

## **NV GOLD CORPORATION**

(the "Company")

Suite 588, 580 Hornby Street  
Vancouver, BC, Canada V6C 3B6  
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### **INFORMATION CIRCULAR**

(As at December 11, 2018, except as indicated)

The Company is providing this Information Circular and a form of proxy in connection with management's solicitation of proxies for use at the annual general meeting (the "**Meeting**") of the Company to be held on January 30, 2019 and at any adjournments at Suite 588, 580 Hornby Street, Vancouver, BC, Canada, V6C 3B6. Unless the context otherwise requires, references herein to the "Company" mean the Company and its subsidiaries. The Company will conduct its solicitation by mail and e-mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of this solicitation.

All dollar amounts in this Information Circular, unless otherwise indicated, are expressed in Canadian dollars.

#### **APPOINTMENT OF PROXYHOLDER**

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

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

#### **VOTING BY PROXY**

**Only registered shareholders as of December 7, 2018 or duly appointed proxyholders are permitted to vote at the Meeting.** Shares represented by a properly executed proxy will be voted or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly. **If a shareholder does not specify a choice and the shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.**

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

## COMPLETION AND RETURN OF PROXY

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, Computershare Investor Services Inc., Attention: Proxy Department, 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, (Fax: Within North America: 1-866-249-7775; Outside North America: 416-263-9524) not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

## NON-REGISTERED HOLDERS

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

In accordance with securities regulatory policy, the Company has distributed copies of the Meeting materials, being the Notice of Meeting, this Information Circular and the Proxy, to the Nominees for distribution to non-registered holders.

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

If a non-registered holder wishes to vote at the Meeting in person, the non-registered holder should appoint yourself as proxyholder by writing your name in the space provided on the request for voting instructions or proxy provided by the Nominee and return the form to the Nominee in the envelope provided. Do not complete the voting section of the form as your vote will be taken at the Meeting.

In addition, Canadian securities legislation permits the Company to forward meeting materials directly to "non-objecting beneficial owners". The Company is sending Meeting materials directly to non-objecting beneficial owners under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*. In addition, the Company is paying for intermediaries to forward to "objecting beneficial owners" Meeting materials. If the Company or its agent has sent these materials directly to you (instead of through a Nominee), your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Nominee holding on your behalf. By choosing to send these materials to you directly, the Company (and not the Nominee holding on your behalf) has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions.

## REVOCABILITY OF PROXY

Any 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 registered shareholder, his attorney authorized in writing or, if the registered shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including

a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting. **Only registered shareholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must, at least 7 days before the Meeting, arrange for their Nominees to revoke the proxy on their behalf.**

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of common shares without par value (the "shares"), of which 37,394,018 shares are issued and outstanding. Persons who are registered shareholders at the close of business on December 7, 2018 (the "Record Date") will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each share held. The Company has only one class of shares.

An ordinary resolution submitted for approval at the Meeting must be passed by a simple majority of the votes cast, in person or by proxy, at the Meeting.

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

<i>Name</i>	<i>No. of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly</i>	<i>Percentage of Outstanding Shares</i>
John E. Watson	5,758,434	15.4%
Eric Sprott, through 2176423 Ontario Ltd	5,256,430	14.1%
Redstar Gold Corp.	5,074,430	13.6%

## ELECTION OF DIRECTORS

The Directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed.

As of December 11, 2018, the Company had five directors on its Board. The Board had been made up of seven directors, but after the Board considered the appropriate number of directors for the Company in conjunction with settling on the nominees for election at the Meeting, the Board decided that five (5) directors was more appropriate for the Company's size and level of activity and only proposed to nominate five (5) directors for election at the Meeting. The two directors that were not proposed for re-election then submitted their resignations, which were accepted by the Company. At the Company's Annual General Meeting in early 2017, the shareholders fixed the number of directors at six (6). At the Meeting, shareholders will be asked to approve a motion to fix the number of directors of the Company at five (5).

Members of the audit committee and the compensation committee, being the only two committees of the board, are as set out in the table below.

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

<b>Name, Jurisdiction of Residence and Position</b>	<b>Principal Occupation or employment and, if not a previously elected Director, occupation during the past 5 years</b>	<b>Previous Service as a Director</b>	<b>Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly <sup>②</sup></b>
Peter Ball <sup>①</sup> British Columbia, Canada, President and COO and Director	President and COO of the Company since September 14, 2018 and a Director of the Company since September 29, 2016, Director and President & CEO of Redstar Gold Corp. from January 25, 2016 to March 7, 2018; Director of Bullion Gold Resources since June 2016, Director of Golden Peak Minerals since July 2016. Sr. VP of Columbus Gold from August 2014 to January 2016, President and COO of Argentum Silver from April 2014 to August 2014; President/Exec VP of Argentex Mining from March 2011 to March 2014, Exec Chairman of New Carolin Gold from April 2014 to November 2014.	Since September 29, 2016	Nil
Odin Christensen <sup>③</sup> Arizona, USA, Director	Consulting Geologist	Since November 23, 2009	6,000
Quinton Hennigh <sup>①③</sup> Colorado, USA, Director	Director, Chairman and President, Novo Resources Corp.	Since November 23, 2009	225,000
Alfred Stewart <sup>①</sup> British Columbia, Canada, Director	Retired since August, 2018, President of Bluebird Battery Metals Inc., from March, 2018 to August 2018, Financial Advisor at Raymond James Ltd. From February 2013 to December, 2017	N/A	Nil
John E. Watson Colorado, USA Chairman and CEO and Director	Chairman and Chief Executive Officer of the Company and managing partner of Watson & Associates, LLC	Since September 30, 2009	5,758,434

① Member of the Audit Committee.

② Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at December 7, 2018.

③ Member of Compensation Committee.

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

Other than as is disclosed below, to the knowledge of the Company, no proposed director:

- (a) is, as at the date of the Information Circular, or has been, within 10 years before the date of the Information Circular, a director, chief executive officer ("CEO") or chief financial officer ("CFO") of any company (including the Company) that:
  - (i) was the subject, while the proposed director was acting in the capacity as director, CEO or CFO of such company, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or
  - (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO but which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO of such company; or
- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

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

<u>Name of Director</u>	<u>Name of Other Reporting Issuer</u>
Peter Ball	Blue Moon Zinc Corp. Bullion Gold Resources Corp.
Quinton Hennigh	Novo Resources Corp. Irving Resources Inc. Precipitate Gold Corp. Tristar Gold Corp.
John E. Watson	Prospero Silver Corp.

## EXECUTIVE COMPENSATION

### Compensation Excluding Compensation Securities

The following table (presented in accordance with National Instrument Form 51-102F6V *Statement of Executive Compensation – Venture Issuers* ("**Form 51-102F6V**") sets forth all annual and long term compensation excluding options and compensation securities for services in all capacities to the Company for the two most recently completed financial years of the Company (to the extent required by Form 51-102F6V) in respect of the directors and each of the individuals comprised of the Chief Executive Officer and the Chief Financial Officer who acted in such capacity for all or any portion of the most recently completed financial year, and the most highly compensated executive officer, or the most highly compensated individual acting in a similar capacity, (other than the Chief Executive Officer and the Chief Financial Officer), as at August 31, 2018 whose total compensation was more than \$150,000 for the financial year and any individual who would have satisfied these criteria but for the fact that individual was neither an executive officer of the Company, nor acting in a similar capacity, at August 31, 2018 (such officers collectively the "**Named Executive Officers**" or "**NEOs**"). The Company has two NEOs: John E. Watson, its CEO at its most recent financial year end and Ron Schmitz, its CFO at its most recent financial year end.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
John E. Watson <i>CEO and Director</i> <sup>(1)</sup>	2018	76,736	Nil	Nil	Nil	Nil	76,736
	2017	79,744	Nil	Nil	Nil	Nil	79,744
Ron Schmitz <i>CFO</i>	2018	Nil	Nil	Nil	Nil	41,490 <sup>(2)</sup>	41,490
	2017	Nil	Nil	Nil	Nil	52,575 <sup>(2)</sup>	52,575
Peter Ball <i>Director</i>	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017 <sup>(3)</sup>	Nil	Nil	Nil	Nil	Nil	Nil
Ken Booth <i>Director</i>	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017 <sup>(3)</sup>	Nil	Nil	Nil	Nil	Nil	Nil
Odin Christensen <i>Director</i>	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Quinton Hennigh <i>Director</i>	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Paul Zyla <i>Director</i>	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil

- (1) Mr. Watson also serves a director of the Company and receives no additional compensation for services as a director.
- (2) These amounts have been paid to ASI Accounting Services Inc., a company owned or controlled by Mr. Schmitz, through which he provides services to the Company.
- (3) Both of Peter Ball and Ken Booth initially became directors of the Company on September 29, 2016.

## **Stock Options and Other Compensation Securities**

Stock options were the only compensation securities granted or issued to any director or NEO by the Company or one of its subsidiaries in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries. During the Company's most recently completed financial year, the Company granted no stock options to directors and NEOs.

No compensation security has been re-priced, cancelled and replaced, had its term extended, or otherwise been materially modified, in the most recently completed financial year. None of the options are subject to vesting provisions or any other restrictions or conditions for converting, exercising or exchanging the options.

During the most recently completed financial year no options were exercised by any director or NEO of the Company.

## **Stock Option Plans**

The Company has a Stock Option Plan, the material terms of which are described below under "Particulars of Other Matters to be Acted Upon - Approval and Ratification of Stock Option Plan. The Stock Option Plan must be approved annually.

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

The Chairman and CEO is entitled to receive US\$5,000 per month for his services. Under the terms of the initial contract he negotiated, which was approved by the pre-Qualifying Transaction board of directors in 2009, he was entitled to be paid US\$7,000 per month for his services. Starting in September, 2016, Mr. Watson advised the Company he was willing to take a pay reduction in order to reduce the monthly G&A expenditures of the Company and ensure a greater percentage of the money raised by the Company can be directed towards exploration. This contract may be terminated on one month's notice, subject to payment of six months salary on termination (other than after a change of control – see the disclosure below under the heading "Termination and Change of Control Benefits").

The Chief Financial Officer is not compensated directly by the Company for management services rendered on behalf of the Company as Chief Financial Officer. The Company has engaged ASI Accounting Services Inc., a company controlled by the Chief Financial Officer, to provide accounting, secretarial and administrative services to the Company. Under the engagement of ASI Accounting Services Inc., the Chief Financial Officer receives monetary compensation for services rendered based on the amount of time spent by him from time to time on the affairs of the Company and at his standard rates.

The Company does not have a contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company or its subsidiaries, or a change in responsibilities of the NEO following a change in control, except the consulting agreement (the "**Consulting Agreement**") between the Company and the Chairman and CEO. Under the Consulting Agreement, the Chairman and CEO is entitled to payment of an amount equal to six times his monthly consulting fee in the event of a termination for any reason other than gross negligence or willful misconduct. The Consulting Agreement also provides that the Chairman and CEO would be entitled to receive payment equal to 1.5 times his annual compensation if, following a change of control of the Company, he is terminated, he resigns or is subject to a reduction in capacity.

Under the terms of the Consulting Agreement, the estimated incremental payment to the Chairman and CEO upon termination by the Company would be US\$30,000 (as at August 31, 2018), being an amount

equal to six months' consulting fees. In the event that, following a change of control of the Company, the Chairman and CEO resigns, is terminated or is subject to a reduction in capacity, the estimated incremental payment would be US\$90,000 (as at August 31, 2018), based upon an amount equal to 18 months' fees, plus the option value (\$Nil as at August 31, 2018, based on the market price less the exercise price) of his existing stock options, which continue to be exercisable for 12 months after termination (subject to expiry on the expiry date, if earlier). In addition, the Consulting Agreement provides that the Chairman and CEO will be paid all amounts owing under his Consulting Agreement at the time of termination, which amount, at August 31, 2018, is \$6,520 (US\$5,000) but has subsequently been paid.

### **Pension Plan Benefits**

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

### **Oversight and Description of Director and Named Executive Officer Compensation**

The Board of Directors determines Named Executive Officer and director compensation based on recommendations from the Company's Compensation Committee. The compensation paid is not tied to one or more performance criteria or goals. The Company awards compensation in the form of money and stock options. Only the Chairman and Chief Executive Officer receives regular pay and all other monetary compensation to NEOs (defined below) is paid on the basis of fees for services rendered to the Company from time to time at the same rates charged by the NEOs for services to others.

The Chairman and CEO negotiated his original compensation of US\$7,000 per month in connection with the terms of the sale by the Chairman and CEO of the shares of NV Gold Corporation (USA) to the Company, being the Company's Qualifying Transaction in 2009. In September, 2016, the Chairman and CEO took a voluntary reduction in pay to US\$5,000 per month.

The Chairman and CEO's monetary compensation was set at a level to facilitate fund raising by the Company. In the Company's opinion, his compensation is well below the market value of the time he devotes to the affairs of the Company given his expertise, industry experience and skills he brings to the Company. In the circumstances, the Compensation Committee considers the amount he is paid is very reasonable.

The Company has a Stock Option Plan that it established to better align the interests of the Company's directors, officers and employees with the shareholders' interests. Each of the NEOs receives stock options as part of his compensation as determined by the Board.

The Company's Stock Option Plan has been and will be used to provide share purchase options, which are granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Company. The procedure the Company follows for granting options involves the Chairman and CEO submitting proposed option awards for eligible optionees to the Compensation Committee from time-to-time and the Compensation Committee then considering the proposed awards and making a recommendation to the Board. In determining the number of options to be granted to the executive officers, the Board takes into account the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the TSX Venture Exchange (the "**Exchange**"), and closely align the interests of the executive officers with the interests of shareholders. The terms of the Plan are described below under "Particulars of other Matters to be acted upon at the Meeting".

The Company, at this early stage of development, believes it is appropriate to have a very simple management structure and maintain flexibility in its employment relationships through engaging consultants as needed.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

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

<i>Plan Category</i>	<i>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</i>	<i>Weighted-average exercise price of outstanding options, warrants and rights (b)</i>	<i>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</i>
<i>Equity compensation plans approved by securityholders</i>	3,088,500	\$0.44	650,902
<i>Equity compensation plans not approved by securityholders</i>	Not Applicable	Not Applicable	Not Applicable
<i>Total</i>	3,088,500	\$0.44	650,902

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at December 7, 2018, there was no indebtedness outstanding of any current or former Director, executive officer or employee of the Company or its subsidiaries which is owing to the Company or its subsidiaries, or which is owing to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries, entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a Director or executive officer of the Company, no proposed nominee for election as a Director of the Company and no associate of such persons:

- (i) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or its subsidiaries; or
- (ii) is indebted to another entity, which indebtedness is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries,

in relation to a securities purchase program or other program.

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

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

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

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

such case has materially affected or would materially affect the Company or its subsidiaries, other than as follows:

John E. Watson receives money from the Company as reimbursement for office overhead costs in an agreed amount per month. These payments are not material to the Company and do not represent remuneration for services.

### **APPOINTMENT OF AUDITOR**

Management of the Company intends to nominate Davidson & Company LLP Chartered Accountants ("**Davidson**"), for re-appointment as auditor of the Company. Davidson was first appointed as the auditor of the Company effective March 5, 2010.

### **MANAGEMENT CONTRACTS**

No management functions of the Company or its subsidiary are performed to any substantial degree by a person other than the Directors or executive officers of the Company, except that the services of the Chief Financial Officer are provided under an agreement with ASI Accounting Services Inc., a company owned or controlled by the Chief Financial Officer.

During the last completed financial year, the sum of \$41,490 was paid or is payable to the Chief Financial Officer for performing management functions on behalf of the Company (excluding stock option compensation).

### **AUDIT COMMITTEE**

#### **The Audit Committee's Charter**

The full text of the charter of the audit committee (the "**Committee**") is attached hereto as Annex "A".

#### **Composition of the Audit Committee**

The following are the members of the Committee:

Alfred Stewart (Chair)	Independent ①	Financially literate ①
Quinton Hennigh	Independent ①	Financially literate ①
Peter Ball	Not independent ①	Financially literate ①

① As defined by National Instrument 52-110 Audit Committees ("**NI 52-110**").

#### **Relevant Education and Experience**

Alfred Stewart – Mr. Stewart is the Chair of the Audit Committee. He has more than 40 years of experience working in the financial sector, including as a commercial lending officer with a Chartered Bank, as a regulator with a Canadian stock exchange, 10 years as an investment banker with Golden Capital, Haywood Securities Inc. and Canaccord Capital Corp. and 10 years as a financial advisor with Canaccord Capital Corp. and Raymond James Ltd. He holds a BSC. Geol. from the University of New Brunswick and an MBA from the University of British Columbia.

Quinton Hennigh – Mr. Hennigh is President and Chairman of Novo Resources Corp., a TSX Venture Exchange listed company, and has been serving as a director of several publicly listed companies. Mr. Hennigh holds a M.Sc. and Ph.D from the Colorado School of Mines.

Peter Ball –Peter Ball has gained financial literacy through years of experience serving as a director of several publicly traded companies and serving on numerous other audit committees. In these positions, he would receive financial information relating to the relevant company and obtain an understanding of the balance sheet, income statement and statement of cash flows and how these statements are integral in assessing the financial position of the company and its operating results. He has significant understanding of the mineral exploration business which the Company engages in and has an appreciation for the relevant accounting principles for that business. Mr. Ball is a graduate of the Haileybury School of Mines, Georgian Business College, UBC's Canadian Securities Course and is a member of CIMM.

### **Audit Committee Oversight**

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

### **Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on any of the exemptions in Sections 2.4 (*De Minimis Non-audit Services*), 6.1.1(4) (*Circumstances Affecting the Business or Operations of the Venture Issuer*), 6.1.1(5) (*Events Outside of Control of Member*), 6.1.1(6) (*Death, Incapacity or Resignation*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

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

The Committee has limited need for non-audit services and principally engages its auditors for non-audit services relating to the preparation of quarterly financial statements. The Company has pre-approved the Chief Financial Officer engaging the auditors for these services on an as needed basis. The engagement of auditors to perform any significant non-audit services will be decided by the Board as and when required.

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

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

<i>Financial Year Ending</i>	<i>Audit Fees</i>	<i>Audit Related Fees</i>	<i>Tax Fees</i>	<i>All Other Fees</i>
August 31, 2018	\$12,000	Nil	Nil	Nil
August 31, 2017	\$8,032	Nil	Nil	\$6,562

### **Exemption in Section 6.1 of NI 52-110**

The Company is relying on the exemption in Section 6.1 of NI 52-110 from the requirement of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of NI 52-110.

## **CORPORATE GOVERNANCE DISCLOSURE**

A summary of the responsibilities and activities and the membership of each of the Committees is set out below.

National Policy 58-201 establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted in full. National Instrument 58-101 mandates disclosure of corporate governance practices which disclosure is set out below.

### **Independence of Members of Board**

The Company's Board presently consists of five directors, three of whom are independent based upon the tests for independence set forth in NI 52-110. Odin Christensen, Quinton Hennigh and Alfred Stewart are independent. John E. Watson is not independent as he is the Chairman and CEO of the Company. Peter Ball is not independent as he is the President and COO of the Company.

### **Management Supervision by Board**

The operations of the Company do not support a large Board of Directors and the Board determined that a seven member Board is larger than appropriate for the Company's current stage of development. Accordingly, the Company has decided to reduce the size of the Board to five members. Independent supervision of management is accomplished through choosing management who demonstrate a high level of integrity and ability and having strong independent Board members. The independent directors are however able to meet at any time without any members of management, including the non-independent directors, being present. Further supervision is performed through the Audit Committee which is composed of a majority of independent directors. The Chairman of the Audit Committee is independent and can communicate directly with the Company's auditors without non-independent directors being present.

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

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

### **Orientation and Continuing Education**

While the Company does not have formal orientation and training programs, new Board members are provided with:

1. access to recent, publicly filed documents of the Company, technical reports and the Company's internal financial information; and
2. access to management.

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

## **Ethical Business Conduct**

The Board has not adopted a formal written code of ethics. The Board is of the view that the requirements of the audit committee charter and the ability of Board members to refer to outside professional advisors facilitate the Company meeting ethical business standards.

## **Nomination of Directors**

The Board has responsibility for identifying potential Board candidates. The Chairman and CEO and the President and COO assess the functioning of the Board and its skill sets from time to time and, where a new candidate is considered beneficial, they will assess potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the mining exploration industry are consulted for possible candidates.

## **Compensation of Directors and the CEO**

The members of the Compensation Committee are Odin Christensen and Quinton Hennigh, both of whom are independent. The Compensation Committee has responsibility for determining compensation for the directors and senior management. For the year ended August 31, 2018, the Company still followed the compensation structure agreed to be paid to the executive officers at the time of the Company's Qualifying Transaction in November, 2009, except the Chairman and CEO entered into a new consulting agreement with effect from September, 2016. His new agreement is on substantially the same terms as his previous agreement except that he has taken a voluntary reduction in pay of US\$2,000 per month. The Board has also begun planning for succession in the role of CEO, as John Watson has expressed his wish for transitioning over time to a significantly reduced role with the Company. As part of the succession plan, in September, 2018, the company through which Peter Ball provides management services entered into an agreement to provide the services of Peter Ball as President and COO of the Company for an interim period. Compensation for Mr. Ball's services was determined through reference to compensation of other senior officers of junior exploration companies with similar skills and experience, as well as the extent of his time commitment to the role.

## **Board Committees**

As the size of the Company's operations does not warrant a larger board of directors or require additional committee work, the Board has determined that committees other than the Audit Committee and the Compensation Committee are not necessary at this stage of the Company's development.

## **Assessments**

The Board does not consider that formal assessments would be useful at this stage of the Company's development. As such, the Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions.

## **Expectations of Management**

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives.

## **PARTICULARS OF OTHER MATTERS TO BE ACTED UPON**

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

The Board of Directors of the Company implemented a stock option plan (the "**Plan**") effective November 5, 2007, which was amended, restated and approved by the shareholders as of January 25, 2012. It was subsequently approved by the Exchange. The number of common shares which may be issued pursuant to options previously granted and those granted under the Plan is a maximum of 10% of the issued and outstanding common shares at the time of the grant. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis or 2% if the optionee is a consultant. The Plan also provides that employees engaged in investor relations activities shall be limited to a maximum aggregate grant of options representing 2% of the issued shares on a yearly basis. Under Exchange policy, all such rolling stock option plans which set the number of common shares issuable under the plan at a maximum of 10% of the issued and outstanding common shares must be approved and ratified by shareholders on an annual basis.

Therefore, at the Meeting, shareholders will be asked to pass a resolution in the following form:

"BE IT RESOLVED that the Company approve and ratify, subject to regulatory approval, the Stock Option Plan of the Company pursuant to which the directors may, from time to time, authorize the issuance of options to directors, officers, employees and consultants of the Company and its subsidiaries to a maximum of 10% of the issued and outstanding common shares at the time of the grant, with a maximum of 5% of the Company's issued and outstanding shares being reserved to any one person on a yearly basis."

The purpose of the Plan is to allow the Company to grant options to directors, officers, employees and consultants, as additional compensation, and as an opportunity to participate in the success of the Company. The granting of such options is intended to align the interests of such persons with that of the shareholders. Options will be exercisable over periods of up to five years as determined by the Board of Directors of the Company and are required to have an exercise price no less than the closing market price of the Company's shares prevailing on the day that the option is granted less a discount of up to 25%, the amount of the discount varying with market price in accordance with the policies of the Exchange. Pursuant to the Plan, the Board of Directors may from time to time authorize the issue of options to directors, officers, employees and consultants of the Company and its subsidiaries or employees of companies providing management or consulting services to the Company or its subsidiaries. The Plan contains no vesting requirements (other than in respect of consultants engaged in investor relations activities), but permits the Board of Directors to specify a vesting schedule in its discretion. The Plan provides that if a change of control occurs, the Board of Directors may make such arrangements as it deems appropriate for the exercise or continuance of outstanding options.

The full text of the Plan is available for viewing up to the date of the Meeting at the Company's offices at the address above and will also be available for review at the Meeting.

**Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote for the approval and ratification of the Plan.**

### **ADDITIONAL INFORMATION**

Additional information relating to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Company at Suite 588, 580 Hornby Street, Vancouver, BC, Canada, V6C 3B6 to request copies of the Company's financial statements and MD&A.

Financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year, which are filed on SEDAR.

**OTHER MATTERS**

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

The Board of Directors of the Company has approved the contents and sending of this Management Proxy Circular.

DATED as of this 11<sup>th</sup> day of December, 2018.

APPROVED BY THE BOARD OF DIRECTORS

“John E. Watson”

John E. Watson

Chairman and Chief Executive Officer

## **APPENDIX "A"**

### **NV GOLD CORPORATION (the "Company")**

#### **Audit Committee Charter**

The following is the text of the Company's audit committee charter:

#### **GENERAL**

The Audit Committee is a committee of the Board. Its primary function is to assist the Board in fulfilling its oversight responsibilities by reviewing the financial information to be provided to the shareholders and others, the systems of internal controls and management information systems that management has established under supervision of the Audit Committee, the Company's internal and external audit process and monitoring compliance with the Company's legal and regulatory requirements with respect to its financial statements.

The Audit Committee is accountable to the Board. In the course of fulfilling its specific responsibilities hereunder, the Audit Committee is expected to attempt to maintain an open communication between the Company's external auditors and the Board.

The responsibilities of a member of the Audit Committee are in addition to such member's duties as a member of the Board.

The Audit Committee does not plan or perform audits or warrant the accuracy or completeness of the Company's financial statements or financial disclosure or compliance with generally accepted accounting procedures as these are the responsibility of management and the external auditors.

#### **MEMBERSHIP**

The Audit Committee consists of at least three Directors who shall serve on behalf of the Board. The members are appointed annually by the Board and shall meet the independence, financial literacy and experience requirements of the TSX Venture Exchange (the "Exchange") and other regulatory agencies as required.

The members of the Audit Committee shall be appointed by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is appointed by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Audit Committee membership.

#### **PROCEDURAL MATTERS**

The Audit Committee shall be governed by the following procedural requirements and powers. The Audit Committee

- (a) Shall meet at least four times per year, either by telephone conference or in person.
- (b) May invite the Company's external auditors, the Chief Financial Officer, and such other persons as deemed appropriate by the Audit Committee, to attend meetings of the Audit Committee.
- (c) Shall report material decisions and actions of the Audit Committee to the Board, together with such recommendations as the Committee may deem appropriate, at the next Board meeting.
- (d) Shall review the performance of the Audit Committee on an annual basis and report to the Board.
- (e) Shall review and assess this Charter for the Audit Committee at least annually and submit any proposed revisions to the Board for approval.
- (f) Has the power to conduct or authorize investigations into any matter within the scope of its responsibilities. It has the right to engage independent counsel and other advisors as it determines necessary to carry out its duties and the right to set the compensation for any advisors employed by the Audit Committee.

- (g) Has the right to communicate directly with the CFO and other members of management who have responsibility for the audit process ("**internal audit management**") and external auditors.
- (h) Has the right to pre-approve non-audit services subject to ratification by the Board at its next meeting to be performed by the external auditors. The Audit Committee may delegate certain pre-approval functions for non-audit services to one or more independent members of its Committee if it first adopts specific policies and procedures respecting same and provided such decisions are presented to the full Audit Committee for approval at its next meeting.

The quorum for a meeting of the Audit Committee is a majority of the members of the Audit Committee who are not officers or employees of the Company or of an "affiliate" of the Company (as defined in the *Business Corporations Act* (British Columbia)) (the "**BCA**"). Pursuant to the BCA, the Company's external auditor is entitled to receive notice of, and to attend and be heard at, each meeting of the Audit Committee and must appear before the Audit Committee when requested to do so by the Audit Committee.

## **RESPONSIBILITIES**

The Audit Committee has primary responsibility for the selection, appointment, dismissal, compensation and oversight of the external auditors, subject to the overall approval of the Board. For this purpose, the Audit Committee may consult with management.

### *External Auditors*

The responsibilities of the Audit Committee are to:

- (a) Recommend to the Board:
  - (i) whether the current external auditor should be reappointed for the ensuing year and the amount of compensation payable; and
  - (ii) if the current external auditor is not to be reappointed, select and recommend a suitable alternative.
- (b) Oversee the work of the external auditors engaged for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Company.
- (c) Resolve disagreements, if any, between management and the external auditors regarding financial reporting. It accomplishes this by querying management and the external auditors. The Audit Committee provides the Board with such recommendations and reports with respect to the financial statements of the Company as it deems advisable.
- (d) Take reasonable steps to confirm the independence of the external auditors, including but not limited to pre-approving any non audit related services provided by the external auditors to the Company or the Company's subsidiaries, if any, with a view to ensuring independence of the auditors, and in accordance with any applicable regulatory requirements, including the requirements of the Exchange with respect to approval of non audit related services performed by the external auditors.
- (e) Obtain from the external auditors confirmation that the external auditors are a 'participating audit' firm for the purpose of National Instrument 52-108 *Auditor Oversight* and are in compliance with governing regulations.
- (f) Review and evaluate the performance of the external auditors including the external auditors' internal quality-control procedures.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Company's external auditors.

### *Audit and Review Process and Results*

The Audit Committee has a duty to receive, review and make any inquiry regarding the completeness, accuracy and presentation of the Company's financial statements to ensure that the financial statements fairly present the financial

position and risks of the organization and that they are prepared in accordance with generally accepted accounting principles. To accomplish this, the Audit Committee is required to:

- (a) Review annually the Company's internal system of audit and financial controls, internal audit procedures and results of such audits.
- (b) Prior to the annual audit by external auditors, consider the scope and general extent of the external auditors' review, including their engagement letter.
- (c) Ensure the external auditors have full, unrestricted access to required information and have the cooperation of management.
- (d) Review with the external auditors, in advance of the audit, the audit process and standards, as well as regulatory or Company-initiated changes in accounting practices and policies and the financial impact thereof, and selection or application of appropriate accounting principles.
- (e) Review with the external auditors and, if necessary, legal counsel, any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the financial statements. Review the appropriateness and disclosure of any off-balance sheet matters. Review disclosure of related-party transactions.
- (f) Receive and review with the external auditors, the external auditors' audit report and the audited financial statements. Make recommendations to the Board respecting approval of the audited financial statements.
- (g) Meet at least annually with the external auditors separately from management to review the integrity of the Company's financial reporting, including the clarity of financial disclosure and the degree of conservatism or aggressiveness of the accounting policies and estimates, performance of internal audit management, any significant disagreements or difficulties in obtaining information, adequacy of internal controls over financial reporting and the degree of compliance of the Company with prior recommendations of the external auditors. The Audit Committee shall direct management to implement such changes as the Audit Committee considers appropriate, subject to any required approvals of the Board arising out of the review.
- (h) Meet at least annually with the external auditors, independent of management, and report to the Board on such meetings.

#### *Interim Financial Statements*

The Board may delegate to the Audit Committee the power to approve the Company's interim financial statements. The Audit Committee shall:

- (a) Review on an annual basis the Company's practice with respect to review of interim financial statements by the external auditors.
- (b) Review the interim financial statements with the external auditors if the external auditors conduct a review of the interim financial statements.
- (c) Conduct all such reviews and discussions with the external auditors and management as it deems appropriate.
- (d) Review and, if such authority has been delegated to the Audit Committee by the Board, approve, the interim financial statements.
- (e) If authority to approve the interim financial statements has not been delegated to the Audit Committee, make appropriate recommendations to the Board respecting approval of the interim financial statements.

#### *Involvement with Management*

The Audit Committee has primary responsibility for overseeing the actions of management in all aspects of financial management and reporting. The Audit Committee:

- (a) Shall review all public disclosure of financial information extracted from the Company's financial statements prior to such information being made public by the Company and for such purpose, the CEO assumes responsibility for providing the information to the Audit Committee for their review.
- (b) Review material financial risks with management, the plan that management has implemented to monitor and deal with such risks and the success of management in following the plan.
- (c) Consult annually and otherwise as required with the Company's CEO and CFO respecting the adequacy of the internal controls and review any breaches or deficiencies.
- (d) Obtain such certifications by the CEO and CFO attesting to internal controls, disclosure and procedures as deemed advisable.
- (e) Review management's response to significant written reports and recommendations issued by the external auditors and the extent to which such recommendations have been implemented by management.
- (f) Review as required with management the annual financial statements, the quarterly financial statements, Management's Discussion & Analysis, Annual Information Forms (if any), future-oriented financial information or pro-forma information and other financial disclosure in continuous disclosure documents.
- (g) Review with management the Company's compliance with applicable laws and regulations respecting financial matters.
- (h) Review with management proposed regulatory changes and their impact on the Company.
- (i) Review with management and approve public disclosure of the Audit Committee Charter in the Company's Information Circular and on the Company's website.

## **COMPLAINTS**

Complaints regarding accounting, internal accounting controls, or auditing matters may be submitted to the Audit Committee, attention: The Chair. Complaints may be made anonymously and, if not made anonymously, the identity of the person submitting the complaint will be kept confidential. Upon receipt of a complaint, the Chair will conduct or designate a member of the Audit Committee to conduct an initial investigation. If the results of that initial investigation indicate there may be any merit to the complaint, the matter will be brought before the Audit Committee for a determination of further investigation and action. Records of complaints made and the resulting action or determination with respect to the complaint shall be documented and kept in the records of the Audit Committee for a period of three years.

## **REPORTING**

The Audit Committee shall report to the Board of Directors at its regularly scheduled meetings.

## **EFFECTIVE DATE**

This Mandate was implemented by the Board on December 13, 2010.