

TSODILO RESOURCES LIMITED



**NOTICE OF ANNUAL AND SPECIAL MEETING
To Be Held On Thursday, May 20, 2021
and
MANAGEMENT INFORMATION CIRCULAR**

**IMPORTANT NOTICE FOR SHAREHOLDERS REGARDING THE PROXY MATERIALS
FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON
THURSDAY, MAY 20, 2021**

The Notice of Meeting, Proxy Statement and Annual Report are available at

<http://www.tsodiloresources.com/i/pdf/2020AR.pdf>

and

http://www.tsodiloresources.com/i/pdf/2020NM_PV.pdf



TSRQ 000001

SAM SAMPLE
123 SAMPLES STREET
SAMPLETOWN SS X9X X9X
CANADA

Security Class
Common

Holder Account Number
B9999999999 IND

Intermediary
ABCD



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Voting Instruction Form ("VIF") - Annual General and Special Meeting to be held on May 20, 2021

NON-REGISTERED (BENEFICIAL) SECURITYHOLDERS

1. We are sending to you the enclosed proxy-related materials that relate to a meeting of the holders of the series or class of securities that are held on your behalf by the intermediary identified above. Unless you attend the meeting and vote in person, your securities can be voted only by management, as proxy holder of the registered holder, in accordance with your instructions.
2. **We are prohibited from voting these securities on any of the matters to be acted upon at the meeting without your specific voting instructions.** In order for these securities to be voted at the meeting, it will be necessary for us to have your specific voting instructions. Please complete and return the information requested in this VIF to provide your voting instructions to us promptly.
3. If you want to attend the meeting and vote in person, please write your name in the place provided for that purpose in this form. You can also write the name of someone else whom you wish to attend the meeting and vote on your behalf. Unless prohibited by law, the person whose name is written in the space provided will have full authority to present matters to the meeting and vote on all matters that are presented at the meeting, even if those matters are not set out in this form or the information circular. Consult a legal advisor if you wish to modify the authority of that person in any way. If you require help, please contact the Registered Representative who services your account.
4. **This VIF should be signed by you in the exact manner as your name appears on the VIF. If these voting instructions are given on behalf of a body corporate set out the full legal name of the body corporate, the name and position of the person giving voting instructions on behalf of the body corporate and the address for service of the body corporate.**
5. If a date is not inserted in the space provided on the reverse of this VIF, it will be deemed to bear the date on which it was mailed by management to you.
6. **When properly signed and delivered, securities represented by this VIF will be voted as directed by you, however, if such a direction is not made in respect of any matter, and the VIF appoints the Management Nominees, the VIF will direct the voting of the securities to be made as recommended in the documentation provided by Management for the meeting.**
7. Unless prohibited by law, this VIF confers discretionary authority on the appointee to vote as the appointee sees fit in respect of amendments or variations to matters identified in the notice of meeting or other matters as may properly come before the meeting or any adjournment thereof.
8. By providing voting instructions as requested, you are acknowledging that you are the beneficial owner of, and are entitled to instruct us with respect to the voting of, these securities.
9. If you have any questions regarding the enclosed documents, please contact the Registered Representative who services your account.
10. This VIF should be read in conjunction with the information circular and other proxy materials provided by Management.

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VIFs submitted must be received by 5:00 p.m., Eastern Time, on May 18, 2021.

VOTE USING THE TELEPHONE OR INTERNET 24 HOURS A DAY 7 DAYS A WEEK!



To Vote Using the Telephone

- Call the number listed BELOW from a touch tone telephone.

1-866-734-VOTE (8683) Toll Free



To Vote Using the Internet

- Go to the following web site:
www.investorvote.com
- Smartphone?
Scan the QR code to vote now.



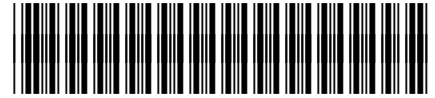
If you vote by telephone or the Internet, DO NOT mail back this VIF.

Voting by mail may be the only method for securities held in the name of a corporation or securities being voted on behalf of another individual.

Voting by mail or by Internet are the only methods by which a holder may choose an appointee other than the Management appointees named on the reverse of this VIF. Instead of mailing this VIF, you may choose one of the two voting methods outlined above to vote this VIF.

To vote by telephone or the Internet, you will need to provide your CONTROL NUMBER listed below.

CONTROL NUMBER 23456 78901 23456



Appointee(s)

I/We being holder(s) of securities of Tsodilo Resources Limited (the "Corporation") hereby appoint: James M. Bruchs, the Chairman and Chief Executive Officer of the Corporation, or failing this person, Bettina Bruchs, the Corporate Secretary of the Corporation (the "Management Nominees")

OR

If you wish to attend in person or appoint someone else to attend on your behalf, print your name or the name of your appointee in this space (see Note #3 on reverse).

as my/our appointee to attend, act and to vote in accordance with the following direction (or if no directions have been given, as the appointee sees fit) and on all other matters that may properly come before the Annual General and Special Meeting of shareholders of the Corporation to be held at McLean Community Center, McLean Room, 1234 Ingleside Ave, McLean, Virginia 22101 on Thursday, May 20, 2021 at 9:00 a.m., Eastern Time, and at any adjournment or postponement thereof.

VOTING RECOMMENDATIONS ARE INDICATED BY **HIGHLIGHTED TEXT** OVER THE BOXES.

1. Election of Directors

	For	Withhold		For	Withhold		For	Withhold
01. Mr. James M. Bruchs	<input type="checkbox"/>	<input type="checkbox"/>	02. Mr. Thomas S. Bruington	<input type="checkbox"/>	<input type="checkbox"/>	03. Mr. Jonathan R. Kelafant	<input type="checkbox"/>	<input type="checkbox"/>
04. Mr. Blackie Marole	<input type="checkbox"/>	<input type="checkbox"/>	05. Mr. Mark Scowcroft	<input type="checkbox"/>	<input type="checkbox"/>			

Fold

For **Withhold**

2. Appointment of Auditors

Appointment of Crowe MacKay LLP, Chartered Accountants, Vancouver, Canada, as auditors of the Corporation and authorizing the Directors to fix their remuneration.

For **Against**

3. Stock Option Plan

To consider a resolution increasing the number of common shares of the Corporation reserved for issuance to 9,830,420 under the Stock Option Plan of the Corporation to reflect an amount equal to 20% of the outstanding common shares issued as at the date of Shareholder approval. In the event that 20% of the outstanding common shares issued is greater than 9,830,420 at the time of Shareholder approval, the greater amount shall be considered as approved.

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Authorized Signature(s) – This section must be completed for your instructions to be executed.

I/We authorize you to act in accordance with my/our instructions set out above. I/We hereby revoke any VIF previously given with respect to the Meeting. If no voting instructions are indicated above, and the VIF appoints the Management Nominees, this VIF will be voted as recommended by Management.

Signature(s)

Date

DD / MM / YY

Interim Financial Statements - Mark this box if you would like to receive Interim Financial Statements and accompanying Management's Discussion and Analysis by mail.

Annual Financial Statements - Mark this box if you would like to receive the Annual Financial Statements and accompanying Management's Discussion and Analysis by mail.

If you are not mailing back your VIF, you may register online to receive the above financial report(s) by mail at www.computershare.com/maillinglist.

TSODILO RESOURCES LIMITED MANAGEMENT INFORMATION CIRCULAR

VOTING INFORMATION

Solicitation of Proxies

This management information circular (the "Circular") is furnished in connection with the solicitation of proxies being made by the management of Tsodilo Resources Limited ("Tsodilo" or the "Company") for use at the Annual and Special Meeting of the Company's shareholders to be held on Thursday, May 20, 2021 at the time and place and for the purposes set forth in the accompanying notice of meeting or at any adjournment thereof (the "Meeting"). Management's solicitation of proxies will primarily be by mail and may be supplemented by telephone or other means of communication and will be made, without special compensation, by directors, officers and employees of the Company. The cost of solicitation by management will be borne by the Company. The Company may retain other persons or companies to solicit proxies on behalf of management of the Company, in which event customary fees for such services will be paid.

It is anticipated that this Circular, together with the accompanying notice of meeting and form of proxy, will first be mailed to shareholders of the Company on or before April 23, 2021.

Unless otherwise indicated, all monetary amounts referred to herein are stated in United States currency.

Appointment of Proxyholder

The persons named in the enclosed form of proxy are directors and/or officers of the Company (the "Management Proxyholders"). A registered shareholder has the right to appoint a person or company other than one of the Management Proxyholders (who need not be a shareholder) to represent the registered shareholder at the Meeting by striking out the printed names and clearly inserting that other person's name in the blank space provided.

The instrument appointing a proxyholder must be signed in writing by the registered shareholder, or such shareholder's attorney authorized in writing. If the registered shareholder is a corporation, the instrument appointing a proxyholder must be in writing signed by an officer or attorney of the corporation duly authorized by resolution of the directors of such corporation, which resolution must accompany such instrument. **An instrument of proxy will only be valid if it is duly completed, signed, dated and received at the office of the Company's registrar and transfer agent, Computershare Investor Services Inc., Attention: Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1 by 5:00 p.m. (Toronto, Ontario time) on Tuesday, May 18, 2021 or deposited with the Secretary of the Company or the Chairman of the Meeting prior to the commencement of the Meeting.**

If you have any questions about the procedures to be followed to vote at the Meeting or about obtaining, completing and depositing the required form of proxy, you should contact Computershare Investor Services Inc. by telephone (toll free) at 1-800-564-6253 or by e-mail at service@computershare.com.

Voting of Proxies

Common shares of the Company represented by properly executed proxies in the accompanying form will be voted or withheld from voting on each respective matter in accordance with the instructions of

the registered shareholder on any ballot that may be called for and, if the shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the shares represented by such proxy will be voted accordingly. If no choice is specified, the person designated by management in the accompanying form of proxy will vote **FOR** all matters proposed by management at the Meeting.

Exercise of Discretion by Proxies

The persons named by management in the enclosed form of proxy will vote the shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. In the absence of such direction, such shares will be voted FOR each of the matters identified in the form of proxy.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the accompanying notice of meeting and with respect to other matters which may properly come before the Meeting. At the time of printing this Circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters, which are not now known to management, should properly come before the Meeting, the shares will be voted on such matters in accordance with the best judgment of the named proxyholders.

Voting by Beneficial (Non-registered) Shareholders

The information in this section is important to many shareholders as a substantial number of shareholders do not hold their shares in their own name.

Shareholders who hold common shares of the Company through their brokers, intermediaries, trustees, or other nominees (such shareholders being collectively called "**Beneficial Shareholders**") should note that only proxies deposited by shareholders whose names appear on the share register of the Company may be recognized and acted upon at the Meeting. If common shares are shown on an account statement provided to a Beneficial Shareholder by a broker, then in almost all cases the name of such Beneficial Shareholder will not appear on the share register of the Company. Such shares will most likely be registered in the name of the broker or an agent of the broker. In Canada, the vast majority of such shares will be registered in the name of "CDS & Co.", the registration name of The Canadian Depository for Securities Limited, which acts as a nominee for many brokerage firms. Such shares can only be voted by brokers, agents, or nominees and can only be voted by them in accordance with instructions received from Beneficial Shareholders. As a result, Beneficial Shareholders should carefully review the voting and instructions provided by their broker, agent or nominee with this Proxy Circular and ensure that they direct the voting of their shares in accordance with those instructions.

Applicable regulatory policies require brokers and intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Each broker or intermediary has its own mailing procedures and provides its own return instructions to clients. The purpose of the form of proxy or voting instruction form provided to a Beneficial Shareholder by such shareholder's broker, agent or nominee is limited to instructing the registered holder on how to vote such shares on behalf of the Beneficial Shareholder. Most brokers in Canada now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically prepares voting instruction forms, mails those forms to Beneficial Shareholders and asks those Beneficial Shareholders to return the forms to Broadridge or follow specific telephone or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of such shares at the Meeting. **A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use that form to vote their shares at the Meeting. Instead, the voting instruction form must be returned to Broadridge or the alternate**

voting procedures must be completed well in advance of the Meeting in order to ensure that such shares are voted.

Beneficial Shareholders should follow the instruction on the forms that they receive and contact their intermediaries promptly if they need assistance.

Revocation of Proxy

A registered shareholder who has returned a 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 his or her attorney authorized in writing or, if the registered shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or with the Secretary of the Company or the chairman of the Meeting prior to the commencement of the Meeting. Only registered shareholders have the right to revoke a proxy. **Beneficial Shareholders who wish to change their vote must arrange for their respective intermediaries to revoke the proxy on their behalf.**

Record Date

Registered shareholders of record as at the close of business on April 15, 2021 (the “**Record Date**”) are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must, to entitle the person appointed by the Proxy to attend and vote, deliver their Proxies at the place and within the time set forth in the notes to the Proxy. In accordance with the provisions of the *Business Corporations Act* (Yukon), the Company will prepare a list of holders of common shares as of the Record Date. Each holder of common shares named in the list will be entitled to vote the common shares shown opposite his or her name on the list at the Meeting, except to the extent that (a) the shareholder has transferred any of his or her shares after the Record Date, and (b) the transferee of those shares produces properly endorsed share certificates or otherwise establishes that he or she owns such shares, and demands, not later than ten days prior to the Meeting, that his or her name be included in the list of persons entitled to vote at the Meeting, in which case the transferee shall be entitled to vote his or her shares at the Meeting.

INTERESTS OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as disclosed herein, to the knowledge of the directors and officers of the Company, no person who has been a director or executive officer of the Company at any time since the beginning of the Company’s last fiscal year, or any proposed nominee of management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of directors or the appointment of auditors, except that directors and executive officers of the Company are eligible to receive stock options pursuant to the Stock Option Plan (as hereinafter defined), amendments to which will be sought at the Meeting.

SECURITIES AND PRINCIPAL HOLDERS THEREOF

As at the date hereof, 49,152,098 common shares of the Company are issued and outstanding. Each common share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting. To the knowledge of the directors and officers of the Company, the only persons or companies that beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to any class of voting securities of the Company as of the date of this Circular are as follows:

Name of Shareholder	Common Shares	Percentage of Outstanding Number of Common Shares
Azur LLC	4,996,065	10.16%

BUSINESS OF THE MEETING

1. Financial Statements

The audited consolidated financial statements of the Company for the year-ended December 31, 2020, and the auditor's report thereon, will be presented to shareholders for review at the Meeting and are available on SEDAR at www.sedar.com. No vote by the shareholders is required with respect to this matter.

2. Election of Directors

Nominees

Directors are elected annually, and the term of office of each of the current directors expires at the conclusion of the Meeting. The number of directors to be elected at the Meeting is five (5). If elected, each nominee will hold office as a director of the Company until the close of the first annual meeting of shareholders of the Company following his election, unless his office is earlier vacated in accordance with the Company's by-laws.

The table and notes below set out, in respect of each nominee, the name, province or state and country of residence, the period or periods during which the nominee has served as a director of the Company, the nominee's principal occupation or employment during the last five years and the number of shares of the Company beneficially owned, or controlled or directed, directly or indirectly by the nominee as at the date hereof. The statement as to beneficial ownership, or control or direction, over common shares is based upon information furnished by the relevant nominee.

Name and Position with the Company and Province or State and Country of Residence	Current Occupation	Director Since	Number of Common Shares Beneficially Owned, Controlled or Directed
James M. Bruchs ⁽¹⁾ Director, Chairman and CEO McLean, Virginia USA	Officer of Company	2002	2,888,119
Jonathan R. Kelafant ^{(2) (3) (4)} Director Arlington, Virginia USA	Senior VP Advanced Resources Intl.	2007	415,000
Thomas S. Bruington ^{(3) (5) (6) (7) (8)} Director Vancouver, BC Canada	Executive Vice President Sandstorm Gold Ltd.	2013	20,000
Mark Scowcroft ^{(4) (5)} Director Victoria, Seychelles	Geologist	2015	683,000
Blackie Marole ^{(3) (4) (5)} Director Gaborone, Botswana	Business Advisor	2017	NIL

- (1) Prior to being appointed Chairman and CEO in May 2010, Mr. Bruchs served as the Company's President and CEO since June of 2002. Mr. Bruchs also serves as the Managing Director of the Company's Botswana subsidiaries.
- (2) Mr. Kelafant served as a director of Gastem (TSX-V: GMR.H) from March 2008 until August 2016
- (3) Member of the Compensation Committee.
- (4) Member of the Audit Committee.
- (5) Member of the Corporate Governance Committee.
- (6) Prior to joining Sandstorm Gold Ltd. (NYSE MKT: SAND, TSX: SSL) and Sandstorm Metals & Energy Ltd. (TSX-V: SND) in January of 2013, Mr. Bruington was employed as Chief Engineer/Industry Specialist for the Mining Division of the Oil, Gas, Mining, and Chemicals Department at International Finance Corporation.
- (7) From January 2013 until May of 2014, Mr. Bruington served as Executive Vice President of Sandstorm Metals & Energy Ltd. Sandstorm Gold Ltd. acquired Sandstorm Metals & Energy Ltd, in May, 2014.
- (8) In April, 2014, Mr. Bruington was appointed as a Director of Colossus Mineral Inc. (TSX: CSI) pursuant to a court approved proposal and plan of reorganization filed under the Bankruptcy and Insolvency Act (Canada) and served until 2018.
- (9) Mr. Marole currently serves as a director on several private companies in Botswana and South Africa. Previously, Mr. Marole served as the Chairman of the Botswana Development Corporation, a director of Debswana, the Botswana Diamond Valuing Company, Water Utilities Corporation, Botswana Power Corporation, Botswana Ash, the Diamond Trading Company and De Beers. He previously served is a Permanent Secretary in Botswana's Ministry of Minerals, Energy and Water Resources and was the Managing Director of Debswana Diamond Company (Pty) Ltd., a diamond producer from October 2004 to December 31, 2010.

Management does not contemplate that any nominee will be unable or unwilling to serve as a director, but if that should occur for any reason prior to the Meeting, the Management Proxyholders reserve the right to vote **FOR** another nominee in their discretion, unless the shareholder has specified in the accompanying form of proxy that such shareholder's shares are to be withheld from voting on the election of directors.

Corporate Cease Trade Orders, Bankruptcies and Penalties and Sanctions

Except as disclosed below:

- (a) no proposed director is, or within ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including the Company) that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
- (b) no proposed director (i) is, or within ten years prior to the date hereof has been, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became 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; and
- (c) no proposed director has been subject to (i) 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 (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

Unless authority to vote is withheld, the shares represented by the proxies hereby solicited will be voted by the Management Proxyholders named therein FOR the election of each of the nominees whose names are set forth above.

3. Appointment and Remuneration of Auditors

The auditors of the Company are Crowe MacKay LLP ("**Crowe**"), Chartered Accountants of Vancouver, British Columbia, who were first appointed auditors of the Company on February 24, 2020. Management proposes that Crowe be re-appointed as auditors of the Company for the ensuing year and that the board of directors of the Company (the "**Board**") be authorized to fix their remuneration. See "Audit Committee Disclosure" for information on the external auditor service fees for the financial year-ended December 31, 2020.

Unless authority to vote is withheld, the shares represented by the proxies hereby solicited will be voted by the Management Proxyholders named therein FOR the re-appointment of Crowe MacKay LLP as the auditors of the Company for the ensuing year and to authorize the board of directors of the Company to fix the remuneration of the auditors.

4. Approval of Amendments to Company's Stock Option Plan

Increase in the Number of Common Shares Available Upon Exercise of Stock Options

The Corporation has a fixed number Stock Option Plan (the "**SOP**"), which was approved by shareholders on May 8, 2007 and amended by shareholder approval on May 4, 2010 and March 22, 2013, reserving 5,629,830 Common Shares (20% of the issued and outstanding Common Shares on March 22, 2013). As at April 19, 2021, there were 5,629,830 Common Shares reserved for issuance under the 2013 Amended SOP. 2,806,250 options are currently issued and outstanding; 1,973,610 have been issued and exercised; and, 849,970 are available for future grants.

At the Meeting, shareholders will be asked to pass a resolution approving an amended and restated fixed number **SOP**, the **2021 Amended Option Plan**, a copy of which is attached hereto as Schedule "A". The only difference requiring shareholder approval between the 2013 Amended Option Plan and the 2021 Amended Option Plan is to increase the number of shares reserved for issuance, combined with any equity securities granted under all other compensation arrangements adopted by the Corporation, to 20% of the Corporation's issued and outstanding Common Shares as at the date of the Meeting 9,830,420.

The Corporation grants options under the Corporation's stock option plan (the "**SOP**") to attract, retain and motivate directors, officers, key employees and consultants and to advance the interests of the Corporation by providing such persons with the opportunity, through share options, to acquire an increased proprietary interest in the Corporation.

The Board of Directors has approved an amendment to the SOP, subject to approval of the shareholders as required under the rules of the TSX Venture Exchange (the **Exchange**), to increase the maximum number of common shares issuable under the SOP to an amount equal to 20% of the issued common shares as at the date of shareholder approval. The proposal to increase the number of common shares available under the SOP is to ensure that the Corporation can continue to provide competitive long-term incentive awards.

The following table specifies the number of common shares of the Corporation that may be subject to option grants before and after the proposed increase, as at the date of this Circular:

	Common Shares Subject to Outstanding Options⁽¹⁾	Common Shares Available for Future Option Grants	Maximum Common Shares Subject to Option Grants
Currently Approved	4,779,860	849,970	5,629,830
Proposed Increase ⁽²⁾	-	4,200,590	4,200,590
Total	4,779,860	5,050,560	9,830,420
% of Common Shares (undiluted)	9.72	10.27	20.00%

Notes:

1. All of these common shares relate to options granted under the SOP.
2. Calculation is based on the number of issued common shares as of the date of this Circular, being **[49,152,098]**, and may not represent the actual number of common shares outstanding on the date of shareholder approval.

The form of resolution to approve the proposed amendment to the SOP is set out below. In order to be effective, the resolution must be passed by a majority of the votes cast by shareholders present in person or represented by proxy.

RESOLVED THAT:

1. the number of common shares of the Corporation reserved for issuance under the Stock Option Plan of the Corporation be and is hereby increased to a maximum of 9,830,420 provided that, in the event that the number representing 20% of the Corporation's issued and outstanding common shares (calculated on an undiluted basis) as of the date hereof is a number greater than 9,830,420 (after rounding down any fraction to the nearest whole number), such greater whole number be and is hereby approved instead; and
2. any one officer or director of the Corporation be and is hereby authorized to execute and deliver for an on behalf of the Corporation all such documents and instruments and to do such other acts as such officer may determine necessary or advisable to give effect to the foregoing, such determination to be conclusively evidenced by the execution and delivery of any such documents or instruments and the taking of any such actions by such officer or director.

The Board of Directors believes that the foregoing resolution is in the best interests of shareholders and therefore unanimously recommends that shareholders vote **FOR** the resolution.

On April 13, 2021, pursuant to Section 9.1 of the SOP, the Board of Director's modified Section 5.9 of the SOP to comply with Sec 3.10(a)(i)(A) of TSX-V Policy 4.4.

STATEMENT OF EXECUTIVE COMPENSATION

Introduction

In the following pages we describe:

- ◇ The Company policies and practices with respect to the compensation of senior managers.
- ◇ The role and structure of the Compensation Committee ("**CCOM**").
- ◇ The detailed disclosure of the remuneration of the Chief Executive Officer, (CEO), the Chief Financial Officer (CFO) and the Chief Operating Officer (COO) (collectively, the "**Named Executive Officers**" or "**NEOs**") and the directors of the Company.

Overview of Compensation Philosophy

The Company's aim is to provide market competitive remuneration to attract, retain and motivate the talent required to allow the Company to achieve its potential. The total reward package is designed to remunerate on the basis of an individual's personal effectiveness in their role and thereby link their performance to the Company's where possible. An underlying principle of the reward package is that good performance will be recognized, and poor performance will not be tolerated or rewarded.

Executive packages are determined on a Total Employment Cost ("TEC") basis and include an appropriate balance of base salary, benefits and at-risk remuneration (in the form of short-term incentive and long-term incentive). They are set in the context of the relevant industrial and geographic norms that the Company operates within and at a level which will make the organization competitive in its chosen exploration, mining and mineral exploration markets.

2020 Approach

The current approach is generally as follows:

- ◇ Balanced across the short, medium and longer term
- ◇ Market competitive
- ◇ Base pay is broadly targeted at a median level
- ◇ Longer-term reward (share option grants), provides the opportunity to build ownership in the business and increase personal wealth in the medium term in line with the opportunities for success afforded to the shareholders

Recruiting and Retention

Tsodilo's management team has strengthened considerably over the last couple of years. We are satisfied with our ability to attract and retain high caliber individuals capable of working within, and contributing to the management team.

Aligning Management and Shareholders

The Company seeks to align management with shareholders' interests as follows:

- ◇ The short-term incentive plan incorporates 'pay-for-performance' into the annual cash remuneration.
- ◇ The long-term incentive plan represents a potentially significant portion of an executive's total remuneration and provides a longer-term focused reward that is subject to the same external market conditions as shareholders.

Compensation Committee "CCOM" Mandate

- ◇ Recommending to the Board the annual salary, bonus and other benefits, direct and indirect, of the CEO
- ◇ Approving the compensation for the Company's other executive officers, after considering the recommendations of the CEO
- ◇ Approving other human resources and compensation policies and guidelines within their remit
- ◇ Ensuring management compensation is competitive to enable the Company to continue to attract individuals of the highest caliber.

The CCOM is composed of three independent directors, Messrs. Bruington, (Chairman), Kelafant and Marole. For a description of skills and experience relevant to the responsibilities of the members of CCOM in executive compensation, and which enable CCOM to make decisions on the suitability of the Company's compensation policies and practices, please refer to the applicable biographies under the headings "Election of Directors" and "Audit Committee Information see the section "Audit Committee

Disclosure – Relevant Education and Experience”.

Towards the end of each fiscal year (or as appropriate) the CCOM reviews the performance of the executive officers. CCOM considers a variety of factors when determining compensation policies and individual compensation levels, including:

- ◇ The long-term interests of the Company and its shareholders
- ◇ The performance of the Company
- ◇ Each officer’s personal effectiveness in his or her role
- ◇ Each officer’s contractual terms
- ◇ External market conditions and movements

The CEO’s compensation is assessed taking into account similar factors.

Elements of Compensation

- ◇ Base salary
- ◇ Short-term incentive (cash award)
- ◇ Long-term incentive (stock option grants)
- ◇ Retirement benefits
- ◇ Other executive benefits

1. Base Salary

Base salaries for NEOs are set at a level that is required to attract and retain candidates with the required levels of expertise and experience and take into account competitive rates for the relevant position and location.

The base salaries of the Company’s NEOs as at December 31, 2020, are shown in the table below.

Base Salaries

Name	Title	2020 Base Salary	Increase to Base Salary in 2020
James M. Bruchs	Chairman and Chief Executive Officer	\$250,000.00 ¹	0.0%
Gary A. Bojes	Chief Financial Officer	Nil	--

¹ Effective June 1, 2013

2. Short-Term Incentive (“STI”)

The Company did not award STI payments in 2020.

3. Long-Term Incentive

The Company provides long-term incentives through option grants under its Stock Option Plan.

2020 Option Grants

The following table sets out the details of incentive options granted during the most recently completed financial year to the Company’s NEO’s.

Name	Securities Under Options Granted (#) ⁽¹⁾	Exercise or Base Price (\$CAD/Security)	Market Value of Securities Underlying Options on the Date of Grant (\$ CAD/Security)	Expiration Date ⁽²⁾
James M. Bruchs Chairman and CEO	100,000 ⁽³⁾	0.07	0.07	1/02/2025
	150,000 ⁽⁴⁾	0.09	0.09	9/21/2025
Gary A. Bojes CFO	100,000	0.07	0.07	1/02/2025

¹ Securities under options granted refer to the Company's common shares.

² Unexercised options are subject to early expiration upon the resignation of the optionee or other termination of employment of the optionee with the Company or its affiliates and on the optionee's retirement or death.

³ January 2, 2020, option grant was for duties associated as CEO of the Company.

⁴ September 21, 2020, option grant was for duties associated as a Director of the Company.

4. Retirement or Pension Plan Benefits

The Company does not have an established retirement plan for NEOs. However, full-time employees whose position, responsibilities and duties extend to the Company's subsidiaries in Botswana do qualify for severance benefits consistent with the scheme set forth in the Republic of Botswana, Department of Labor's - Employment Act. Full-time employees working outside Botswana earn severance benefits in a similar fashion. Severance is calculated as 1 day per month for the initial five years of employment and 2 days per month for time after five years of service. The severance is due at termination of employment or may be paid at the request of the employee at the completion of each five year period of employment. Benefits are calculated using the employee's most recent rate of pay at time of payment.

Severance Benefits

Name	Commencement of Employment	Initiation of Employment For Severance Qualification	Total Month / Days / as at the end of FY2020	Value of Severance Benefit as at the end of FY2020	Severance Benefits Outstanding as at the end of FY2020
James M. Bruchs Chairman and CEO	June 15, 2002	July 2002	41 months	\$78,544	\$78,5446

⁽¹⁾ Mr. Bruchs elected to receive his fifteen (15) year severance payment in July 2017.

5. Other Executive Benefits

"Other benefits" do not form a significant part of the remuneration package of any of our NEOs. In all cases, benefits, if any, are provided in a manner which is appropriate to the country of employment.

Compensation of Chairman and CEO and President and COO

Employment Contracts

Effective May 1, 2010, the Company entered into Employment Agreements with James M. Bruchs as Chairman and Chief Executive Officer for an indefinite term for an initial salary of \$195,000 per year and the granting of 100,000 stock options per year commencing as of May 4, 2010 and thereafter on each subsequent January 1 at an exercise price equal to 100% of the fair market value of the common stock on the close of business on the day before the first business day in January. The options shall have a term of five years from the date of grant and shall be subject to the usual terms and conditions of options issued pursuant to and in accordance with the Stock Option Plan.

During the term of his employment, Mr. Bruchs shall be entitled to participate in such vacation, auto allowance, benefit plans, fringe benefits, life insurance, medical and dental plans (beginning on the first

day of employment), retirement plans and other programs as are offered from time to time by the Company.

Dr. Bojes does not have an employment agreement in place with the Company and receives no monetary compensation for serving as CFO, but is eligible to receive and has received incentive stock options pursuant to the Company's Stock Option Plan, in remuneration of his services.

Risks Associated with the Company's Compensation Policies and Practices

In light of the current stage of development and the limited elements of executive compensation, at this time neither the Board nor its committees have formally assessed the implications of the risks associated with the Company's policies and practices.

The Board has not, as yet, adopted a policy restricting its NEOs or directors from purchasing instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by NEOs or directors.

SUMMARY COMPENSATION TABLE

The following table contains information about the compensation earned by the Company's NEOs, for the financial years ended December 31, 2020, December 31, 2019, and December 31, 2018 as required pursuant to Canadian securities laws. There were no other executive officers of the Company or its subsidiaries serving as at the year-ended December 31, 2020 whose total salary and bonus exceeded C\$150,000 per annum in those financial years.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Fiscal Year	Salary (\$)	Share-based Awards (\$)	Option-based Awards (\$) ⁽³⁾	Non-equity incentive Plan compensation (\$)		Pension Value (\$)	All other Compensation (\$)	Total Compensation (\$)
					Annual incentive plan	Long-term Incentive plans			
James M. Bruchs ⁽¹⁾ Chairman & CEO	2020	\$250,002	NIL	\$9,833	NIL	NIL	NIL	NIL	\$259,835
	2019	\$250,002	NIL	\$39,554	NIL	NIL	NIL	NIL	\$289,554
	2018	\$250,002	NIL	\$48,819	NIL	NIL	NIL	NIL	\$298,821
Gary A. Bojes ⁽²⁾ CFO	2020	NIL	NIL	\$3,534	NIL	NIL	NIL	NIL	\$3,534
	2019	NIL	NIL	\$13,416	NIL	NIL	NIL	NIL	\$13,416
	2018	NIL	NIL	\$32,129	NIL	NIL	NIL	NIL	\$32,129

⁽¹⁾ Effective May 5, 2010, Mr. Bruchs assumed the position of Chairman and Chief Executive Officer of the Company. Prior to May, 2010, Mr. Bruchs was President and CEO of the Company since July, 2002. Mr. Bruchs was reimbursed by the Company for all travel, hotel and other out-of-pocket expenses reasonably incurred by him in relation to the performance of his duties. The Company paid \$13,670 in premiums for health insurance coverage for Mr. Bruchs in 2020. Effective January 1, 2017, Mr. Bruchs was provided an annual allowance of up to \$17,500 for out-of-pocket medical and dental expenses not reimbursed or covered by insurance. Mr. Bruchs is also eligible to receive and has received incentive stock options pursuant to the Company's Stock Option Plan. Mr. Bruchs received no compensation in his capacity as a director of the Company, other than 150,000 stock options granted on September 21, 2020, which values are included in the summary compensation table for Mr. Bruchs.

⁽²⁾ Effective October 1, 2007, Dr. Gary A. Bojes assumed the position of Chief Financial Officer of the Company. Dr. Bojes receives no monetary compensation for serving as CFO, but is eligible to receive and has received incentive stock options pursuant to the Company's Stock Option Plan.

(3) This amount represents the fair value, on the date of grant, of awards made under the Company's stock option plan. See "Long-Term Incentives" herein for details. The grant date fair value has been calculated using the Black-Scholes model according to Section 3870 of the CICA Handbook since it is used consistently by comparable companies. The key assumptions and estimates used for the calculation of the grant date fair value under this model include the risk-free interest rate, expected stock price volatility, expected life and expected dividend yield.

INCENTIVE PLAN AWARDS

The following table provides details on stock options granted to the Named Executive Officers during the fiscal year-ended December 31, 2020 and those outstanding under the terms of the Company's Stock Option Plan.

Outstanding share-based awards and option-based awards

Name	Option-based Awards ⁽¹⁾				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
James M. Bruchs Chairman & CEO	50,000	\$0.054957	02-Jan-2025	\$15,702	N/A	N/A
	112,500	\$0.070659	21-Sept-2025	\$33,563	NA	N/A
	50,000	\$0.431805	26-Mar-2023	\$0.00	N/A	N/A
	100,000	\$0.510315	02-Jan-2023	\$0.00	N/A	N/A
	100,000	\$0.541719	02-Jan-2022	\$0.00	N/A	N/A
	100,000	\$0.565272	02-Jan-2021	\$0.00	N/A	N/A
	50,000	\$0.620229	08-Apr-2021	\$0.00	N/A	N/A
	50,000	\$0.667335	03-Apr-2022	\$0.00	N/A	N/A
Gary A. Bojes CFO	100,000	\$0.054957	02-Jan-2025	\$31,404	N/A	N/A
	75,000	\$0.133467	06-Jun-2024	\$17,665	N/A	N/A
	50,000	\$0.219828	02-Jan-2024	\$7,458	N/A	N/A
	50,000	\$0.431805	26-Mar-2023	\$0.00	N/A	N/A
	50,000	\$0.510315	02-Jan-2023	\$0.00	N/A	N/A
	50,000	\$0.541719	02-Jan-2022	\$0.00	N/A	N/A
	50,000	\$0.565272	04-Jan-2021	\$0.00	N/A	N/A
	50,000	\$0.620229	08-Apr-2021	\$0.00	N/A	N/A
50,000	\$0.667335	08-Apr-2022	\$0.00	N/A	N/A	

⁽¹⁾ Securities under options granted refer to the Company's common shares.

INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE YEAR

The following table provides detailed information regarding the value of awards vested or earned during the most recently completed financial year by the Named Executive Officers during the fiscal year ended December 31, 2020.

Name	Option-based awards Value vested during the year (\$) ⁽¹⁾	Share-based awards Value vested during the year (\$)	Non-equity incentive plan compensation Value earned during the year (\$)
James M. Bruchs Chairman & CEO	\$ 5,692	N/A	N/A
Gary A. Bojes CFO	\$ 1,717	N/A	N/A

- ⁽¹⁾ Represents the aggregate dollar value that would have been realized if the options had been exercised on the vesting date, based on the difference between the closing price of the common shares of the Company as traded on the TSX-V on the vesting date and the exercise price of the options.

Termination and Change of Control Benefits

Mr. Bruchs is party to an individual employment agreement with the Company that sets forth certain instances where payments and other obligations arise on termination of their employment. See "Payments on change of Control or Termination" below. Dr. Bojes receives no monetary compensation for serving as CFO, but is eligible to receive and has received incentive stock options pursuant to the Company's Stock Option Plan.

Company's obligations due to involuntary termination without just cause:

- ◇ Under the terms of the employment agreements, the Company shall pay to employee an amount equal to the sum of: (i) employee's annual base salary at the time employee's employment is terminated for two (2) years; plus (ii) employee's average annual bonus received over the eight (8) fiscal quarters of the Company immediately preceding Company's fiscal quarter during which employee's employment is terminated, without exceeding employee's target bonus for Company's fiscal year during which employee's employment is terminated, provided, however, that employee shall receive his target bonus if he is terminated within his first eight (8) fiscal quarters with the Company.
- ◇ In addition, the Company shall provide, at Company's expense, continued coverage for employee and his beneficiaries for a period extending through the earlier of the date employee begins any sub-sequent full-time employment for pay and the date that is one (1) year after employee's termination of employment, under the Company's health plan covering employee and employee's beneficiaries.

Company's obligations on termination due to change of control:

- ◇ If employee's employment with the Company terminates within two years of a change of control by reason of employee's involuntary termination or termination by the Company without Cause within two (2) years of the effective date of the change of control, employee shall be entitled to receive the following in addition to any benefits which employee may have received upon termination without a change of control:
- ◇ The Company must pay employee an amount equal to 150% of the sum of (A) employee's annual base salary and (B) his highest annual bonus;
- ◇ The Company shall also pay employee any accrued obligations; and shall provide, at its expense continued coverage for employee and his beneficiaries for a period extending through the earlier of the date employee begins any subsequent full-time employment for pay and the date that is eighteen (18) months after employee's termination of employment, under the Company's health plan.
- ◇ Severance benefits for termination after the second year following a change of control will be computed in a similar to fashion to the termination without cause provisions.

Payments on Termination

Name	Severance: Base Salary (\$)	Severance STI (\$)	Severance Value of Benefits (\$) ⁽¹⁾	Total (\$)
James M. Bruchs	500,000	--	93,544	593,544
Gary A. Bojes	NIL	--	--	--

⁽¹⁾ Estimate value of health insurance premiums based on historical figures, accrued severance and leave as at 12/31/2020.

Payments on Change of Control

Name	Severance: Base Salary (\$)	Severance STI (\$)	Severance Value of Benefits (\$) ⁽¹⁾	Total (\$)
James M. Bruchs	750,000	--	101,044	851,044
Gary A. Bojes	NIL	--	--	--

⁽¹⁾ Estimate value of health insurance premiums based on historical figures, accrued severance and leave as at 12/31/2020.

COMPENSATION OF DIRECTORS

Compensation Arrangements

Save and except through the granting of stock options, the directors of the Company were not compensated in their capacity as directors of the Company and its subsidiaries during the fiscal year-ended December 31, 2020 pursuant to any standard compensation arrangement. An aggregate of 400,000 stock options were granted to five (5) directors (Messrs. Bruchs, Bruington, Kelafant, Marole and Scowcroft) in their capacity as directors of the Company during the 2020 fiscal year. See "Long Term Compensation Plans."

Mr. James M. Bruchs received compensation in his capacity as Chairman and CEO of the Company, see the disclosure above under "Statement of Executive Compensation", Mr. Bruchs was reimbursed by the Company for all travel, hotel and other out-of-pocket expenses reasonably incurred by them in relation to the performance of his duty as an officer of the Company.

DIRECTOR COMPENSATION TABLE

The following table sets out the compensation awarded to directors of the Company during the fiscal year ended December 31, 2020. Relevant disclosure for Mr. Bruchs has already been provided under the heading "Summary Compensation Table".

Director Compensation Table

Name	Fees earned (\$)	Share- Based Awards (\$)	Option- based Awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Thomas S. Bruington	NIL	NIL	2,100	NIL	NIL	NIL	2,100
Jonathan R. Kelafant	NIL	NIL	2,100	NIL	NIL	NIL	2,100
Blackie Marole	NIL	NIL	4,200	NIL	NIL	NIL	4,200
Mark Scowcroft	NIL	NIL	2,100	NIL	NIL	NIL	2,100

⁽¹⁾ This amount represents the fair value, on the date of grant, of awards made under the Company's stock option plan. See "Long-Term Incentives" herein for details. The grant date fair value has been calculated using the Black-Scholes model according to Section 3870 of the CICA Handbook since it is used consistently by comparable companies. The key assumptions and estimates used for the calculation of the grant date fair value under this model include the risk-free interest rate, expected stock price volatility, expected life and expected dividend yield.

DIRECTOR INCENTIVE PLAN AWARDS

The following table sets forth for each director of the Company all awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year. Relevant disclosure for Mr. Bruchs has already been provided under the heading “Incentive Plan Awards”.

Outstanding share-based awards and option-based awards

Name	Option-based Awards ⁽¹⁾				Share-based Awards	
	Number of securities underlying unexercised options	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested
Thomas S. Bruington	50,000	\$0.070659	21-Sep-2025	\$ 14,917	N/A	N/A
	100,000	\$0.133467	06-Jun-2024	\$ 23,553	N/A	N/A
	100,000	\$0.431805	26-Mar-2023	\$ 0	N/A	N/A
	50,000	\$0.620229	08-Apr-2021	\$ 0	N/A	N/A
	50,000	\$0.667335	03-Apr-2022	\$ 0	N/A	N/A
Jonathan R. Kelafant	50,000	\$0.070659	21-Sep-2025	\$ 14,917	N/A	N/A
	100,000	\$0.133467	06-Jun-2024	\$ 23,553	N/A	N/A
	100,000	\$0.431805	26-Mar-2023	\$ 0	N/A	N/A
	50,000	\$0.620229	08-Apr-2021	\$ 0	N/A	N/A
	50,000	\$0.667335	03-Apr-2022	\$ 0	N/A	N/A
Blackie Marole	50,000	\$0.070659	21-Sep-2025	\$ 29,834	N/A	N/A
	200,000	\$0.133467	06-Jun-2024	\$ 47,106	N/A	N/A
	100,000	\$0.431805	26-Mar-2023	\$ 0	N/A	N/A
	100,000	\$0.667335	03-Apr-2022	\$ 0	N/A	N/A
Mark Scowcroft	37,500	\$0.070659	21-Sep-2025	\$ 11,187	N/A	N/A
	50,000	\$0.431805	26-Mar-2023	\$ 0	N/A	N/A
	50,000	\$0.620229	08-Apr-2021	\$ 0	N/A	N/A
	100,000	\$0.667335	03-Apr-2022	\$ 0	N/A	N/A

⁽¹⁾ Securities under options granted refer to the Company’s common shares.

DIRECTOR INCENTIVE PLAN AWARDS - VALUE VESTED OR EARNED DURING THE YEAR

The following table sets forth for each director, information regarding the value of awards vested or earned during the most recently completed financial year. Relevant disclosure for Mr. Bruchs has already been provided under the heading “Incentive Plan Awards – Value Vested or Earned during the Year”.

Name	Option-based awards Value vested during the year (\$)	Share-based awards Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Thomas S. Bruington	\$1,766	N/A	N/A
Jonathan R. Kelafant	\$1,766	N/A	N/A
Blackie Marole	\$ 3,533	N/A	N/A
Mark Scowcroft	\$ 1,766	N/A	N/A

Indebtedness of Executive Officers, Directors and Employees

No director or executive officer of the Company, no proposed nominee for election as a director of the Company and no associate of any of the foregoing is or has been indebted to the Company or any subsidiary of the Company and the Company has not provided a guarantee, entered into a support agreement or provided a letter of credit in respect of the indebtedness of any such individual to another entity, nor is there any aggregate indebtedness to report on behalf of any executive officers, directors, employees, former executive officers, directors or employees of the Company or any of its subsidiaries except for Mr. Bruchs as at April 19, 2021 as follows:

Date	Balance April 19, 2021	Instrument Term / Demand	Interest Rate	Termination Fee	Maturity Date
31-Dec-18	273,005	Term*	8%	27,300	30-Dec-21
30-June-19	207,241	Demand#	8%	NIL	On Demand
31-Dec-19	57,684	Demand#	8%	NIL	On Demand
01-Oct-20	192,042	Demand#	8%	NIL	On Demand
Total	729,972			\$27,300	

*The term note carries a termination fee of 10% upon early redemption of the note for which there is an embedded derivative arising – the fair value of this is \$NIL. There was no material gain / (loss) arising on this. In addition, at the option of the note holder, the note can be converted to stock during future private placements that raise a minimum of CAD \$500,000 at the price of those future private placements

#Short-term promissory notes were issued in settlement of amounts loaned to the Company by Mr. Bruchs, compensation owed and expenses payable. The notes are payable on demand and have an annual interest rate of 8%.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The information in the following table is provided as of December 31, 2020.

Equity Compensation Plan Information

Plan Category	Number of Securities to be issued upon exercise of Outstanding Options (a)	Weighted average exercise price of outstanding options (\$) (b)	Number of Securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity Compensation Plans approved by Security Holders	2,706,250	C0\$.48	849,970
Equity Compensation Plans Not approved by Security Holders	NIL	NIL	NIL
Total	2,706,250		849,970

The Company's Stock Option Plan, described below, is the only equity-based compensation plan under which equity securities of the Company are authorized for issuance.

The Company's Stock Option Plan

The Stock Option Plan is currently the only equity-based compensation arrangement pursuant to which securities may be issued from treasury of the Company. The major features of the Stock Option Plan can be summarized as follows:

- The Board, or a committee or individual appointed for such purposes, may from time to time grant to directors, officers, eligible employees of, or consultants to, the Company or its subsidiaries, options to acquire common shares in such numbers, for such terms and at such exercise prices as may be determined by the Board or designated committee or person. The purpose of the Stock Option Plan is to advance the interests of the Company by providing eligible personnel with a financial incentive for the continued improvement of the Company's performance and encouragement to stay with the Company.
- The number of common shares of the company reserved for issuance under the Stock Option Plan is currently equal to 5,629,830. Any common shares subject to a share option which for any reason is cancelled or terminated without having been exercised will again be available for grant under the Stock Option Plan. The maximum number of common shares that may be reserved for issuance to insiders of the Company under the Stock Option Plan and under any other share compensation arrangement is limited to 5% of the common shares outstanding at the time of grant (on a non-diluted basis).
- The Board has the authority under the Stock Option Plan to establish the option price at the time each share option is granted. The option price may not be lower than the market price, for example, the closing price of the common share as traded on the Exchange on the last trading day preceding the date on which the option is approved by the Board. The options vest equally on a quarterly basis over a period of 18 months from initial grant.

Options granted under the Stock Option Plan must be exercised no later than five (5) years after the date of grant or as otherwise determined by the Board and are not transferable other than by will or the laws of descent and distribution. An Option, and all rights to purchase pursuant thereto, shall expire and terminate immediately upon the optionee ceasing to be an employee or director of the company or any subsidiary. If, before the expiry of an Option in accordance with the terms thereof, the employment / directorship of the Optionee with the Company or with any subsidiary shall terminate, in either case by reason of the death of the Optionee, such Option may, subject to the terms thereof and any other terms of the Plan, be exercised by the legal representative(s) of the estate of the Optionee at any time during the first six months following the death of the Optionee (but prior to the expiry of the Option in accordance with the terms thereof) but only to the extent that the Optionee was entitled to exercise such Option at the date of the termination of his employment / directorship.

The Company provides no financial assistance to facilitate the purchase of common shares by eligible personnel who hold options granted under the Stock Option Plan.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of the directors and officers of the Company, no director or executive officer of the Company, nor any person or company that is itself an informed person or subsidiary of the Company, nor any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company, nor any proposed nominee for election as a director of the Company, and no associate or affiliate of the foregoing persons, has or has had any material interest, direct or indirect, in any transaction since the beginning of the Company's last completed financial year or in any proposed

transaction which, in either such case has materially affected or will materially affect the Company or any of its subsidiaries.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

During 2020, the Company maintained liability insurance for its directors and officers acting in their respective capacities in an aggregate amount of C\$3,000,000 against liabilities incurred by such persons as directors and officers of the Company and its subsidiaries, except where the liability relates to such person's failure to act honestly and in good faith with a view to the best interests of the Company. The annual premium (Aug 2020 – Aug 2021) paid by the Company for this insurance in respect of the directors and officers as a Group is C\$9,720.00. No premium for this insurance is paid by the individual directors and officers. The insurance contract underlying this insurance does not expose the Company to any liability in addition to the payment of the required premium.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Introduction

This statement of corporate governance practices is made with reference to National Policy 58-201, Corporate Governance Guidelines and National Instrument 58-101, Disclosure of Corporate Governance Practices (hereinafter collectively the "**Governance Guidelines**") which are initiatives of the Canadian Securities Administrators ("**CSA**").

The Corporate Governance Committee has closely monitored the various changes and proposed changes in the regulatory environment and, where applicable, amended its governance practices to align with these changes that are currently in effect.

In accordance with the Governance Guidelines, the Company has disclosed its system of corporate governance in this Circular. The following text sets forth the steps taken by the Company in order to comply with the Governance Guidelines and its system of corporate governance now in force.

Board Governance

The Board has adopted a mandate which acknowledges its responsibility for the overall stewardship of the conduct of the business of the Company and the activities of management. Management is responsible for the day-to-day conduct of the business of the Company. The Board's fundamental objectives are to enhance and preserve long-term shareholder value, and to ensure the Company meets its obligations on an ongoing basis and that the Company operates in a reliable and safe manner. In performing its functions, the Board considers the legitimate interests that its other stakeholders, such as employees, customers and communities, may have in the Company. In overseeing the conduct of the business, the Board, through the Chief Executive Officer, sets the standards of conduct for the Company.

The Board operates by delegating certain of its authorities to management and by reserving certain powers to itself. The Board retains the responsibility for managing its own affairs including selecting its Chairman, nominating candidates for election to the Board and constituting committees of the Board. Subject to the Articles and By-Laws of the Company and applicable law, the Board may constitute, seek the advice of and delegate powers, duties and responsibilities to committees of the Board.

To assist the Board in its responsibilities, the Board has established three standing committees: The Audit Committee, the CCOM and the Corporate Governance Committee. Each committee has a written mandate and reviews its mandate annually.

Composition of the Board

The Board and its committees participate in all decision-making processes in the management of the Company and has adopted the following statement of corporate governance practices.

Responsibilities

The Board acknowledges its responsibility for the stewardship of the Company, and specifically for:

(i) Adoption of a strategic planning process

The Board provides input and guidance on and reviews and approves the strategic planning and business objectives developed by senior management of the Company and oversees management's implementation of the strategic plan.

(ii) Identification of principal risks, and implementing risk-management systems

The Board considers on an ongoing basis the principal risks of the Company's business in the diamond mining industry, particularly having regard to sensitivity to diamond prices, political risks given the location of the Company's operations, environmental and operational risks, based on regular business reports prepared by the Company's senior management. In addition, the Audit Committee by its review of the activities and findings of the Company's external auditors is aware of the principal risks to the Company's businesses and reports thereon to the Board on a regular basis.

(iii) Succession planning and monitoring senior management

The Board is responsible for the assessment of the performance of, and the development of a succession plan for, the Chief Executive Officer of the Company, who is in turn charged with those same responsibilities for the balance of the Company's senior management team.

(iv) Communications policy

The Board is committed to maintaining an effective communications policy for the benefit of all shareholders. In addition to its timely and continuous disclosure obligations under applicable law, the Company ensures that senior management is available to respond to questions and comments from shareholders. With the approval of the Board, management has a designee of the Company, as the principal individual responsible for receiving shareholder inquiries and dealing with shareholders' concerns. Such designee is available to respond to shareholder questions and comments, and endeavours to respond promptly and appropriately to all requests and/or inquiries. If material business issues result from communications between shareholders and senior management, it is the policy of the Company that such matters be reported to the Board.

(v) Integrity of internal control and management information system

The Audit Committee reviews with management and the Company's external auditors the ongoing sufficiency and integrity of the Company's internal control, financial reporting and management information systems.

The Board has considered the relationship and status of each director. As of the date hereof, the Board currently consists of five (5) directors of which four (4) are independent. Messrs. Bruington, Kelafant, Marole, and Scowcroft do not have any material business relationships with the Company and are

therefore considered independent under the Governance Guidelines and otherwise independent under the National Instrument 52-110, Audit Committees (NI52-110) for the purpose of sitting on the Company's Audit Committee. Mr. Bruchs is not independent in that he provided services to the Company for remuneration or compensation in 2018.

The jurisdiction of the Chairman of the Board includes reviewing the performance of the Board and each of its committees and recruitment and nomination of new directors to the Board. Further, the Company believes that the nature of the relationships of its related directors would not adversely affect their independence or ability to act in the best interest of the Company.

The Chairman of the Board annually reviews the membership and chairs of the Board committees, as well as the mandates and activities of each committee, and makes such recommendations to the Board arising out of such review, as he deems appropriate. The Company believes that the Board members are qualified as directors and represent the various disciplines necessary for the proper governance of the Company.

Other Public Corporation Directorships

The following table discloses other directorships held by each of the directors standing for election in other reporting issuers (or equivalent in foreign jurisdictions) as at December 31, 2020:

Director	Public Company Board Membership
NA	NA

Ethical Business Conduct

The Board has adopted a formal written Code of Conduct and a Corporate Disclosure Policy (collectively referred to as "**Codes of Conduct**") for its directors, officers and employees.

Individuals governed by the Codes of Conduct are required to disclose in writing all business, commercial or financial interests or activities which might reasonably be regarded as creating an actual or potential conflict with their duties. Individuals must avoid all situations in which their personal interests' conflict or might conflict with their duties to the Company or with the economic interest of the Company.

Directors, officers and employees are encouraged to report violation of the Codes of Conduct on a confidential and, if preferred, anonymous basis, in accordance with the complaints procedure set out in the Codes of Conduct or the Company's whistleblower "Speakout" procedures. The Corporate Governance Committee may request special treatment for any complaint, including the involvement of the Company's external auditors or outside counsel or other advisors. All complaints are required to be in writing by the person(s) designated to investigate the complaint, who shall report forthwith to their supervisor or the Chair of the Corporate Governance Committee. The Company has also established a fraud reporting and investigation "Speakout" policy to encourage employees, officers and directors to raise concerns regarding questionable accounting, internal controls, auditing or other fraudulent matters, on a confidential basis free from discrimination, retaliation or harassment.

Board Committees other than the Audit Committee

Other than the Audit Committee, the Board has established two standing committees; namely, the Compensation Committee, and the Corporate Governance Committee.

Compensation Committee

The Compensation Committee consists of 3 directors, all of whom are independent within the meaning of the Governance Guidelines. The Compensation Committee currently includes: Messrs. Thomas S. Bruington (Chairman), Jonathan R. Kelafant and Blackie Marole.

The principal purpose of the Compensation Committee is to implement and oversee human resources and compensation policies approved by the Board of Directors of the Company. The duties and responsibilities of the committee include, without limitation, the following:

- ◇ to recommend to the Board human resources and compensation policies and guidelines for application to the Company;
- ◇ to ensure that the Company has in place programs to attract and develop management of the highest caliber and a process to provide for the orderly succession of management; and
- ◇ to review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer and, in light of those goals and objectives, to recommend to the Board the annual salary, bonus and other benefits, direct and indirect, of the Chief Executive Officer and to approve compensation for all other designated officers of the Company, after considering the recommendations of the Chief Executive Officer, all within the human resources and compensation policies and guidelines approved by the Board.

Corporate Governance Committee

The Corporate Governance Committee (the “CGC”) consists of three (3) directors, of which all are independent within the meaning of the Governance Guidelines. The CGC currently consists of Messrs. Mark Scowcroft (Chairman), Thomas S. Bruington and Blackie Marole.

The principal purposes of the CGC is to provide a focus on corporate governance that will enhance corporate performance, and to ensure on behalf of the Board and shareholders that the Company’s corporate governance system is effective in the discharge of its obligations to the Company’s stakeholders. The duties and responsibilities of the CGC include, without limitation, the following:

- ◇ to develop and monitor the Company’s overall approach to corporate governance issues and, subject to approval by the Board, to implement and administer a system of corporate governance which reflects superior standards of corporate governance practices;
- ◇ to report annually to the Company’s shareholders, through the Company’s annual management proxy circular or annual report to shareholders, on the Company’s system of corporate governance and the operation of its system of governance;
- ◇ to analyze and report annually to the Board the relationship of each director to the Company as to whether such director is a related director or an unrelated director; and
- ◇ to advise the Board or any of the committees of the Board of any corporate governance issues which the CGC determines ought to be considered by the Board or any such committee.

Board Committee Appointments

The Board appoints the members of the committees for the ensuing year at its organizational meeting held in conjunction with each annual general meeting of the shareholders of the Company. The Board

may at any time remove or replace any member of a committee and may fill any vacancy in a committee.

Orientation and Continuing Education

The Company currently has an informal orientation program for new members of the Board. The Board regularly invites senior operating management to attend at Board meetings to report on their respective business unit activities, and Board meetings are periodically organized to include tours of the Company's facilities which permit the Board to participate in a detailed first hand review of the Company's activities. In addition, there are periodic events organized by the Company where the Board can interact with senior management.

Nomination of Directors

The Board is largely responsible for identifying new candidates for nomination to the Board. The process by which candidates are identified is through recommendations presented to the Board, which establishes and discusses qualifications based on corporate law and regulatory requirements as well as education and experience related to the business of the Company.

Compensation

It is the responsibility of the Compensation Committee to determine the level of compensation in respect of the Company's senior executives with a view to providing such executives with a competitive compensation package having regard to performance. The Compensation Committee reviews and recommends the compensation of the Chief Executive Officer of the Company on a regular basis, at least once a year. The Compensation Committee also reviews the recommendations submitted by the Chief Executive Officer with respect to the compensation of other senior officers of the Company.

In establishing compensation for executive officers, the Compensation Committee takes into consideration individual performance, responsibilities, length of service and levels of compensation provided by industry competitors. Such compensation is composed primarily of three components; namely, base salary, the granting of stock options and the awarding of performance bonuses. The Compensation Committee recommends guidelines for the Stock Option Plan and, in consultation with the Chief Executive Officer, reviews the options granted to the Company's executives and board members. Performance bonuses are considered from time to time having regard to the Company's objectives. No definitive and pre-determined bonus arrangement was entered into in the preceding fiscal year.

Assessments

The Board and its individual directors are assessed on an informal basis continually as to their effectiveness and contribution. The Chairman of the Board encourages discussion amongst the members of the Board as to evaluation of the effectiveness of the Board as a whole and of each individual director. All directors are free to make suggestions for improvement of the practice of the Board at any time and are encouraged to do so.

AUDIT COMMITTEE DISCLOSURE

The Audit Committee of the Company is comprised of three (3) directors. The current members of the Committee are: Messrs. Jonathan R. Kelafant (Chairman), Mark Scowcroft and Blackie Marole all of whom are "financially literate" and Messrs. Kelafant, Scowcroft and Marole are "independent" for the purposes of National Instrument NI 52-110.

The Audit Committee oversees the accounting and financial reporting processes of the Company and its subsidiaries and all audits and external reviews of the financial statements of the Company, on behalf of the Board, and has general responsibility for oversight of internal controls, and accounting and auditing activities of the Company and its subsidiaries. All auditing services and non-audit services to be provided to the Company by the Company's auditors are pre-approved by the Audit Committee. The Audit Committee reviews, on a continuous basis, any reports prepared by the Company's external auditors relating to the Company's accounting policies and procedures, as well as internal control procedures and systems.

The Audit Committee is also responsible for examining all financial information, including annual and quarterly financial statements, prepared for securities commissions and similar regulatory bodies prior to filing or delivery of the same. The Audit Committee also oversees the annual audit process, the quarterly review engagements, the Company's internal accounting controls, any complaints and concerns regarding accounting, internal control or audit matters and the resolution of issues identified by the Company's external auditors. The Audit Committee recommends to the Board the firm of independent auditors to be nominated for appointment by the shareholders.

Audit Committee Charter

Please see Schedule "B" for the text of the charter of the audit committee.

Relevant Education and Experience

Jonathan R. Kelafant - Chairman

Earned a MSc. From George Washington University and is a member of the American Association of Petroleum Geologists. He has over 25 years of experience in developing oil and gas projects, notably shale projects, in the USA as well as overseas and is currently Vice-President of Advanced Resources in Washington D.C.

Blackie Marole

An Economist by profession, Mr. Marole spent 21 years of his career in the Botswana civil service where he reached the highest post in the Ministry of Energy, Water and Minerals Resources as its Permanent Secretary.

Mr. Marole has provided oversight as Director and Chairman of the following national and international Boards: African Energy Resources; Associated Fund Administrators (AFA); Alternate Director and Chairman, Botswana Diamond Valuing Company; Alternate Director, Director and Chairman, Debswana Diamond Company; Director Diamond Manufacturing Botswana; Alternate Director, Diamond Trading Company; Alternate Director for Debswana Pension Fund Board of Trustees; Chairman of Botswana Power Corporation; Chairman of Water Utilities Corporation; Alternate Director BCL; Chairman of Water Apportionment Board; Chairman Teemane Manufacturing Company; Director De Beers Centenary AG/De Beers Consolidated Mines; Director BCL Limited; Director Botswana Ash; Director De Beers Prospecting (Pty) Ltd; Director De Beers Botswana (Pty) Ltd; Chairman Barclays Bank of Botswana; Director CIC Energy among others.

Mr. Marole holds a Master of Arts Degree in Economics from Williams College, Massachusetts, United States. He also holds Bachelor of Arts Degree in Economics from the University of Botswana, and an Economic Institute Diploma with the University of Colorado. Mr. Marole was appointed director in 2017.

Mark Scowcroft

Mark Scowcroft has 30 years of experience in managing and investing in mineral resource projects. in Botswana, beginning his career in 1989 as a geologist with De Beers Prospecting Botswana (Pty) Limited, after graduating in 1988 from the Royal School of Mines, Imperial College, London with a B.Sc. (Honours) degree in Mining Geology. In 1995, he left De Beers to pursue a career as an independent

diamond exploration consultant spearheaded effort to re-evaluate the geology and economic potential of known kimberlites in the Orapa Kimberlite Field.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed fiscal year did the Audit Committee make a recommendation to nominate or compensate an external auditor that was not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed fiscal year did the Company rely on:

- (a) the exemption in section 2.4 (De Minimis Non-audit Services) of National Instrument 52-110 - Audit Committees of the Canadian Securities Administrators ("NI 52-110"); or
- (b) an exemption from the requirements of MI 52-110 granted under Part 8 (Exemptions) of MI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee approves all audit engagements and must pre-approve the provision by the external auditors of all non-audit services, including fees and terms for all audit engagements and non-audit engagements, and in such regard the Audit Committee may establish the types of non-audit services the external auditors shall be prohibited from providing and shall establish the types of audit, audit related and non-audit services for which the Audit Committee will retain the external auditors. The Audit Committee may delegate to one or more of its members the authority to pre-approve non-audit services, provided that any such delegated pre-approval shall be exercised in accordance with the types of particular non-audit services authorized by the Audit Committee to be provided by the external auditor and the exercise of such delegated pre-approvals shall be presented to the full Audit Committee at its next scheduled meeting following such pre-approval.

External Auditor Service Fees (By Category)

The following table discloses the fees and estimated fees to the Company by its external auditor during the last two-fiscal years ended December 31. Amounts set forth below are in CAD.

Financial Year-Ending	Audit Fees ⁽¹⁾	Audit Related Fees	Tax Fees ⁽¹⁾	All Other Fees
December 31, 2021	\$62,000	--	\$5,000	--
December 31, 2020	\$60,500	--	\$5,000	--

⁽¹⁾ The aggregate fees billed for services for Tsodilo Resources Limited and Botswana subsidiaries Newdico (Pty) Ltd, Gcwihaba Resources (Pty) Ltd and Bosoto (Pty) Ltd as well as South African subsidiary Idada 361 (Pty) Ltd.

Other

The Company is relying on the exemption provided in section 6.1 of NI 52-110 as the Company is a "venture issuer" and is exempt from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*).

OTHER BUSINESS

As at the date hereof, management of the Company knows of no other matters which will be brought before the Meeting, other than those referred to in the accompanying notice of meeting. Should any other matters properly be brought before the Meeting, the Common Shares represented by the proxies solicited hereby will be voted on those matters in accordance with the best judgment of the persons voting such proxies.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on the SEDAR website under the Company's profile at **www.sedar.com**. Financial information related to the Company is contained in the Company's consolidated audited financial statements and related management's discussion and analysis for the year-ended December 31, 2020. Copies of the Company's consolidated audited financial statements for the year-ended December 31, 2020 may be obtained free of charge by writing to the Corporate Secretary of the Company at 161 Bay Street, Box 508, Toronto, Ontario M5J 2S1.

CERTIFICATE

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

DATED this 19th day of April 2021

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BY ORDER OF THE BOARD OF DIRECTORS

"S"

James M. Bruchs
Chairman & CEO

SCHEDULE "A"

TSODILO RESOURCES LIMITED AMENDED AND RESTATED STOCK OPTION PLAN

(Adopted by shareholders on May 8, 2017, amended by shareholders on May 4, 2010 and March 22, 2013 and modified by Board of Directors' resolution on April 13, 2021)

1. PURPOSE OF PLAN

1.1 The purpose of the Plan is to attract, retain and motivate persons as directors, officers, key employees and consultants of the Corporation and its Subsidiaries and to advance the interests of the Corporation by providing such persons with the opportunity, through share options, to acquire an increased proprietary interest in the Corporation.

2. DEFINED TERMS

Where used herein, the following terms shall have the following meanings, respectively:

2.1 "Board" means the board of directors of the Corporation or, if established and duly authorized to act, the Executive Committee or another Committee appointed for such purpose by the board of directors of the Corporation;

2.2 "Business Day" means any day, other than a Saturday or a Sunday, on which the Exchange is open for trading;

2.3 "Consultant" means, an individual (or a company wholly-owned by individuals) who:

- (a) provides ongoing consulting services to the Corporation or any Subsidiary under a written contract;
- (b) possesses technical, business or management expertise of value to the Corporation or any Subsidiary;
- (c) spends a significant amount of time and attention on the business and affairs of the Corporation or any Subsidiary; and
- (d) has a relationship with the Corporation or any Subsidiary that enables the individual to be knowledgeable about the business and affairs of the Corporation;

2.4 "Corporation" means **TSODILO RESOURCES LIMITED** and includes any successor corporation thereto;

2.5 "Directors" means directors or senior officers of the Corporation, or of the Corporation's Subsidiaries to whom stock options can be granted in reliance on a Prospectus exemption under applicable Securities Laws;

2.6 "Discounted Market Price" means the Market Price less a discount which shall not exceed the amount set forth below, subject to a minimum price of \$0.10:

Closing Price	Discount
up to \$0.50	25%
\$0.51 to \$2.00	20%
Above \$2.00	15%

2.7 "Eligible Person" means any Employee, Director or Consultant of the Corporation or any Subsidiary or any Management Company Employee;

2.8 "Employee" means:

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

2.9 "Exchange" means The TSX Venture Exchange ("TSX-V") and, where the context permits, any other exchange on which the Shares are or may be listed from time to time;

2.10 "Insider" means an Insider as defined under Section 1(1) of the *Securities Act* (Ontario);

2.11 "Management Company Employee" means an individual employed by a Person providing management services to the Corporation, which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a Person engaged in Investor Relations Activities;

2.12 "Market Price" in respect of the Shares, subject to the exceptions noted below, means the last daily closing price of such Shares before either the issuance of the news release; or the filing of the Price Reservation Form required to fix the price at which the securities are to be issued or deemed to be issued.

- (a) "*Consolidation Exception*" The Market Price is to be adjusted for any share consolidation or split. If the notice of the transaction is within 10 days following a consolidation of the Corporation's share capital, the minimum price per share will be the greater of the Market Price, adjusted for any share consolidation or split, or \$0.10;
- (b) "*Material Change Exception*" If the Corporation announces a Material Change in the affairs of the Corporation after providing notice of the transaction and if the Exchange determines that a party to the transaction was probably aware of that pending Material Change, then the Market Price will be at least equal to the closing price of the Shares on the Trading Day after the day on which that Material Change was announced;
- (c) "*Price Interference Exception*" If the Exchange determines that the closing price is not a fair reflection of the market for the Shares and the Shares appear to have been high-closed or low-closed, then the Exchange will determine the Market Price to be used;
- (d) "*Suspension Exception*" If the Corporation is suspended from trading or has for any reason not traded for an extended period of time, the Exchange may determine the deemed Market Price to be used; and
- (e) "*Minimum Price Exception*" The Exchange will not generally permit Shares to be issued from treasury at a price of less than \$0.10 nor will the Exchange

generally permit any securities convertible into Shares to be issued with an effective conversion price of less than \$0.10 per Share.

- 2.13 "Option" means an option to purchase Shares granted under the Plan;
- 2.14 "Option Price" means the price per Share at which Shares may be purchased under the Option, as the same may be adjusted from time to time in accordance with Article 8;
- 2.15 "Optionee" means an Eligible Person to whom an Option has been granted;
- 2.16 "Person" means an individual, a corporation, a partnership, an unincorporated association or organization, a trust, a government or department or agency thereof and the heirs, executors, administrators or other legal representatives of an individual and an associate or affiliate of any thereof as such terms are defined in the *Business Corporations Act, Yukon*;
- 2.17 "Plan" means the **TSODILO RESOURCES LIMITED** Share Option Plan, as the same may be amended or varied from time to time;
- 2.18 "Share Compensation Arrangement" means any stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise;
- 2.19 "Shares" means the common shares of the Corporation or, in the event of an adjustment contemplated by Article 8, such other shares or securities to which an Optionee may be entitled upon the exercise of an Option as a result of such adjustment; and
- 2.20 "Subsidiary" means any corporation which is a subsidiary as such term is defined in the *Business Corporations Act, Yukon* (as such provision is from time to time amended, varied or re-enacted) of the Corporation.
- 2.21 All Capitalized terms, which are not defined in this Plan, shall have the meanings assigned to them in the TSX-V policies.

3. ADMINISTRATION OF THE PLAN

3.1 The Plan shall be administered in accordance with the rules and policies of the Exchange in respect of employee stock option plans by the Board. The Board shall receive recommendations of management and shall determine and designate from time to time those Directors, Employees and Consultants of the Corporation or its Subsidiaries or those Management Company Employees to whom an Option should be granted and the number of Shares, which will be optioned from time to time to any individual and the terms and conditions of the grant. For Options granted to Employees, Consultants or Management Company Employees, the Corporation must represent that the Optionee is a bona fide Employee, Consultant or Management Company Employee as the case may be.

3.2 The Board shall have the power, where consistent with the general purpose and intent of the Plan and subject to the specific provisions of the Plan:

- (a) to establish policies and to adopt, prescribe, amend or vary rules and regulations for carrying out the purposes, provisions and administration of the Plan and make all other determinations necessary or advisable for its administration;
- (b) to interpret and construe the Plan and to determine all questions arising out of the Plan and any Option granted pursuant to the Plan and any such interpretation, construction or determination made by the Board shall be final, binding and conclusive for all purposes;

- (c) to determine which Eligible Persons are granted Options and to grant Options;
- (d) to determine the number of Shares covered by each Option;
- (e) to determine the Option Price;
- (f) to determine the time or times when Options will be granted and exercisable;
- (g) to determine if the Shares which are subject to an Option will be subject to any restrictions upon the exercise of such Option; and
- (h) to prescribe the form of the instruments relating to the grant, exercise and other terms of Options which initially shall be substantially in the form annexed hereto as Schedule "C".

4. SHARES SUBJECT TO THE PLAN

4.1 Options may be granted in respect of authorized and unissued Shares provided that, subject to increase by the Board, the receipt of the approval of the Exchange, if applicable, and the approval of shareholders of the Corporation, the maximum aggregate number of Shares reserved by the Corporation for issuance and which may be purchased upon the exercise of all Options shall be **[insert number that is equal to 20% of total Outstanding Issue as of date of Meeting]**, being 20% of the total Outstanding Issue as at the date hereof. No fractional Shares may be purchased or issued under the Plan.

5. ELIGIBILITY; GRANT; TERMS OF OPTIONS

5.1 Options may be granted to Eligible Persons.

5.2 Subject to the limits set out in 5.3, 5.4 and 5.5 below, Options may be granted by the Corporation pursuant to the recommendations of the Board from time to time provided and to the extent that such decisions are approved by the Board.

5.3 The maximum number of Options, which may be granted to any one Optionee under the Plan and any other Share Compensation Arrangement in any 12-month period, shall not exceed 5% of the Shares outstanding at the date of the grant (on a non-diluted basis).

5.4 The maximum number of Options, which may be granted to any one Consultant under the Plan and any other Share Compensation Arrangement in any 12-month period, shall not exceed 2% of the Shares outstanding at the date of the grant (on a non-diluted basis).

5.5 The maximum number of Options, which may be granted to Optionees conducting investor relations activities under the Plan and any other Share Compensation Arrangement in any 12-month period, shall not exceed 2% of the Shares outstanding at the date of the grant (on a non-diluted basis). Further, Options granted to an Optionee who is engaged in investor relations activities must expire within 30-days after the Optionee ceases to be engaged to provide investor relations activities.

5.6 Subject to the provisions of this Plan, the number of Shares subject to each Option, the Option Price, the expiration date of each Option, the extent to which each Option is exercisable from time to time during the term of the Option and other terms and conditions relating to each such Option shall be determined by the Board. At no time shall the period during which an Option shall be exercisable exceed 5 years.

5.7 Options issued under the Plan may vest at the discretion of the Board, provided that:

- (a) if the shares are listed on TSX-V the options shall vest no more frequently than equally on a quarterly basis over a period of not less than 18 months and if the shares are listed on any other stock exchange, the shares shall vest in accordance with the requirements of such exchange; and

- (b) options issued to Optionees conducting investor relations activities must vest in stages over not less than 12 months with no more than one-quarter (1/4) of the options vesting in any three-month period.

5.8 The Option Price of Shares, which are the subject of any Option, shall in no circumstances be lower than the Discounted Market Price of the Shares at the date of the grant of the Option.

5.9 The maximum number of Shares, which may be issued to any one Insider and such Insider's associates under the Plan and any other Share Compensation Arrangement in any 12-month period, shall be 5% of the Shares outstanding at the date of the issuance (on a non-diluted basis). The maximum number of Shares, which may be issued to Insiders (as a group) at any point in time under the Plan and any other Share Compensation Arrangement in any 12-month period, shall not exceed 10% of the Shares outstanding at the date of the issuance (on a non-diluted basis). The aggregate number of shares reserved for issuance under stock options granted to Insiders (as a group) at any point in time shall not exceed 10% of the issued shares.

5.10 An Option is personal to the Optionee and is non-assignable and non-transferable.

6. EXERCISE OF OPTIONS

6.1 Subject to the provisions of the Plan, an Option may be exercised from time to time by delivery to the Corporation at its registered office of a written notice of exercise addressed to the Secretary of the Corporation specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full of the Option Price of the Shares to be purchased. Certificates for such Shares shall be issued and delivered to the Optionee within a reasonable period of time following the receipt of such notice and payment.

6.2 Notwithstanding any of the provisions contained in the Plan or in any Option, the Corporation's obligation to issue Shares to an Optionee pursuant to the exercise of an Option shall be subject to:

- (a) completion of such registration or other qualification of such Shares or obtaining approval of such governmental or regulatory authority as counsel to the Corporation shall reasonably determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
- (b) the listing of such Shares on the Exchange, if applicable; and
- (c) the receipt from the Optionee of such representations, agreements and undertakings, including as to future dealings in such Shares, as the Corporation or its counsel reasonably determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

In this connection the Corporation shall, to the extent necessary, take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Shares in compliance with applicable securities laws and for the listing of such Shares on the Exchange.

6.3 In addition to any Resale Restrictions under Securities Laws, all Options and any Shares issued on the exercise of any Options are legended with a four-month Exchange hold period from the date the Options are granted.

7. TERMINATION OF EMPLOYMENT; DEATH

7.1 Subject to Section 7.2 and any express resolution passed by the Board with respect to an Option, an Option, and all rights to purchase pursuant thereto, shall expire and terminate immediately upon the Optionee ceasing to be an Employee or Director of the Corporation or

any Subsidiary, or ceasing to be a Management Company Employee. The entitlement of a Consultant to Options including the termination thereof shall be in accordance with the terms of the consulting agreement entered into between the

Corporation or any Subsidiary and the Consultant but in no event shall expiry and termination of the Option be extended beyond 90 days from the date the Consultant ceased to be a Consultant of the Corporation or any Subsidiary. Options granted to an Optionee who is engaged in Investor Relations Activities shall expire and terminate no later than 30 days after the Optionee ceases to be employed to provide Investor Relations Activities.

7.2 If, before the expiry of an Option in accordance with the terms thereof, the employment / directorship of the Optionee with the Corporation or with any Subsidiary shall terminate, in either case by reason of the death of the Optionee, such Option may, subject to the terms thereof and any other terms of the Plan, be exercised by the legal representative(s) of the estate of the Optionee at any time during the first six months following the death of the Optionee (but prior to the expiry of the Option in accordance with the terms thereof) but only to the extent that the Optionee was entitled to exercise such Option at the date of the termination of his employment / directorship.

7.3 Options shall not be affected by any change of employment of the Optionee or by the Optionee ceasing to be a Director where the Optionee continues to be employed by the Corporation or any Subsidiary or continues to be a Director of the Corporation or any Subsidiary.

8. CHANGE IN CONTROL AND CERTAIN ADJUSTMENTS

8.1 Notwithstanding any other provision of this Plan in the event of:

- (a) the acquisition by any Person who was not, immediately prior to the effective time of the acquisition, a registered or a beneficial shareholder in the Corporation, of Shares or rights or options to acquire Shares of the Corporation or securities which are convertible into Shares of the Corporation or any combination thereof such that after the completion of such acquisition such Person would be entitled to exercise 30% or more of the votes entitled to be cast at a meeting of the shareholders; or
- (b) the sale by the Corporation of all or substantially all of the property or assets of the Corporation;

then notwithstanding that at the effective time of such transaction the Optionee may not be entitled to all the Shares granted by the Option, the Optionee shall be entitled to exercise the Options to the full amount of the Shares remaining at that time within 90 days of the close of any such transaction.

8.2 Appropriate adjustments with respect to Options granted or to be granted, in the number of Shares optioned and in the Option Price, shall be made by the Board to give effect to adjustments in the number of Shares of the Corporation resulting from subdivisions, consolidations or reclassifications of the Shares of the Corporation, the payment of stock dividends or cash dividends by the Corporation (other than dividends in the ordinary course), the distribution of securities, property or assets by way of dividend or otherwise (other than dividends in the ordinary course), or other relevant changes in the capital stock of the Corporation or the amalgamation or merger of the Corporation with or into any other entity, subsequent to the approval of the Plan by the Board. The appropriate adjustment in any particular circumstance shall be conclusively determined by the Board in its sole discretion, subject to approval by the Shareholders of the Corporation and to acceptance by the Exchange respectively, if applicable.

8.3 If there is a reduction in the exercise price of the Options of an Insider of the Corporation, the Corporation will be required to obtain approval from disinterested shareholders.

9. AMENDMENT OR DISCONTINUANCE OF PLAN

9.1 The Board may amend or discontinue the Plan at any time upon receipt of requisite regulatory approval including without limitation, the approval of the Exchange, if applicable, provided, however, that no such amendment may increase the maximum number of Shares that may be optioned under the Plan, change the manner of determining the minimum Option Price or, without the consent of the Optionee, alter or impair any of the terms of any Option previously granted to an Optionee under the Plan. Any amendments to the terms of an Option shall also require regulatory approval. Including without limitation, the approval of the Exchange if applicable.

10. MISCELLANEOUS PROVISIONS

10.1 The holder of an Option shall not have any rights as a shareholder of the Corporation with respect to any of the Shares covered by such Option until such holder shall have exercised such Option in accordance with the terms of the Plan (including tendering payment in full of the Option Price of the Shares in respect of which the Option is being exercised) and the issuance of Shares by the Corporation.

10.2 Nothing in the Plan or any Option shall confer upon an Optionee any right to continue in the employ or as a director of the Corporation or any Subsidiary or affect in any way the right of the Corporation or any Subsidiary to terminate his employment / directorship at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any Subsidiary to extend the employment / directorship of any Optionee beyond the time which he would normally be retired pursuant to the provisions of any present or future retirement plan of the Corporation or any Subsidiary, or beyond the time at which he would otherwise be retired pursuant to the provisions of any contract of employment with the Corporation or any Subsidiary.

10.3 To the extent required by law or regulatory policy or necessary to allow Shares issued on exercise of an Option to be free of resale restrictions, the Corporation shall report the grant, exercise or termination of the Option to the Exchange and the appropriate securities regulatory authorities.

11. SHAREHOLDER AND REGULATORY APPROVAL

11.1 The Plan shall be subject to the approval of the shareholders of the Corporation to be given by a resolution passed at a meeting of the shareholders of the Corporation in accordance with the *Business Corporations Act, Yukon*, and to acceptance by the Exchange, if applicable. Any Options granted prior to such approval and acceptances shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless such approval and acceptance is given.

11.2 Approval of the disinterested shareholders of the Corporation shall be obtained for any reduction in the exercise price where the Optionee is an Insider of the Corporation at the time of the proposed reduction.

SCHEDULE "B"

TSODILO RESOURCES LIMITED CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

NAME

There shall be a committee of the board of directors (the "Board") of **Tsodilo Resources Limited** (the "Company") known as the Audit Committee.

PURPOSE OF AUDIT COMMITTEE

The Audit Committee has been established to assist the Board in fulfilling its oversight responsibilities with respect to the following principal areas:

- (a) the Company's external audit function; including the qualifications, independence, appointment and oversight of the work of the external auditors;
- (b) the Company's accounting and financial reporting requirements;
- (c) the Company's reporting of financial information to the public;
- (d) the Company's compliance with law and regulatory requirements;
- (e) the Company's risks and risk management policies;
- (f) the Company's system of internal controls and management information systems;
and
- (g) such other functions as are delegated to it by the Board.

Specifically, with respect to the Company's external audit function, the Audit Committee assists the Board in fulfilling its oversight responsibilities relating to: the quality and integrity of the Company's financial statements; the independent auditors' qualifications; and the performance of the Company's independent auditors.

MEMBERSHIP

The Audit Committee shall consist of as many members as the Board shall determine but, in any event not fewer than three directors appointed by the Board as provided for in the By-laws of the Company. Each member of the Audit Committee shall continue to be a member until a successor is appointed, unless the member resigns, is removed or ceases to be a director of the Company. The Board, following consideration of the recommendation of the Corporate Governance Committee, may fill a vacancy which occurs in the Audit Committee at any time.

Members of the Audit Committee shall be selected based upon the following and in accordance with applicable laws, rules and regulations:

- (a) **Financially Literate.** Each member shall be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the Audit Committee. For these purposes, 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.

CHAIR AND SECRETARY

The Chair of the Audit Committee shall be designated by the Board. If the Chair is not present at a meeting of the Audit Committee, the members of the Audit Committee may designate an interim Chair for the meeting by majority vote of the members present. The Secretary of the Company shall be the Secretary of the Audit Committee, provided that if the Secretary is not present, the Chair of the meeting may appoint a secretary for the meeting with the consent of the Audit Committee members who are present. A member of the Audit Committee may be designated as the liaison member to report on the deliberations of the Audit Committees of affiliated companies (if applicable).

MEETINGS

The Chair of the Audit Committee, in consultation with the Audit Committee members, shall determine the schedule and frequency of the Audit Committee meetings provided that the Audit Committee will meet at least four times in each fiscal year and at least once in every fiscal quarter. The Audit Committee shall have the authority to convene additional meetings as circumstances require.

Notice of every meeting shall be given to the external and internal auditors of the Company, and meetings shall be convened whenever requested by the external auditors or any member of the Audit Committee in accordance with applicable law. The Audit Committee shall meet separately and periodically with management, legal counsel and the external auditors. The Audit Committee shall meet separately with the external auditors at every meeting of the Audit Committee at which external auditors are present.

MEETING AGENDAS

Agendas for meetings of the Audit Committee shall be developed by the Chair of the Audit Committee in consultation with the management and the corporate secretary, and shall be circulated to Audit Committee members as far in advance of each Audit Committee meeting as is reasonable.

RESOURCES AND AUTHORITY

The Audit Committee shall have the resources and the authority to discharge its responsibilities, including the authority, in its sole discretion, to engage, at the expense of the Company, outside consultants, independent legal counsel and other advisors and experts as it determines necessary to carry out the duties of management, without seeking the approval of the Board or management. The Audit Committee shall have the authority to conduct any investigation necessary and appropriate to fulfilling its responsibilities, and has direct access to and the authority to communicate directly with the internal and external auditors, the general counsel of the Company and other officers and employees of the Company.

The members of the Audit Committee shall have the right for the purpose of performing their duties to inspect all the books and records of the Company and its subsidiaries and to discuss such accounts and records and any matters relating to the financial position, risk management and internal controls of the Company with the officers and external and internal auditors of the Company and its subsidiaries. Any member of the Audit Committee may require the external or internal auditors to attend any or every meeting of the Audit Committee.

RESPONSIBILITIES

The Company's management is responsible for preparing the Company's financial statements and the external auditors are responsible for auditing those financial statements. The Audit Committee is responsible for overseeing the conduct of those activities by the Company's management and external auditors, and overseeing the activities of the internal auditors.

The specific responsibilities of the Audit Committee shall include those listed below. The enumerated responsibilities are not meant to restrict the Audit Committee from examining any matters related to its purpose.

1. Financial Reporting Process and Financial Statements

The Audit Committee shall:

- (a) in consultation with the external auditors and the internal auditors, review the integrity of the Company's financial reporting process, both internal and external, and any major issues as to the adequacy of the internal controls and any special audit steps adopted in light of material control deficiencies;
- (b) review all material transactions and material contracts entered into between (i) the Company or any subsidiary of the Company, and (ii) any subsidiary, director, officer, insider or related party of the Company, other than officer or employee compensation arrangements approved or recommended by the Compensation Committee, or director remuneration approved or recommended by the Corporate Governance Committee, or transactions in the ordinary course of business;
- (a) review and discuss with management and the external auditors: (i) the preparation of Company's annual audited consolidated financial statements and its interim unaudited consolidated financial statements; (ii) whether the financial statements present fairly (in accordance with Canadian generally accepted accounting principles) in all material respects the financial condition, results of operations and cash flows of the Company as of and for the periods presented; (iii) any matters required to be discussed with the external auditors according to Canadian generally accepted auditing standards; (iv) an annual report by the external auditors describing: (A) all critical accounting policies and practices used by the Company; (B) all material alternative accounting treatments of financial information within generally accepted accounting principles that have been discussed with management of the Company, including the ramifications of the use such alternative treatments and disclosures and the treatment preferred by the external auditors; and (C) other material written communications between the external auditors and management;
- (b) following completion of the annual audit, review with each of: (i) management; (ii) the external auditors; and (iii) the internal auditors, any significant issues, concerns or difficulties encountered during the course of the audit;
- (c) resolve disagreements between management and the external auditors regarding financial reporting;
- (d) review the interim quarterly and annual financial statements and annual and interim press releases prior to the release of earnings information; and
- (e) review and be satisfied that adequate procedures are in place for the review of the public disclosure of financial information by the Company extracted or derived from the Company's

financial statements, other than the disclosure referred to in (f), and periodically assess the adequacy of those procedures.

2. External Auditors

The Audit Committee shall:

- (a) require the external auditors to report directly to the Audit Committee;
- (b) be directly responsible for the selection, nomination, compensation, retention, termination and oversight of the work of the Company's external auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, and in such regard recommend to the Board the external auditors to be nominated for approval by the shareholders;
- (c) approve all audit engagements and must pre-approve the provision by the external auditors of all non-audit services, including fees and terms for all audit engagements and non-audit engagements, and in such regard the Audit Committee may establish the types of non-audit services the external auditors shall be prohibited from providing and shall establish the types of audit, audit related and non-audit services for which the Audit Committee will retain the external auditors. The Audit Committee may delegate to one or more of its members the authority to pre-approve non-audit services, provided that any such delegated pre-approval shall be exercised in accordance with the types of particular non-audit services authorized by the Audit Committee to be provided by the external auditor and the exercise of such delegated pre-approvals shall be presented to the full Audit Committee at its next scheduled meeting following such pre-approval;
- (d) review and approve the Company's policies for the hiring of partners and employees and former partners and employees of the external auditors;
- (e) consider, assess and report to the Board with regard to the independence and performance of the external auditors; and
- (f) request and review the audit plan of the external auditors as well as a report by the external auditors to be submitted at least annually regarding: (i) the external auditing firm's internal quality-control procedures; (ii) any material issues raised by the external auditor's own most recent internal quality-control review or peer review of the auditing firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the external auditors, and any steps taken to deal with any such issues.

3. Accounting Systems and Internal Controls

The Audit Committee shall:

- (a) oversee management's design and implementation of and reporting on internal controls. The Audit Committee shall also receive and review reports from management, the internal auditors and the external auditors on an annual basis with regard to the reliability and effective operation of the Company's accounting system and internal controls;
- (b) review annually the activities, organization and qualifications of the internal auditors and discuss with the external auditors the responsibilities, budget and staffing of the internal audit function; and

- (c) review annually the Company's Code of Business Conduct and its effectiveness and enforcement.

4. Legal and Regulatory Requirements

The Audit Committee shall:

- (a) receive and review timely analysis by management of significant issues relating to public disclosure and reporting;
- (b) review, prior to finalization, periodic public disclosure documents containing financial information, including the Management's Discussion and Analysis and Annual Information Form;
- (c) prepare the report of the Audit Committee required to be included in the Company's periodic filings;
- (d) review with the Company's General Counsel legal compliance matters, significant litigation and other legal matters that could have a significant impact on the Company's financial statements; and
- (e) assist the Board in the oversight of compliance with legal and regulatory requirements and review with legal counsel the adequacy and effectiveness of the Company's procedures to ensure compliance with legal and regulatory responsibilities.

5. Additional Responsibilities

The Audit Committee shall:

- (a) discuss policies with the external auditor, internal auditor and management with respect to risk assessment and risk management;
- (b) establish procedures and policies for the following
 - (i) the receipt, retention, treatment and resolution of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
 - (ii) the confidential, anonymous submission by directors or employees of the Company of concerns regarding questionable accounting or auditing matters or any potential violations of legal or regulatory provisions;
- (c) prepare and review with the Board an annual performance evaluation of the Audit Committee;
- (d) report regularly to the Board, including with regard to matters such as the quality or integrity of the Company's financial statements, compliance with legal or regulatory requirements, the performance of the internal audit function, and the performance and independence of the external auditors; and
- (e) review and reassess the adequacy of the Audit Committee's Charter on an annual basis.

6. Limitation on the Oversight Role of the Audit Committee

Nothing in this Charter is intended, or may be construed, to impose on any member of the Audit Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all members of the Board are subject.

Each member of the Audit Committee shall be entitled, to the fullest extent permitted by law, to rely on the integrity of those persons and organizations within and outside the Company from whom he or she receives financial and other information, and the accuracy of the information provided to the Company by such persons or organizations.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and in accordance with generally accepted accounting principles in Canada and applicable rules and regulations. These are the responsibility of management and the external auditors.

Approved by the Board of Directors, September 1, 2004.

"Christopher Jennings"

Christopher M. H. Jennings, Chairman