

**GOLIATH RESOURCES LIMITED**  
**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF**  
**SHAREHOLDERS**  
**AND**  
**MANAGEMENT INFORMATION CIRCULAR**  
**IN RESPECT OF THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS OF**  
**GOLIATH RESOURCES LIMITED TO BE HELD ON FEBRUARY 13, 2020**

Dated as of January 6, 2020



## LETTER TO GOLIATH RESOURCES LIMITED SHAREHOLDERS

January 6, 2020

Dear Shareholders of Goliath:

The directors of Goliath Resources Limited ("**Goliath**" or the "**Corporation**") cordially invite you to attend the annual general and special meeting (the "**Meeting**") of the shareholders of Goliath (the "**Shareholders**") to be held at the offices of Fogler, Rubinoff LLP at 77 King Street West, Suite 3000, TD Centre North Tower, Toronto, Ontario M5K 1G8 on Thursday, February 13, 2020 at 10:00 a.m. (Toronto time).

You will be asked at the Meeting to consider and, if deemed appropriate, to pass, the following resolutions:

1. to appoint UHY McGovern Hurley LLP, Chartered Accountants as the auditor of the Corporation for the ensuing year and to authorize the board of directors to fix the auditor's remuneration;
2. to fix the number of directors to be elected at five (5);
3. to elect the board of directors of the Corporation for the ensuing year;
4. to consider and, if thought appropriate, pass, with or without variation, a special resolution authorizing an amendment to the articles of the Corporation providing that the Corporation's issued and outstanding common shares be consolidated on the basis of one (1) post-consolidation common share for up to every twenty (20) existing common shares, as more fully described in the Circular (the "**Consolidation**");
5. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution, the full text of which is set forth in the accompanying management information circular (the "Circular"), to ratify, confirm and approve the stock option plan of the Corporation (the "**Stock Option Plan Resolution**");
6. to reprice all stock options existing under the Stock Option Plan; and
7. to transact such other business as may properly be brought before the Meeting and at any adjournment thereof.

The foregoing resolutions are referred to herein as the "**Goliath Resolutions**".

The board of directors of the Corporation unanimously recommends that Shareholders vote in favour of the Goliath Resolutions at the Meeting for the reasons set out in the accompanying management information circular. You are urged to read this information carefully and, if you require assistance, to consult your own legal, tax, financial or other professional advisor.

We hope that we will have the opportunity to welcome you to this year's Meeting.

Sincerely,

*(Signed) "Roger Rosmus"*

Roger Rosmus  
President and Chief Executive Officer

**GOLIATH RESOURCES LIMITED**

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON FEBRUARY 13, 2020**

**NOTICE IS HEREBY GIVEN THAT** the annual general and special meeting (the "**Meeting**") of the shareholders ("**Shareholders**") of Goliath Resources Limited (the "**Corporation**") will be held at the offices of Fogler, Rubinoff LLP at 77 King Street West, Suite 3000, TD Centre North Tower, Toronto, Ontario M5K 1G8 on Thursday, February 13, 2020 at 10:00 a.m. (Toronto time) for the following purposes:

1. to appoint UHY McGovern Hurley LLP, Chartered Accountants as the auditor of the Corporation for the ensuing year and to authorize the board of directors to fix the auditor's remuneration;
2. to fix the number of directors to be elected at five (5);
3. to elect the board of directors of the Corporation for the ensuing year;
4. to consider and, if thought appropriate, pass, with or without variation, a special resolution authorizing an amendment to the articles of the Corporation providing that the Corporation's issued and outstanding common shares be consolidated on the basis of one (1) post-consolidation common share for up to every twenty (20) existing common shares, as more fully described in the Circular (the "**Consolidation**");
5. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution, the full text of which is set forth in the accompanying management information circular (the "Circular"), to ratify, confirm and approve the stock option plan of the Corporation (the "**Stock Option Plan Resolution**");
6. to reprice all stock options existing under the Stock Option Plan; and
7. to transact such other business as may properly be brought before the Meeting and at any adjournment thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the Circular, which accompanies this Notice of Meeting and forms part hereof.

A Shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must have deposited his, her or its duly executed form of proxy not later than 10:00 a.m. (Toronto time) on Tuesday, February 11, 2020 or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays, preceding the time of such adjourned Meeting, at the offices of Computershare Investor Services Inc., 1500 Robert-Bourassa Blvd., 7<sup>th</sup> Floor, Montreal QC, H3A 3S8; or by facsimile at (514) 982-7635.

**The participation of its shareholders is very important to the Corporation. Please ensure that the votes attached to your common shares will be exercised at the Meeting.**

**DATED** at Toronto, Ontario as of the 6<sup>th</sup> day of January, 2020.

*(Signed) "Roger Rosmus"*

Roger Rosmus  
President and Chief Executive Officer

**GOLIATH RESOURCES LIMITED**

**MANAGEMENT INFORMATION CIRCULAR  
ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS  
Dated January 6<sup>th</sup>, 2020, except where otherwise noted**

**PART I**  
**INFORMATION CONCERNING THE MEETING**

***SOLICITATION OF PROXIES***

This management information circular (the "Circular") is furnished in connection with the solicitation of proxies by the management of Goliath Resources Limited ("Goliath" or the "Corporation") for use at the annual general and special meeting (the "Meeting") of holders ("Shareholders") of common shares in the capital of the Corporation (the "Common Shares") to be held on Thursday, February 13, 2020 at the offices of Fogler, Rubinoff LLP, 77 King Street West, Suite 3000, Toronto, Ontario, at 10:00 a.m. (Toronto time) and at any adjournment(s) thereof. Solicitation of proxies will be primarily by mail, but may also be carried out by directors, officers, employees or agents of the Corporation personally, in writing, by telephone or by fax. All cost thereof will be borne by the Corporation. Management of the Corporation has therefore prepared this Circular and has sent it to those Shareholders who are entitled to receive a notice of meeting.

The Corporation is utilizing the notice-and-access mechanism (the "Notice-and-Access Provisions") under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101") and National Instrument 51-102 – *Continuous Disclosure Obligations* ("NI 51-102") for distribution of this Circular to registered and non-registered shareholders. Further information on the Notice-and-Access Provisions is contained below under the heading "Notice-and-Access" and Shareholders are encouraged to read this information for an explanation of their rights.

***SHAREHOLDERS ENTITLED TO VOTE***

Registered shareholders ("**Registered Shareholders**") as at the close of business on Monday, January 3, 2020 (the "**Record Date**"), or the person or persons they appoint as their proxies, are entitled to attend and vote on all matters that may properly come before the Meeting in respect of which their vote is required. Each Shareholder of record at the close of business on the Record Date will be entitled to one vote for each Common Share held with respect to all matters proposed to come before the Meeting, or any adjournment or postponement thereof, and requiring a vote by Shareholders.

Registered Shareholders are entitled to vote at the Meeting, or any adjournment or postponement thereof, either in person or by proxy. Voting by proxy means that you are giving the person or persons named on your proxy form (your proxyholder) the authority to vote your Common Shares for you at the Meeting or any adjournment(s) or postponement(s) thereof.

***APPOINTMENT OF PROXIES AND REVOCATION OF PROXIES***

The individuals named in the enclosed form of proxy will represent management of the Corporation at the Meeting. **A Shareholder has the right to appoint a person or company (who need not be a Shareholder), other than the persons designated in the accompanying form of proxy, to represent the Shareholder at the Meeting. Such right may be exercised by inserting the name of such person or company in the blank space provided in the proxy or by completing another proper form of proxy.** A Shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must, in all cases, deposit the completed proxy with Computershare Investor Services Inc., 1500 Robert-Bourassa Blvd., 7<sup>th</sup> Floor, Montreal QC, H3A 3S8 ("**Computershare**") by 10:00 a.m. (Toronto Time) on Tuesday, February 11, 2020, or, if the Meeting is adjourned or postponed, at least 48 hours, excluding Saturdays, Sundays and holidays, prior to any adjournment or postponement of the Meeting at which the proxy is to be used, or

deliver it to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the commencement of the Meeting. A proxy should be executed by the Registered Shareholder or its attorney duly authorized in writing or, if the Registered Shareholder is a corporation, by an officer or attorney thereof duly authorized. Failure to properly complete or deposit a proxy may result in its invalidation.

A Registered Shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a Registered Shareholder who has given a proxy attends the Meeting in person at which such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to any other manner permitted by law, a proxy may be revoked before it is exercised by an instrument in writing executed in the same manner as a proxy and deposited to the attention of the Chief Financial Officer of the Corporation at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used or with the Chairman of the Meeting on the day of such Meeting or any adjournment thereof and thereupon the proxy is revoked.

A Registered Shareholder attending the Meeting has the right to vote in person and, if he or she does so, his or her proxy is nullified with respect to the matters such person votes upon and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof.

If you are not a Registered Shareholder, please refer to the section below entitled "*Advice to Beneficial Holders of Common Shares*".

### ***ADVICE TO BENEFICIAL SHAREHOLDERS OF COMMON SHARES***

The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold their Common Shares in their own name and thus are considered non-registered Shareholders (referred to as "**Beneficial Shareholders**"). Beneficial Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to Shareholders by a broker then, in almost all cases, those shares will not be registered in the Shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker or another similar entity (an "**Intermediary**"). Common Shares held in the name of an Intermediary can only be voted by the Intermediary (for or against resolutions or withheld) upon the instructions of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting shares.

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

Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated in a timely manner and in accordance with the instructions provided by their Intermediary. Applicable regulatory rules require Intermediaries to seek voting instructions from Beneficial Shareholders in advance of the Meeting. Every Intermediary has its own mailing procedures and provides its own return instructions to clients, which instructions should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting.

Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge mails a voting instruction form in lieu of a form of proxy provided by the Corporation. The voting instruction form will name the same persons as the Corporation's form of proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a Shareholder), other than the persons designated in the voting instruction form, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the voting instruction form. The completed voting instruction form must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **If you receive a voting instruction form from Broadridge, you cannot use it to vote Common Shares directly at the Meeting - the voting instruction form must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have the Common Shares voted.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purpose of voting Common Shares registered in the name of their Intermediary, a Beneficial Shareholder may attend at the Meeting as proxyholder for the Intermediary and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as a proxyholder should enter their own names in the blank space on the form of proxy provided to them by their Intermediary and return the same to their Intermediary in accordance with the instructions provided by their Intermediary well in advance of the Meeting.**

Non-registered holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Corporation are referred to as "non-objecting beneficial owners". Those non-registered holders who have objected to their Intermediary disclosing ownership information about themselves to the Corporation are referred to as "objecting beneficial owners" ("OBOs").

**The Corporation does not intend to pay for Intermediaries 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 Intermediary assumes the costs of delivery.**

### **Notice-and-Access**

As noted above, the Corporation is utilizing the Notice-and-Access Provisions under NI 54-101 and NI 51-102 for distribution of this Circular to both registered and non-registered shareholders.

The Notice-and-Access Provisions allow reporting issuers to post electronic versions of proxy-related materials, such as proxy, information circulars, and annual financial statements (the "**Proxy-Related Materials**"), on-line, through the System for Electronic Document Analysis and Retrieval ("**SEDAR**") and one other website, rather than mailing paper copies of such materials to shareholders. Electronic copies of the Circular, financial statements of the Corporation for the year ended June 30, 2019 ("**Financial Statements**") and management's discussion and analysis of the Corporation's results of operations and financial condition for the year ended June 30, 2019 ("**MD&A**") may be found on the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com) and also on the Corporation's website [www.goliathresourcesltd.com](http://www.goliathresourcesltd.com). The Corporation will not use procedures known as "stratification" in relation to the use of Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of this Circular to some shareholders with the notice package. In relation to the Meeting, Shareholders will receive the required documentation under the Notice-and-Access Provisions, which will not include a paper copy of this Circular. Shareholders are reminded to review this Circular before voting.

The Corporation anticipates that relying on the Notice-and-Access Provisions will directly benefit the Corporation through a substantial reduction in both postage and material costs, and also promote environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials.

Shareholders with questions about the Notice-and-Access can call Broadridge toll free at 1-877-907-7643. The Corporation will mail paper copies of the Proxy-Related Materials to Shareholders who have previously elected to receive paper copies. Shareholders may also obtain paper copies of Proxy-Related Material free of charge by contacting Broadridge toll free from North America at 1-877-907-7643, or outside of North America at 905-507-5450 or by e-mail at [noticeandaccess@broadridge.com](mailto:noticeandaccess@broadridge.com). Shareholders who do not have their 16 digit control number, can contact Broadridge toll free from North America at 1-877-907-7643.

A request for paper copies which are required in advance of the Meeting should be sent so that they are received by the Corporation or Broadridge Financial Solutions Inc., as applicable, no later than February 4, 2020, in order to allow sufficient time for shareholders to receive their paper copies and to return a) their form of proxy to the Corporation or Computershare Investor Services Inc., or b) their voting instruction form ("**VIF**") to their Intermediaries by the deadline for submitting their proxy or VIF, as applicable.

### ***Interest of Certain Persons or Companies in Matters to Be Acted Upon***

Other than as described herein, the Corporation is not aware of: (i) any person who has been a director or executive officer of the Corporation at any time since the beginning of the last financial year; (ii) a nominee for election as a

director of the Corporation at the Meeting; or (iii) any associate or affiliate of any such director or executive officer or nominee, who has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

### ***Use of Discretionary Power Conferred by the Proxies***

Common Shares represented by proxies in favour of management nominees will be voted in accordance with the instructions of the Shareholder on any ballot that may be called for and, if a Shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the shares represented by proxy shall be voted accordingly. Where no choice is specified, the proxy will confer discretionary authority and will be voted FOR all matters proposed by management at the Meeting. The enclosed form of proxy also confers discretionary authority upon the persons named therein to vote with respect to any amendments or variations to the matters identified in the notice with respect to this Meeting and with respect to any other matters which may properly come before the Meeting in such manner as the nominee in his judgment may determine. At the date hereof, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.

### ***Voting Securities and Principal Holders of Voting Securities***

The authorized share capital of the Corporation consists of an unlimited number of Common Shares without par value. As at the date hereof, 121,410,110 Common Shares without par value are issued and outstanding. Each Common Share carries the right to one vote at any ballot taken at any meeting of the shareholders. Only shareholders of record of the Corporation at the close of business on the Record Date or their duly authorized agents are entitled to attend and vote at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, no person beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying in excess of 10% of the voting rights attached to all outstanding Common Shares as at the date of this Circular.

### ***Quorum***

The presence of two or more persons holding at least 5% of the outstanding Common Shares of the Corporation present in person or represented by proxy, will constitute a quorum. The Corporation's list of Registered Shareholders as at the close of business on the Record Date has been used to deliver to Shareholders the Notice of Meeting and this Circular as well as to determine who is eligible to vote.

### ***Currency***

All references to dollars or \$ are in Canadian dollars unless otherwise noted.



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

### ***PRESENTATION OF FINANCIAL STATEMENTS***

Goliath's audited consolidated financial statements for the year ended June 30, 2019 and the report of the auditors thereon, will be placed before you at the Meeting.

### ***APPOINTMENT OF AUDITOR***

Goliath's management proposes to re-appoint UHY McGovern Hurley LLP, Chartered Accountants ("UHY McGovern") as Goliath's auditors to hold office until the next annual meeting of Shareholders. UHY McGovern was appointed as auditor of the Corporation on April 24, 2018, after the previous auditor, BDO Canada LLP (formerly BDO Dunwoody LLP), resigned.

**Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the appointment of UHY McGovern as the auditors of Goliath to hold office until the next annual meeting of shareholders and FOR the authorization of the directors to fix the auditors' remuneration.**

The following table sets forth, by category, the fees for all services rendered by the Corporation's current external auditor, UHY McGovern, for the financial year ended June 30, 2019:

	<b>Fiscal Year Ended June 30, 2019</b>
	<b>(\$)</b>
Audit Fees <sup>(1)</sup>	\$24,000
Audit-related Fees <sup>(2)</sup>	\$Nil
Tax Fees <sup>(3)</sup>	\$3,000
All Other Fees <sup>(4)</sup>	\$Nil

**Notes:**

- (1) "Audit fees" include fees rendered by the Corporation's external auditor for professional services necessary to perform the annual audit and any quarterly reviews of the Corporation's financial statements. This includes fees for the review of tax provisions and for accounting consultations on matters reflected in the financial statements.
- (2) "Audit-related fees" include fees for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements and that are not included in the "Audit Fees" category.
- (3) "Tax fees" include fees for professional services rendered by the Corporation's external auditor for tax compliance, tax advice and tax planning.
- (4) "All other fees" include fees for products and services provided by the Corporation's external auditor, other than services reported under the table headings "Audit Fees", "Audit-Related Fees" or "Tax Fees".

## **NUMBER OF DIRECTORS**

At the Meeting, Shareholders will be asked to fix the number of directors to be elected at five (5).

**Unless the Shareholder has specifically instructed in the enclosed form of proxy that the Common Shares represented by such proxy are to be withheld, the persons named in the provided proxy will vote FOR setting the number of directors to be elected at the Meeting at five (5).**

## **ELECTION OF DIRECTORS**

The articles of incorporation of the Corporation provide that the board of directors (the "**Board**") shall consist of a minimum of one (1) and a maximum of ten (10) directors. The Board currently consists of five (5) directors and there will be five (5) persons elected to the Board at the Meeting.

Management proposes that each individual named below be nominated at the Meeting for re-election (or election, as applicable) as a director of the Corporation to serve, until the next annual meeting of Shareholders, or until his or her successor is elected or appointed. Management does not contemplate that any of the nominees will be unable to serve as a director. **However, if a nominee should be unable to so serve for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Common Shares represented by proxies in favour of management nominees will be voted FOR the election of all of the nominees whose names are set forth below, unless a Shareholder has specified in his proxy that his Common Shares are to be withheld from voting for any or all of the nominees.**

The following table and the notes thereto state the names of all individuals to be nominated for election as directors, all other positions or offices with the Corporation now held by them, their principal occupations of employment, the year in which they became directors for the Corporation, the approximate number of Common Shares beneficially owned, or controlled, directly or indirectly, by each of them, as of the date hereof.

<b>Name, Province and Country of Residence, and Position to be Held</b>	<b>Periods During Which Each Proposed Director Has Served as a Director and When His Term Of Office Will Expire</b>	<b>Principal Occupation for Past Five Years<sup>(1)</sup></b>	<b>Number of Common Shares Beneficially Owned, or Controlled</b>
<b>Roger Rosmus<sup>(2)</sup></b> Toronto, Ontario <i>Chief Executive Officer, President, Secretary &amp; Director</i>	October 11, 2017 – until the next annual meeting of the Shareholders or until his successor is elected or appointed	Co-founder and President of Aberdeen Gould Capital Markets Ltd.	4,487,193 <sup>(3)</sup>
<b>Graham C. Warren</b> Toronto, Ontario <i>Chief Financial Officer and Director</i>	October 11, 2017 – until the next annual meeting of the Shareholders or until his successor is elected or appointed	Chief Financial Officer and/or Director of numerous public companies	1,350,000
<b>Michael A. Dehn</b> Hillsburgh, Ontario <i>Director &amp; Senior Consultant</i>	October 11, 2017 – until the next annual meeting of the Shareholders or until his successor is elected or appointed	Partner, Avanti Management and Consulting Limited	250,000

Name, Province and Country of Residence, and Position to be Held	Periods During Which Each Proposed Director Has Served as a Director and When His Term Of Office Will Expire	Principal Occupation for Past Five Years <sup>(1)</sup>	Number of Common Shares Beneficially Owned, or Controlled
<b>Richard Groome</b> <sup>(2)</sup> St. Sauveur, Quebec <i>Director</i>	March 17, 2006 – until the next annual meeting of the Shareholders or until his successor is elected or appointed	Managing Partner, Notre-Dame Capital Inc.	476,394
<b>Wayne Isaacs</b> <sup>(2) (4)</sup> Oakville, Ontario <i>Director</i>	February 13, 2020 – until the next annual meeting of the Shareholders or until his successor is elected or appointed	Business consultant	Nil

**Notes:**

- (1) For a complete description of the proposed directors of the Corporation, see below under the title "Management".
- (2) Member of the Audit Committee.
- (3) Such shares are held by Lengau Holdings Ltd. and Aberdeen Gould Capital Markets Ltd., corporations beneficially owned or controlled by Roger Rosmus.
- (4) Chair of the Audit Committee.

The term of each proposed director of the Corporation will expire on the date of the next annual meeting of the Shareholders.

*Biographies*

The following are summaries of the proposed directors and principal management of the Corporation, including their respective proposed positions with the Corporation and relevant work and educational background.

**Roger Rosmus, 57 – Chief Executive Officer, President, Secretary & Director**

Mr. Rosmus was a co-founder and President of an independent investment bank Aberdeen Gould Capital Markets Ltd., a Toronto based exempt market dealer. He has over 25 years of investment banking experience in the public and private sectors, acting as lead on many mergers, acquisitions and corporate financings. He is also the President and co-founder of Aberdeen Gould Advisory Services Ltd. that provides corporate advice encompassing strategic and operational strategies to private and public companies in the resource and industrial sectors. Previously he was the founder of Aberdeen Gould Inc., where he successfully completed over 30 mergers and acquisitions transactions, as well as owned and operated several businesses in a wide variety of industries. Mr. Rosmus holds a Master of Business Administration from the University of Western Ontario - Richard Ivey School of Business.

**Graham C. Warren, 58 – Chief Financial Officer & Director**

Mr. Warren is a Senior Financial Executive with over 30 years of experience in the mining, oil and gas, environmental, biotech, service and tech sectors both domestically and internationally. He has been involved in numerous financings and merger and acquisition transactions for both private and public companies and has guided several companies through the going public process. Mr. Warren has served as the Chief Financial Officer ("CFO") and/or as a director of numerous public companies and is currently the CFO of Pangolin Diamonds Corp. (TSX-V: PAN) and Arehada Mining Limited ("Arehada"). He is a past director of Changfeng Energy Inc., Cordoba Minerals Corp, Exile Resources Inc., Active Control Technology and Hanfeng Evergreen Inc. Mr. Warren has had extensive involvement

in all facets of organizations including finance, human resources, sales, marketing and operations and has guided various boards of directors in their corporate governance obligations.

**Michael A. Dehn, 50 – Director & Senior Consultant**

Mr. Dehn has over 25 years of experience in the mining industry. Between 1994 and 2005, he worked as an exploration geologist and later as a Senior Geologist with Goldcorp Inc. Mr. Dehn has been a director of publicly traded and private junior mining companies, with listings on the North American and European stock exchanges. He became a director, president and chief executive officer of United Battery Metals Corp. in October 2018. His expertise lies in grassroots to advanced minerals exploration, marketing and financing junior companies.

**Richard Groome, 61 – Director**

Mr. Groome is currently President & Managing Partner at Notre-Dame Capital Inc. and a director of Hitlab Inc., Executive Chairman of Konnect Mobile Communications Inc. Mr. Groome has been involved in the capital markets across Canada for over 30 years and in addition to funding several hundred companies, Mr. Groome was a director of the CDNX Exchange, the predecessor exchange to the TSX Venture Exchange ("TSXV"). Mr. Groome received his undergraduate degree from McGill University in 1981.

**Wayne Isaacs, 57 – Director**

Mr. Isaacs has a 30 year career on Bay Street specializing in the resource sector both as a corporate executive of resource companies and as an investment banker. This extensive experience has allowed him to successfully seek out and engage and acquire significant resource assets and financing to support exploration, development and mining activities for his operating and investee companies. Mr. Isaacs has been involved as principal in 30 listed companies and has served as a director and / or senior officer of over 35 listed companies. He was the President and Director of Forsys Metals Corp. from 2003 to 2007, a TSX listed company with uranium properties in Namibia, Africa which he managed from start up to in excess of \$750 million in market capitalization raising over \$70 million to advanced its uranium property from the exploration stage to the production decision stage. Mr. Isaacs is currently a Director of AM Resources Corp. (TSX.V: AMR), a mining company engaged in the exploration of coal, hydrocarbons and gold mining sites located in Colombia. He is a graduate of the University of Western Ontario and has held numerous securities certifications and licenses.

*Corporate Cease Trade Orders or Bankruptcy*

Save and except as set out below, as of the date of this Circular, no proposed nominee for election as a director of the Corporation is, or has been, within ten years before the date of this Circular,

- (a) a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity: was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period or more than 30 consecutive days;
- or
- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Graham Warren is a Director and CFO of Arehada, which was unable to file audited financial statements for the year ended December 31, 2010, the accompanying management's discussion and analysis, related Chief Executive Officer ("CEO") and CFO certifications and annual information form (collectively, the "2010 Annual Filings") by the prescribed deadline due to funding constraints. As a result, the Ontario Securities Commission (the "OSC") issued a temporary cease trade order against Arehada on April 6, 2011. The OSC, the British Columbia Securities Commission and the Alberta Securities Commission issued permanent cease trade orders against Arehada on April 18, 2011, April

8, 2011 and July 21, 2011, respectively, which cease trade orders against Arehada still remain in effect as of the date hereof (the "**Arehada Cease Trade Orders**"). Due to the delay in filing of the 2010 Annual Filings, Arehada was also unable to file the unaudited interim financial statements for the periods ended March 31, 2011, June 30, 2011 and September 30, 2011, the accompanying management's discussion and analysis and related CEO and CFO certifications (collectively, the "**2011 Interim Filings**") by the prescribed deadline. Arehada subsequently filed the 2010 Annual Filings and 2011 Interim Filings but abandoned an application to revoke the Arehada Cease Trade Orders. In addition, Arehada failed to file the audited financial statements for the years ended December 31, 2011 and 2012, the accompanying management's discussion and analysis, related CEO and CFO certifications by the prescribed deadline, and Arehada has failed to file any interim financial statements, the interim accompanying management's discussion and analysis and related CEO and CFO certifications for any interim period since September 30, 2011. As a result, the Arehada Cease Trade Orders are still in effect and Arehada does not expect the Arehada Cease Trade Orders to be revoked.

From August 23, 2011 to September 6, 2012, Richard Groome was a director of Preo Software Inc., which on December 6, 2012 was subject to a cease trade order due to failure to file interim financial statements. On March 26, 2013, Preo Software Inc. was also issued a receivership order against them by AVAC Ltd with the Court of Queen's Bench of Alberta.

From March 17, 2016 to August 29, 2017, Richard Groome was the President and CEO of Bitumen Capital Inc., which on May 8, 2017 was subject to a cease trade order issued by the OSC and the Autorité des Marchés Financiers (the "**AMF**") due to Goliath's failure to file audited financial statements for the year ended December 31, 2016, the accompanying management's discussion and analysis, related CEO and CFO certifications and annual information form by the prescribed deadline. On September 22, 2017, the OSC and AMF revoked the cease trade order following the fulfillment by the Corporation of all its continuous disclosure obligations according to NI-51-102.

From September 27, 2017 to present, Richard Groome has been a director of CAT Strategic Metals Corporation (formerly Chinmata Gold Corp.). On May 6, 2019 CAT Strategic Metals Corporation was issued a cease trade order by the British Columbia Securities Commission due to the failure to file annual audited financial statements, annual management's discussion and analysis and an annual information form.

#### *Penalties or Sanctions*

Save and except as set forth below, as of the date of this Circular, no proposed nominee for election as a director of the Corporation is, or has been, subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision at any time during the last ten years.

#### *Personal Bankruptcy*

As of the date of this Circular, no proposed nominee for election as a director of the Corporation has, within the ten 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.

#### *Conflicts of Interest*

The directors of the Corporation will be required by law to act honestly and in good faith with a view to the best interest of the Corporation and to disclose any interests which they may have in any project or opportunity of the Corporation. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Corporation will participate in any project or opportunity, that directors will primarily consider the degree of risk to which the Corporation may be exposed and its financial position at that time.

Except as disclosed in this Circular, to the best of the Corporation's knowledge, there are no known existing or potential

conflicts of interest among the Corporation and the Corporation promoters, directors, officers or other members of management as a result of their outside business interests except that certain of the Corporation directors, officers, promoters and other members of management may from time to time serve as directors, officers, promoters and members of management of other public companies, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of those other companies.

*Other Reporting Issuer Experience*

The following table sets out the proposed directors, officers and promoter of the Corporation that are, or have been within the last five years, directors, officers or promoters of other reporting issuers:

Name	Name Of Reporting Issuer	Name of Exchange or Market	Position	From		To	
				MM	YY	MM	YY
Graham Warren	Platinex Inc	CSE	Director	05	19	Present	
	Pangolin Diamonds Corp.	TSXV	CFO	03	11	Present	
	Arehada Mining Ltd.	Delisted	CFO, Director	05	07	Present	
	Dacha Strategic Metals Inc.	Ceased to be a reporting issuer	CFO	11	12	08	15
	Changfeng Energy Inc.	TSXV	CFO, Director	04	06	07	15
	Advantagewon Oil Corp.	CSE	CFO	11	16	04	18
Michael A. Dehn	Metalore Resources	TSX	Director	09	05	09	17
	West Red Lake Gold Mines Ltd.	CNQ	Director	05	10	Present	
	Jourdan Resources Inc.	TSXV	VP Exploration & Director	10	11	Present	
	Fairmount Resources Inc.	TSXV	President, CEO & Director	09	13	01	18
	Phoenix Metals Corp.	TSXV	President	04	14	04	18
	Prime Meridian Resources Corp.	TSXV	Director	05	15	04	18
	Delta Resources Limited (formerly Golden Hope Mines Limited)	TSXV	COO & Director	06	15	06	19

	Mega View Digital Entertainment Corp.	TSXV	Director	05	16	Present	
	United Battery Metals Corp.	CSE	President & Director	10	18	Present	
Richard Groome	Urban Barns Foods Inc.	OTC	Director	06	12	09	15
Wayne Isaacs	AM Resources Corp.	TSXV	Director	05	18	Present	

## ***APPROVE THE CONSOLIDATION***

### ***Approval of Share Consolidation***

At the Meeting, Shareholders will be asked to consider, and if deemed advisable approve, with or without variation, a special resolution, authorizing the consolidation (the "**Consolidation**") of the issued and outstanding Common Shares of the Corporation on the basis of one (1) post-consolidation Common Share for up to every twenty (20) pre-consolidation Common Shares (the "**Consolidation Ratio**"). The Consolidation will be effected by filing articles of amendment to the Corporation's Articles of Incorporation, as amended. The timing for implementation of the Consolidation, if undertaken, will be determined by the Board based upon its evaluation as to when such action would be most advantageous to the Corporation and its Shareholders. The Consolidation is subject to the acceptance of the Exchange. Upon approval of the Consolidation by the Shareholders and acceptance by the Exchange, the Board will have the authority to give effect to the Consolidation. The Corporation's authorized share capital consists of an unlimited number of Common Shares in the capital of the Corporation. On effecting the Consolidation, the Corporation will continue to have an unlimited number of authorized Common Shares. The Corporation's name will not change in connection with the Consolidation. As of the date of this Circular, the Corporation has 121,410,110 Common Shares issued and outstanding. The proposed Consolidation, if undertaken, assuming the 20:1 ratio, would reduce the number of outstanding Common Shares to approximately 6,070,505 Common Shares. The Board believes that it may be necessary to reduce the number of Common Shares outstanding to enhance the liquidity of the Common Shares as well as the marketability for the Common Shares; however, at this time, the Board has not made any decision to proceed with the Consolidation or, if it does ultimately does so, the quantum of such Consolidation.

### ***Elimination of Fractional Shares***

No fractional Common Shares will be issued as a result of the Consolidation, if undertaken. If, as a result of the Consolidation, a Shareholder would otherwise be entitled to a fraction of a post-Consolidation Common Share, the number of post-Consolidation Common Shares issuable to such Shareholder would be rounded to the nearest whole number. In all other respects, the post-Consolidation Common Shares will have the same attributes as the existing Common Shares.

### ***Principle Effects of the Consolidation***

The Consolidation, if undertaken, would affect all Shareholders the same. Except for any variances attributable to fractional shares as described above, the change in the number of issued and outstanding Common Shares that would result from the Consolidation would cause no change in the capital attributable to the Common Shares and would not materially affect any Shareholders percentage ownership in the Corporation, even though such ownership would be represented by a smaller number of Common Shares.

In addition, the Consolidation would not affect any Shareholder's proportionate voting rights. Each Common Share outstanding after the Consolidation, if undertaken, would be entitled to one vote and will be fully paid and non-assessable. The principle effects of the Consolidation would be that:

1. the number of Common Shares issued and outstanding would be reduced from approximately 121,410,110 Common Shares as of January 6, 2020 to approximately 6,070,505 Common Shares (assuming a consolidation of twenty (20) existing Common Shares for one (1) post-Consolidation Common Share);
2. the number of Common Shares reserved for issuance under the Corporation's Stock Option Plan will be reduced proportionately based on the Consolidation Ratio;
3. the number of Common Shares issuable under the Corporation's outstanding stock options would be proportionately adjusted upon the Consolidation (based on the Consolidation Ratio selected by the Board) with any fraction rounded to the nearest whole number (see "*Elimination of Fractional Shares*");
4. the exercise price and/or the number of Common Shares issuable under certain outstanding share purchase warrants of the Corporation would be proportionately adjusted upon the Consolidation based on the Consolidation Ratio. The Consolidation will not be considered to result in a disposition of Common Shares by Shareholders for Canadian federal income tax purposes. The aggregate adjusted cost base to a Shareholder for such purposes of all Common Shares held by the Shareholder would not change as a result of the Consolidation; however, the Shareholder's adjusted cost base per Common Share will increase proportionately.

This summary is general in its nature. This summary is not intended to be or to be construed as legal or tax advice to any Shareholder. It is not exhaustive of all federal income tax considerations. Shareholders should consult their own advisors in respect of the foregoing.

#### *Effect on Beneficial Shareholders*

Beneficial Shareholders holding their Common Shares through a bank, broker or other nominee should note that such banks, brokers or other nominees may have different procedures for processing the Consolidation, if implemented, than those that will be put in place by the Corporation for Registered Shareholders. If you hold your shares with such a bank, broker or other nominee and if you have questions in respect of the foregoing, you should contact your nominee.

#### *Effect on Share Certificates*

If the Consolidation is approved by Shareholders and implemented, Registered Shareholders will be required to exchange their share certificates representing pre-Consolidation Common Shares for new share certificates representing post-Consolidation Common Shares. Following the announcement by the Corporation of the consolidation ratio selected by the Board and the effective date of the Consolidation, registered Shareholders will be sent a letter of transmittal from the Corporation's transfer agent, Computershare, as soon as practicable after the effective date of the Consolidation. The letter of transmittal will contain instructions on how to surrender certificate(s) representing pre-Consolidation Common Shares to the transfer agent. The transfer agent will forward to each Registered Shareholder who has sent the required documents a new share certificate representing the number of post-Consolidation Common Shares to which the Shareholder is entitled. Until surrendered, each share certificate representing pre-Consolidation Common Shares will be deemed for all purposes to represent the number of whole post-Consolidation Common Shares, to which the holder is entitled as a result of the Consolidation. **DO NOT DESTROY ANY SHARE CERTIFICATE(S) AND DO NOT SUBMIT ANY CERTIFICATE(S) UNTIL REQUESTED TO DO SO.**

#### *No Dissent Rights*

Under the *Business Corporations Act* (Ontario), Shareholders do not have dissent rights with respect to the proposed Consolidation.

#### *Certain Risks Associated with the Share Consolidation*



The effect of the Consolidation, if implemented, upon the market price of the Common Shares cannot be predicted with any certainty, and the history of similar share consolidations for corporations similar to the Corporation is varied. There can be no assurance that the total market capitalization of the Common Shares immediately following the Consolidation would be equal to or greater than the total market capitalization immediately before the Consolidation. In addition, there can be no assurance that the per-share market price of the Common Shares following the Consolidation would remain higher than the per-share market price immediately before the Consolidation or equal or exceed the direct arithmetical result of the Consolidation. In addition, a decline in the market price of the Common Shares after the Consolidation may result in a greater percentage decline than would occur in the absence of the Consolidation.

*Special Shareholder Resolution to Approve the Amendment to the Articles of Incorporation of the Corporation – Share Consolidation*

The Shareholders will be asked to consider, and, if thought fit, pass a special resolution to authorize the Consolidation of the issued and outstanding Common Shares of the Corporation in the following form:

**"BE IT RESOLVED THAT AS A SPECIAL RESOLUTION, WITH OR WITHOUT VARIATION, SUBJECT TO THE ACCEPTANCE BY THE TSX VENTURE EXCHANGE:**

1. if and when the board of directors of the Corporation shall deem appropriate to do so and subject to the approval of the TSX Venture Exchange, Goliath Resources Limited (the "**Corporation**") be and it is hereby authorized to amend its Articles of Incorporation, as amended, to consolidate (the "**Consolidation**") the number of issued and outstanding common shares of the Corporation (the "**Common Shares**") on the basis of up to a maximum of twenty (20) pre-Consolidation Common Shares for one (1) post-Consolidation Common Share (the "**Consolidation Ratio**");
2. any fractional Common Shares resulting from the Consolidation of the Common Shares shall be rounded to the nearest whole number;
3. the board of directors of the Corporation, in their sole and complete discretion, are authorized and empowered to act upon this special resolution to effect the Consolidation and to determine the actual Consolidation Ratio (such ratio not to exceed twenty (20) pre-Consolidation Common Shares for one (1) post-Consolidation Common Share), or if deemed appropriate and without any further approval from the shareholders of the Corporation, are authorized and empowered to revoke this ordinary resolution and not to proceed with the Consolidation, without further approval of or notice to the shareholders of the Corporation; and
4. any director or officer of the Corporation is authorized and directed on behalf of the Corporation, to take all necessary steps and proceedings, and to execute, deliver and file any and all declarations, agreements, documents, notices and instruments, and to do all such other acts and things as may be necessary or desirable to give effect to this special resolution, including, without limitation, the determination of the effective date of the Consolidation, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing."

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote "FOR" the special resolution to permit the Consolidation. To be effective, the resolution must be passed by a special majority of the votes cast by shareholders in person or by proxy at the Meeting. The Board and management recommend a vote "FOR" the special resolution to permit the Consolidation.**

***RE-APPROVAL OF THE STOCK OPTION PLAN***

*Stock Option Plan*

On August 3, 2017, the board of directors of the Corporation approved a "rolling" stock option plan (the "**Stock Option Plan**"), pursuant to which the maximum number of Common Shares reserved for issuance, including options currently outstanding, is equal to 10% of the issued and outstanding Common Shares. At the annual and special

meeting held on August 29, 2017, the Shareholders approved the Stock Option Plan. The TSX Venture Exchange (the "TSXV") requires that "rolling" stock option plans be reapproved by Shareholders yearly at the Corporation's annual meeting. Since the approval of the Stock Option Plan at the annual and special meeting of Goliath held on August 29, 2017, there have been no amendments to the Stock Option Plan.

The maximum number of common shares of the Corporation reserved for issuance under the Stock Option Plan is 10% of the issued and outstanding Common Shares on a "rolling" basis, amounting to 9,587,978 Common Shares, based on the current issued and outstanding Common Shares.

#### *Summary of Stock Option Plan*

The summary of the Stock Option Plan set forth below is subject to and qualified in its entirety by the provisions of such plan. Reference should be made to the provisions of the Stock Option Plan with respect to any capitalized term or particular provision described below.

Stock options to purchase Common Shares may be granted from time to time to directors, senior officers, employees and service providers of the Corporation and its affiliates, and to eligible charitable organizations pursuant to the Stock Option Plan in order to incentivize and sustain a commitment to long-term profitability and to maximize shareholder value. Grants of stock options are based on a variety of factors, and the amounts and terms of outstanding options are taken into account when determining whether and how many Stock Option grants are made. The Stock Option Plan will be administered by the Board or such committee appointed or designated to administer the Stock Option Plan (a "**Committee**"). The aggregate number of Common Shares issuable pursuant to the Stock Option Plan may not exceed 10% of the Common Shares at the time of any particular grant. The aggregate number of Common Shares reserved for issuance pursuant to options granted to insiders of the Corporation at any given time, or within a 12-month period, shall not exceed 10% of the issued and outstanding Common Shares on a non-diluted basis, unless Disinterested Shareholder Approval (as defined below) is obtained.

The aggregate number of Common Shares reserved for issuance pursuant to options granted to any one person or entity within any 12-month period shall not exceed 5% of the issued and outstanding Common Shares on a non-diluted basis, unless Disinterested Shareholder Approval is obtained. "**Disinterested Shareholder Approval**" means approval by a majority of the votes cast by all Shareholders at a duly constituted Shareholders' meeting, excluding votes attached to shares beneficially owned by insiders of the Corporation to whom options may be granted under the Stock Option Plan and their associates. In addition, the aggregate number of options granted and outstanding to eligible charitable organizations shall not at any time exceed 1% of the issued and outstanding Common Shares, as calculated immediately subsequent to the grant of any options to eligible charitable organizations.

Under the terms of the Stock Option Plan, the Board or the Committee, if any, will establish the exercise price of an option at the time each option is granted according with the following conditions: (a) if the Common Shares are listed on TSXV, then (i) the exercise price will not be less than the minimum prevailing price permitted by the TSXV policies; (ii) if the exercise price of any option granted is based on the discounted market price rather than the market price, all such options and any optioned shares issued upon the exercise thereof will be subject to a fourmonth hold period, as required by the TSXV policies, commencing on the grant date; and (iii) if an option is granted within 90 days of a sale of Corporation securities by way of prospectus (a "**Distribution**"), the exercise price shall not be less than the price that is the greater of the minimum prevailing price permitted by the TSXV policies and the price paid by the public investors for Common Shares acquired under the Distribution, with such 90-day period beginning on the date a final receipt is issued for the prospectus; or (b) if the Common Shares are listed on a stock exchange other than TSXV, the exercise price shall not be less than the minimum prevailing price permitted by the rules of the stock exchange on which the Common Shares are listed at the time the option is granted.

All options granted under the Stock Option Plan are personal to the optionee and are non-assignable and can have a term that does not exceed ten (10) years (subject to an extension of the scheduled expiry date for a further 10 business days if the option would otherwise expire during a blackout period).

An option granted to a director who is not an employee will terminate on the earliest of: (a) if such director is removed or is not re-elected, the date that such director is removed or is not re-elected as a director, or (b) if such director

resigns, the date that is the earlier of (i) the expiry date of the option and (ii) the date that is 90 days after the effective date of such director's resignation.

The right to exercise the options granted will terminate immediately upon the termination of the optionee's employment for cause. If the termination of employment is for any reason other than cause, retirement, or death, such optionee may exercise any granted option if the option was exercisable and had vested on the date of the employee's termination, until the date that is the earlier of (i) the expiry date of the option and (ii) the date that is 90 days after the effective date of such optionee's termination. If, before the expiry of an option, the employment of the optionee who is an officer, employee or consultant of the Corporation or an affiliate of the Corporation retires, such optionee may exercise any option granted, to the extent that such option was exercisable and had vested on the date of retirement, until the date that is earlier of (i) the expiry date of the option and (ii) the date that is 90 days after the effective date of retirement. If, before the expiry of an option, the optionee dies, such option may be exercised by the legal personal representatives, heirs, executors or administrators of the optionee, to the extent that such option was exercisable and had vested on the date of death, until the date that is the earlier of (i) the expiry date of the option and (ii) the date that is twelve months after the date of death. Subject to the provisions of the Stock Option Plan and applicable laws, including TSXV policies, the Board or Committee, if any, may determine when an option will become exercisable and may determine that the option will be exercisable immediately upon the date of the grant, in installments, or pursuant to a vesting schedule. However, options granted to persons performing investor relations activities must, at the very least, vest in stages over 12 months, with no more than 25% of the options vesting in any three-month period.

The Board or Committee, if any, may amend or terminate the Stock Option Plan at any time if and when it is deemed advisable, in its absolute discretion; provided, however that no such amendment or termination shall adversely affect any outstanding options granted under the Stock Option Plan without the consent of the affected optionee(s). Any amendment to the Stock Option Plan shall also be subject to acceptance of such amendment for filing by TSXV, if applicable, and, where required by TSXV, the approval of the Shareholders. Under current TSXV policies, the Stock Option Plan and any option granted thereunder may be amended by the Board without the consent of the Shareholders generally to: (a) fix typographical errors and (b) clarify existing provisions of the Stock Option Plan that do not have the effect of altering the scope, nature and intent of such provisions.

The Board or Committee, if any, may amend any outstanding option granted under the Stock Option Plan with the consent of the affected optionee(s), if required, and TSXV, if required, subject to the following conditions: (a) if the optionee is an insider of the Corporation at the time of the amendment, the Corporation must obtain Disinterested Shareholder Approval, unless the amendment relates to extending the length of the term of the option or is otherwise permitted by the TSXV; (b) where an amendment is made to reduce the exercise price of an outstanding option, (i) if the exercise price is reduced to the Discounted Market Price, the four-month hold period commencing on the grant date of such option shall apply from the date of amendment, and (ii) at least six months shall have elapsed since the - 13 - later of: (A) the commencement of the term of the option; (B) the date the Common Shares commenced trading on TSXV; and (C) the date the option exercise price was last amended; and (c) if the length of the exercise period of any option is extended, any such extension shall be treated as a grant of a new option and must comply with the pricing and other requirements of the TSXV policies and the option must have been outstanding for at least one year prior to the extension of the exercise period.

The Stock Option Plan provides that upon the Corporation entering an agreement providing for a Change of Control, or the Board adopting a resolution to the effect that a Change of Control has occurred or is imminent, or a take-over bid is made, the Board may, in its sole and absolute discretion and if permitted by the TSXV policies and applicable securities laws, determine by resolution that all outstanding options shall (i) immediately become exercisable in full by the holders thereof, notwithstanding any vesting provisions or other restrictions or conditions that would otherwise attach to such options, and (ii) expire on the date determined of the Board, provided however that the expiry date of any outstanding option may not be extended beyond the 10-year maximum term.

The Board believes that the proposed Stock Option Plan will offer to participants a competitive and stable level of equity-based compensation. The Stock Option Plan will also assist the Corporation to secure and retain key personnel and to provide additional motivation to such persons to exert their best efforts on behalf of the Corporation.

At the Meeting, Shareholders will be asked to consider and if deemed advisable, ratify, confirm and approve the Stock Option Plan by approving the following Stock Option Plan Resolution:

**"BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:**

1. subject to regulatory approval, the 10% rolling stock option plan (the "**Stock Option Plan**") of Goliath Resources Limited (the "**Corporation**") is hereby ratified, confirmed and approved;
2. the Corporation is authorized to grant stock options in accordance with the terms and conditions of the Stock Option Plan entitling the option holders to purchase, in aggregate, that number of Common Shares that does not exceed 10% of the issued and outstanding Common Shares of the Corporation from time to time on the particular grant date;
3. any committee created pursuant to the Stock Option Plan is authorized to make such amendments to the Stock Option Plan from time to time as may be considered appropriate in the committee's discretion or required by applicable regulatory authorities, provided that such amendments are subject to the approval of all applicable regulatory authorities and, in certain cases, in accordance with the terms of the Stock Option Plan, by the shareholders of the Corporation;
4. the Corporation is authorized to make any amendments to the Stock Option Plan that are required from time to time to comply with the policies of the TSX Venture Exchange and no further resolution or approval by the shareholders shall be required for such an amendment; and
5. any one director or officer of the Corporation is authorized to take any steps and execute any documents as he or she may deem necessary to give effect to the Stock Option Plan and to comply with regulatory requirements respecting the Stock Option Plan."

**Management of the Corporation recommends that Shareholders vote in favor of the Stock Option Plan Resolution. Unless you give other instructions, the persons named in the form of proxy intend to vote FOR the Stock Option Plan Resolution.** This ordinary resolution must be approved by a majority of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

***REPRICE ALL STOCK OPTIONS EXISTING UNDER THE OPTION PLAN***

In order to recreate value in the currently issued and outstanding stock options as a continuing incentive instrument, the Board has deemed it desirable for the Corporation to reprice its previously issued and outstanding stock options. In order to increase the possibility of exercising such options, the Board has suggested that the exercise price of such options be re-priced at that lowest price, permitted by, and subject to, the Consolidation Ratio (upon completion of the Consolidation) and the TSX Venture Exchange. All of the other terms of the options shall remain the same.

In accordance with Policy 4.4 of the TSX Venture Exchange, the approval of greater than 50% of the disinterested shareholders of the Corporation present at the Meeting is required in order to reprice the options held by insiders of the Corporation. An aggregate of 4,621,390 pre-consolidated options (231,070 post-consolidation options, based on a Consolidation Ratio of 20:1) held by insiders are to be repriced. The details of the options held by insiders (Roger Rosmus, Graham Warren, Michael Dehn and Richard Groome) that will be subject to this proposed repricing are set out in the following table:

<b>Name of Optionee</b>	<b>No. of Optioned Shares</b>	<b>Original Exercise Price</b>	<b>Amended Exercise Price<sup>(1)</sup></b>	<b>Date of Grant</b>	<b>Expiry Date</b>
Roger Rosmus	1,021,390 650,000	\$0.21 \$0.09	\$0.50 \$0.50	11/2/2017 5/7/2019	11/1/2022 5/7/2024
Graham Warren	1,000,000 650,000	\$0.21 \$0.09	\$0.50 \$0.50	11/2/2017 5/7/2019	11/1/2022 5/7/2024

Michael Dehn	200,000	\$0.21	\$0.50	11/2/2017	11/1/2024
	125,000	\$0.09	\$0.50	5/7/2019	5/7/2024
Richard Groome	65,868	\$0.167	\$0.50	10/8/2015	10/7/2020
	784,132	\$0.21	\$0.50	11/2/2017	11/1/2022
	125,000	\$0.09	\$0.50	5/7/2019	5/7/2024

• *Notes:*

*(1) The amended exercise price is based on a maximum possible consolidation ratio of 20:1. The amended exercise price is subject to adjustment based on the final consolidation ratio to be determined by the board of directors of the Corporation.*

The following persons holding an aggregate of 6,563,587 Common Shares are ineligible to vote on the resolution: Roger Rosmus (4,487,193 Common Shares), Graham Warren (1,350,000 Common Shares), Michael Dehn (250,000 Common Shares) and Richard Groome (476,394 Common Shares). If the resolution is not passed by a majority of the disinterested Shareholders present in person or by proxy at the Meeting, the Corporation will not proceed with this repricing. Unless instructed otherwise, the management designees in the accompanying instruments of proxy intended to vote **FOR** the resolution.

At the Meeting, Shareholders will be asked to consider and if deemed advisable, reprice all of the existing stock options by approving the following resolution:

**"BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:**

1. the exercise price of any option issued or issuable under the Corporation's option plan shall be that lowest price permitted by, and subject to, the Consolidation Ratio (upon completion of the Consolidation) and the TSX Venture Exchange;
2. all of the other terms of the options shall remain the same;
3. the Corporation is authorized to make any amendments required or desirable in order to achieve the objective of these resolutions, and from time to time required or desirable to comply with the policies of the TSX Venture Exchange and no further resolution or approval by the shareholders shall be required for such an amendment; and
4. any one director or officer of the Corporation is authorized to take any steps and execute any documents as he or she may deem necessary to give effect to the resolutions provided in these resolutions."

***OTHER MATTERS TO BE ACTED UPON***

As of the date of this Circular, management knows of no matters to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matters properly come before the Meeting, the accompanying proxy will be voted on such matters in the best judgment of the person or persons voting the proxy.

**PART III**  
**STATEMENT OF EXECUTIVE COMPENSATION**

***GENERAL***

For the purpose of this Circular:

"CEO" of Goliath means each individual who acted as chief executive officer of Goliath or acted in a similar capacity for any part of the most recently completed financial year;

"CFO" of Goliath means each individual who acted as chief financial officer of Goliath or acted in a similar capacity for any part of the most recently completed financial year;

"Named Executive Officers" or "NEO" means:

1. a CEO;
2. a CFO;
3. each of Goliath's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year and whose total compensation was, individually, more than Cdn. \$150,000 as determined in accordance with subsection 1.3(6) of Form 51-102F6 Statement of Executive Compensation; or
4. any individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of PetroMaroc, nor acting in a similar capacity at the end of the most recently completed financial year.

For the purposes of this Circular, NEOs will include the three most highly compensated executive officers of Goliath, regardless of the amount of their compensation.

## **COMPENSATION DISCUSSION & ANALYSIS**

### **SUMMARY COMPENSATION TABLE**

The following table summarizes the compensation awarded or paid to the NEOs:

Name and position	Year	Salary (Cdn\$)	Share-based awards (Cdn\$)	Option-based compensation (Cdn\$) <sup>(1)</sup>	Non-equity incentive plan compensation		Pension value (Cdn\$)	Value of all other compensation (Cdn\$)	Total compensation (Cdn\$)
					Annual incentive plans (Cdn\$)	Long-term incentive plans (Cdn\$)			
Roger Rosmus <sup>(2)(3)</sup> President, CEO and Secretary	2019	132,000	Nil	41,600	Nil	Nil	Nil	Nil	173,600
	2018	65,000	Nil	211,428	Nil	Nil	Nil	Nil	276,428
Graham C. Warren CFO <sup>(6)(7)</sup>	2019	90,000	Nil	41,600	Nil	Nil	Nil	Nil	131,600
	2018	39,000	Nil	207,000	Nil	Nil	Nil	Nil	246,000

**Notes:**

- (1) Stock options issued under the Stock Option Plan are accounted for using the fair value method of method of accounting for stock-based compensation. The fair value of the option is recognized as a share based payment and contributed surplus over the vesting period of the option. Share based payment is determined on the date of an option grant using the Black-Scholes option pricing model. The weighted average fair market value per option was estimated using the Black-Scholes option pricing model with the following assumptions: dividend yield – nil, expected volatility 227% (2018 – 214%), risk free rate – 1.55% (2018 – 1.64%), expected life - 5 years.

- (2) Mr. Rosmus was appointed Chief Executive Officer on October 11, 2017.
- (3) Paid to Aberdeen Gould Advisory Services Ltd., a company controlled by Mr. Rosmus.
- (4) Mr. Groome resigned as Chief Executive Officer on October 11, 2017.
- (5) The Corporation entered into an administrative services agreement with Notre-Dame Capital Inc., a company controlled by Mr. Groome to receive a monthly compensation of \$1,250.
- (6) Mr. Warren was appointed as Chief Financial Officer on October 11, 2017.
- (7) Paid to Graham C Warren Consulting, a company controlled by Mr. Warren.

### ***INCENTIVE PLAN AWARDS - SHARE-BASED AND OPTION-BASED***

Executive officers of the Corporation, as well as directors, employees and consultants, are eligible to participate in the Stock Option Plan to receive grants of stock options. Individual stock options are granted by the Board as a whole. The following table summarizes the awards to the NEOs under the Stock Option Plan outstanding at the end of the most recently completed financial year.

Name and Position	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of Shares or units of Shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
<b>Roger Rosmus</b> <i>Chief Executive Officer</i>	1,021,390 <sup>(1)</sup>	\$0.21	November 1, 2022	Nil	Nil	Nil	Nil
	650,000 <sup>(2)</sup>	\$0.09	May 7, 2024	Nil	Nil	Nil	Nil
<b>Graham C. Warren</b> <i>Chief Financial Officer</i>	1,000,000 <sup>(1)</sup>	\$0.21	November 1, 2022	Nil	Nil	Nil	Nil
	650,000 <sup>(2)</sup>	\$0.09	May 7, 2024	Nil	Nil	Nil	Nil
<b>Sam Ho<sup>(3)</sup></b> <i>Chief Operating Officer</i>	500,000 <sup>(1)</sup>	\$0.21	November 1, 2022	Nil	Nil	Nil	Nil

**Notes:**

- (1) Options were granted on November 2, 2017.
- (2) Options were granted on May 7, 2019.
- (3) Sam Ho resigned effective May 7, 2019.

### ***PENSION PLAN BENEFITS***

The Corporation has no pension plan or deferred compensation plan.

### ***TERMINATION AND CHANGE OF CONTROL BENEFITS***

Goliath has no employment contracts with any of its officers or directors.

***DIRECTOR COMPENSATION***

No director, other than the Named Executive Officers, that served in the most recently completed financial year was paid any compensation during the most recently completed financial year:

*Director Compensation: Incentive Plan Awards*

The following table sets forth the details of compensation provided to the directors, other than the Named Executive Officers, during financial year ended June 30, 2019.

Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options (C\$)
<b>Michael A. Dehn</b> Director	125,000	\$0.09	May 7, 2024	Nil
<b>Richard T. Groome</b> Director and Chairman	125,000	\$0.09	May 7, 2024	Nil
<b>Louis Peloquin</b> Director	200,000	\$0.09	May 7, 2024	Nil

*Director Compensation: Incentive Plan Awards - value vested or earned*

No director of Goliath had any option-based award vest during the most recently completed financial year, nor did any director exercise any options.

**PART IV**  
**EQUITY COMPENSATION PLAN INFORMATION**

The following table describes the share purchase options of Goliath outstanding at the end of the most recently completed financial year.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by security holders	11,036,390	0.14	1,104,621



Equity compensation plans not approved by security holders	Nil	N/A	N/A
<b>Total</b>	8,121,390	0.21	927,666

**Notes:**

- (1) The Stock Option Plan under which the above options were granted is a "rolling" stock option plan whereby the maximum number of Common Shares that may be reserved for issuance pursuant to the Stock Option Plan will not exceed 10% of the issued shares of the Corporation at the time of the stock option grant.

## **PART V** **AUDIT COMMITTEE**

### ***AUDIT COMMITTEE CHARTER***

The text of the charter of Goliath's audit committee (the "**Audit Committee**") is attached as **Schedule "A"** to this Circular.

### ***COMPOSITION OF THE AUDIT COMMITTEE***

The Audit Committee is made up of three directors, namely Louis Peloquin (Chair), Roger Rosmus, and Richard T. Groome. Roger Rosmus, CEO, President, and Secretary of the Corporation, is an executive officer and accordingly is not considered to be "independent". All three directors are considered to be financially literate within the meaning of *National Instrument 52 -110 respecting Audit Committees ("NI 52-110")* as noted here:

- Louis Peloquin has over 25 years of international experience in management, mergers and acquisitions, corporate development, government relations and corporate finance.
- Roger Rosmus has over 25 years of investment banking experience in the public and private sectors, acting as lead on many mergers, acquisitions and corporate financings.
- Richard T. Groome is an experienced financier and entrepreneur with over 25 years of experience in the financial sector.

### ***AUDIT COMMITTEE OVERSIGHT***

The Audit Committee has made no recommendation to nominate or compensate an external auditor that the board of directors declined to adopt.

### ***USE OF CERTAIN EXEMPTIONS***

Since the beginning of its most recently completed fiscal year, Goliath has not availed itself of the exemption provided for in Section 2.4 of NI 52-110 (*De Minimis* Non-audit Services) or an exemption from Part 8 of NI 52-110.

### ***PRE-APPROVAL POLICIES AND PROCEDURES***

The Audit Committee has adopted no specific policies or procedures for the engagement of non-audit services.

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

Since the beginning of the last completed financial year and up to the date hereof, no director, executive officer or employee or former executive officer, director, or employee of the Corporation or any of its subsidiaries has been indebted to the Corporation.

## ***EXEMPTION FOR VENTURE ISSUERS***

As a "venture issuer" under NI 52-110, Goliath benefits from the exemption provided for at Section 6.1 of that instrument.

## **PART VI** **CORPORATE GOVERNANCE**

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Corporation. The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Corporation.

National Policy 58-201 *Corporate Governance Guidelines* ("**NP 58-201**") establishes corporate governance guidelines which apply to all public companies. The Corporation has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Corporation's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Corporation at its current stage of development and therefore these guidelines have not been adopted.

National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**") also requires the Corporation to disclose annually in its information circular certain information concerning its corporate governance practices. As a "venture issuer" the Corporation is required to make these disclosures with reference to the requirements of Form 58-101F2, this disclosure is provided below.

## ***BOARD OF DIRECTORS***

The Board is currently composed of five directors: Roger Rosmus, Graham C. Warren, Michael A. Dehn, Richard Groome and Luis Peloquin. Mr. Peloquin will not be standing for re-election as a director at this Meeting. It is proposed that Roger Rosmus, Graham C. Warren, Michael A. Dehn and Richard Groome, along with Wayne Isaacs, be nominated at the Meeting.

NI 58-101 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as "independent" directors, within the meaning set out under NI 52-110, which provides that a director is independent if he or she has no direct or indirect "material relationship" with the company. "Material relationship" is defined as a relationship which could, in the view of the company's board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment.

Of the current directors, Roger Rosmus, CEO, President, and Secretary of the Corporation, and Graham C. Warren, CFO of the Corporation, are executive officers and accordingly are not considered to be "independent". In assessing NI 58-101 and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors. The remaining directors are considered to be independent directors since they are all independent of management and free from any material relationship with the Corporation. The basis for this determination is that, since the commencement of the Corporation's fiscal year ended June 30, 2019, none of the current independent directors have worked for the Corporation, received remuneration from the Corporation or had material contracts with or material interests in the Corporation which could interfere with their ability to act with a view to the best interests of the Corporation.

The Board believes that it functions independently of management. To enhance its ability to act independently of management, the members of the Board may meet in the absence of members of management and the non-independent directors. In the event of a conflict of interest at a meeting of the Board, the conflicted director will, in accordance with corporate law and in accordance with his or her fiduciary obligations as a director of the Corporation, disclose the nature and extent of his interest to the meeting and abstain from voting on or against the approval of such participation. In addition, the members of the Board who are not members of management of the Corporation are encouraged by the management members of the Board to communicate and obtain advice from such advisors and legal counsel as they may deem necessary in order to reach a conclusion with respect to issues brought before the Board.

### ***DIRECTORSHIPS***

Goliath's current directors are also directors of the following reporting issuers:

<b>Director</b>	<b>Reporting Issuer</b>
Graham C. Warren	Arehada Mining Ltd. Platinex Inc
Michael A. Dehn	West Red Lake Gold Mines Ltd. Jourdan Resources Inc. Golden Hope Mines Limited Mega View Digital Entertainment Corp. United Battery Metals Corp.
Louis Peloquin	Pangolin Diamonds Corp.
Wayne Isaacs	AM Resources Corp.

### ***ORIENTATION AND CONTINUING EDUCATION***

The Board has no governance policies relating to the directors' orientation and continuing education.

### ***ETHICAL BUSINESS CONDUCT***

The Board expects management to operate the business of the Corporation in a manner that enhances shareholder value and is consistent with the highest level of integrity. However, to date, the Board has not adopted a formal written Code of Business Conduct and Ethics. The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law have been sufficient to ensure that the Board acts in the best interests of the Corporation and its Shareholders.

### ***NOMINATION OF DIRECTORS***

Goliath's directors are responsible for the selection of nominees to the Board.

### ***ASSESSMENTS***

The skills and knowledge of the Board as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies. Goliath has no formal policy concerning the evaluation of members of the Board.

## ***COMMITTEES OF THE BOARD***

At the present time, the Board has appointed only an audit committee, see Part V – Audit Committee.

## ***COMPENSATION***

Goliath has no formal policy concerning compensation.

## ***Registrar and Transfer Agent***

The registrar and transfer agent of the Corporation is Computershare Investor Services Inc., located at 1500 Robert-Bourassa Blvd, 7<sup>th</sup> Floor, Montreal QC, H3A 3S8.

## ***Interests of Certain Persons in Matter to Be Acted Upon***

Except as disclosed in this Circular or the Schedules hereto, none of the Corporation's principal holders of Common Shares, directors, senior officers, or any associate or affiliate of the foregoing persons, have any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting.

## **PART VII** **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL** **TRANSACTIONS**

Goliath's management is unaware of any director, senior officer or other insider of Goliath, or of an associate or affiliate of those persons, that had a material interest in any transaction since its incorporation on March 17, 2006.

The management functions of the Corporation are performed by its directors and officers and the Corporation has no management agreements or arrangements under which the directors or officers are compensated for their services.

## **PART VIII** **OTHER MATTERS**

Goliath's management knows of no other matter to come before the Meeting other than the matters referred to in the Notice of the Meeting. If any matters that are not now known properly come before the Meeting, the accompanying proxy instrument will be voted on such matters in accordance with the best judgment of the person voting it.

Shareholders with voting rights at Goliath's next annual general meeting who wish to submit a motion regarding any issue to be debated during that meeting must submit their motions to Goliath's secretary no later than February 11, 2020.

There are no other material facts other than as disclosed in this Circular.

## **PART IX** **ADDITIONAL INFORMATION**

Additional information concerning Goliath, including its consolidated interim and annual financial statements and related MD&A, is available on SEDAR accessible at [www.sedar.com](http://www.sedar.com). When available, copies of that information may

also be obtained upon request to Goliath's corporate secretary at Suite 1614, 25 Adelaide Street East, Toronto, Ontario M5C 3A1.

Additional financial information is provided in the Corporation's comparative annual financial statements and MD&A for the financial year ended June 30, 2019.

## **APPROVAL OF DIRECTORS**

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

**DATED** at Toronto, Ontario on January 6, 2020.

*(Signed) "Roger Rosmus"*

Roger Rosmus

President and Chief Executive Officer

**SCHEDULE "A"**  
**Audit Committee Charter**

**I. PURPOSE**

The audit committee ("**Audit Committee**" or "**Committee**") is a committee of the board of directors (the "**Board**") of Goliath Resources Limited (the "**Corporation**"). The primary function of the Audit Committee is to assist the Board in fulfilling its financial reporting and control responsibilities to the shareholders of the Corporation. The Audit Committee's primary duties and responsibilities are:

- overseeing the integrity of the Corporation's financial statements and reviewing the financial reports, other financial information and other relevant documents provided by the Corporation to any regulatory body or the public;
- recommending the appointment and the compensation and reviewing and appraising the audit efforts of the Corporation's independent auditor.
- overseeing the independent auditor's qualifications and independence and providing an open avenue of communication among the independent auditor, financial and senior management and the Board;
- serving as an independent and objective party to oversee and monitor the Corporation's financial reporting process and internal controls, the Corporation's processes to manage business and financial risk, and its compliance with legal, ethical and regulatory requirements; and
- encouraging continuous improvement of, and fostering adherence to, the Corporation's policies, procedures and practices at all levels.

**II. COMPOSITION AND MEETINGS**

The Audit Committee shall be comprised of at least three directors. Unless otherwise authorized by the Board, each Committee member shall be financially literate and independent, the meaning of such terms being in accordance with Multilateral Instrument 52-110 Audit Committees, or any successor thereto ("**MI 52-110**").

The foregoing notwithstanding, the Board may appoint not more than one member who does not meet the test of independence set out in MI 52-110.

The members of the Committee shall be appointed by the Board at the annual organizational meeting of the Board. Such appointment shall be until their successors are duly appointed and qualified. Unless a Chairman is elected by all the members of the Board, the members of the Committee may designate a Chairman by a majority vote of the Committee.

The Committee shall meet at least four times annually, or more frequently as circumstances require. The Committee shall meet within 60 days following the end of each of the first three financial quarters to review and discuss the unaudited financial results for the preceding quarter and the related Management Discussion & Analysis prior to their being published. The Committee shall meet within 120 days following the end of the fiscal year end to review and discuss the audited financial results for the year and related Management Discussion & Analysis prior to their being published.

The Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. For purposes of performing their audit-related duties, members of the Committee shall have full access to all corporate information and shall be permitted to discuss such information and any other matters relating to the financial position of the Corporation with senior employees, officers and independent auditor of the Corporation.

As part of its mandate to foster open communication, the Committee should meet at least annually with management and the independent auditor in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately.

A quorum for the transaction of business at any meeting of the Audit Committee shall be a majority of the number of members of the Committee.

Meetings of the Audit Committee shall be held from time to time and at such place as the Audit Committee or the Chairman of the Committee shall determine upon 48 hours' notice to each of the members. The notice period may be waived by a quorum of the Committee. Notwithstanding the foregoing, each of the Chairman of the Committee, members of the Committee, Chairman of the Board, independent auditor, Chief Executive Officer, Chief Financial Officer or Secretary shall be entitled to request that the Chairman of the Audit Committee call a meeting which shall be held within 48 hours of receipt of such request.

### **III. RESPONSIBILITIES AND DUTIES**

To fulfill its responsibilities and duties the Audit Committee shall:

1. create an agenda for the ensuing year;
2. review and update this Charter at least annually, as conditions dictate;
3. ensure that the independent auditor reports directly to the Committee and is made accountable to the Committee;
4. describe in the Corporation's management information circular or, if the Corporation is not required to send such circular, in its annual information form or management discussion and analysis, the Committee's composition and responsibilities and how such responsibilities were discharged, as required by Form 52-110F2.
5. Report periodically to the Board.

#### **Documents/Reports Review**

6. Review with management and the independent auditor, the Corporation's annual financial statements, Management Discussion and Analysis and any reports or other financial information to be submitted to any regulatory body, or the public, including any certification, report, opinion or review rendered by the independent auditor for the purpose of recommending their approval to the Board prior to their filing, issue or publication.

7. Review with financial management the Corporation's interim financial statements, Management Discussion and Analysis and earnings releases and any filings which contain financial information, to be submitted to regulatory bodies or the public prior to their filing, issue or publication. The Chairman of the Committee may represent the Committee for this review in circumstances where time does not allow all of the members of the Committee to be available.

8. Review policies and procedures with respect to directors' and officers' expense accounts and management perquisites and benefits, including their use of corporate assets and expenditures related to executive travel and entertainment, and review the results of the procedures performed in these areas by the independent auditor, based on terms of reference agreed upon by the independent auditor and the Audit Committee.

#### **Independent Auditor**

9. Review the performance of the independent auditor, consider their independence, review their engagement letter including their proposed fees and other compensation to be paid to the independent auditor in the ensuing year,

and recommend to the Board the selection of the independent auditor for approval by shareholders at the next meeting of shareholders.

10. Review and discuss, at least on an annual basis, with the independent auditor, all significant relationships it has with the Corporation to determine its independence, and report to the Board.

11. Approve any proposed discharge and replacement of the independent auditor when circumstances warrant. Consider with management and the independent auditor the rationale for employing accounting/auditing firms other than the principal independent auditor.

12. Arrange for the independent auditor to be available to the Audit Committee and the full Board as needed.

13. Subject to Section 14 below, review and pre-approve requests for any non-audit services to be performed by the independent auditor and be advised of any other studies, engagement or non-audit services undertaken at the request of management that is beyond the scope of the audit engagement letter and related fees. In connection with the pre-approval of permissible non-audit services, adopt specific policies and procedures for the engagement of such services, which detail the particular non-audit services. Such procedures must not include delegation of the Committee's responsibilities to management.

14. Ensure that the independent auditor is prohibited from providing the following non-audit services and determine which other non-audit services the independent auditor is prohibited from providing:

- bookkeeping or other services related to the accounting records or financial statements of the Corporation;
- financial information systems design and implementation;
- appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
- actuarial services;
- internal audit outsourcing services;
- management functions or human resources;
- broker or dealer, investment adviser or investment banking services;
- legal services and expert services unrelated to the audit; and
- any other services which the Public Corporation Accounting Oversight Board determines to be impermissible.

### **Financial Reporting Processes**

15. In consultation with the independent auditor review the integrity of the Corporation's financial and accounting and reporting processes, both internal and external.

16. Consider the independent auditor's judgments about the quality and appropriateness, not just the acceptability, of the Corporation's accounting principles and financial disclosure practices, as applied in its financial reporting, particularly about the degree of aggressiveness or conservatism of its accounting principles and underlying estimates and whether those principles are common practices or are minority practices.

17. Consider and, if appropriate, approve major changes to the Corporation's accounting principles and practices as suggested by management with the concurrence of the independent auditor and ensure that the accountants' reasoning is described in determining the appropriateness of changes in accounting principles and disclosure.

### **Process Improvement**

18. At least annually obtaining and reviewing a report prepared by the independent auditor describing (i) the independent auditor's quality-control procedures; and (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditor, or by any inquiry of investigation by regulatory or



professional authorities, within the preceding five years, respecting one or more independent audits carried out by the independent auditor, and any steps taken to deal with any such issues.

19. Establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, controls and audit matters and for the confidential and anonymous submissions by employees of concerns regarding questionable accounting or auditing matters.

20. Review and approve hiring policies for employees or former employees of the past and present independent auditor.

21. Review the scope and plans of the independent auditor's audit and reviews prior to the audit and reviews being conducted. The Committee may authorize the independent auditor to perform supplemental reviews or audits, as the Committee may deem desirable.

22. Monitor the relationship between management and the independent auditor including reviewing any management letters or other reports of the independent auditor and discussing any material differences of opinion between management and the independent auditor. Where there are unsettled material differences, the Committee shall ensure that there is an agreed course of action for the resolution of such matters.

23. Establish regular and separate systems of reporting to the Audit Committee by each of management and the independent auditor regarding any significant judgments made in management's preparation of the financial statements and the view of each as to appropriateness of such judgments.

24. Meet with the independent auditor without management in attendance at the time of the completion of the annual audit about significant risks or exposures, internal controls and other steps that management has taken to control such risks, and the fullness and accuracy of the organization's financial statements. Particular emphasis should be given to the adequacy of internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper. At this meeting the independent auditor would be expected to report on any issues they had with management including concerns about the competence to manage the financial affairs of the Corporation.

25. Following completion of the annual audit, review separately with each of management and the independent auditor any significant changes to planned procedures, any difficulties encountered during the course of the audit and reviews, including any restrictions on the scope of work or access to required information and the cooperation that the independent auditor received during the course of the audit.

a. Review any significant disagreements among management and the independent auditor in connection with the preparation of the financial statements.

b. Review with the independent auditor and management significant findings during the year and the extent to which changes or improvements in financial or accounting practices, as approved by the Audit Committee, have been implemented. This review should be conducted at an appropriate time subsequent to implementation of changes or improvements, as decided by the Committee.

c. Review activities, organizational structure, and qualifications of the Chief Financial Officer and the staff in the financial reporting area and see to it that matters related to succession planning within the Corporation are raised for consideration by the Board.

### **Ethical and Legal Compliance**

26. Review and update periodically a Code of Ethical Conduct and ensure that management has established a system to enforce this Code. Review through appropriate actions taken to ensure compliance with the Code of Ethical Conduct and to review the results.

27. Review management's monitoring of the Corporation's system in place to ensure that the Corporation's financial statements, reports and other financial information disseminated to regulatory organizations, or the public satisfy legal requirements.

28. Review, with the Corporation's counsel, legal and regulatory compliance matters, including corporate securities trading policies, and matters that could have a significant impact on the organization's financial statements.

**Risk Management**

29. Make inquiries of management and the independent auditor to identify significant business, political, financial and controls risks and exposures and assess the steps management has taken to minimize such risk to the Corporation.

30. Ensure that the disclosure of the process followed by the Board and its committees, in the oversight of the Corporation's management of principal business risks, is complete and fairly presented.

31. Review management's program of risk assessment and steps taken to address significant risks or exposures, including insurance coverage.

**General**

32. Conduct or authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall be empowered to retain, set and pay the compensation for independent counsel, accountants and other professionals to assist it in the conduct of any investigation.

33. Perform any other activities consistent with this Charter, the Corporation's By-laws and governing law, as the Committee or the Board deems necessary or appropriate.

THIS PAGE INTENTIONALLY LEFT BLANK

