurgy from Queens University.

As a result of their respective business experience, each member of the Audit Committee (i) has an understanding of the accounting principles used by the Company to prepare its financial statements, (ii)



has the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions, (iii) has experience in analyzing and evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to that that can reasonably be expected to be raised by the Company’s financial statements, and (iv) has an understanding of internal controls and procedures for financial reporting.

**Audit Committee Oversight**

At no time since the commencement of the Company’s most recently completed financial year ended December 31, 2020 was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

**Reliance on Certain Exemptions**

At no time since the commencement of the Company’s most recently completed financial year ended December 31, 2020 has the Company relied on the exemptions in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), an exemption from subsection 6.1.1(4) (*Circumstances 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*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. As the Company is considered a “venture issuer” for the purpose of Part 6 of NI 52-110, it is exempted from the requirements of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of NI 52-110.

**Pre-Approval Policies and Procedures**

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in section 3(v) of the Company’s Audit Committee Charter attached as Schedule “A” hereto.

**External Auditor Service Fees (By Category)**

The aggregate fees billed by the Company’s external auditors in each of the last two financial years for audit and related services are as follows:

<b>Financial Year Ending</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit Related Fees<sup>(2)</sup></b>	<b>Tax Fees<sup>(3)</sup></b>	<b>All Other Fees<sup>(4)</sup></b>
2020	\$53,550	\$Nil	\$29,836	\$Nil
2019	\$52,500	\$Nil	\$27,312	\$Nil

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

## **Exemption**

The Company is relying upon the exemption provided under section 6.1 of NI 52-110 regarding the composition of the Audit Committee and the disclosure requirements of its Audit Committee in an annual information form.

## **CORPORATE GOVERNANCE**

National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101"), the Company must disclose its approach to corporate governance which is set out below.

### **Board of Directors**

The Board currently consists of five directors: Marshall Koval, Lyle Braaten, Donald Shumka, David Farrell and John Wright. NI 58-101 distinguishes independent and non-independent directors. For the purposes of NI 58-101, directors who have a direct or indirect material relationship with the Company, including directors who are or have been within the last three years, an employee or executive officer, are deemed to be not independent of the Company. Marshall Koval, the current Chief Executive Officer of the Company, and Lyle Braaten, the current VP Legal Counsel of the Company, are not independent. Messrs. Shumka, Farrell and Wright are considered independent.

The mandate of the Board is to supervise the management of the Company and to act in the best interests of the Company. The Board acts in accordance with:

- (1) the *Business Corporations Act* (British Columbia);
- (2) the Company's Notice of Articles and Articles;
- (3) the Company's code of ethical conduct;
- (4) the charter of the Audit Committee; and
- (5) other applicable laws and Company policies.

The Board approves all significant decisions that affect the Company before they are implemented. The Board then supervises their implementation and reviews the results.

The Board is actively involved in the Company's strategic planning process. The Board discusses and reviews all materials relating to the strategic plan with management and is responsible for reviewing and approving the strategic plan. At least one Board meeting each year is devoted to discussing and considering the strategic plan, which takes into account the risks and opportunities of the business. Management must seek the Board's approval for any transaction that would have a significant impact on the strategic plan.

The Board periodically reviews the Company's business and implementation of appropriate systems to manage any associated risks, communications with investors and the financial community and the integrity of the Company's internal control and management information systems. The Board also monitors the Company's compliance with its timely disclosure obligations and reviews material

disclosure documents prior to distribution. The Board periodically discusses the systems of internal control with the Company's external auditor.

The Board is responsible for choosing the President and appointing senior management and for monitoring their performance and developing descriptions of the positions for the Board, including the limits on management's responsibilities and the corporate objectives to be met by management.

The Board approves all of the Company's major communications, including annual and quarterly reports and financing documents. The Company communicates with its stakeholders through a number of channels including its website.

The Board, through the Audit Committee, examines the effectiveness of the Company's internal control processes and management information systems. The Board consults with management of the Company to ensure the integrity of these systems. Management submits a report to the Audit Committee each year on the quality of the Company's internal control processes and management information systems.

### **Participation of Directors in Other Reporting Issuers**

The participation of the directors with other reporting issuers is described in the table provided under "Election of Directors" in this Circular.

### **Orientation and Continuing Education**

The Board briefs all new directors with the policies of the Board, and other relevant corporate and business information.

Board members are encouraged to: communicate with management, auditors and technical consultants; keep themselves current with industry trends and developments and changes in legislation with management's assistance; and attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

### **Ethical Business Conduct**

The Company has adopted a written Code of Ethical Conduct (the "**Code**") for its directors, officers and employees. As one measure to ensure compliance with the Code, the Board has also established a Whistleblower Policy which details complaint procedures for financial concerns. The full text of these policies is available free of charge to any person upon request to the Secretary of the Company at 410 - 625 Howe Street, Vancouver, British Columbia, V6C 2T6 (Telephone: (604) 646-1899).

In addition, as some of the directors of the Company also serve as directors and officers of other companies engaged in similar business activities, the Board must comply with the conflict of interest provisions of the *Business Corporations Act* (British Columbia), as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke any such conflict.

### **Nomination of Directors**

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, shown support for the Company's mission and strategic objectives, and a willingness to serve.

If a candidate looks promising, the Board will conduct due diligence on the candidate and if the results are satisfactory, the candidate is interviewed and may be invited to join the Board.

### **Compensation**

The Board conducts periodic reviews with regard to directors' compensation. To make its recommendation on directors' compensation, the Board takes into account the types of compensation and the amounts paid to directors of comparable publicly traded Canadian companies and aligns the interests of directors with the return to shareholders.

### **Other Board Committees**

The Company does not have any standing committees, other than the Audit Committee.

### **Assessments**

In order to satisfy itself that the Board and its individual directors are performing effectively, the Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and the Audit Committee.

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No current or former director, executive officer or employee of the Company or any of its subsidiaries is, as at the date of this Circular, indebted to the Company or any of its subsidiaries in connection with the purchase of any securities of the Company or for any other reason and no such person's indebtedness to any other entity is the subject of a guarantee, support agreement or understanding provided by the Company or any of its subsidiaries.

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

Except as set out herein, no person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee of management of the Company for election as a director of the Company and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

No informed person or proposed director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Company or its subsidiaries.

### **MANAGEMENT CONTRACTS**

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

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Company at [info@luminexresources.com](mailto:info@luminexresources.com) to request copies of the Company's financial statements and management's discussion and analysis.

Financial information is provided in the Company's comparative financial statements and management's discussion and analysis for its most recently completed financial year which are filed on SEDAR.

**OTHER MATTERS**

Management of the Company is not aware of any matter to come before the Meeting other than as set forth in the notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the Common Shares represented thereby in accordance with their best judgment on such matter.

DATED this 10<sup>th</sup> day of August, 2021

BY ORDER OF THE BOARD OF DIRECTORS

*(SIGNED) MARSHALL KOVAL*

MARSHALL KOVAL  
Director and Chief Executive Officer

## SCHEDULE “A”

### LUMINEX RESOURCES CORP.

#### AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

##### CHARTER

1. Each member of the Audit Committee (the “**Committee**”) shall be a member of the board of directors (the “**Board**”) of Luminex Resources Corp. (“**Luminex**”), in good standing, and the majority of the members of the Committee shall be independent in order to serve on this Committee.
2. At least one of the members of the Committee shall be financially literate.
3. The Committee shall:
  - (i) review this Charter annually, reassess the adequacy of this Charter, and recommend any proposed changes to the Board. The Committee shall consider changes that are necessary as a result of new laws or regulations;
  - (ii) meet at least four times per year, and each time the Company proposes to issue a press release with its quarterly or annual earnings information. These meetings may be combined with regularly scheduled meetings, or more frequently as circumstances may require. The Committee may ask members of management of the Company (“**Management**”) or others to attend the meetings and provide pertinent information as necessary;
  - (iii) conduct executive sessions with the outside auditors, outside counsel, and anyone else as desired by the Committee;
  - (iv) be authorized to hire outside counsel or other consultants as necessary (this may take place any time during the year);
  - (v) approve any non-audit services provided by the independent auditors, including tax services, review and evaluate the performance of the independent auditors and review with the full Board any proposed discharge of the independent auditors;
  - (vi) shall review with Management the policies and procedures with respect to officers’ expense accounts and perquisites, including their use of corporate assets, and consider the results of any review of these areas by the independent auditor;
  - (vii) consider, with Management, the rationale for employing accounting firms rather than the principal independent auditors;
  - (viii) inquire of Management and the independent auditors about significant risks or exposures facing the Company and assess the steps Management has taken or proposes to take to minimize such risks to the Company; and periodically review compliance with such steps;
  - (ix) review with the independent auditor, the audit scope and plan of the independent auditors and address the coordination of the audit efforts to assure the completeness of coverage, reduction of redundant efforts, and the effective use of audit resources;
  - (x) inquire regarding the “quality of earnings” of the Company from a subjective as well as an objective standpoint;
  - (xi) review with the independent accountants:

- (a) the adequacy of the Company's internal controls including computerized information systems controls and security; and
  - (b) any related significant findings and recommendations of the independent auditors together with Management's responses thereto;
- (xii) review with Management and the independent auditor the effect of any regulatory and accounting initiatives, as well as off-balance-sheet structures, if any;
- (xiii) review with Management, the independent auditors, the interim annual financial report before it is filed with the regulatory authorities;
- (xiv) review with the independent auditor that performs an audit: (a) all critical accounting policies and practices used by the Company; and (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with Management, the ramifications of each alternative and the treatment preferred by the Company;
- (xv) review all material written communications between the independent auditors and Management;
- (xvi) review with Management and the independent auditors:
  - (a) the Company's annual financial statements and related footnotes;
  - (b) the independent auditors' audit of the financial statements and their report thereon;
  - (c) the independent auditor's judgments about the quality, not just the acceptability, of the Company's accounting principles as applied in its financial reporting;
  - (d) any significant changes required in the independent auditors' audit plan; and
  - (e) any serious difficulties or disputes with the Management encountered during the audit;
- (xv) periodically review the Company's Code of Ethical Business Practices to ensure that it is adequate and up-to-date;
- (xvi) review the procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters that may be submitted by any party internal or external to the organization, and review any complaints that might have been received, current status, and resolution if one has been reached;
- (xvii) review procedures for the confidential, anonymous submission by employees of the organization of concerns regarding questionable accounting or auditing matters, and review any submissions that have been received, the current status, and resolution if one has been reached; and
- (xviii) perform such other functions as assigned by law, the Company's articles, or the Board.