



## NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

**TAKE NOTICE** that an Annual General Meeting (the “Meeting”) of the Shareholders of **PLAYFAIR MINING LTD.** (the “Company”) will be held in the Boardroom of Owen Bird Law Corporation, Suite 2900 - 595 Burrard Street, Vancouver, British Columbia, V7X 1J5, on Thursday, February 15, 2018 at 10:15 a.m. (Pacific time) for the following purposes:

1. To receive the consolidated financial statements of the Company for the financial year ended February 28, 2017, together with the auditor’s report thereon.
2. To set the number of directors for the ensuing year at three (3).
3. To elect directors for the ensuing year or until their successors have been duly elected or appointed.
4. To re-appoint Davidson & Company LLP, as the auditor of the Company for the ensuing year and to authorize the directors to fix their remuneration.
5. To approve and ratify the Company’s Stock Option Plan.
6. To transact such other business as may be properly transacted at the Meeting or at any adjournment thereof.

Accompanying this Notice of Meeting is an Information Circular which provides additional information relating to matters to be dealt with at the Meeting. You have the right to vote your shares if you were a shareholder of the Company on January 3, 2018, the record date fixed for the Meeting. If you are unable to attend the Meeting in person, you may still vote by submitting a proxy. For information on how to vote please refer to the Information Circular, as well as the instructions contained in the instrument of proxy or voting instruction form which have been sent to you pursuant to the “Notice-and-Access” system.

If you have questions relating to the Meeting, please contact the Company by telephone at 604-687-7178 or by email at [info@playfairmining.com](mailto:info@playfairmining.com).

**DATED** at Vancouver, British Columbia, this 3rd day of January, 2018.

**BY ORDER OF THE BOARD**

*“Donald G. Moore”*

Director and Chairman of the Board



## **INFORMATION CIRCULAR**

RELATING TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF  
PLAYFAIR MINING LTD. (“Playfair” or the “Company”)  
TO BE HELD ON February 15, 2018

### **GENERAL INFORMATION**

Information contained in this Information Circular (the “Information Circular” or “Circular”) is as of January 3, 2018 unless otherwise indicated.

This Information Circular has been approved by the board of directors of the Company (the “Board” or “Directors”).

### **SOLICITATION OF PROXIES**

This Information Circular is furnished in connection with the solicitation of proxies by the Board of the Company for use at the Annual General Meeting (the “Meeting”) of the shareholders of the Company, to be held on February 15, 2018, at the time and place and for the purposes set forth in the Notice of Annual General Meeting of Shareholders and at any adjournment thereof.

The solicitation will be made using the Notice-and-Access process described below, and by mail and possibly supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Company. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company. None of the Directors of the Company have advised in writing that they intend to oppose any action intended to be taken as set forth in this Information Circular.

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

The Company is using the “Notice-and-Access” process provided for under Canadian securities laws for the delivery of Meeting materials to shareholders of the Company. The Company has adopted this alternative means of delivery to help reduce paper use and also reduce printing and mailing costs.

Under Notice-and-Access, instead of receiving paper copies of the Meeting materials, shareholders will receive a Notice-and-Access notice package containing: (i) the relevant form of Proxy (“Proxy”) or Voting Instruction Form (“VIF”); and (ii) a notification setting out the date, time and location of the Meeting; a description of the matters to be voted on at the Meeting; an explanation of the Notice-and-Access process; information on how the Meeting materials can be accessed online; and instructions on how to obtain a paper copy of the Meeting materials.

The Meeting materials will be available on the Company’s website [www.playfairmining.com](http://www.playfairmining.com) as of January 11, 2018 and will remain on the website for one full year thereafter. The Meeting materials will also be available online under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) as of January 11, 2018.

## APPOINTMENT OF PROXIES

The persons named in the instrument of Proxy are designated as proxyholders by the Board. **A shareholder wishing to appoint another person (who need not be a shareholder) to represent them at the Meeting may do so either by inserting such person's name in the blank space provided in the form of Proxy or by completing another proper form of Proxy and, in either case, delivering the completed form of Proxy to the Company's transfer agent, Computershare Investor Services Inc., 8<sup>th</sup> floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting or any adjournment thereof duly authorized, unless the chairman of the Meeting elects to exercise his discretion to accept Proxies received subsequently.**

Telephone voting can be completed at 1-866-732-VOTE (1-866-732-8683) and internet voting can be completed at [www.investorvote.com](http://www.investorvote.com).

## VOTING OF PROXIES

**The shares represented by a properly executed Proxy will be voted or withheld from voting by the designated Proxyholder in accordance with the instructions of the shareholder appointing him or her on any ballot that may be called for, and if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly. If there are no instructions provided by the shareholder, those shares will be voted in favour of all proposals set out in this Information Circular.** The form of Proxy gives the person named in it the discretion to vote as they see fit on any amendments or variations to matters identified in the Notice of Meeting, or any other matters which may properly come before the Meeting. As of the date of this Information Circular, the Board knows of no other matters which may come before the Meeting.

## REVOCABILITY OF PROXY

Any registered shareholder who has returned a form of Proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a Proxy may be revoked by instrument in writing, including a proxy bearing a later date, executed by the registered shareholder or by an attorney authorized in writing or, if the registered shareholder is a Company, under its corporate seal or by an officer or attorney thereof duly authorized.

The instrument revoking the Proxy must be deposited: (i) at the registered office of the Company, Suite 2900 – 595 Burrard Street, Vancouver, B.C. V7X 1J5 at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof duly authorized; or (ii) with the chairman of the Meeting on the day of the Meeting.

Only registered shareholders have the right to revoke a Proxy. Non-registered shareholders who wish to change their vote must, at least 7 days before the Meeting, arrange for their respective Intermediaries to change their voting instructions.

## NON-REGISTERED (BENEFICIAL) SHAREHOLDERS

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting.** However, most shareholders of the Company are “non-registered” shareholders (“Non-Registered Holder”) because the shares they own are not registered in their names but instead are registered in the name of a nominee such as a brokerage firm, bank or trust company through which they purchased the shares. More particularly, a person is a Non-Registered Holder in respect of

shares which are held either: (i) in the name of an intermediary (an “Intermediary”) that the Non-Registered Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Ltd. (“CDS”)) of which the Intermediary is a participant.

Non-Registered Holders fall into two categories: (i) those who object to their identity being made known to the Company, referred to as “objecting beneficial owners” (“OBOs”); and (ii) those who do not object to their identity being made known to the Company, referred to as “non-objecting beneficial owners” (“NOBOs”).

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a NOBO, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

NOBOs will receive a Voting Instruction Form (“VIF”). This form is instead of a Proxy and is intended to permit Non-Registered Holders to direct the voting of the shares which they beneficially own. By returning the VIF in accordance with the instructions noted on it, a Non-Registered Holder is able to instruct the Intermediary how to vote on behalf of the Non-Registered Shareholder. If a Non-Registered Holder who receives a VIF wishes to attend the Meeting or have someone else attend on their behalf, the Non-Registered Holder may appoint a nominee as set out in the VIF instructions, which will grant the Non-Registered Holder or their nominee the right to attend and vote at the Meeting. Only registered shareholders have the right to revoke a Proxy. Non-Registered Holders who wish to change their vote must, at least seven days before the Meeting, arrange for their Intermediaries to change their vote.

The Company does not intend to pay for Intermediaries to deliver Meeting materials to OBOs, therefore OBOs will not receive Meeting materials unless their Intermediary assumes the cost of delivery.

**Non-Registered Holders should carefully follow the instructions provided in the VIF, including those regarding when and where the VIF is to be delivered.**

## ANNUAL FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company for the year ended February 28, 2017 together with the auditor’s report thereon, which have been filed on SEDAR at [www.sedar.com](http://www.sedar.com), will be presented to the shareholders at the Meeting. Shareholders wishing to obtain a copy of the Company’s audited consolidated financial statements and related Management’s Discussion and Analysis may obtain a copy, free of charge, from the Company’s profile on SEDAR, the Company’s website at [www.playfairmining.com](http://www.playfairmining.com) or by contacting the Company at 230 - 470 Granville Street, Vancouver, B.C. V6C 1V5; Tel: 604-687-7178.

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

Other than as disclosed elsewhere in this Information Circular, none of the Directors or senior officers of the Company, no proposed nominee for election as a Director of the Company, none of the persons who have been Directors or senior officers of the Company since the commencement of the Company's last completed financial year and no associate or affiliate of any of the foregoing persons 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, other than the election of Directors, and those matters pertaining to incentive stock options.

## RECORD DATE, VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

January 3, 2018 has been fixed as the Record Date for determination of the persons entitled to receive notice of the Meeting. Only shareholders of record on the close of business on January 3, 2018 who either attend the Meeting personally or complete and deliver an instrument of Proxy or VIF in the manner and subject to the provisions above will be entitled to have their shares voted at the Meeting or any adjournment thereof duly authorized.

The Company's authorized capital consists of an unlimited number of common shares without par value. As of the date of this Information Circular, there are 51,318,095 common shares without par value issued and outstanding, each share carrying the right to one vote.

To the knowledge of the Directors and senior officers of the Company, no person or company beneficially owns, controls or directs, directly or indirectly, 10% or more of the voting rights attached to the voting securities of the Company as of the Record Date.

## ELECTION OF DIRECTORS

The Board proposes to nominate the persons listed below for election as Directors of the Company to serve until their successors are elected or appointed. **In the absence of instructions to the contrary, Proxies given pursuant to the solicitation of the Board will be voted for the nominees listed in this Information Circular.** The Board does not contemplate that any of the nominees will be unable to serve as a Director. However, if for any reason any nominee does not stand for election or is unable to serve, Proxies will be voted in favour of another nominee in the Proxyholder's discretion unless the registered shareholder has specified in the instrument of proxy that the registered shareholder's shares are to be withheld from voting on the election of Directors.

Each Director elected at the Meeting will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company or with the provisions of the British Columbia Business Corporations Act. If there are more nominees for election as Directors than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected, until all such vacancies have been filled.

The following table sets out the name and province of residence of each of the nominees for election as Directors, the offices they hold with the Company, their respective principal occupations, business or employment (and if not previously elected a Director, their occupation during the five preceding years), the period or periods during which each Director has served as a Director, and the number of shares of the Company and its subsidiaries which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Information Circular:

Name, province or state and country of residence and positions, if any, held in the Company	Principal occupation, business or employment and, if not a previously elected director, occupation during the past five years	Served as a director of the Company since	Number of shares beneficially owned or controlled <sup>1</sup>
<b>Donald G. Moore</b> Lions Bay, B.C. Chief Executive Officer, Chairman and Director	Independent consultant to junior mining companies in British Columbia since 1989; CEO and director of Playfair Mining Ltd. and Kermode Resources Ltd.	July 18, 1997	1,549,240
<b>D. Neil Briggs</b> West Vancouver, B.C. Director	Geologist; director of Playfair Mining Ltd. and Kermode Resources Ltd.	May 31, 1995	1,411,060
<b>Steven Chan</b> Surrey, B.C. Director	Formerly Vice-President of Cambridge House International Inc. Currently an independent consultant to junior mining companies in the areas of financing and public relations. Director of Imagin Medical Inc. Director of Playfair Mining Ltd. and Kermode Resources Ltd.	June 13, 2012	Nil

<sup>1</sup>The information as to number of shares beneficially owned or controlled has been furnished by the respective nominees

No proposed Director is being elected under any arrangement or understanding between the proposed director and any other person or company.

### **Cease Trade Orders; Bankruptcy; Penalties or Sanctions**

To the knowledge of the Company, no proposed Director:

- (a) is, at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity:
  - (i) 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;
  - (ii) was the subject of an event that resulted, after the director or executive officer ceased to be a 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 of more than 30 consecutive days; or
  - (iii) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.
- (b) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or

instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

- (c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in making a decision about whether to vote for a proposed Director.

## STATEMENT OF EXECUTIVE COMPENSATION

In this section, “Named Executive Officer” (“NEO”) means (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer; (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer; (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

All dollar amounts referenced herein are in Canadian dollars unless otherwise specified.

### **Director and Named Executive Officer (NEO) Compensation**

The following table discloses all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company, to each NEO and Director, in any capacity for each of the 2 most recently completed financial years:

<b>Table of Compensation (Excluding Compensation Securities)</b>							
Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Donald G. Moore CEO, Chairman & Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
Ricardo Ho CFO	2017	\$28,000	Nil	Nil	Nil	Nil	\$28,000
	2016	Nil	Nil	Nil	Nil	Nil	Nil

The following table discloses all compensation securities granted or issued to each NEO and Director of the Company in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Company:

<b>Compensation Securities</b>							
Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Donald G. Moore	Stock Options	625,000	August 22, 2016	0.10	0.095	0.085	August 22, 2021
D. Neil Briggs	Stock Options	625,000	August 22, 2016	0.10	0.095	0.085	August 22, 2021
Ricardo Ho	Stock Options	150,000	August 22, 2016	0.10	0.095	0.085	August 22, 2021
Steven Chan	Stock Options	75,000	August 22, 2016	0.10	0.095	0.085	August 22, 2021

The following table discloses each exercise of compensation securities by NEOs and Directors of the Company during the most recently completed financial year:

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

The total amount of compensation securities, and underlying securities, held by each NEO or Director on the last day of the most recently completed financial year end is as follows:

Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Donald G. Moore	Stock Options	625,000	August 22, 2016	0.10	0.095	0.085	August 22, 2021
		500,000	August 4, 2015	0.05	0.04	0.05	August 4, 2020
D. Neil Briggs	Stock Options	625,000	August 22, 2016	0.10	0.095	0.085	August 22, 2021
		500,000	August 4, 2015	0.05	0.04	0.05	August 4, 2020

Ricardo Ho	Stock Options	150,000	August 22, 2016	0.10	0.095	0.085	August 22, 2021
		200,000	August 4, 2015	0.05	0.04	0.05	August 4, 2020
Steven Chan	Stock Options	75,000	August 22, 2016	0.10	0.095	0.085	August 22, 2021
		100,000	August 4, 2015	0.05	0.04	0.05	August 4, 2020

Notes:

No compensation security has been re-priced, cancelled or replaced, had its term extended, or otherwise been materially modified in the most recently completed financial year.

No compensation security is subject to vesting provisions.

There are no restrictions for exercising compensation securities.

### **Stock Option Plans and Other Incentive Plans**

The Company currently has in place a 10% rolling stock option plan (the “Stock Option Plan”) for the purpose of attracting and motivating directors, officers and consultants of the Company and advancing the interests of the Company by affording such persons the opportunity to acquire an equity interest in the Company through rights granted under the plan to purchase shares of the Company. The Stock Option Plan is an important part of the Company’s long-term strategy for its executive officers as well as for its other directors, officers and consultants, permitting them to participate in any appreciation of the market value of the Company’s shares over time. The Stock Option Plan is designed to foster a proprietary interest in stock ownership, and to reinforce a commitment to the Company’s long-term growth, performance and success as well as increasing shareholder value.

Stock option grants are approved by the Board. Previous option grants are taken into account when considering new grants.

The Stock Option Plan was previously approved by shareholders at the Company’s last meeting of shareholders, and shareholders will be asked to vote in favour of approving and ratifying the Stock Option Plan at the upcoming Meeting. The full terms of the Stock Option Plan are attached as Schedule “B”.

The Company does not have any share-based awards in place other than its Stock Option Plan.

The Company has no pension plans that provide for payments or benefits to NEOs or Directors.

The Company does not have any deferred compensation plans.

### **Employment, Consulting and Management Agreements**

There are no agreements or arrangements under which compensation was provided during the Company’s most recently completed financial year or is payable in respect of services provided to the

Company or any of its subsidiaries that were performed by a Director or NEO, or performed by any other party that are services typically provided by a Director or NEO.

There are no agreements or arrangements which provide for change of control, severance, termination or constructive dismissal, or any incremental payments that are triggered by, or result from, change of control, severance, termination or constructive dismissal.

**Oversight and Description of Director and NEO Compensation**

The Company’s process for determining executive compensation relies solely on Board discussions without formally enumerated objectives as to measurement of performance. The Company does not have cash flow from operations, and relies on raising equity capital for continuing its business objectives. As such, the Board’s decision on determining compensation is based on available cash resources.

The only compensation paid by the Company to Directors and NEO’s in the most recently completed financial year consisted of: (i) payment to the CFO for services rendered, based on a fees-for-services rendered basis; and (ii) incentive stock options granted under the Company’s Stock Option Plan.

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

As at February 29, 2017 the only equity compensation plan under which equity securities of the Company are authorized for issuance is the Company’s Stock Option Plan. The following table sets out equity compensation plan information as of the Company’s most recently completed financial year:

<b>Plan category</b>	<b>Number of securities to be issued upon exercise of outstanding options (a)</b>	<b>Weighted-average exercise price of outstanding options (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by securityholders	4,600,000	\$0.08	531,809
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b><i>Total</i></b>	4,600,000	\$0.08	531,809

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

None of the Directors or executive officers, any proposed nominee for election as a Director, or any of their respective associates or affiliates, is or has been indebted to the Company or any subsidiary of the Company at any time since the commencement of the Company’s most recently completed financial year.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person or nominee for election as a director of the Company, or any associate or affiliate of any informed person or proposed director, has or had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries other than as set out herein or otherwise disclosed. The term "informed person" as defined in National Instrument 51-102 *Continuous Disclosure Obligations* means a director or executive officer of the Company, or any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company, other than voting securities held by the person or company as underwriter in the course of a distribution.

## APPOINTMENT OF AUDITOR

The Directors intend to nominate Davidson & Company LLP, of Suite 1200 - 609 Granville Street, Vancouver, B.C. V7Y 1G6, for re-appointment as auditor of the Company for the ensuing year at a remuneration to be fixed by the directors. Davidson & Company LLP was first appointed auditor of the Company in 1995.

## AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 51-110 – *Audit Committees* of the Canadian Securities Administrators ("NI 51-110") requires that the Company, as a venture issuer, disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

### Audit Committee Charter

The text of the Audit Committee's Charter is attached as Schedule "A" to this Information Circular.

### Composition of the Audit Committee

The Company is required to have an Audit Committee comprised of not less than 3 directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company. NI 52-110 provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the issuer, which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgment.

The members of the Audit Committee are as follows:

Donald G. Moore	Not Independent <sup>1</sup>	Financially literate <sup>1</sup>
D. Neil Briggs	Independent <sup>1</sup>	Financially literate <sup>1</sup>
Steven Chan	Independent <sup>1</sup>	Financially literate <sup>1</sup>

<sup>1</sup> As defined by NI 52-110

### **Relevant Education and Experience**

NI 51-110 provides that an individual is “financially literate” if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements. All members of the Audit Committee are financially literate as that term is defined.

Based on their business and educational experiences, each member of the Audit Committee has a reasonable understanding of the accounting principles used by the Company to prepare its financial statements; an ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions; experience in preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements, or experience actively supervising one or more individuals engaged in such activities; and an understanding of internal controls and procedures for financial reporting. See heading “Principal Occupation, Business or Employment” under “Election of Directors” above for other relevant experience for each member of the Audit Committee.

### **Audit Committee Oversight**

Since the commencement of the Company’s most recently completed financial year, the Audit Committee has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

### **Reliance on Certain Exemptions**

At no time since the commencement of the Company’s most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

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

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services which are set forth in the Audit Committee Charter under the heading “External Auditors”.

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

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

<b>Financial Year</b>	<b>Audit Fees <sup>1</sup></b>	<b>Audit Related Fees <sup>2</sup></b>	<b>Tax Fees <sup>3</sup></b>	<b>All Other Fees <sup>4</sup></b>
February 2017	\$10,200	Nil	\$1,500	Nil
February 2016	\$10,200	Nil	\$1,500	Nil

<sup>1</sup> Includes services for the annual audit of the Company’s financial statements.

<sup>2</sup> Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under “Audit Fees”.

<sup>3</sup> Fees charged for tax compliance services.

<sup>4</sup> Fees for services other than disclosed in any other column.

### **Exemption**

The Company is a “venture issuer” as defined in NI 52-110 and is relying on the exemptions in section 6.1 of NI 52-110 relating to Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) thereof.

## **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

National Instrument 58-101, *Disclosure of Corporate Governance Practices*, requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines adopted in National Instrument 58-201 (“Guidelines”). These Guidelines are not prescriptive. Corporate governance relates to the activities of the Board of Directors, 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 Company. The Company’s Board of Directors is committed to sound corporate governance practices, which are both in the interests of its shareholders and contribute to effective and efficient decision-making. The Company feels its corporate governance practices are appropriate and effective for the Company, given its relatively small size and limited operations. The Company’s method of corporate governance allows for the Company to operate efficiently, with simple checks and balances that control and monitor management and corporate functions without excessive administrative burden.

### **Board of Directors**

Three individuals are being nominated for election as Directors, all of whom are current Directors of the Company.

The Guidelines suggest that the board of directors of every reporting issuer should be constituted with a majority of individuals who qualify as “independent” directors under NI 52-110, which provides that a Director is considered independent if he or she has no direct or indirect material relationship with the company or its subsidiaries which could be reasonably expected to interfere with the exercise of a Director’s independent judgment. The majority of the proposed nominees for Director are considered independent.

### **Board Mandate**

The mandate of the Board is to oversee or supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company’s affairs directly and through its committees. In fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Company’s overall business strategies and business plans, reviewing and approving significant capital investments, reviewing major strategic initiatives to ensure that the Company’s proposed actions accord with shareholder objectives; reviewing succession planning; assessing management’s performance against approved business plans and industry standards; reviewing and approving the reports and other disclosure issued to shareholders; ensuring the effective operation of the Board; and safeguarding shareholders’ equity interests through the optimum utilization of the Company’s capital resources.

The Board relies on management for periodic reports, and to provide the support and information necessary to enable the board to fulfil its obligations. The Board has delegated certain responsibilities to Management but requires transactions and commitments above a certain threshold to be reviewed and approved by the Board prior to execution. Any responsibility not delegated to senior management or a Board committee remains with the full Board. One of the Board’s responsibilities is to review and, if thought fit, to approve opportunities as presented by management and to provide guidance to management. The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity.

**Other Directorships**

The following Directors are also currently directors of reporting issuers, other than the Company:

<b>Director</b>	<b>Reporting Issuer</b>
Donald G. Moore	Kermode Resources.Ltd (TSX-V)
D. Neil Briggs	Kermode Resources Ltd. (TSX-V)
Steven Chan	Imagin Medical Inc. (CSE) Kermode Resources Ltd. (TSX-V)

**Orientation and Continuing Education**

New Board members receive orientation, commensurate with their previous experience, on the Company’s industry, business and operations and the responsibilities of Directors. Board members are encouraged to communicate with management and the Company’s auditors; and to keep themselves current with industry trends and developments and changes in regulations. Board members have access to the Company’s records.

**Ethical Business Conduct**

The Board is of the view that the fiduciary duties placed on individual Directors by governing corporate legislation and general common law, including the avoidance of conflicts of interest, promote a culture of ethical business conduct.

**Nomination of Directors**

The Board as a whole examines, from time to time, the size and composition of the Board to ensure that it is optimal for decision-making..

**Other Board Committees**

The Company does not presently have any other Committees, other than the Audit Committee.

**Assessments**

The Board monitors but does not formally assess the performance of the Board as a whole, its committees or its individual members. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The performance and contribution of an individual director

are informally monitored by the other Board members, having in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

## **MATTERS TO BE ACTED UPON AT THE MEETING**

### **Number of Directors**

Shareholders will be asked to vote in favour of setting the number of Directors at three (3)

### **Election of Directors**

Shareholders will be asked to vote in favour of the election of following nominees for Directors (see section entitled “Election of Directors” above):

DONALD G. MOORE
D. NEIL BRIGGS
STEVEN CHAN

### **Appointment of Auditor**

Shareholders will be asked to vote for the re-appointment of Davidson & Company LLP, of Suite 1200 - 609 Granville Street, Vancouver, B.C. V7Y 1G6, as Auditor of the Company for the ensuing year, until the close of the next Annual General Meeting, at a remuneration to be fixed by the Directors. Davidson & Company LLP were first appointed as auditors for the Company in 1995.

### **Approval and Ratification of Stock Option Plan**

The Company presently has in place a “rolling” Stock Option Plan whereby the Company is authorized to grant stock options of up to 10% of its issued and outstanding shares from time to time. The full terms of the Stock Option Plan are attached as Schedule “B”. Shareholders will be asked to vote in favour of approving and ratifying the Stock Option Plan.

### **Other Matters**

The Company will consider and transact such other business as may properly come before the Meeting or any adjournment thereof. The Board knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the shares represented by the instrument of proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the Proxy.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on its website at [www.playfairmining.com](http://www.playfairmining.com) and on its profile on the SEDAR website at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Company at Suite 230 - 470 Granville Street, Vancouver B.C. V6C 1V5 (Tel:604-687-7178).

**APPROVAL**

The content and sending of this Information Circular has been approved by the Company's Board of Directors.

**DATED** at Vancouver, British Columbia, the 3<sup>rd</sup> day of January, 2018.

**BY ORDER OF THE BOARD**

*"Donald G. Moore"*

Director and Chairman of the Board  
Playfair Mining Ltd.

SCHEDULE “A” to Information Circular

**AUDIT COMMITTEE CHARTER**

**PLAYFAIR MINING LTD.**

**Mandate**

The primary function of the audit committee (the “Committee”) is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company’s systems of internal controls regarding finance and accounting, and the Company’s auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company’s financial reporting and internal control systems and review the Company’s financial statements;
- review and appraise the performance of the Company’s external auditors; and
- provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board of Directors.

**Composition**

The Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would reasonably interfere with the exercise of his or her independent judgment as a member of the Committee. All members of the Committee must be financially literate (having the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company’s financial statements).

The members of the Committee shall be appointed by the Board of Directors at its first meeting following the annual shareholders’ meeting.

**Meetings**

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with management and the external auditors in separate sessions.

**Responsibilities and Duties**

To fulfill its responsibilities and duties, the Committee shall:

*Documents/Reports Review*

- (a) Review and update this Charter annually.

- (b) Review the Company's financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.
- (c) Confirm that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements.

*External Auditors*

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.
- (b) Obtain annually, a formal written statement of the external auditors setting forth all relationships between the external auditors and the Company.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take, or recommend that the full Board of Directors, take appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the Board of Directors the selection and compensation and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of fees paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
  - (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services; and
  - (iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

### **Financial Reporting Processes**

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.
- (j) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

### **Other**

Review any related-party transactions.

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**PLAYFAIR MINING LTD.**

**STOCK OPTION PLAN**

**PART 1  
INTERPRETATION**

1.1 Defined Terms. For the purposes of this Plan, the following terms shall have the following meanings:

“**Administrator**” has the meaning ascribed thereto in Section 3.1 hereof;

“**Affiliate**” means a corporation related to another corporation if one of them is the subsidiary of the other, or both are subsidiaries of the same corporation, or each of them is controlled by the same Person;

“**Applicable Laws**” means all legal requirements relating to the administration of stock option plans, if any, under applicable corporate laws, any applicable state or provincial securities laws, the rules and regulations promulgated thereunder, and the requirements of the Exchange, and the laws of any foreign jurisdiction applicable to Options granted to residents therein;

“**Associate**” means, where used to indicate a relationship with any Person,

- (i) any relative, including the spouse, son or daughter, of that Person or a relative of that Person’s spouse, if the relative has the same home as that Person,
- (ii) any partner, other than a limited partner, of that Person,
- (iii) any trust or estate in which such Person has a substantial beneficial interest or as to which such Person serves as trustee or in a similar capacity, or
- (iv) any corporation of which such Person beneficially owns, directly or indirectly, voting securities carrying more than ten percent of the voting rights attached to all outstanding voting securities of the corporation;

“**Board**” means the Board of Directors of the Company;

“**Blackout Period**” means a period during which an Optionee is restricted by the Company from trading in the Company’s securities pending the dissemination of previously undisclosed material information;

“**Charitable Option**” means an Option or equivalent security granted by the Company to an Eligible Charitable Organization;

“**Charitable Organization**” has the meaning as ascribed thereto in the Tax Act;

“**Committee**” means a committee of the Board appointed in accordance with Section 3.2 hereof;

“**Company**” means Playfair Mining Ltd. and its Affiliates;

“**Consultant**” means, in relation to the Company, an individual (other than an Employee or a Director or Officer of the Company) or corporation, that:

- (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company, other than services provided in relation to a distribution of securities,
- (ii) provides the services under a contract between the Company or an Affiliate and the individual or corporation, as the case may be
- (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate; and
- (iv) has a relationship with the Company or an Affiliate that enables the individual or corporation to be knowledgeable about the business and affairs of the Company;

“**Date of Grant**” means the date on which a grant of an Option is effective;

“**Director**” means a director of the Company or an Affiliate;

“**Disability**” means a medically determinable physical or mental impairment expected to result in death or to last for a continuous period of not less than 12 months which causes an individual to be unable to engage in any substantial gainful activity;

“**Discounted Market Price**” has the meaning ascribed thereto in the Exchange Policies;

“**Disinterested Shareholder Approval**” means approval by a majority of the votes cast by shareholders of the Company or their proxies at a shareholders’ meeting other than votes attaching to securities beneficially owned by Insiders to whom Options may be granted pursuant to this Plan and their Associates and, for purposes of this Plan, holders of non-voting and subordinate voting securities (if any) will be given full voting rights on a resolution which requires disinterested shareholder approval;

“**Eligible Charitable Organization**” means:

- (i) any Charitable Organization or Public Foundation which is a Registered Charity, but is not a Private Foundation, or
- (ii) a Registered National Arts Services Organization.

“**Employee**” means:

- (i) an individual who is considered an employee of the Company or an Affiliate under the Tax Act (and for whom income tax, employment insurance and CPP deductions must be made at source);
- (ii) an individual who works full-time for the Company or an Affiliate providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
- (iii) an individual who works for the Company or an Affiliate on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source;

“**Exchange**” means the TSX Venture Exchange, or any other stock exchange on which the Company’s Shares are listed for trading;

“**Exchange Policies**” mean the policies set forth in the Exchange’s Corporate Finance Manual, as amended from time to time.

“**Guardian**” means the guardian, if any, appointed for an Optionee;

“**Insider**” means:

- (i) a director or senior officer of the Company;
- (ii) a director or senior officer of an entity that is itself an insider or subsidiary of the Company; or
- (iii) a Person that beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company; or
- (iv) the Company itself if it holds any of its own securities;

“**Investor Relations Activities**” has the meaning ascribed thereto in the Exchange Policies;

“**Management Company Employee**” means an individual employed by a Person providing management services to the Company (other than Investor Relations Activities), which are required for the ongoing successful operation of the business of the Company;

“**Officer**” means the chief executive officer, the chief financial officer, president, vice president, secretary, treasurer, manager, comptroller and any person routinely performing corresponding functions and/or policy making functions with respect to the Company or its Affiliates, and includes a Management Company Employee that provides the services of such Officer;

“**Option**” means an option to purchase Shares granted pursuant to the provisions of this Plan;

“**Option Agreement**” means a written agreement between the Company and an Optionee, specifying the terms of the Option being granted to the Optionee under this Plan, which may be in the form set out in Schedule “A” hereto;

“**Option Price**” means the price at which an Option to purchase Shares is exercisable;

“**Optionee**” means the recipient of an Option granted by the Company;

“**Person**” means a natural person, firm, corporation, government, or political subdivision or agency of a government; and where two or more Persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such syndicate or group shall be deemed to be a Person;

“**Plan**” means this stock option plan of the Company, as amended from time to time;

“**Private Foundation**” has the meaning as ascribed thereto in the Tax Act;

“**Public Foundation**” has the meaning as ascribed thereto in the Tax Act;

“**Registered Charity**” has the meaning as ascribed thereto in the Tax Act;

“**Registered National Arts Services Organization**” has the meaning as ascribed thereto in the Tax Act;

“**Shares**” means the common shares without par value in the capital of the Company;

“**Successor**” means the legal heirs or personal representatives of the Optionee upon death, pursuant to a will or the laws of descent and distribution of the applicable jurisdictions;

“**Tax Act**” means the Income Tax Act (Canada), as amended from time to time;

“**Term**” means the period of time during which an Option is exercisable; and

“**Terminating Event**” means:

- (v) the dissolution or liquidation of the Company, or
- (vi) a material change in the capital structure of the Company that is deemed to be a Terminating Event pursuant to Section 10.1 or 10.5 hereof.

## **Part 2**

### **ESTABLISHMENT AND PURPOSE OF THE PLAN**

2.1 Establishment of the Plan. The Company hereby establishes this Plan to govern the grant, administration and exercise of Options which may be granted to eligible Optionees. The Plan is designed to be a “rolling” stock option plan under Exchange Policies, reserving at any one time a maximum of 10% of the issued Shares of the Company for the exercise of Options.

2.2 Principal Purposes. The principal purposes of this Plan are to provide the Company with the advantages of the incentive inherent in stock ownership on the part of Directors, Officers, Employees and Consultants responsible for the continued success of the Company; to create in such individuals a proprietary interest in, and a greater concern for, the welfare and success of the Company; to encourage such individuals to remain with the Company; and to attract new Directors, Officers, Employees and Consultants to the Company.

2.3 Benefit to Shareholders. This Plan is expected to benefit shareholders by enabling the Company to attract and retain personnel of the highest caliber by offering them an opportunity to share in any increase in value of the Shares resulting from their efforts.

### **Part 3 ADMINISTRATION**

3.1 Board or Committee. This Plan shall be administered by the Board or by a Committee appointed in accordance with Section 3.2 hereof. The Board or, if applicable, the Committee is hereinafter referred to as the “Administrator”.

3.2 Appointment of Committee. The Board may at any time appoint a Committee, consisting of not less than two of its members, to administer this Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with this Plan. Once appointed, the Committee shall continue to serve until otherwise directed by the Board. From time to time, the Board may increase the size of the Committee and appoint additional members, remove members (with or without cause) and appoint new members in their place, fill vacancies however caused, or remove all members of the Committee and thereafter directly administer this Plan.

3.3 Quorum and Voting. A majority of the members of the Committee shall constitute a quorum, and, subject to the limitations in this Part 3, all actions of the Committee shall require the affirmative vote of members who constitute a majority of such quorum. Members of the Committee who are disinterested Persons to an action may vote on any matters affecting the administration of this Plan or the grant of Options pursuant to this Plan, except that no such member shall act upon the granting of an Option to himself (but any such member may be counted in determining the existence of a quorum at any meeting of the Committee during which action is taken with respect to the granting of Options to him).

3.4 Powers of Administrator. Subject to the provisions of this Plan and any Applicable Laws, and with a view to effecting the purpose of this Plan, the Administrator shall have sole authority, in its absolute discretion, to:

- (a) administer this Plan in accordance with its express terms;
- (b) determine all questions arising in connection with the administration, interpretation, and application of this Plan, including all questions relating to the value of the Shares;
- (c) correct any defect, supply any information, or reconcile any inconsistency in this Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of this Plan;
- (d) prescribe, amend, and rescind rules and regulations relating to the administration of this Plan;
- (e) determine the duration and purposes of leaves of absence from employment which may be granted to Optionees without constituting a termination of employment for purposes of this Plan;
- (f) do the following with respect to the granting of Options:
  - (i) determine the Directors, Officers, Employees and Consultants to whom Options shall be granted, based on the eligibility criteria set out in this Plan,
  - (ii) determine the terms and conditions of the Option Agreement to be entered into with any Optionee (which need not be identical with the terms of any other Option Agreement),
  - (iii) amend the terms and conditions of Option Agreements, provided the Administrator obtains:

- A. the consent of the Optionee, and
- B. if applicable, the approval of the Exchange and/or Disinterested Shareholder Approval,
- (iv) determine when Options shall be granted,
- (v) determine the Option Price of each Option, and
- (vi) determine the number of Shares subject to each Option; and
- (g) make all other determinations necessary or advisable for administration of this Plan.

3.4 Obtain Regulatory Approvals. In administering this Plan, the Administrator will obtain any regulatory approvals which may be required pursuant to all Applicable Laws. This Plan is subject to these approvals.

3.5 Annual Shareholder Approval. This Plan must receive approval of the Company's shareholders annually at the Company's annual general meeting. Evidence that the majority of the shareholders are in favour of a proposal to approve the Plan or any amendment thereto is not sufficient.

3.6 Administration by Administrator. All determinations made by the Administrator in good faith on matters referred to in Section 3.4 hereof shall be final, conclusive, and binding upon the Company and the relevant Optionee. The Administrator shall have all powers necessary or appropriate to accomplish its duties under this Plan. In addition, the Administrator's administration of this Plan shall in all respects be consistent with Exchange Policies.

#### **Part 4 ELIGIBILITY**

4.1 General Eligibility. Options may be granted to an Eligible Charitable Organization or a Director, Officer, Employee or Consultant of the Company or an Affiliate at the time the Option is granted. An Optionee shall not be precluded from being granted an Option solely because such Optionee may previously have been granted an Option under this Plan.

4.2 No Violation of Laws. No Option shall be granted to any Optionee unless the Administrator has determined that the grant of such Option and the exercise thereof by the Optionee will not violate any Applicable Laws.

4.3 Optionees to be Named. No Options shall be granted unless and until the Options have been allocated to a particular Optionee(s).

#### **Part 5 SHARES SUBJECT TO THIS PLAN**

5.1 Maximum Number of Shares Reserved Under Plan. The aggregate number of Shares which may be reserved for issuance pursuant to the exercise of Options granted under this Plan shall not exceed 10% of the Company's issued and outstanding shares at the time of the grant. Such number of Shares is subject to adjustment in accordance with Part 10 hereof. Any Shares reserved for issuance pursuant to the exercise of stock options granted by the Company prior to this Plan coming into effect and which are outstanding on the date on which this Plan comes into effect shall be included in determining the number of Shares reserved for issuance hereunder as if such stock options were granted under this Plan. The terms of this Plan shall not otherwise govern such pre-existing stock options.

5.2 Sufficient Authorized Shares to be Reserved. If the constating documents of the Company limit the number of authorized Shares, a sufficient number of Shares shall be reserved by the Board to satisfy the exercise of Options granted under this Plan. Shares that were the subject of Options that have expired or terminated may once again be subject to an Option granted under this Plan.

5.3 Disinterested Shareholder Approval. Unless Disinterested Shareholder Approval is obtained, under no circumstances shall this Plan, together with all of the Company's other previously established or proposed stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Shares, result in or allow at any time:

- (a) the number of Shares reserved for issuance pursuant to Options granted to Insiders (as a group) at any point in time exceeding 10% of the issued and outstanding Shares;
- (b) the grant to Insiders (as a group), within a 12 month period, of an aggregate number of Options exceeding 10% of the issued and outstanding Shares at the time of the grant of the Options;
- (c) the issuance to any one Optionee, within any 12 month period, of an aggregate number of Options exceeding 5% of the issued and outstanding Shares at the time of the grant of the Options;
- (d) any individual Option grant that would result in any of the limitations set out in sections 5.3 (a), (b) or (c) being exceeded; or
- (e) any amendment to Options held by Insiders that would have the effect of decreasing the exercise price of such Options.

For purposes hereof, Options held by an Insider at any point in time that were granted to such Person prior to it becoming an Insider shall be considered Options granted to an Insider irrespective of the fact that the Person was not an Insider

5.4 Number of Shares Subject to this Plan. Upon exercise of an Option, the number of Shares thereafter available under such Option shall decrease by the number of Shares as to which the Option was exercised; however the same number of Shares shall thereafter again be available for the purposes of this Plan.

5.5 Expiry of Option. If an Option expires or terminates for any reason without having been exercised in full, the un-purchased Shares subject thereto shall again be available for the purposes of this Plan.

## **Part 6**

### **TERMS AND CONDITIONS OF OPTIONS**

6.1 Option Agreement. Each Option shall be evidenced by an Option Agreement, which may contain such terms, not inconsistent with this Plan or any Applicable Laws, as the Administrator in its discretion may deem advisable; provided, that each Option Agreement shall contain the following terms:

- (a) the number of Shares subject to purchase pursuant to such Option;
- (b) the Date of Grant;
- (c) the Term;

- (d) the Option Price;
- (e) the Option is not assignable or transferable; and
- (f) such other terms and conditions as the Administrator deems advisable and are consistent with the purposes of this Plan.

6.2 Exchange Restrictions of Reservations. Notwithstanding any other provision hereof, for so long as the Shares are listed on the Exchange, the number of Shares reserved for issuance to:

- (i) any one Optionee pursuant to Options granted to such Optionee during any 12 month period shall not exceed 5% of the issued and outstanding Shares, calculated at the date such Options are granted;
- (ii) any one Optionee, who is a Consultant, in respect of Options granted to such Consultant during any 12 month period shall not exceed 2% of the issued and outstanding Shares, calculated at the date such Options are granted;
- (iii) all Optionees who are engaged or employed in Investor Relations Activities during any 12 month period shall not exceed in the aggregate 2% of the issued and outstanding Shares, calculated at the date such Options are granted; and
- (iv) Eligible Charitable Organizations shall not at any time exceed 1% of the issued and outstanding Shares of the Company, calculated at the date such Options are granted.

6.3 Exercise Price. Subject to the policies of the Exchange, the Option Price shall not be less than the Discounted Market Price, provided that (i) if the Company has just been recalled for trading following a suspension or halt, the Company must wait until a satisfactory market has been established before setting the exercise price for and granting of the Options (generally ten days from the date of resumption of trading); (ii) a minimum price cannot be established unless the Options are allocated to particular Optionees; and (iii) if Options are granted within 90 days of a distribution of securities by way of a prospectus, the minimum exercise price of those Options will be the greater of the Discounted Market Price and the prospectus offering price (the 90 day period to be calculated from the date a final receipt is issued for the prospectus).

6.4 Maximum Term of Ten Years. Subject to section 6.5, the maximum Term of an Option granted shall be ten years from the Date of Grant.

6.5 Blackout Period. The Term of an Option shall be automatically extended if the expiry date falls within a Blackout Period provided that: (i) the Blackout Period is imposed by the Company pursuant to its internal trading policies as a result of the bona fide existence of undisclosed material information; (ii) the Blackout Period expires upon the general disclosure of such material information; (iii) the extension is not more than ten business days from the expiry of the Blackout Period; and (iv) such automatic extension is not applicable if the Company or Optionee is also subject to a cease trade order or similar trading restriction.

6.6 Vesting Schedule. No Option shall be exercisable until it has vested. The vesting schedule for each Option shall be specified by the Administrator at the time of grant of the Option prior to the provision of services with respect to which such Option is granted; provided, that if no vesting schedule is specified at the time of grant, the Option shall vest on the date it is granted. Notwithstanding the foregoing, for Options granted to Optionees who provide Investor Relations Activities and where no vesting schedule is specified at the time of grant, the Options shall vest according to the following schedule:

<b>Vesting Period</b>	<b>Percentage of Total Option Vested</b>
3 Months after Date of Grant	25%
6 Months after Date of Grant	50%
9 Months after Date of Grant	75%
12 Months after Date of Grant	100%

6.7 Acceleration of Vesting. The vesting of outstanding Options may be accelerated by the Administrator at such times and in such amount as it may determine in its sole discretion.

6.8 Hold Periods. In addition to any resale restrictions under any Applicable Laws, if the Option Price is set at a discount to the Market Price (as defined in Exchange Policies), the Option Agreements and the certificates representing any Shares realized on the exercise thereof will bear the following legend:

WITHOUT PRIOR WRITTEN APPROVAL OF THE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [insert date that is four months and one day after the grant of the Options].

6.9 Form for Non-Individuals. If a proposed Optionee is a corporation or is otherwise not an individual, it must provide the Exchange with a completed Form 4F – Certification and Undertaking Required from a Corporation Granted an Incentive Stock Option, or any amended or replacement form.

6.10 Bona Fide Optionee. By execution of an Option Agreement, the Optionee represents that he, she or it is a bona fide Director, Officer, Employee or Consultant, as the case may be. It will be the joint responsibility of the Company and the Optionee that the Optionee is and will remain a bona fide Employee, Consultant or Management Company Employee.

## **Part 7 EXERCISE OF OPTION**

7.1 Method of Exercise. Subject to any limitations or conditions imposed upon an Optionee pursuant to the Option Agreement or Part 6 hereof, an Optionee may exercise an Option, prior to the expiry date thereof, by giving written notice thereof to the Company at its principal place of business or as otherwise indicated by the Company in writing.

7.2 Payment of Option Price. The notice described in Section 7.1 hereof shall be accompanied by full payment of the Option Price to the extent the Option is so exercised, and full payment of any amounts the Company determines must be withheld for tax purposes from the Optionee pursuant to the Option Agreement. Such payment shall be in lawful money (Canadian funds) in cash or by certified cheque.

7.3 Issuance of Stock Certificate. As soon as practicable after exercise of an Option in accordance with Sections 7.1 and 7.2 hereof, the Company shall issue a stock certificate evidencing

the Shares with respect to which the Option has been exercised. Upon due exercise of an Option, the Optionee shall be entitled to all rights to vote or receive dividends or any other rights as a shareholder with respect to such Shares.

7.4 Monitoring Trading. An Optionee who performs Investor Relations Activities shall provide written notice to the Board of each of his trades of securities of the Company, within five business days of each trade.

## **Part 8 TRANSFERABILITY OF OPTIONS**

8.1 Non-Transferable. Except as provided otherwise in this Part 8, Options are non-assignable and non-transferable.

8.2 Death of Optionee. If an Optionee should die while any Options remain outstanding in his name, such Options shall pass to the Successor of the Optionee and shall be exercisable by the Successor for a period to be determined by the Administrator, which shall not be less than three months and not more than six months from the date of death.

8.3 Disability of Optionee. If the employment of an Optionee as an Employee or Consultant of the Company, or the position of an Optionee as a Director or Officer, is terminated by the Company by reason of such Optionee's Disability, any Option held by such Optionee that could have been exercised immediately prior to such termination of employment shall be exercisable by such Optionee, or by his Guardian, for a period of 90 days following the termination of employment of such Optionee.

8.4 Vesting. Options held by a Successor or exercisable by a Guardian shall, during the period prior to their termination, continue to vest in accordance with any vesting schedule to which such Options are subject.

8.5 Majority Agreement. If two or more Persons constitute the Successor or the Guardian of an Optionee, the rights of such Successor or such Guardian shall be exercisable only upon the majority agreement of such Persons.

8.6 Deemed Non-Interruption of Employment. Employment shall be deemed to continue intact during any military or sick leave or other bona fide leave of absence if the period of such leave does not exceed 90 days or, if longer, for so long as the Optionee's right to re-employment with the Company is guaranteed either by statute or by contract. If the period of such leave exceeds 90 days and the Optionee's re-employment is not so guaranteed, then his or her employment shall be deemed to have terminated on the 91<sup>st</sup> day of such leave.

## **Part 9 TERMINATION OF OPTIONS**

9.1 Termination of Options. To the extent not earlier exercised or terminated, an Option shall terminate at the earliest of the following dates:

- (a) the termination date specified for such Option in the Option Agreement;
- (b) where the Optionee's position as an Employee, Consultant, Director or Officer is terminated for just cause, the date of such termination for just cause;

- (c) where the Optionee's position as an Employee, Consultant, Director or Officer terminates for a reason other than the Optionee's Disability, death, or termination for just cause, 30 days after such date of termination, or such other period as may be determined by the Board;
- (d) where the Optionee's position as an Employee, Consultant, Director or Officer terminates as a result of the Optionee's death, such Options may be exercisable by the Successor for a period to be determined by the Administrator, which shall not be less than three months and not more than six months from the date of death;
- (e) the date of any sale, transfer, assignment or hypothecation, or any attempted sale, transfer, assignment or hypothecation, of such Option in violation of Section 8.1 hereof; and
- (f) the date specified in Section 10.5 hereof for such termination in the event of a Terminating Event.

## **Part 10**

### **ADJUSTMENTS TO OPTIONS**

10.1 Alteration of Capital. In the event of any material change in the outstanding Shares of the Company prior to complete exercise of any Option by reason of any stock dividend, split, recapitalization, amalgamation, merger, consolidation, combination or exchange of shares or other similar corporate change, an equitable adjustment shall be made in one or more of the maximum number or kind of Shares issuable under this Plan or subject to outstanding Options, and the Option Price of such shares. Any such adjustment shall be made in the sole discretion of the Board, acting on recommendations made by the Administrator, and shall be conclusive and binding for all purposes of this Plan. If the Administrator determines that the nature of a material alteration in the capital structure of the Company is such that it is not practical or feasible to make appropriate adjustments to this Plan or to the Options granted hereunder, such event shall be deemed a Terminating Event for the purposes of this Plan.

10.2 No Fractions. No fractional Shares shall be issued upon the exercise of an Option and accordingly, if as a result of any adjustment set out hereof an Optionee would be entitled to a fractional Share, the Optionee shall have the right to purchase only the adjusted number of full Shares and no payment or other adjustment shall be made with respect to the fractional Share so disregarded.

10.3 Terminating Events. Subject to Section 10.4 hereof, all Options granted under this Plan shall terminate upon the occurrence of a Terminating Event.

10.4 Notice of Terminating Event. The Administrator shall give notice to Optionees not less than 30 days prior to the consummation of a Terminating Event. Upon the giving of such notice, all Options granted under this Plan shall become immediately exercisable, notwithstanding any contingent vesting provision to which such Options may have otherwise been subject.

10.5 General Offer for Shares. Notwithstanding anything else herein to the contrary, in the event (i) an offer to purchase the Shares shall be made to the holders of the Shares generally, unless the Board determines that such offer will not result in any change in control of the Company, or (ii) of a sale of all or substantially all of the assets of the Company, or (iii) the sale, pursuant to an agreement with the Company, of securities of the Company pursuant to which the Company is or becomes a subsidiary of another corporation, then unless provision is made by the acquiring corporation for the

assumption of each Option or the substitution of a substantially equivalent option therefor, the Company shall give written notice thereof to each Optionee holding Options under this Plan and such Optionees shall be entitled to exercise his or its Options to the extent previously unexercised, regardless of whether such Optionee would otherwise be entitled to exercise such Options to such extent at that time, within the 30 day period immediately following the giving of such notice. Any Options not exercised within such 30 day period will immediately terminate and such event shall be deemed to be a Terminating Event.

10.6 Determinations to be made by Administrator. Adjustments and determinations under this Part 10 shall be made by the Administrator, whose decisions as to what adjustments or determination shall be made, and the extent thereof, shall be final, binding, and conclusive.

## **Part 11**

### **TERMINATION AND AMENDMENT OF PLAN**

11.1 Termination of Plan. The Administrator may terminate this Plan at the same time as all Options are terminated upon a Terminating Event pursuant to section 10.1. The Administrator may terminate this Plan at such other time and on such conditions as the Administrator may determine, provided that no such termination shall be effected if do so would affect the rights of then existing Optionees, without the approval of such Optionees.

11.2 Power of Administrator to Amend Plan. The Administrator may, subject to the approval of the Exchange, amend this Plan so as to: (i) correct typographical errors; (ii) clarify existing provisions of the Plan, which clarifications do not have the effect of altering the scope, nature or intent of such provisions; and (iii) maintain compliance with any Applicable Laws. The Administrator may condition the effectiveness of any such amendment on the receipt of shareholder approval at such time and in such manner as the Administrator may consider necessary for the Company to comply with or to avail the Company and/or the Optionees of the benefits of any securities, tax, market listing or other administrative or regulatory requirements. No such amendment, suspension or termination shall adversely affect rights under any Options previously granted without the consent of the Optionees to whom such Options were granted.

Notwithstanding the foregoing, the Company may grant Options under amendments made to this Plan that it would not otherwise be permitted to grant prior to obtaining requisite shareholder approval, provided that: (i) the Company also obtains specific shareholder approval for such grants, separate and apart from shareholders' approval to the amendments, (ii) no Options granted under the amendments are exercised prior to shareholder approval, (iii) shareholder approval is obtained on or before the earlier of the Company's next annual general meeting or 12 months from the amendment of the Plan. Should such shareholder approval not be obtained, the amendments will terminate and any Options granted thereunder will terminate.

11.3 Shareholder Approvals. Any shareholder approval required to amend this Plan must take place at a meeting of the shareholders. Evidence that the majority of the shareholders are in favour of a proposal to approve any amendment thereto is not sufficient.

11.4 No Grant During Suspension of Plan. No Option may be granted during any suspension, or after termination, of this Plan. Amendment, suspension, or termination of this Plan shall not, without the consent of the Optionee, alter or impair any rights or obligations under any Option previously granted.

**Part 12**  
**CONDITIONS PRECEDENT TO ISSUANCE OF SHARES**

12.1 Compliance with Laws. Shares shall not be issued pursuant to the exercise of any Option unless the exercise of such Option and the issuance and delivery of such Shares comply with all Applicable Laws, and such issuance may be further subject to the approval of counsel for the Company with respect to such compliance, including the availability of an exemption from prospectus and registration requirements for the issuance and sale of such Shares. The inability of the Company to obtain from any regulatory body the authority deemed by the Company to be necessary for the lawful issuance and sale of any Shares under this Plan, or the unavailability of an exemption from prospectus and registration requirements for the issuance and sale of any Shares under this Plan, shall relieve the Company of any liability with respect to the non-issuance or sale of such Shares.

12.2 Representations by Optionee. As a condition precedent to the exercise of any Option, the Company may require the Optionee to represent and warrant, at the time of exercise, that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such representations and warranties are required by any Applicable Laws. If necessary under Applicable Laws, the Administrator may cause a stop-transfer order against such Shares to be placed on the stock books and records of the Company, and a legend indicating that the Shares may not be pledged, sold or otherwise transferred unless an opinion of counsel is provided stating that such transfer is not in violation of any Applicable Laws, may be stamped on the certificates representing such Shares in order to assure an exemption from registration. The Administrator also may require such other documentation as may from time to time be necessary to comply with applicable securities laws. **THE COMPANY HAS NO OBLIGATION TO UNDERTAKE REGISTRATION OF OPTIONS OR THE SHARES ISSUABLE UPON THE EXERCISE OF OPTIONS IN THE UNITED STATES OR ANY OTHER JURISDICTION OUTSIDE OF CANADA.**

12.3 Tax Withholding. The Optionee shall hold harmless the Company and be solely responsible, upon exercise of an Option or, if later, the date that the amount of such obligations becomes determinable, all applicable federal, provincial, local and foreign withholding taxes, determined as a result of and upon exercise of an Option or from a transfer or other disposition of Shares acquired upon exercise of an Option or otherwise related to an Option or Shares acquired in connection with an Option.

**Part 13**  
**NOTICES**

13.1 Notices. All notices, requests, demands and other communications required or permitted to be given under this Plan and the Options granted under this Plan shall be in writing and may be served in any one of the following ways: (i) personally on the party to whom notice is to be given, in which case notice shall be deemed to have been duly given on the date of such service; (ii) facsimile transmission or by electronic mail, in which case notice shall be deemed to have been duly given on the date the fax or email is sent; or (iii) mailed to the party to whom notice is to be given, by first class mail, registered or certified, return receipt requested, postage prepaid, and addressed to the party at his or its most recent known address, in which case such notice shall be deemed to have been duly given on the fifth postal delivery day following the date of such mailing.

**Part 14**  
**MISCELLANEOUS PROVISIONS**

14.1 No Obligation to Exercise. Optionees shall be under no obligation to exercise Options granted under this Plan.

14.2 No Obligation to Retain Optionee. Nothing contained in this Plan shall obligate the Company to retain an Optionee as a Director, Officer, Employee or Consultant for any period, nor shall this Plan interfere in any way with the right of the Company to change the terms or conditions of the Optionee's employment or engagement with the Company, including the Optionee's compensation.

14.3 Binding Agreement. The provisions of this Plan and each Option Agreement with an Optionee shall be binding upon such Optionee and the Successor or Guardian of such Optionee.

14.4 Governing Law. The laws of the Province of British Columbia shall apply to this Plan and all rights and obligations hereunder shall be determined in accordance with such laws.

14.5 Use of Terms. Where the context so requires, references herein to the singular shall include the plural, and vice versa, and references to a particular gender shall include either or both genders.

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SCHEDULE A  
**PLAYFAIR MINING LTD.**

**OPTION AGREEMENT**

*The Option granted herein is not assignable or transferable by the Optionee. Without prior written approval of the Exchange and compliance with all applicable securities legislation, the securities issued upon the exercise of the Option granted herein may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until four months and one day after the Grant Date.*

This Option Agreement is entered into between Playfair Mining Ltd. (“the Company”) and the Optionee named below pursuant to the Company’s Stock Option Plan (the “Plan”), a copy of which is attached hereto, and confirms that:

1. on \_\_\_\_\_, \_\_\_\_\_ (the “Grant Date”);
2. \_\_\_\_\_ (the “Optionee”);
3. was granted the option (the “Option”) to purchase \_\_\_\_\_ Common Shares (the “Option Shares”) of the Company;
4. at the price (the “Option Price”) of \$ \_\_\_\_\_ per share;
5. which shall / shall not (*select*) be exercisable (“Vested”) in accordance with Section 6.6 of the Plan (*applicable if the Optionee is a person who performs Investor Relations Activities for the Company*);
6. shall expire on \_\_\_\_\_, 20\_\_\_\_ (the “Expiry Date”); and
7. [insert other terms or conditions],

all on the terms and subject to the conditions set out in the Plan.

By receiving and accepting the Options, the Optionee:

- (a) confirms that he has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Certificate;
- (b) consents to the disclosure to the TSX Venture Exchange and all other regulatory authorities of all personal information of the undersigned obtained by the Company; and
- (c) consents to the collection, use and disclosure of such personal information by the TSX Venture Exchange and all other regulatory authorities in accordance with their requirements, including the provision to third party service providers, from time to time.

Issued as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**PLAYFAIR MINING LTD.**

By its authorized signatory:

**[NAME OF OPTIONEE]**

\_\_\_\_\_

\_\_\_\_\_

*SCHEDULE B*  
**Stock Option Plan**  
**Exercise Notice**

To: **PLAYFAIR MINING LTD.**  
230-470 Granville Street  
Vancouver BC V6C 1V5

Re: **Exercise of Options**

The undersigned hereby irrevocably gives notice, pursuant to the stock option plan (the "Plan") of **PLAYFAIR MINING LTD.** (the "Company"), of the exercise of the Option to acquire and hereby subscribes for (cross out inapplicable item):

- (i) all of the Shares; or
- (ii) certain of the Shares which are the subject of the option certificate attached hereto.

Calculation of total Exercise Price:

- (i) number of Shares to be acquired on exercise: \_\_\_\_\_ shares
- (ii) times the Exercise Price per Share: \_\_\_\_\_

Total Exercise Price, as enclosed herewith: \_\_\_\_\_

The undersigned tenders herewith a cheque or bank draft for the Total Exercise Price, payable to the Company, and directs the Company to issue the share certificate evidencing the Shares in the name of the undersigned to be mailed to the undersigned at the following address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

All capitalized terms, unless otherwise defined in this exercise notice, will have the meaning provided in this Plan.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Signature of Option Holder

\_\_\_\_\_  
Name of Option Holder (Print)