



Notice of Annual General Meeting and Management Information Circular

For the Annual General Meeting of Shareholders to be held on October 20, 2021

Dated as of September 23, 2021

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2900-550 Burrard Street
Vancouver, BC, V6C 0A3

NOTICE OF ANNUAL GENERAL MEETING

Take notice that the annual general meeting (the “**Meeting**”) of the shareholders of Kainantu Resources Ltd. (the “**Company**”) will be virtually held on October 20, 2021, at 4:00 p.m. (PST), for the following purposes:

1. To receive the consolidated financial statements of the Company for its fiscal year ended November 30, 2020, and the report of the auditors thereon.
2. To fix the number of directors for the ensuing year at four (4).
3. To elect directors to hold office until the next shareholders’ meeting of the Company.
4. To appoint Davidson & Company LLP as the auditor of the Company to hold office until the next shareholders’ meeting of the Company and to authorize the directors to fix the remuneration to be paid to the auditor.
5. To consider and, if deemed fit, approve an ordinary resolution to amend and confirm the Company’s stock option plan, as required annually by the policies of the TSX Venture Exchange.
6. To consider any permitted amendment to or variation of any matter identified in this notice of the Meeting and to transact such other business as may properly come before the Meeting or any adjournment thereof.

A Management Information Circular (“**Information Circular**”) accompanies and is deemed to form part of this notice of the Meeting. The Information Circular contains details of matters to be considered at the Meeting. Additional information is also available free of charge on SEDAR at www.sedar.com.

Considering the ongoing public health concerns related to the COVID-19 pandemic and in order to comply with the measures imposed by the federal and provincial governments, the Meeting will be virtually held. Registered shareholders or proxyholders representing registered shareholders participating in the Meeting virtually will be considered to be present in person at the Meeting for the purposes of determining quorum.

The Company strongly recommends that shareholders vote by proxy or by a request for voting instructions in advance of the Meeting. Additional information on how to attend the Meeting virtually can be found below and in the accompanying Information Circular.

A shareholder who is unable to attend the Meeting virtually and who wishes to ensure that such shareholder’s shares will be voted at the Meeting is requested to complete, date and sign the enclosed form of proxy (the “**Proxy**”), or another suitable form of proxy, and deliver it in accordance with the instructions set out in the Proxy and in the Information Circular. Forms of Proxy must be returned to Computershare Investor Services Inc. (“**Computershare**”), the Company’s transfer agent, prior to 4:00 p.m. (PST) at least two days (excluding Saturdays, Sundays and holidays) before the Meeting or any

adjournment or postponement of the Meeting. The time limit for deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion, without notice.

If you are a non-registered shareholder and have received these materials through your broker or through another intermediary (an “**Intermediary**”), please complete and return the voting instruction form or other materials provided to you by your broker or other Intermediary in accordance with the instructions provided therein. Shareholders who are planning to return the Proxy or a voting instruction form are encouraged to review the accompanying Information Circular carefully before submitting the Proxy or voting instruction form.

If you have any questions about the procedures required to vote or about obtaining and depositing the required Proxy, you should contact Computershare by fax within North America at 1-866-249-7775, outside North America at 416-263-9524, by telephone (toll free) at 1-866-732-8683 or by e-mail at service@computershare.com.

Shareholders will be able to access the Meeting using the Accutel virtual meeting platform at the following link <http://meetingconnectsales.adobeconnect.com/kainantu/> or by dialing:

- Local - Toronto (+1) 416 764 8658
- Toll Free - North America (+1) 888 886 7786

Dated at Vancouver, British Columbia, September 23, 2021.

BY ORDER OF THE BOARD OF DIRECTORS

“Matthew Salthouse”

Matthew Salthouse
Chief Executive Officer



2900-550 Burrard Street
Vancouver, BC, V6C 0A3

MANAGEMENT INFORMATION CIRCULAR

as at September 23, 2021

This Management Information Circular (“Information Circular”) is furnished in connection with the solicitation of proxies by the management of Kainantu Resources Ltd. (the “Company”) for use at the annual general meeting of its shareholders (the “Meeting”) to be held on October 20, 2021, at the time and place and for the purposes set forth in the accompanying notice of the Meeting. Except where otherwise indicated, the information contained herein is stated as at September 23, 2021.

In this Information Circular, references to “the Company”, “we” and “our” refer to Kainantu Resources Ltd. “Common Shares” means common shares in the capital of the Company. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name, “Registered Shareholders” means shareholders whose names appear on the records of the Company as the registered holders of Common Shares and “intermediaries” refers to brokers, investment firms, clearing houses, trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans and similar entities that own securities on behalf of Beneficial Shareholders.

VIRTUAL MEETING

This year to mitigate risks to the health and safety of the Company's shareholders, employees and other stakeholders, the Company will be holding its meeting in a virtual only format using the Accutel virtual meeting platform. Shareholders will have an equal opportunity to participate at the Meeting regardless of geographic location. Registered Shareholders and proxyholders will be able to attend the virtual Meeting and vote. Beneficial Shareholders who have not duly appointed themselves as proxyholder will be able to attend the virtual Meeting as a guest but will not be able to vote at the Meeting. Please see “*Revocation of Proxies*” below for more information.

Shareholders will be able to access the Meeting using the Accutel virtual meeting platform at the following link <http://meetingconnectsales.adobeconnect.com/kainantu/> or by dialing:

- Local - Toronto (+1) 416 764 8658
- Toll Free - North America (+1) 888 886 7786

This Information Circular does not constitute an offer to sell or a solicitation of an offer to purchase any securities or the solicitation of a proxy by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation of an offer or a proxy solicitation. Neither the delivery of this Circular nor any distribution of the securities referred to in this Information Circular will, under any circumstances, create an implication that there has been no change in

the information set forth herein since the date as that such information is given in this Information Circular.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The form of proxy accompanying this Information Circular (the “**Proxy**”) is solicited by and on behalf of the management of the Company. The solicitation of Proxies will be primarily by mail, but Proxies may be solicited personally, by telephone or other means of communication and by directors, officers, and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to Beneficial Shareholders and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxyholders

The individuals named in the accompanying Proxy are officers of the Company. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.** The only methods by which you may appoint a person as proxy are submitting the Proxy, or other suitable form of proxy, by mail, hand delivery, fax, phone or by way of the Internet, as set out on the accompanying Proxy.

Voting by Proxyholder; Exercise of Discretion

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly.

The Proxy confers discretionary authority on persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.

Registered Shareholders

If you are a Registered Shareholder, you may wish to vote by Proxy whether or not you are able to attend the Meeting in person. If you submit a Proxy, you must complete, date and sign the Proxy and then return it to the Company’s transfer agent, Computershare Investor Services Inc. (“**Computershare**”), by fax within North America at 1-866-249-7775, outside North America at 416-263-9524, by phone at 1-866-732-8683, by way of the Internet at www.investorvote.com, or by mail or by hand at 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, no later than 4:00 p.m. (PST) on October 18, 2021.

Beneficial Shareholders

The following information is of importance to many shareholders of the Company who do not hold Common Shares in their own name. Beneficial Shareholders should note that the only Proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders.

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In the U.S., the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

If you are a Beneficial Shareholder:

You should carefully follow the instructions of your broker or intermediary in order to ensure that your Common Shares are voted at the Meeting.

The form of proxy or voting instruction form supplied to you by your broker will be similar to the Proxy provided to Registered Shareholders of the Company. However, its purpose is limited to instructing the intermediaries on how to vote on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**") in the U.S. and in Canada. Broadridge mails a voting instruction form in lieu of a Proxy provided by the Company. The voting instruction form will name the same persons as the Company's Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than the persons designated in the voting instruction form, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the voting instruction form. The completed voting instruction form must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the Internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **If you receive a voting instruction form from Broadridge, you cannot use it to vote Common Shares directly at the Meeting. The voting instruction form must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have the Common Shares voted.**

Although, as a Beneficial Shareholder, you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your broker, you, or a person designated by you, may attend at the Meeting as proxyholder for your broker and vote your Common Shares in that capacity. If you wish to attend at the Meeting and indirectly vote your Common Shares as proxyholder for your broker, or have a person designated by you do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on your voting instruction form provided to you and return the same to your broker in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

Alternatively, you can request in writing that your broker send you a legal proxy, which would enable you, or a person designated by you, to attend at the Meeting and vote your Common Shares.

There are two kinds of Beneficial Shareholders: those who object to their name being made known to the issuers of securities which they own (called OBOs for Objecting Beneficial Owners); and those who do not object to the issuers of the securities they own knowing who they are (called NOBOs for Non-Objecting Beneficial Owners).

The Company has decided to continue to take advantage of those provisions of National Instrument 54-101, *Communication with Beneficial Owners of Securities of Reporting Issuers* ("**NI 54-101**") that permit it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a

scannable voting instruction form (the “**VIF**”) from Computershare. These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone voting and internet voting as fully described on the VIF. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs they receive. The Company intends to pay for intermediaries to deliver the proxy related materials and related forms with respect to the Meeting to OBOs. The Company is not sending the Meeting materials to shareholders using “notice-and-access”, as defined in NI 54-101.

NOBOs should carefully follow the instructions of Computershare, including those regarding when and where to complete the VIFs that are to be returned to Computershare. Should a NOBO wish to vote at the Meeting in person, the NOBO must insert the name of the NOBO in the space provided and attend the Meeting and vote in person.

NOBOs who wish to change their vote must contact Computershare to arrange to change their vote in sufficient time in advance of the Meeting.

These shareholder materials are being sent to both Registered Shareholders and Beneficial Shareholders. If you are a Beneficial Shareholder, and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding Common Shares on your behalf.

By choosing to send these shareholder materials to you directly, the Company (and not the intermediary holding Common Shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions as specified in the request for voting instructions.

Beneficial Shareholders with questions respecting the voting of Common Shares held through a stockbroker or other financial intermediary should contact that stockbroker or other intermediary for assistance.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a Proxy, or other suitable form of proxy, may revoke it by:

- (a) executing a Proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder’s authorized attorney in writing, or, if the Registered Shareholder is a company, under its corporate seal by an officer or attorney duly authorized, and by delivering the Proxy bearing a later date or the notice of revocation to Computershare or at the corporate office of the Company at 3 Phillip Street, #19-01 Royal Group Building, Singapore, 048693, or
- (b) at the address of the Company’s Attorney for Service in British Columbia at 2900-550 Burrard Street, Vancouver, British Columbia, V6C 0A3, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- (c) personally attending the Meeting and voting the Registered Shareholder’s Common Shares.

A revocation of a Proxy will not affect a matter on which a vote is taken before the revocation.

CURRENCY

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

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Other than as set out herein, no director or executive officer of the Company, nor any person who has held such a position since the beginning of the last completed financial year of the Company, nor any proposed nominee 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 of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors of the Company (the “**Board**”) has fixed September 15, 2021, as the record date (the “**Record Date**”) for the determination of persons entitled to receive notice of, and vote at, the Meeting and any adjournment thereof. Only Registered Shareholders at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a Proxy, or other suitable form of proxy, in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Company is authorized to issue an unlimited number of Common Shares without par value. As at September 23, 2021, there were 45,305,733 Common Shares without par value issued and outstanding, each carrying the right to one vote. The Company has no other classes of voting securities.

As at the date of this Information Circular, to the knowledge of the directors and executive officers of the Company, no one shareholder beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all of the outstanding Common Shares of the Company, except as follows:

Shareholder Name	Number of Common Shares ⁽¹⁾	Percentage of Class
Snowfields Wealth Management Limited	12,105,540	26.72%
Season Cove Limited	5,367,241	11.85%
Tanuki Holdings Limited	4,912,533	10.84%

Notes:

1) As reported in public filings.

QUORUM; VOTES NECESSARY TO PASS RESOLUTIONS

The Company’s Articles provide that a quorum for the transaction of business at any shareholders’ meeting is two (2) shareholders or proxyholders present, representing an aggregate of at least 5% of the issued Common Shares entitled to be voted at the shareholders’ meeting. If a quorum is not present within one-half hour after the time set for the commencement of the Meeting, the Meeting will be adjourned and set over for one week to the same time and place, and thereupon whatever number of Common Shares is represented at such adjournment shall constitute a quorum.

A simple majority (being 50% plus one vote) of affirmative votes cast at the Meeting is required to pass an ordinary resolution of the Company, whereas a special majority (being 66 2/3%) of affirmative votes cast at the Meeting is required to pass a special resolution of the Company. If there are more nominees for election as directors or appointment as the Company’s auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed.

COMPENSATION OF EXECUTIVE OFFICERS

Set out below are particulars of compensation paid to the following persons (the “Named Executive Officers” or “NEOs”):

- (a) the Company’s Chief Executive Officer (“CEO”);
- (b) the Company’s Chief Financial Officer (“CFO”);
- (c) each of the Company’s or any of its subsidiaries’ three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and
- (d) each individual for whom disclosure would have been provided under (c) but for the fact that the individual was not serving as an executive officer of the Company, nor acting in a similar capacity, at the end of the most recently completed financial year.

As at November 30, 2020, the end of the most recently completed financial year of the Company, the Company had one (1) Named Executive Officer, being Giuseppe Perone, the CEO, CFO and Corporate Secretary of the Company. On December 3, 2020, Mr. Perone was replaced as CEO by Matthew Salthouse and CFO by Bart Lendrum, and Mr. Perone along with Michael Butler resigned as directors, as part of the Company’s Qualifying Transaction as such term is defined in Policy 2.4 - Capital Pool Companies of the TSX Venture Exchange (the “TSX-V”).

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table (presented in accordance with National Instrument Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*, is a summary compensation (excluding compensation securities)) paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, to the directors and NEOs for each of the Company’s two (2) most recently completed financial years (November 30, 2019 and November 30, 2020).

Table of compensation excluding compensation securities							
Name and position	Year ended November 30	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Giuseppe Perone, CEO, CFO, Corporate Secretary and Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Ni	Nil
David Loretto, Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Michael Butler, Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil

External Management Companies

No NEOs or directors of the Company provide their services through external management companies.

Stock Options and Other Compensation Securities

The Company or its subsidiaries did not grant or issue compensation securities to NEOs or directors of the Company during the year ended November 30, 2020.

The following table discloses the total amount of compensation securities held by the NEOs and directors as at the Company's financial year ended November 30, 2020:

Name and Position	Number of Options as at November 30, 2020
Giuseppe Perone, CEO, CFO, Corporate Secretary and Director	133,334
David Loretto, Director	133,333
Michael Butler, Director	133,333

No compensation securities were re-priced, cancelled and replaced, had their term extended, or otherwise materially modified in the Company's financial year ended November 30, 2020.

There are no restrictions or conditions for converting, exercising, or exchanging the compensation securities.

No compensation securities were exercised by NEOs and directors during the financial year ended November 30, 2020.

Stock Option Plans and Other Incentive Plans

The Board adopted an incentive stock option plan for the Company (the "**Stock Option Plan**"), under which the directors were authorized to grant options to purchase Common Shares ("**Options**") to purchase up to 10% of the Common Shares from time to time. The purpose of the Stock Option Plan is to attract and retain directors, executive officers, employees, and consultants who will be motivated to work towards ensuring the success of the Company by affording such persons with an opportunity to acquire an equity interest in the Company through the Options.

The criteria used to determine eligibility for granting options, including the term of each option and the vesting of each option is at the discretion of the Board based upon the individual's level of responsibility, performance and comparative levels of compensation and previous grants awarded. Proposed grants of Options are submitted to the Board for approval by the Company's Compensation and Nomination Committee. The Board administers and has the authority to amend the Stock Option Plan, subject to applicable shareholder and regulatory approvals. For further information regarding the terms of the Stock Option Plan, refer to the heading below "*Particulars of Matters to be Acted Upon - Approval of Stock Option Plan*".

Employment, Consulting and Management Agreements

The Company did not have any contracts, agreements, plans or arrangements that provide for payments to a director or NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in an NEO's responsibilities for the most recently completed financial year.

Oversight and Description of Director and Named Executive Officer Compensation

As a capital pool company during the most recently completed financial year, the Company was prohibited from paying directors, officers, or other non-arm's length parties or to persons engaged in investor relations activities pursuant to policy 2.4 of the TSX-V Corporate Finance Manual until it completed a qualifying transaction, and a final bulletin was issued by the TSX-V. The Company was permitted to reimburse non-

arm's length parties for rent, secretarial services, and other general and administrative expenses at fair market value.

As a result, the Company did not have a formal compensation program and relied upon the grant of Options pursuant to the Stock Option Plan to provide compensation to the NEOs and directors. Compensation for the most recently completed financial year should not be considered an indicator of expected compensation levels in future periods. On December 3, 2020, the Company completed a Qualifying Transaction as such term is defined in Policy 2.4 - Capital Pool Companies of the TSX-V and has since implemented the Company's executive compensation program as described below.

Compensation Philosophy and Objectives

The Company's executive compensation program is designed to attract and retain highly qualified and motivated individuals, reward performance and be competitive with the compensation arrangements of other resource companies of similar size and scope of operations. The Company's Compensation and Nomination Committee considers a variety of factors when determining both compensation policies and programs and individual compensation levels. These factors include the long-term interests of the Company and its shareholders, the overall financial and operating performance of the Company, an individual's performance and contribution towards meeting corporate objectives, an individual's responsibilities, an individual's length of service and the levels of compensation provided by industry competitors.

The accountability for decisions on executive remuneration is clearly within the mandate of the Compensation and Nomination Committee, but management has a key role in helping support the Compensation and Nomination Committee in fulfilling its obligations. For example, the CEO makes recommendations to the Compensation and Nomination Committee regarding executive officer base salary adjustments, stock option grants and bonus awards. Advice may also be given to the Compensation and Nomination Committee by independent advisors and consultants to the Company. The Compensation and Nomination Committee reviews the basis for these recommendations and can exercise its discretion in modifying any of the recommendations prior to making its recommendations to the Board. The Compensation and Nomination Committee is satisfied that the Company's compensation structure appropriately takes into account the factors relevant to the industry, the Company's performance within that industry and the individual contributions to the Company's performance made by its NEOs.

The Company's compensation structure for executive officers is primarily composed of two components – base salary/cash bonuses and Options. Note that cash bonuses may be awarded on an occasional and discretionary basis and, if awarded, reflect the Compensation and Nomination Committee's assessment of the immediately preceding financial year's performance.

In the course of its deliberations, the Compensation and Nomination Committee considers the implications and the risks associated with adopting the compensation program currently in place. The Compensation and Nomination Committee does not believe that the compensation program adopted by the Company creates a material risk that the NEOs or any employee would be encouraged to take inappropriate or excessive risks and no such risks have been detected to date. The Compensation and Nomination Committee will continue to include this consideration in its deliberations and believes that it and the Board would detect actions by management or employees of the Company that constitute or would lead to inappropriate or excessive risks.

The Board believes that it has exercised effective risk management and regulatory compliance relating to its compensation policies used in determining executive compensation. Risks related to compensation are taken into consideration as part of the general review and determination of executive compensation by the Board. Inappropriate and excessive risks by executives are mitigated by regular Board meetings during which financial and other information (including executive compensation) of the Company is reviewed, and which information includes executive compensation. Interested directors declare their interest and abstain from voting on compensation matters. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

The Company does not have a policy restricting the ability of a Named Executive Officer or a director from purchasing financial instruments (including pre-paid variable forward contracts, equity swaps, collars, or units of exchange funds) that are designed to hedge or offset a decrease in the market value of equity securities (or Options in respect thereof) granted as compensation or held, directly or indirectly, by the Named Executive Officer or director. During the financial year ending November 30, 2020, none of the Named Executive Officers or directors purchased such financial instruments.

Compensation Elements

Base Salaries/Cash Bonuses

The base salaries payable to NEOs and other executive officers and employees are intended to remunerate them for discharging their job responsibilities and to reflect their performance over time in a manner that is reasonable in the circumstances. The Board relies on the Compensation and Nomination Committee to base its recommendations on objective criteria. Although the Compensation and Nomination Committee does not benchmark against any specific company or companies, it considers the overall trend of executive compensation in the junior mining industry. In making its recommendations to the Board, the Compensation and Nomination Committee also considers the skills and experience of the individual needed to fulfill their responsibilities. Base salaries may be increased based upon the individual's performance and contribution in respect of their specific duties or increases in median competitive pay levels. See "*Corporate Governance – Compensation*" below for additional information on compensation governance.

The Company does not have a formal bonus plan, and none of the Company's NEOs and other executive officers and employees have any contractual right to cash bonuses or short-term incentive compensation. However, the Board will rely upon the recommendation of the Compensation and Nomination Committee regarding cash bonus payments on objective criteria that includes the performance of the Company during the immediately preceding financial year, along with the financial condition of the Company and the state of the junior mining industry. The Company considers that performance bonus awards are an important part of their remuneration package and that associated performance targets reflect the key drivers for value creation and growth in shareholder value.

Options

As a junior mining company, Option grants are considered a significant component of the Company's overall compensation strategy in order to appropriately incentivize the Company's NEOs and other executive officers and employees in a manner that is consistent with shareholders' interests. More specifically, Option grants, which include a vesting element to ensure retention, are long-term incentive compensation that serves to both motivate the individual toward increasing Common Share value and to enable the individual to share in the future success of the Company. Options are granted under the Stock Option Plan by the Board on the recommendation of the Compensation and Nomination Committee. Options are normally awarded by the Board upon the commencement of an individual's employment with the Company, based on the level of responsibility within the Company, and additional Option grants may also be made periodically during an individual's employment to ensure that the number of Options granted to any particular individual is proportionate with the individual's level of ongoing responsibility within the Company. When the Board considers additional Option grants, a number of factors are contemplated, including the role that the individual plays in the Company, the number of Options an individual has been granted, the exercise price and the value of the Options and the term remaining on those Options.

Pension Disclosure

The Company has not established any pension plans, defined contribution plans, or deferred compensation plans for directors and executive officers that provide for payments or benefits at, following or in connection with retirement.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Company has no compensation plans under which equity securities are authorized for issuance, except for the shareholder approved Stock Option Plan.

The following table sets out the equity compensation plan information as at November 30, 2020:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by securityholders	400,000	\$0.10	Nil
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	400,000	\$0.10	Nil

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, proposed nominee for election as director, executive officer or their respective associates or affiliates, other management of the Company, employees, or former executive officers, directors or employees were indebted to the Company or its subsidiaries as at the end of the most recently completed financial year or as at the date hereof or have been indebted to the Company or its subsidiaries at any time since the beginning of the most recently completed financial year.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

An informed person is one who, generally speaking, is a director or officer or a 10% shareholder of the Company. To the knowledge of management of the Company, no informed person of the Company or proposed director of the Company or a subsidiary of the Company or any associate or affiliate of any informed person or proposed director had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries, other than as set out below or elsewhere in this Information Circular.

MANAGEMENT CONTRACTS

Management functions of the Company and its subsidiaries are not, to any substantial degree, performed by anyone other than the directors or executive officers of the Company.

AUDIT COMMITTEE

The Company is required to have an Audit Committee under the Act and pursuant to the provisions of National Instrument 52-110, *Audit Committees* ("**NI 52-110**"), which must be comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company. Pursuant to NI 52-110, the Company is required to have a written charter, which sets out the duties and responsibilities of the Audit Committee. On January 29, 2021, the Audit Committee was changed to the "Audit and Risk Committee" and the charter was amended to provide further detail on the Audit and Risk Committee's responsibility to identify and understand risks that will impact the Company's business.

Audit Committee Charter

The text of the Audit and Risk Committee's charter is attached as Appendix "A" to this Information Circular.

Composition of Audit Committee and Independence

The Audit and Risk Committee is comprised of Marcus Engelbrecht (Chairman), Geoff Lawrence, and David Loretto.

NI 52-110 provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of the member's independent judgment. All the members of the Audit and Risk Committee are considered "independent" within the meaning of NI 52-110.

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. All the members of the Audit Committee are "financially literate" as that term is defined.

Relevant Education and Experience

Refer to the heading "*Election of Directors - Information Regarding Management's Nominees for Election to the Board*" for information regarding the Audit and Risk Committee members' education and experience that is relevant to the performance of their responsibilities as an Audit and Risk Committee member.

Audit Committee Oversight

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

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

- a) the exemption in section 2.4 (De Minimis Non-audit Services) of NI 52-110; or
- b) an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions).

Pre-Approval Policies and Procedures

The Audit and Risk Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

Audit Fees

The Audit and Risk Committee has reviewed the nature and amount of the non-audited services provided by De Visser Gray LLP ("**De Visser Gray**") and subsequently Davidson & Company LLP ("**Davidson & Co**"), to ensure auditor independence. Fees incurred with De Visser Gray for audit and non-audit services in the last two (2) fiscal years and audit fees billed by Davidson & Co in the last fiscal year are outlined in the following table:

Nature of Services	Fees Billed by the Auditor in Year Ended November 30, 2019	Fees Billed by the Auditor in Year Ended November 30, 2020
Audit Fees ⁽¹⁾	\$5,000	\$8,098 ⁽⁵⁾
Audit-Related Fees ⁽²⁾	Nil	\$3,100
Tax Fees ⁽³⁾	\$500	Nil
All Other Fees ⁽⁴⁾	Nil	Nil
Total	\$5,500	\$11,198

Notes:

- 1) "Audit fees" include aggregate fees billed by the Company's external auditor in each of the last two fiscal years for audit fees.
- 2) "Audit-Related Fees" include fees for services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- 3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions and requests for rulings or technical advice from tax authorities.
- 4) "All Other Fees" include fees for all other non-audit services.
- 5) Audit fees were billed by Davidson & Co for the year ended November 30, 2020 after appointment in February 2021.

Exemption

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

CORPORATE GOVERNANCE DISCLOSURE

General

National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**") requires issuers to disclose their corporate governance practices with respect to corporate governance guidelines that they have adopted. National Policy 58-201 *Corporate Governance Guidelines* provides guidance to issuers on corporate governance practices.

The Board understands that good corporate governance improves corporate performance and benefits all shareholders. This section sets out the Company's approach to corporate governance and addresses the Company's compliance with NI 58-101.

1. Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment and includes the holding of an executive officer position.

The Board facilitates its independent supervision over management by conducting a quarterly review of the Company's financial statements and management discussion and analysis as well as requiring material transactions to be approved by the Board prior to the transaction taking place.

The independent members of the Board are Marcus Engelbrecht (Chairman), Geoff Lawrence, and David Loretto. Matthew Salthouse is not considered to be an independent member of the Board because he is the CEO. As a result, the Board currently has a majority of independent directors. The Company considers its current Board composition to be sufficient given the current state of the Company's business, but it continues to review the composition of the Board on an annual basis.

Given the size of the Company, the current composition of the Board and the nature of activities to date, the independent members of the Board are not expected to hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. This practice will be reassessed as the Company grows. In order to facilitate open and candid discussion among independent directors, from time to time as circumstances dictate, the independent directors can request a meeting or a portion thereof to be restricted to independent directors for the purpose of discussing matters independently of management. In addition, independent directors are encouraged to remain in communication with one another between meetings as and when they deem it appropriate.

The Board has appointed Mr. Engelbrecht as Chairman of the Board. Mr. Engelbrecht's role as Chairman of the Board is to provide leadership to the Company's independent directors by encouraging a culture of ethical business conduct. Each member of the Board is encouraged to conduct a self-review to determine if they are providing an effective service regarding both the Company and its shareholders. Should it be deemed that a member of the Board is unable to effectively act on behalf of the Board or in the interests of the Company or its shareholders, the director would be encouraged to resign his or her position on the Board.

2. Board Mandate

The Board has adopted a formal written mandate that outlines its responsibility for the stewardship of the Company and for the oversight of its management and affairs. The Board's mandate is to manage the business and affairs of the Company. While day-to-day management of the Company has been delegated by the Board to executive management, the Board fulfills its responsibility for the broader stewardship of the Company's business and affairs through its regular meetings at which members of management provide reports to the Board with respect to the Company's business and operations, make proposals to the Board and receive the Board's decisions for implementation. Any responsibility that has not been delegated to executive management or a Board committee remains with the full Board.

The Board believes that its approach to corporate governance is appropriate and works effectively for the Company and its shareholders and is consistent with the overall business of the Company and its stage of development.

3. Directorships

David Loretto is currently a director of another issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction. Specifically, Mr. Loretto is a director of Kingfisher Metals Corp. ("Kingfisher").

4. Orientation and Continuing Education

The Board provides ad hoc orientation for new directors, which generally consists of providing education regarding directors' responsibilities, corporate governance issues and committee charters. Continuing education opportunities are available to Board members as requested. On occasions where it is considered advisable, the Board will provide directors with information regarding topics of general interest, such as fiduciary duties and continuous disclosure obligations. The Board also ensures that each director is up to date with current information regarding the business of the Company, the role that the director is expected to fulfill and basic procedures and operations of the Board and its committees. Board members are also given access to management and other employees and advisors, who can answer any questions that may arise. Management also updates the Board concerning the status of the Company and, in respect of material transactions, including the review of the Company's financial statements, provides opportunities for Board review and approval by way of directors' consent resolutions.

5. Ethical Business Conduct

The Board is of the view that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law, and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest, are sufficient to ensure that the Board operates independently of management and in the best

interests of the Company. Nevertheless, the Company has adopted a formal written code of business conduct and ethics (the “**Code of Ethics**”), which sets out the ethical and behavioural standards expected of the Company’s directors, officers, employees, and contractors. These standards include integrity and objectivity, fair dealing and due care, proper use of the Company’s assets, property and information and compliance with applicable laws, regulations, and rules. The Code of Ethics requires all directors, officers, and employees to promptly report potential or suspected violations of the Code of Ethics orally or in writing and, if preferred, anonymously. Concerns may be raised with the CEO or, if related to accounting or auditing matters, with the Audit Committee.

The Board satisfies itself regarding compliance with the Code of Ethics by reasonably ensuring that all directors, officers, and employees receive and become familiar with the Code of Ethics and acknowledge their support and understanding of the Code of Ethics. To ensure independent judgement, directors are required by applicable law and the Code of Ethics to promptly disclose any potential conflict of interest that may arise and, where required by applicable law, to abstain from voting with respect to an agreement or transaction in which they have a material interest. In addition, the Code of Ethics prohibits any director or employee from retaliating or taking adverse action against anyone for raising good faith suspected conduct violations or helping to resolve a conduct concern. The Company will provide a copy of the Code of Ethics, free of charge, upon request to the Company (email: info@krl.com.sg).

6. Nomination of Directors

The Compensation and Nomination Committee consists of two (2) independent directors: Marcus Engelbrecht (Chairman) and Geoff Lawrence. Part of the Compensation and Nomination Committee’s responsibility is for identifying, assessing, and making recommendations as to candidates qualified for election to the Board and Board committees, and where necessary, develops an orientation and education program for new recruits to the Board. In identifying possible nominees to the Board, the Compensation and Nomination Committee considers the competencies and skills necessary for the Board as a whole, the skills of existing directors and the competencies and skills that each new nominee will bring to the Board, as well as whether or not each nominee will devote sufficient time and resources to the Board. The Compensation and Nominating Committee also considers the size of the Board each year when it considers the number of directors to recommend to the shareholders for election at the shareholders’ meeting of the Company, taking into account the number required to carry out the Board’s duties effectively and to maintain a diversity of views and experience. In the event of a vacancy on the Board, the Compensation and Nomination Committee evaluates potential candidates on the basis of factors such as their past business experience; their industry knowledge; and their ability to contribute to the success of the Company.

7. Compensation

As at the date of this Information Circular, the Compensation and Nomination Committee consists of Marcus Engelbrecht (Chairman) and Geoff Lawrence each of whom is independent and neither of whom is an officer or employee of the Company or any of its subsidiaries. The Board believes that the Compensation and Nomination Committee collectively has the knowledge, experience and background required to fulfill its mandate. Also, it is notable that Mr. Engelbrecht has experience setting compensation for executives and has knowledge of executive compensation strategies in companies of a similar size to the Company. Part of the Compensation and Nomination Committee’s charter mandates is to recommend to the Board the form and amount of compensation to be paid by the Company to the Company’s directors for service on the Board and on the Board committees and recommend the structure of the Company’s compensation programs, both for management and staff, including base salaries, perquisites and long and short-term incentive compensation, including cash bonuses and Option grants. The Compensation and Nomination Committee is also mandated to review the performance of the CEO and the CFO.

The Compensation and Nomination Committee meets from time to time during the year for the purpose of, among other things, reviewing the overall employee and executive officer compensation program, as well as the adequacy and form of annual compensation for directors to ensure that such compensation realistically reflects the responsibilities and risks involved in being an effective director, and

recommending the approval of any proposed changes to these compensation programs to the Board. The Compensation and Nomination Committee makes specific recommendations to the Board on base salaries, cash bonuses and Option grants, as applicable. The Compensation and Nomination Committee ensures the total compensation package facilitates the attraction and retention of a strong executive management team and employees. The Board reviews all recommendations of the Compensation and Nomination Committee relating to compensation matters before final approval. The Compensation and Nomination Committee did not retain a compensation consultant or advisor at any time since the beginning of the Company's most recently completed financial year to assist in determining the compensation for any of its directors, executive officers and employees.

9. Other Board Committees

The Board has no committees other than the Audit and Risk Committee and Compensation and Nomination Committee. In light of the Company's stage of development and Board composition, it considers this to be reasonable.

10. Assessments

The Board does not consider that formal assessments would be useful at this stage of the Company's development. The Board and each individual director are assessed regarding their effectiveness and contribution. The assessment considers: (i) in the case of the Board, its mandate and charter; and (ii) in the case of an individual director, the applicable position description(s), if any, as well as the competencies and skills each individual director is expected to possess.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Receive Financial Statements and Auditor's Report

The audited consolidated financial statements and the related management discussion and analysis of the Company for the year ended November 30, 2020, and the report of the auditor on those statements will be placed before the Meeting. The financial statements and the related management discussion and analysis for the fiscal year ended November 30, 2020, are available for download without charge from SEDAR at www.sedar.com.

2. Election of Directors

The Board presently consists of four (4) directors. At the Meeting, it is intended that four (4) directors be elected for the ensuing year. The term of office of each of the four (4) current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia) (the "**Act**"), each director elected will hold office until the conclusion of the next shareholders' meeting of the Company, or until their successor is elected or appointed.

The following table sets out the names of management's four (4) nominees for election as director, their jurisdiction of residence, the offices they hold within the Company, their principal occupations, the period of time during which each has been a director of the Company, the number of Common Shares of the Company and its subsidiaries beneficially owned by each, or over which each nominee exercises control or direction, directly or indirectly, and the nominees' membership on committees of the Board as at the date of this Information Circular. The Board does not have an executive committee. There are presently two (2) committees of the Board; namely, the Audit and Risk Committee and the Compensation and Nomination Committee.

In the absence of instructions to the contrary, Proxies given pursuant to the solicitation by the management of the Company will be voted for the nominees listed in this Information Circular. Management does not contemplate that any of the nominees will be unable to serve as a director.

Name, Position with the Company, and Residence ⁽¹⁾	Principal Occupation for the Past Five Years ⁽¹⁾	Director of the Company since	Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly ⁽²⁾	Committee Membership
Matthew Salthouse <i>Chief Executive Officer and Director</i> Singapore, Singapore	Mr. Salthouse has been the Commercial/Mining Director for Pacific Energy Consulting Ltd. (“PEC”) and has previously held senior executive roles in various public mining ventures, including OceanaGold Corporation (TSX: OGC), Archipelago Resources plc and REA Holdings plc.	December 3, 2020	3,209,365	Nil
Marcus Engelbrecht <i>Chairman and Director</i> Melbourne, Australia	Mr. Engelbrecht was the CFO for the BHP Diamonds and Specialty Products group with global responsibilities across six continents. Mr. Engelbrecht later went on to be CFO/Acting CEO for OceanaGold Corporation (TSX: OGC) and Managing Director of Archipelago Resources plc and several other listed companies.	December 3, 2020	Nil	Audit and Risk Committee ⁽³⁾ Compensation and Nomination Committee ⁽⁴⁾
Geoff Lawrence <i>Director</i> Singapore, Singapore	Mr. Lawrence is the current CEO of PEC in Papua New Guinea. Mr. Lawrence brings a wealth of knowledge to operating in Papua New Guinea, the Pacific Islands, and South East Asia, having amassed an extensive list of key government and corporate contacts within those areas.	December 3, 2020	12,105,540	Audit and Risk Committee Compensation and Nomination Committee
David Loretto <i>Director</i> Squamish, British Columbia	Mr. Loretto is an exploration geologist and entrepreneur. Mr. Loretto currently serves as President and a director for Kingfisher, was a director for LQwD FinTech Corp. (“LQWD”) (TSX-V: LQWD).	July 4, 2018	40,000	Audit and Risk Committee

Notes:

- 1) Information as to position with the Company, residence and principal occupation has been furnished by the respective director individually. See also “*Information Regarding Management’s Nominees for Election to the Board*” below.
- 2) Information as to Common Shares beneficially owned or controlled has been furnished by the respective director individually. The directors do not hold shares in any subsidiary of the Company.
- 3) Chairman of the Audit and Risk Committee.
- 4) Chairman of the Compensation and Nomination Committee.

Biographical summaries and other required information about each of the nominees for election as directors are set out below in the section entitled “*Information Regarding Management’s Nominees for Election to the Board.*”

Corporate Cease Trade Orders or Bankruptcies

To the best of management's knowledge, no proposed director of the Company is, as at the date of this Information Circular, or has been, within the last ten (10) years, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) 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 thirty (30) consecutive days that was issued while the proposed director was acting in that capacity as director, chief executive officer or chief financial officer; or
- (b) 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 thirty (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 which occurred while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer.

Except as provided herein, to the best of management's knowledge, no proposed director is, as at the date of this Information Circular, or has been within the last ten (10) years, a director or executive officer of any company (including the Company) that, while the proposed director 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.

To the best of management's knowledge, no proposed director of the Company has, within the last ten (10) years, 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.

To the best of management's knowledge, no proposed director of the Company has been subject to: (a) 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 (b) any other 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.

Information Regarding Management's Nominees for Election to the Board

The following biographical information about management's nominees for election to the Board has been supplied by the respective nominees:

Matthew Salthouse

Mr. Salthouse has over 25 years of executive experience in the natural resource sector and has been integral in developing and operating gold mines across Asia Pacific, including the Didipio and Toka Tindung gold mines. He has successfully originated and executed a range of capital market and corporate development initiatives, focusing on commodities and mining in Asia Pacific. Mr. Salthouse has been the current Commercial/Mining Director for PEC and has previously held senior executive roles in various public mining ventures, including OceanaGold Corporation (TSX: OGC), Archipelago Resources plc and REA Holdings plc. Mr. Salthouse holds a B.Ec. and LL.B. from Monash University.

Marcus Engelbrecht

Mr. Engelbrecht is a Canadian born mining executive with 37 years of experience in the industry. He was the CFO for the BHP Diamonds and Specialty Products group with global responsibilities across six continents. Mr. Engelbrecht later went on to be CFO/Acting CEO for OceanaGold Corporation (TSX: OGC) and Managing Director of Archipelago Resources plc and several other listed companies. He has

extensive board and corporate experience with a detailed understanding of how to operate in developing countries; having overseen the successful commissioning of the Toka Tindung gold mine, amongst other projects.

Geoff Lawrence

Mr. Lawrence has over 18 years of executive experience in the managed services and energy sector, most recently over the last 7 years as the CEO of PEC in Papua New Guinea. Under the guidance of Mr. Lawrence, PEC has emerged as the lead mid-market EPC contractor in Papua New Guinea, delivering significant projects of national interest, including a newly constructed 45 MW gas fired power station located in Port Moresby. Mr. Lawrence brings a wealth of knowledge to operating in Papua New Guinea, the Pacific Islands, and Southeast Asia, having amassed an extensive list of key government and corporate contacts within those areas.

David Loretto

Mr. Loretto is an exploration geologist and entrepreneur, having received a B.Sc (Hons) in Geological Sciences from Queen's University and was an exploration team member on the Brucejack deposit with Pretium Resources Inc. (TSX: PVG). Mr. Loretto currently serves as President and a director for Kingfisher, as well as a director for LQWD (TSX-V: LQWD).

The Board does not contemplate that any of its nominees will be unable to serve as a director, but if for any reason that should occur, the persons named in the Proxy shall have the right to use their discretion to vote for a properly qualified substitute.

It is expected that the nominees set forth in this Information Circular will, upon their re-election, continue to serve as directors of the Company until the conclusion of the next shareholders' meeting of the Company.

3. Appoint Auditors and Authorize Directors to Fix Remuneration

The management of the Company intends to nominate Davidson & Company LLP ("**Davidson**") for appointment as auditor of the Company. Proxies given pursuant to the solicitation by the management of the Company will, on any poll, be voted as directed and, if there is no direction, voted for the appointment of Davidson as auditor of the Company to hold office until the close of the next shareholders' meeting of the Company, at a remuneration to be fixed by the directors.

4. Approval of Stock Option Plan

The Stock Option Plan permits the issuance of up to an aggregate of 10% of the issued and outstanding Common Shares from time to time pursuant to the exercise of Options granted under the Stock Option Plan. This is a "rolling" plan as the number of Common Shares reserved for issuance pursuant to the grant Options will increase as the Company's Common Shares increases.

A copy of the Stock Option Plan is attached hereto as Appendix "B" to this Information Circular and the highlights of the Stock Option Plan are as follows:

1. The maximum number of Common Shares that may be issued upon the exercise of Options granted under the Stock Option Plan shall not exceed 10% of the issued and outstanding Common Shares of the Company at the time of grant, the exercise price of which, as determined by the Board in its sole discretion, shall not be less than the closing price of the Company's shares traded through the facilities of the TSX-V prior to the announcement of the Option grant, or, if the Common Shares are no longer listed for trading on the TSX-V, then such other exchange or quotation system on which the shares are listed or quoted for trading.

2. The Board shall not grant Options to any one person in any 12-month period which will, when exercised, exceed 5% of the issued and outstanding Common Shares of the Company or to any one consultant or to those persons employed by the Company who perform investor relations services which will, when exercised, exceed 2% of the issued and outstanding shares of the Company.
3. Upon expiry of an Option, or in the event an Option is otherwise terminated for any reason, the number of Common Shares in respect of the expired or terminated option shall again be available for the purposes of the Stock Option Plan. All Options granted under the Stock Option Plan may not have an expiry date exceeding ten (10) years from the date on which the Board grant and announce the granting of the Option.
4. If the Option holder ceases to be a director of the Company or ceases to be employed by the Company (other than by reason of death), or ceases to be a consultant of the Company as the case may be, then the option granted shall expire on no later than the 90th day following the date that the Option holder ceases to be a director, ceases to be employed by the Company or ceases to be a consultant of the Company, subject to the terms and conditions set out in the Stock Option Plan, provided that if the option holder was engaged to provide investor relations services, such holder has 30 days from the date of cessation, subject to expiry date of the stock options.

The Company is proposing to amend the Stock Option Plan to provide clarity to the change of the Company's name to "Kainantu Resources Ltd." following the completion by the Company of its qualifying transaction. In this regard, the Company proposes that references to PLB Capital Corp. in the Stock Option Plan be deleted and replaced by Kainantu Resources Ltd.

At the Meeting, shareholders will be asked to consider, and if deemed appropriate, to pass with or without variation, the following ordinary resolution (the "**Stock Option Plan Approval Resolution**"):

"BE IT RESOLVED THAT:

1. the Stock Option Plan of the Company, as described in the Information Circular and substantially in the form attached as Appendix "B", be and it is hereby approved; and
2. any director or officer of the Company be and is hereby authorized and directed to take all such action and execute and deliver all such documents as any such director or officer may, in his or her sole discretion, determine are necessary, desirable or useful to implement the foregoing resolutions."

An ordinary resolution is a resolution passed by a simple majority of the votes cast in person or by proxy. Unless otherwise indicated, the persons designated as proxyholders in the accompanying Proxy intend to vote the Common Shares represented by each properly executed Proxy **FOR** the Stock Option Plan Approval Resolution.

The Stock Option Plan will continue to benefit the shareholders of the Company by aligning the interests of the Company's officers, employees, consultants and other eligible service providers with those of the shareholders of the Company and providing a long-term incentive to reward the Company's officers, employees, consultants and other eligible service providers for their contribution to the generation of shareholder value.

The Board recommends that shareholders vote FOR the Stock Option Plan Approval Resolution. Unless otherwise instructed, Common Shares represented by proxies in favor of management will be voted FOR the Stock Option Plan Approval Resolution.

OTHER MATTERS

The Board is not aware of any other matters which they anticipate will come before the Meeting as of the date of mailing of this Information Circular. If any other matters properly come before the Meeting, the Common Shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the Proxy, subject to instructions on the face of the Proxy to the contrary.

ADDITIONAL INFORMATION

Financial information is provided in the Company's comparative annual financial statements and management discussion and analysis for its most recently completed financial year. Additional information relating to the Company is also available on SEDAR at www.sedar.com and may be downloaded free of charge.

The Company will provide to any shareholder, free of charge, upon request to the Company, (email: info@krl.com.sg), a copy of any year end and interim financial statements of the Company and management's discussion and analysis filed with the applicable securities regulatory authorities during the past three years.

BOARD APPROVAL

The contents of this Information Circular and its distribution to shareholders have been approved by the Board.

DATED at Vancouver, British Columbia September 23, 2021.

"Matthew Salthouse"

Matthew Salthouse
Chief Executive Officer

APPENDIX "A"

AUDIT AND RISK COMMITTEE CHARTER

1.0 Purpose of the Committee

1.1 The Audit and Risk Committee represents the Board in discharging its responsibility relating to the accounting, reporting and financial practices of the Company and its subsidiaries, and has general responsibility for oversight of internal controls, accounting and auditing activities and legal compliance of the Company and its subsidiaries. The Audit and Risk Committee also has the responsibility to identify and understand the principal risks to the Company and its business and to report such risks to the Board to ensure there are systems in place to effectively monitor and manage those risks with a view to the long-term viability of the Company and in order to achieve its long-term strategic objectives.

2.0 Members of the Committee

2.1 The Audit and Risk Committee shall consist of no less than three Directors a majority of whom shall be "independent" as defined under National Instrument 52-110, while the Company is in the developmental stage of its business. The members of the Committee shall be selected annually by the Board and shall serve at the pleasure of the Board.

2.2 Each Member of the Audit and Risk Committee must be "financially literate" as defined under Multilateral Instrument 52-110, having sufficient accounting or related financial management expertise to read and understand a set of financial statements, including the related notes, that present a breadth and level of complexity of the 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.

3.0 Meeting Requirements

3.1 The Committee will, where possible, meet on a regular basis, and will hold special meetings as it deems necessary or appropriate in its judgment. Meetings may be held in person or telephonically and shall be at such times and places as the Committee determines. Without meeting, the Committee may act by unanimous written consent of all members which shall constitute a meeting for the purposes of this charter.

3.2 A majority of the members of the Committee shall constitute a quorum.

4.0 Duties and Responsibilities

The Audit and Risk Committee's function is one of oversight only and shall not relieve the Company's management of its responsibilities for preparing financial statements which accurately and fairly present the Company's financial results and conditions or the responsibilities of the external auditors relating to the audit or review of financial statements. Specifically, the Audit Committee will:

- (a) have the authority with respect to the appointment, retention or discharge of the independent public accountants as auditors of the Company (the "auditors") who perform the annual audit in accordance with applicable securities laws, and who shall be ultimately accountable to the Board through the Audit and Risk Committee;
- (b) review with the auditors the scope of the audit and the results of the annual audit examination by the auditors, including any reports of the auditors prepared in connection with the annual audit;

- (c) review information, including written statements from the auditors, concerning any relationships between the auditors and the Company or any other relationships that may adversely affect the independence of the auditors and assess the independence of the auditors;
- (d) review and discuss with management and the auditors the Company's audited financial statements and accompanying Management's Discussion and Analysis of Financial Conditions ("MD&A"), including a discussion with the auditors of their judgments as to the quality of the Company's accounting principles and report on them to the Board;
- (e) review and discuss with management the Company's interim financial statements and interim MD&A and report on them to the Board;
- (f) pre-approve all auditing services and non-audit services provided to the Company by the auditors to the extent and in the manner required by applicable law or regulation. In no circumstances shall the auditors provide any non-audit services to the Company that are prohibited by applicable law or regulation;
- (g) evaluate the external auditor's performance for the preceding fiscal year, reviewing their fees and making recommendations to the Board;
- (h) periodically review the adequacy of the Company's internal controls and ensure that such internal controls are effective;
- (i) review changes in the accounting policies of the Company and accounting and financial reporting proposals that are provided by the auditors that may have a significant impact on the Company's financial reports, and report on them to the Board;
- (j) oversee and annually review the Company's Code of Business Conduct and Ethics;
- (k) approve material contracts where the Board of Directors determines that it has a conflict;
- (l) establish procedures for the receipt, retention and treatment of complaints received by the Company regarding the audit or other accounting matters;
- (m) where unanimously considered necessary by the Audit Committee, engage independent counsel and/or other advisors at the Company's expense to advise on material issues affecting the Company which the Audit Committee considers are not appropriate for the full Board;
- (n) satisfy itself that management has put into place procedures that facilitate compliance with the provisions of applicable securities laws and regulation relating to insider trading, continuous disclosure and financial reporting;
- (o) review and monitor all related party transactions which may be entered into by the Company;
- (p) periodically review the Company's risk governance framework and the guidelines, policies, and processes for monitoring and mitigating risks, which are available, including management's views on acceptable and appropriate levels of exposures, as well as regularly discuss major risk exposures and the steps management has taken to monitor and control such exposures, and review and discuss with management, the risks associated with cross border operations in line with international corruption/fraud legislation, and report to the Board any significant matters; and
- (q) periodically review the adequacy of its charter and recommending any changes thereto to the Board.

5.0 Miscellaneous

5.1 Nothing contained in this Charter is intended to extend applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Committee. The purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

APPENDIX "B"

STOCK OPTION PLAN

PART 1 INTERPRETATION

1.01 Definitions In this Plan the following words and phrases shall have the following meanings, namely:

- (a) "Award Date" means the date on which the Board grants and announces a particular Option;
- (b) "Board" means the board of directors of the Company and includes any committee of directors appointed by the directors as contemplated by to Section 3.01 hereof;
- (c) "Company" means KAINANTU RESOURCES LTD.;
- (d) "Consultant" means an individual who provides consulting, technical, management or other services to the Company or any of its subsidiaries and who is permitted by Exchange Policy and by Securities Laws to receive, either directly or through a company, shares or options of the Company in exchange for services;
- (e) "Director" means any director of the Company or of any of its subsidiaries;
- (f) "Discounted Market Price" has the meaning ascribed thereto in Exchange Policy;
- (g) "Employee" means any individual in the employment of the Company or any of its subsidiaries or of a company providing management or administrative services to the Company;
- (h) "Exchange" means the TSX Venture Exchange and any other stock exchange on which the Shares are listed for trading;
- (i) "Exchange Policy" means the policies, bylaws, rules and regulations of the Exchange governing the granting of options by the Company, as amended from time to time;
- (j) "Exercise Notice" means the notice respecting the exercise of an Option, in the form set out as Schedule "B" hereto, duly executed by the Option Holder;
- (k) "Exercise Price" means the price at which an Option may be exercised as determined in accordance with section 4.01;
- (l) "Expiry Date" means not later than ten years from the date of grant of the option or such shorter period as prescribed by the Exchange;
- (m) "Insider" has the meaning ascribed thereto in the Securities Act (British Columbia);
- (n) "Joint Actor" means a person acting "jointly or in concert with" another person as that phrase is interpreted in section 96 of the *Securities Act*;
- (o) "Option Certificate" means the certificate, substantially in the form set out as Schedule "A" hereto, evidencing an Option;

- (p) "Option Holder" means a current or former Director, Employee or Consultant who holds an unexercised and unexpired Option;
- (q) "Option Price" means the price at which options may be granted in accordance with Exchange Policy and Securities Laws;
- (r) "Officer" means any senior officer of the Company or of any of its subsidiaries as defined in the *Securities Act* (British Columbia);
- (s) "Outstanding Issue" is determined by Exchange Policy and by Securities Laws;
- (t) "Plan" means this stock option plan as from time to time amended;
- (u) "Qualifying Transaction" has the meaning determined by Exchange Policy;
- (v) "*Securities Act*" means the *Securities Act*, R.S.B.C. 1996, c.418, as amended, from time to time;
- (w) "Securities Laws" means the act, policies, bylaws, rules and regulations of the securities commissions governing the granting of options by the Company, as amended from time to time;
- (x) "Shares" means common shares of the Company.

1.02 Gender Throughout this Plan, words importing the masculine gender shall be interpreted as including the female gender.

PART 2 PURPOSE OF PLAN

2.01 Purpose The purpose of this Plan is to attract and retain Employees, Consultants, Officers or Directors to the Company and to motivate them to advance the interests of the Company by affording them with the opportunity to acquire an equity interest in the Company through options granted under this Plan to purchase Shares.

PART 3 GRANTING OF OPTIONS

3.01 Administration This Plan shall be administered by the Board or, if the Board so elects, by a committee (which may consist of only one person) appointed by the Board from its members.

3.02 Committee's Recommendations The Board may accept all or any part of recommendations of the committee or may refer all or any part thereof back to the committee for further consideration and recommendation.

3.03 Grant by Resolution The Board may, by resolution, designate eligible persons who are bona fide Employees, Consultants, Officers or Directors, or corporations employing or wholly owned by such Employee, Consultant, Officer or Director, to whom options should be granted and specify the terms of such options which shall be in accordance with Exchange Policy and Securities Laws.

3.04 Terms of Option The resolution of the Board shall specify the number of Shares that should be placed under option to each such Employee, Consultant, Officer or Director, the Option Price to be paid for such Shares upon the exercise of each such option, and the period, including any applicable vesting periods required by Exchange Policy, or by the Board or Committee, during which such option may be

exercised. Options granted under the Plan can be exercisable for a maximum of 10 years from the date of listing of the common shares on the Exchange.

3.05 Option Certificate Every option granted under this Plan shall be evidenced by an Option Certificate, and all Option Certificates will be so legended as required by Exchange Policy and Securities Laws.

PART 4

CONDITIONS GOVERNING THE GRANTING AND EXERCISING OF OPTIONS

4.01 Exercise Price The exercise price of an option granted under this Plan shall not be less than the greater of the IPO share price and the Discounted Market Price while the Company is a CPC, and no less than the discounted market price once the Qualifying Transaction has completed. In any event, no options shall be granted which are exercisable at a price of less than permitted by Exchange Policy.

4.02 Expiry Date Each option shall, unless sooner terminated, expire on a date to be determined by the Board which will not be later than the Expiry Date.

4.03 Different Exercise Periods, Prices and Number The Board may, in its absolute discretion, upon granting an option under this Plan and subject to the provisions of Section 6.03 hereof, specify a particular time period or periods following the date of granting the option during which the optionee may exercise his option to purchase Shares and may designate the exercise price and the number of Shares in respect of which such optionee may exercise his option during each such time period.

4.04 Number of Shares To one Person the number of Shares reserved for issuance to any one person pursuant to options granted under this Plan shall not exceed 5% of the outstanding Shares at the time of granting of the options.

4.05 Termination of Employment If a Director, Officer, Consultant or Employee ceases to be so engaged by the Company for any reason other than death, such Director, Officer, Consultant or Employee shall have such rights to exercise any option not exercised prior to such termination to the later of 12 months from the completion of the Qualifying Transaction and 90 days after the date of termination.

4.06 Death of Optionee If a Director, Officer, Consultant or Employee dies prior to the expiry of his option, his legal representatives may, within the lesser of one year from the date of the optionee's death or the expiry date of the option, exercise that portion of an option granted to the Director, Officer, Consultant or Employee under this Plan which remains outstanding.

4.07 Assignment No option granted under this Plan or any right thereunder or in respect thereof shall be transferable or assignable otherwise than by will or pursuant to the laws of succession except that, if permitted by the rules and policies of the Exchange, an optionee shall have the right to assign any option granted to him hereunder to a trust, RRSP, RESP or similar legal entity established by such optionee.

4.08 Notice Options shall be exercised only in accordance with the terms and conditions of the option certificates under which they are respectively granted and shall be exercisable only by notice in writing to the Company.

4.09 Payment Options may be exercised in whole or in part at any time prior to their lapse or termination. Shares purchased by an optionee on exercise of an option shall be paid for in cash or cash equivalent in full at the time of their purchase.

4.10 Options to Employees, Consultants or Management Company Employees In the case of options granted to Employees, Consultants or Management Company Employees, the optionee must be a bona-fide Employee, Consultant or Management Company Employee, as the case may be, of the Company or its subsidiary.

4.11 Escrow Provisions No stock options granted pursuant to the Plan may be exercised before the Completion of the Qualifying Transaction unless the Optionee agrees in writing to deposit the share acquired into escrow.

PART 5

RESERVE OF SHARES FOR OPTIONS

5.01 Sufficient Authorized Shares to be Reserved Whenever the Notice of Articles or Articles of the Company limit the number of authorized Shares, a sufficient number of Shares shall be reserved by the Board to satisfy the exercise of options granted under this Plan. Shares that were the subject of options that have lapsed or terminated shall thereupon no longer be in reserve and may once again be subject to an option granted under this Plan.

5.02 Maximum Number of Shares to be Reserved Under Plan The aggregate number of Shares which may be subject to issuance pursuant to options granted under this Plan, inclusive of all other stock options outstanding shall be not greater than 10% of the shares issued and outstanding at the date of closing of the initial public offering of the Company, being 400,000 common shares, until such time as the Company completes a 'Qualifying Transaction', at which time, the maximum number of shares that may be reserved for issuance pursuant to Options granted under the Plan shall not at any time exceed 10% of the total number of issued and outstanding Shares at the Grant Date of the Options, subject to adjustment and reloading as provided herein, which reloading shall increase the aggregate number of Shares that may be issued under the Plan by the number of additional Shares permitted to be reserved. Shares in respect of which Options have expired, were cancelled or otherwise terminated for any reason without having been exercised shall be available for subsequent Options under the Plan. Options that have been exercised shall be available for subsequent grants under the Plan and the Corporation shall reserve additional Shares for issuance pursuant to such Options. No fractional Shares may be purchased or issued under the Plan.

5.03 Maximum Number of Shares Reserved Unless authorized by shareholders of the Company, this Plan, together with all of the Company's other previously established or proposed stock options, stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Shares, result, at any time, in:

- (a) the number of Shares reserved for issuance pursuant to stock options exceeding 400,000 common shares at any time prior to the completion by the Company of a Qualifying Transaction or 10% of the Outstanding Issue following the completion by the Company of a Qualifying Transaction;
- (b) the issuance to Insiders, within a one year period, of a number of Shares exceeding 400,000 common shares at any time prior to the completion by the Company of a Qualifying Transaction or 10% of the Outstanding Issue following the completion by the Company of a Qualifying Transaction;
- (c) the issuance to any one Insider and such Insider's associates, within a one year period, of a number of Shares exceeding 200,000 common shares at any time prior to the Completion by the Company of a Qualifying Transaction or 5% of the Outstanding Issue following the completion by the Company of a Qualifying Transaction; or
- (d) if required by Exchange Policy or Securities Laws, the issuance to Consultants of a number of Shares exceeding 80,000 common shares at any time prior to the Completion by the Company of a Qualifying Transaction or 2% of the Outstanding Issue following the completion by the Company of a Qualifying Transaction.

PART 6

CHANGES IN OPTIONS

6.01 Share Consolidation or Subdivision In the event that the Shares are at any time subdivided or consolidated, the number of Shares reserved for option and the price payable for any Shares that are then subject to option shall be adjusted accordingly.

6.02 Stock Dividend In the event that the Shares are at any time changed as a result of the declaration of a stock dividend thereon, the number of Shares reserved for option and the price payable for any Shares that are then subject to option may be adjusted by the Board to such extent as they deem proper in their absolute discretion.

6.03 Effect of a Take-Over Bid If a bona fide offer (an "Offer") for Shares is made to the Optionee or to shareholders of the Company generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of subsection 1(1) of the *Securities Act*, the Company shall, upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon all Shares subject to such Option ("Option Shares") will become Vested and the Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Option Shares received upon such exercise, pursuant to the Offer. However, if:

- (a) the Offer is not completed within the time specified therein including any extensions thereof; or
- (b) all of the Option Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof,

then the Option Shares received upon such exercise, or in the case of clause (b) above, the Option Shares that are not taken up and paid for, may be returned by the Optionee to the Company and reinstated as authorized but unissued Shares and with respect to such returned Option Shares, the Option shall be reinstated as if it had not been exercised and the terms upon which such Option Shares were to become vested pursuant to section 4.03 shall be reinstated. If any Option Shares are returned to the Company under this section 6.03, the Company shall immediately refund the exercise price to the Optionee for such Option Shares.

6.04 Acceleration of Expiry Date If at any time when an Option granted under the Plan remains unexercised with respect to any Unissued Option Shares, an Offer is made by an offeror, the Directors may, upon notifying each Optionee of full particulars of the Offer, declare all Option Shares issuable upon the exercise of Options granted under the Plan, Vested, and declare that the Expiry Date for the exercise of all unexercised Options granted under the Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer.

6.05 Effect of a Change of Control If a Change of Control (as defined below) occurs, all Option Shares subject to each outstanding Option will become vested, whereupon such Option may be exercised in whole or in part by the Optionee. "Change of Control" means the acquisition by any person or by any person and a Joint Actor, whether directly or indirectly, of voting securities as defined in the *Securities Act*) of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a Joint Actor, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board of Directors of the Company.

PART 7

SECURITIES LAWS AND EXCHANGE POLICIES

7.01 Exchange's Rules and Policies Apply This Plan and the granting and exercise of any options hereunder are also subject to such other terms and conditions as are set out from time to time in the

Securities Laws and Exchange Policies and such rules and policies shall be deemed to be incorporated into and become a part of this Plan. In the event of an inconsistency between the provisions of such rules and policies and of this Plan, the provisions of such rules and policies shall govern. In the event that the Company's listing changes from one tier to another tier on a stock exchange or the Company's shares are listed on a new stock exchange, the granting of options shall be governed by the rules and policies of such new tier or new stock exchange and unless inconsistent with the terms of this Plan, the Company shall be able to grant options pursuant to the rules and policies of such new tier or new stock exchange without requiring shareholder approval.

PART 8 **AMENDMENT OF PLAN**

8.01 Board May Amend The Board may, by resolution, amend or terminate this Plan, but no such amendment or termination shall, except with the written consent of the optionees concerned, affect the terms and conditions of options previously granted under this Plan which have not then been exercised or terminated.

8.02 Exchange Approval Any amendment to this Plan or options granted pursuant to this Plan shall not become effective until such Exchange and shareholder approval as is required by Exchange Policy and Securities Laws has been received.

8.03 Amendment to Insider's Options Any amendment to Options held by Insiders of the Company at the time of the amendment, which results in a reduction in the exercise price of the options, is conditional upon the obtaining of disinterested shareholder approval to that amendment.

PART 9 **EFFECT OF PLAN ON OTHER COMPENSATION OPTIONS**

9.01 Other Options Not Affected This Plan is in addition to any other existing stock options granted prior to and outstanding as at the date of this Plan and shall not in any way affect the policies or decisions of the Board in relation to the remuneration of Directors, Officers, Consultants and Employees.

PART 10 **OPTIONEE'S RIGHTS AS A SHAREHOLDER**

10.01 No Rights Until Option Exercised An optionee shall be entitled to the rights pertaining to share ownership, such as to dividends, only with respect to Shares that have been fully paid for and issued to him upon exercise of an option.

PART 11 **WITHHOLDING OBLIGATIONS**

11.01 In connection with the Company's obligations to withhold and remit taxes to the Canada Customs and Revenue Agency on benefits realized by Directors, Officers and Employees who exercise Options of the Company, the Company requires that, at the discretion of the Company, in reasonable consultation with a Director, Officer or Employee exercising an Option.:

- (a) Any Director, Officer or Employee who is exercising an Option must (i) enter into a short sale for an equivalent number of shares that will be acquired on the exercise of the Option (ii) remit sufficient funds to the Company to fund the exercise price and the withholding obligation; and (iii) remit the Shares to a broker to cover the short sale; or

- (b) Any Director, Officer or Employee who is exercising an Option shall remit sufficient cash to the Company to fund the withholding obligation; or
- (c) Any Director, Officer or Employee who is exercising an Option shall deposit a portion of the Shares acquired on the exercise of the Option with a broker who is directed to sell the Shares on behalf of the Director, Officer or Employee and remit sufficient proceeds to the Company to fund the withholding obligation; or
- (d) The Company shall hold back sufficient Shares from the Director, Officer or Employee who is exercising the Option to fund the withholding obligation.

PART 12
EFFECTIVE DATE OF PLAN

11.01 Effective Date This Plan shall become effective upon the later of the date of acceptance for filing of this Plan by the Exchange or the approval of this Plan by the shareholders of the Company, however, options may be granted under this Plan prior to the receipt of approval by shareholders and acceptance from the Exchange.

Schedule A

KAINANTU RESOURCES LTD.

STOCK OPTION PLAN

OPTION CERTIFICATE

This certificate is issued pursuant to the provisions of the Kainantu Resources Ltd. (the "Company") Stock Option Plan (the "Plan") and evidences that (Name of Optionee) _____ is the holder of an option (the "Option") to purchase up to _____ (Number of Shares) common shares (the "Shares") in the capital stock of the Company at a purchase price of \$_____ per Share. Subject to the provisions of the Plan:

- (a) the Award Date of this Option is _____ (insert date of grant); and
- (b) the Expiry Date of this Option is _____ (insert date of expiry).

Additional Vesting or Other Restrictions: (insert as applicable)

This Option may be exercised in accordance with its terms at any time and from time to time from and including the Award Date through to and including up to 5:00 p.m. (Vancouver time) on the Expiry Date, by delivering to the Company an Exercise Notice, in the form provided in the Plan, together with this certificate and a certified cheque or bank draft payable to the Company in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which this Option is being exercised.

This certificate and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan. This certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company shall prevail.

Signed this _____ day of _____, 20_____.

KAINANTU RESOURCES LTD.

by its authorized signatory:

NAME: _____

TITLE: _____

Schedule B

EXERCISE NOTICE

TO: KAINANTU RESOURCES LTD. (the "Company")

AND TO: THE BOARD OF DIRECTORS

The undersigned hereby irrevocably gives notice, pursuant to the Company's Stock Option Plan (the "Plan"), of the exercise of the Option to acquire and hereby subscribes for (cross out inapplicable item):

(a) all of the Shares; or

(b) _____ of the Shares, which are the subject of the Option Certificate attached hereto.

Calculation of total Exercise Price:

(i) number of Shares to be acquired on exercise: _____ Shares

(ii) multiplied by the Exercise Price per Share: \$ _____

TOTAL EXERCISE PRICE, enclosed herewith: \$ _____

The undersigned tenders herewith a certified cheque or bank draft in an amount equal to the total Exercise Price of the aforesaid Shares, as calculated above, and directs the Company to issue the share certificate evidencing said Shares in the name of the undersigned to be mailed to the undersigned at the following address:

DATED the _____ day of _____, 20____.

Signature of Option Holder

Name of Option Holder (please print)