



**NOTICE OF ANNUAL GENERAL & SPECIAL MEETING  
AND  
MANAGEMENT INFORMATION CIRCULAR**

**TO BE HELD AT 10:00 A.M.  
ON MONDAY, JUNE 28, 2021**

**BLUE SKY URANIUM CORP.**  
837 West Hastings Street, Suite 312  
Vancouver, B.C. V6C 3N6



Suite 312, 837 West Hastings Street  
Vancouver, British Columbia V6C 3N6

## NOTICE OF ANNUAL GENERAL & SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general & special meeting (the “**Meeting**”) of the shareholders (“**Shareholders**”) of Blue Sky Uranium Corp. (“**Blue Sky**” or the “**Company**”) will be held **VIA LIVE TELECONFERENCE on Monday, June 28, 2021 at 10:00 a.m. (Vancouver time)** for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Company for the financial year ended December 31, 2020, and the reports of the auditors thereon;
2. to elect the directors for the ensuing year;
3. to appoint the auditor of the Company for the ensuing year and to authorize the directors to fix the auditor’s remuneration;
4. to consider, and if thought fit, to pass an ordinary resolution to ratify, confirm and approve the stock option plan for the Company, as more particularly described in the accompanying Information Circular (the “**Circular**”); and
5. to transact such further and other business as may properly be brought before the Blue Sky Meeting or any adjournment or postponement thereof.

Accompanying this Notice is the Information Circular in respect of the Meeting, which includes detailed information relating to the matters to be addressed at the Meeting, and a form of proxy.

In response to the COVID-19 pandemic, the British Columbia government issued B.C. Ministerial Order No. M116, x.2 that provides companies with temporary relief from the location requirements for a shareholder meeting under the *Business Corporations Act* (British Columbia). In light of ongoing concerns related to the spread of COVID-19, and in order to mitigate potential risks to the health and safety of the Company’s shareholders, employees, communities and other stakeholders, the Company will be holding the Meeting entirely by teleconference.

**Registered Shareholders and duly appointed proxy holders may participate in the meeting via a live teleconference. Specifically, Registered Shareholders and duly appointed proxy holders who have properly pre-registered to participate in the meeting as outlined below, will be able to ask questions of management via the conference call at the conclusion of the meeting. All other shareholders and stakeholders can attend the Meeting via teleconference without pre-registering as outlined below but will not be permitted to ask questions at the conclusion of the meeting.**

**In order to be permitted to ask questions at the conclusion of the Meeting, Registered Shareholders and duly appointed proxy holders must pre-register via the following link prior to the proxy cut-off time at 10:00 a.m. (Pacific time) on Thursday, June 24, 2021:**

<http://services.choruscall.ca/DiamondPassRegistration/register?confirmationNumber=10014495&linkSecurityString=dbec972d9>

After pre-registration has been completed, pre-registered Registered Shareholders and duly appointed proxy holders will see on screen a unique PIN they have been assigned and dial-in phone numbers they will use to join the conference call. These details will also be sent to the pre-registered Registered Shareholders and duly appointed proxy holders by email in the form of a calendar booking. It is recommended that they attempt to connect at least ten minutes prior to the scheduled start time of the Meeting.

All other shareholders and stakeholders wishing to attend the Meeting by teleconference, but not ask questions, may dial the following toll free, or international toll number approximately five minutes prior to the commencement of the Meeting and ask the operator to join the Blue Sky Meeting:

**Canada/USA Toll Free: 1-800-319-4610 or**

**International Toll: +1-604-638-5340**

Due to the COVID-19 pandemic and issues related to the verification of shareholder identity via teleconference, in person voting will not be permitted at the Meeting. If you are a registered shareholder, please exercise your right to vote by signing and returning the enclosed form of Proxy to the Company's registrar and transfer agent, Computershare Investor Services Inc., Proxy Department, 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, or by toll-free fax (North America fax 1-866-249-7775; International fax +1-416-263-9524) not later than 10:00 AM (Vancouver time) on Thursday, June 24, 2021, or at least forty-eight (48) hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time and date of the Meeting or any adjournment or postponement thereof.

The enclosed form of Proxy appoints nominees of the Company's management as proxyholder and you may amend the Proxy, if you wish, by inserting in the space provided the name of the person you wish to represent you as proxyholder at the Meeting.

If your common shares of Blue Sky are held in a brokerage account, then you are an unregistered Shareholder, or a beneficial holder, and received these materials through your broker or through another intermediary. Please complete and return the proxy form or other authorization form provided to you by your broker or intermediary in accordance with the instructions provided by such broker or other intermediary well in advance of the Meeting.

DATED this 24<sup>th</sup> day of May, 2021.

**BLUE SKY URANIUM CORP.**

*"Nikolaos Cacos"*

Nikolaos Cacos  
President, CEO and Director

## GLOSSARY OF DEFINED TERMS

The following is a glossary of certain terms used in this Circular. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders. Certain additional terms are defined within the body of this Circular and in such cases will have the meanings ascribed thereto

<b>“BCBCA”</b>	The <i>Business Corporations Act</i> (British Columbia).
<b>“Blue Sky” or the “Company”</b>	Blue Sky Uranium Corp., a company existing under the BCBCA.
<b>“Board”</b>	The Board of Directors of Blue Sky.
<b>“CDS”</b>	CDS Clearing and Depository Services Inc.
<b>“Chief Executive Officer” or “CEO”</b>	Means each individual who acted as chief executive officer of the Company or acted in a similar capacity for any part of the most recently completed financial year.
<b>“Chief Financial Officer” or “CFO”</b>	Means each individual who acted as chief financial officer of the Company or acted in a similar capacity for any part of the most recently completed financial year.
<b>“Circular”</b>	This information circular of Blue Sky sent to the Shareholders in connection with the Meeting.
<b>“Code”</b>	The Code of Business Conduct and Ethics adopted by Blue Sky for its directors, officers, employees and consultants.
<b>“Competitive Entity”</b>	Means any person, firm, association, partnership, corporation or other entity engaged in mineral exploration within two kilometres of mineral claims owned by the Company.
<b>“executive officer”</b>	An individual who at any time during the most recently completed financial year was: <ul style="list-style-type: none"><li>(a) a chair, vice-chair or president of the Company;</li><li>(b) a vice-president of the Company in charge of a principal business unit, division or function including sales, finance or production; or</li><li>(c) performing a policy-making function in respect of the Company.</li></ul>
<b>“Grosso Group”</b>	Grosso Group Management Ltd.
<b>“incentive plan”</b>	Means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period.
<b>“incentive plan award”</b>	Means compensation awarded, earned, paid or payable under an incentive plan.
<b>“Intermediary”</b>	Means a bank, trust company, credit union, registered representative, broker, or other financial institution.
<b>“Management Proxyholders”</b>	The persons whose names are printed in the form of proxy for the Meeting are directors or officers of Blue Sky.
<b>“Meeting”</b>	The Annual General and Special Meeting of Blue Sky Shareholders to be held at 10:00 a.m. (Vancouver time) on June 28, 2021.
<b>“Meeting Materials”</b>	The Notice of Meeting, this Circular and the proxy.

<b>“Named Executive Officers” or “NEOs”</b>	<p>Means the following individuals:</p> <ul style="list-style-type: none"> <li>(a) each CEO;</li> <li>(b) each CFO;</li> <li>(c) the Company’s most highly compensated executive officer, or the most highly compensated individual 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</li> </ul> <p>each additional individual who would be a NEO under (c) above, but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of the most recently completed financial year.</p>
<b>“NI 52-110”</b>	National Instrument 52-110 - <i>Audit Committees</i> .
<b>“NI 58-101”</b>	National Instrument 58-101 - <i>Disclosure of Corporate Governance Practices</i> .
<b>“Non-Registered Shareholder”</b>	A person who is not a Registered Shareholder in respect of Shares which are held on behalf of that person.
<b>“option-based award”</b>	Means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features.
<b>“plan”</b>	Any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons.
<b>“Record Date”</b>	May 21, 2021.
<b>“Registered Shareholder”</b>	A person who is a Registered Shareholder in respect of Shares which are held by that person.
<b>“Shares”</b>	Common shares without par value in Blue Sky.
<b>“share-based award”</b>	Means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.
<b>“Shareholder”</b>	At any time, the holders at that time of Shares.
<b>“Statement of Executive Compensation” or “Form 51-102F6V”</b>	National Instrument Form 51-102F6V – Venture Issuers, as amended.
<b>“Stock Option Plan”</b>	The stock option plan adopted by Blue Sky.
<b>“VIF”</b>	A voting instruction form.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Circular contains certain forward-looking statements that involve various risks and uncertainties. Forward-looking statements are statements that relate to future events or financial performance. In some cases you can identify forward-looking statements by the use of terminology such as “aims”, “anticipates”, “believes”, “budgets”, “could”, “estimates”, “expects”, “forecasts”, “intends”, “may”, “might”, “plans”, “projects”, “schedule”, “should”, “will”, “would” and similar expressions, although not all forward-looking information contains these identifying words. Forward-looking information includes statements that reflect management’s expectation regarding Blue Sky’s growth, results of operations, performance, business prospects and opportunities. Such forward-looking information reflects management’s current beliefs and is based on information available to them and/or assumptions management believes are reasonable. These forward-looking statements speak only as of the date of the information circular. Forward-looking information includes, but is not limited to, statements about strategic plans, plans regarding exploration on properties, and the acquisition of projects. Forward-looking information is necessarily based on a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking information, including, without limitation: the ability of the Company to access financing, appropriate equipment and sufficient labour; the loss of key personnel; risks related to future exploration, development, mining and mineral processing; the accuracy of mineral reserve and mineral resource estimates; environmental risks; the impact of general business and economic conditions; fluctuations in the price of minerals; risks associated with mining activities situated entirely in a single country; political uncertainties; risks associated with potential changes in governmental legislation or regulatory requests; and the risk that permits and regulatory approvals necessary to develop and operate a mine on the Company’s property will not be available on a timely basis, on reasonable terms or at all. Additional risks respecting the business and operations of Blue Sky are also identified under the heading “Risk Factors and Uncertainties” contained in the Company’s Management Discussion and Analysis (a copy of which may be obtained at [www.SEDAR.com](http://www.SEDAR.com)).

Although any forward-looking statements contained in this Information Circular are based upon what management currently believes to be reasonable assumptions, the Company cannot assure readers that actual results, performance or achievements will be consistent with these forward-looking statements, and management’s assumptions may prove to be incorrect. Accordingly, readers should not place undue reliance on forward-looking information. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.



Suite 312, 837 West Hastings Street  
Vancouver, British Columbia V6C 3N6

INFORMATION CIRCULAR

(Containing information as at May 21, 2021 unless otherwise indicated)

**GENERAL PROXY INFORMATION**

You have received this Management Information Circular (the “**Circular**”) because you owned shares of Blue Sky Uranium Corp. (the “**Company**”) as of the Record Date of May 21, 2021 for the 2021 Annual General and Special Meeting of Shareholders to be held on June 28, 2021 at 10:00 a.m. (Pacific time) and at any adjournments thereof. You have the right to attend the Meeting and vote on various items of business.

In response to the COVID-19 pandemic, the British Columbia government issued B.C. Ministerial Order No. M116, x.2 that provides companies with temporary relief from the location requirements for a shareholder meeting under the *Business Corporations Act* (British Columbia) (the “**BCBCA**”). In light of ongoing concerns related to the spread of COVID-19, and in order to mitigate potential risks to the health and safety of the Company’s shareholders, employees, communities and other stakeholders, the Company will be holding the Meeting entirely by teleconference.

**Registered Shareholders and duly appointed proxy holders may participate in the meeting via a live teleconference. Specifically, Registered Shareholders and duly appointed proxy holders who have properly pre-registered to participate in the meeting as outlined below, will be able to ask questions of management via the conference call at the conclusion of the meeting. All other shareholders and stakeholders can attend the Meeting via teleconference without pre-registering as outlined below but will not be permitted to ask questions at the conclusion of the meeting.**

**In order to be permitted to ask questions at the conclusion of the Meeting, Registered Shareholders and duly appointed proxy holders must pre-register via the following link prior to the proxy cut-off time at 10:00 a.m. (Pacific time) on Friday, June 25, 2021:**

<http://services.choruscall.ca/DiamondPassRegistration/register?confirmationNumber=10014495&linkSecurityString=dbec972d9>

After pre-registration has been completed, pre-registered Registered Shareholders and duly appointed proxy holders will see on screen a unique PIN they have been assigned and dial-in phone numbers they will use to join the conference call. These details will also be sent to the pre-registered Registered Shareholders and duly appointed proxy holders by email in the form of a calendar booking. It is recommended that they attempt to connect at least ten minutes prior to the scheduled start time of the Meeting.

All other shareholders and stakeholders wishing to attend the Meeting by teleconference, but not ask questions, may dial the following toll free, or international toll number approximately five minutes prior to the commencement of the Meeting and ask the operator to join the Blue Sky Meeting:

**Canada/USA Toll Free: 1-800-319-4610 or**

**International Toll: +1-604-638-5340**

Due to the COVID-19 pandemic and issues related to the verification of shareholder identity via teleconference, in person voting will not be permitted at the Meeting. If you are a registered shareholder, please exercise your right to vote by signing and returning the enclosed form of Proxy to the Company's registrar and transfer agent, Computershare Investor Services Inc., Proxy Department, 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, or by toll-free fax (North America fax 1-866-249-7775; International fax +1-416-263-9524) not later than 10:00 AM (Vancouver time) on Thursday, June 24, 2021, or at least forty-eight (48) hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time and date of the Meeting or any adjournment or postponement thereof.

Both the Board of Directors of the Company and management of the Company encourage you to vote. On behalf of the Board and Management, we will be soliciting votes for the Meeting and any meeting that is reconvened if it is postponed or adjourned. The costs of solicitation by management will be borne by the Company.

#### **SOLICITATION OF PROXIES**

**This Circular is furnished in connection with the solicitation of proxies by the management of the Company for use at the Meeting and any adjournments thereof.**

While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by the directors, officers and regular employees of Blue Sky. Blue Sky may reimburse shareholders, nominees or agents for any costs incurred in obtaining from their principals' proper authorization to execute proxies. Blue Sky may also reimburse brokers and other persons holding shares in their own name or in the names of their nominees for expenses incurred in sending proxies and proxy materials to the beneficial owners thereof to obtain their proxies. All costs of all solicitations on behalf of management of the Company will be borne by the Company.

#### **APPOINTMENT OF PROXYHOLDER**

A duly completed form of proxy for Blue Sky will constitute the persons named in the enclosed form of proxy as the Shareholder's proxyholder. The persons whose names are printed in the enclosed form of proxy for the Meeting are directors or officers of the Company (collectively, the "**Management Proxyholders**").

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

#### **VOTING BY PROXY**

Shares represented by properly executed proxies of Blue Sky and in the accompanying form will be voted or withheld from voting on each respective matter where a poll is requested or required in accordance with the instructions of the Shareholder, and if the Shareholder specifies a choice with respect to any matter to be acted upon, the securities will be voted accordingly.

If no choice is specified and one of the Management Proxyholders is appointed by a Shareholder as proxyholder, it is intended that such person will vote in favour of the matters to be voted on at the Meeting.

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

#### **COMPLETION AND RETURN OF PROXY**

Each proxy must be dated and signed by the Intermediary (see "*Non-Registered Shareholders*" below) acting on behalf of a Shareholder or by the Shareholder or his/her attorney authorized in writing. In the case of a



corporation, the proxy must be dated and executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation.

Completed forms of the proxy must be returned to the Company's registrar and transfer agent, Computershare Investor Services Inc. by mail or delivery to 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 or as otherwise indicated in the instructions contained on the form of proxy (including, where applicable, through the transfer agent's internet and telephone proxy voting services). All proxies in respect of the Meeting must be completed and received not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the commencement of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

## **REGISTERED AND NON-REGISTERED SHAREHOLDERS**

**Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting.**

**Most Shareholders are "non-registered" shareholders because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank, trust company or other Intermediary through which they purchased or deposited the shares.** More particularly, a Non-Registered Shareholder holds shares which are registered either in the name of: (a) an Intermediary that the Non-Registered Shareholder deals with in respect of said shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP's, RRIFs, RESPs and similar plans); or (b) a clearing agency (such as CDS of which the Intermediary is a participant). Blue Sky has distributed copies of the Meeting Materials to its Registered Shareholders and to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either be given:

- (a) a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted to the number of shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should otherwise properly complete the form of proxy and **deliver it to Blue Sky's transfer agent** as provided above; or
- (b) more typically, a VIF, **which the Non-Registered Shareholder must complete and sign** in accordance with the directions on the VIF. The majority of brokers now delegate the responsibility for obtaining voting instructions to a third party called Broadridge. Broadridge typically will send a VIF by mail and ask that it be returned to them (the Broadridge VIF also allows voting by telephone and Internet). Broadridge tabulates the results and provides the instructions to Blue Sky's transfer agent respecting the voting of shares to be represented at the Meeting. As a beneficial owner, a VIF received from Broadridge cannot be used to vote the Non-Registered Shareholder's shares directly at the Meeting. The VIF must be **returned to Broadridge** well in advance of the Meeting in order to have your shares voted.

In either case, the purpose of this procedure is to permit Non-Registered Shareholders to direct the voting of the shares which they beneficially own. Should a Non-Registered Shareholder receive one of the above forms and wish to vote at the Meeting in person, the Non-Registered Shareholder should strike out the names of the Management Proxyholders and insert the Non-Registered Shareholder's name in the blank space provided. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.**

**These securityholder materials are being sent to both Registered and Non-Registered Shareholders. If you are a Non-Registered Shareholder, and the Company or its agent has sent these materials directly to you, your name**

and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

#### **REVOCABILITY OF PROXY**

Any Registered Shareholder who has returned a proxy may revoke it at any time before it has been used. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing, including a proxy bearing a later date, executed by the Registered Shareholder or by his attorney authorized in writing or, if the Registered Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. The instrument revoking the proxy must be deposited at the registered office of Blue Sky at Suite 312, 837 West Hastings Street, Vancouver, British Columbia Canada V6C 3N6, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of such Meeting. **Only Registered Shareholders have the right to revoke a proxy. Non-Registered Shareholders who wish to change their vote must arrange for their respective Intermediaries to revoke the proxy on their behalf well in advance of the Meeting.**

#### **RECORD DATE**

The Record Date for the determination of Shareholders entitled to receive notice of, attend and vote at the Meeting was fixed by the Board as May 21, 2021.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

Issued and Outstanding without par value:

**162,110,309 Common Shares**

Authorized Capital:

Unlimited Common Shares without par value

**As there will be no in person attendance or voting at the meeting, votes received by the Proxy Deadline for each matter set out in the Notice will be tabulated in advance of the Meeting by Computershare and compiled in a Proxy Report. The determination as to whether a particular matter has been approved, a particular individual has been appointed or a particular resolution has been passed will be made solely on the basis of the voting results set out in the Proxy Report. Since no in person voting will be permitted due to the COVID-19 pandemic and voting results respecting matters set out in the Notice will be determined solely on the basis of the voting results set out in the Proxy Report, no ballots will be permitted at the Meeting. All results will be determined by reference to the Proxy Report. Management will advise at the Meeting, the voting results for each matter set out in the Proxy Report and shareholders will be entitled to request a copy of the Proxy Report from management after the meeting.**

To the knowledge of the Company's directors and executive officers, no person or company beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Company as at the Record Date.

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

None of the directors or officers of Blue Sky, any person who has held such a position since the beginning of the last completed financial year of Blue Sky nor any associate or affiliate of the foregoing persons, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting. For the purpose of this disclosure, "associate" of a person means: (a) an issuer of which the person beneficially owns or controls, directly or indirectly, voting securities entitling the person to more than 10% of the voting rights attached to outstanding securities of the issuer; (b) any partner of the person; (c) any trust or estate in which the person has a substantial beneficial interest or in respect of which a person serves as trustee or similar capacity; and (d) a relative of that person if the relative has the same home as that person.

#### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

For the purposes of this section, "Informed Person" means (i) a director or executive officer of the Company; (ii) a director or executive officer of a person or company that is itself an Informed Person or subsidiary of the

Company; and (iii) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Company.

No Informed Person, or any associate or affiliate of any Informed Person, has any material interest, direct or indirect, in any transaction since the commencement of Blue Sky's most recently completed financial year or in any proposed transaction which has materially affected or will materially affect Blue Sky or any of its subsidiaries.

### QUORUM

The Articles of the Company provide that a quorum for the transaction of business at any meeting of Shareholders shall be two Shareholders or one or more proxyholders representing two Shareholders or one Shareholder and one proxyholder representing another Shareholder.

### MATTERS FOR CONSIDERATION AT THE MEETING

#### ELECTION OF DIRECTORS

The directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. In the absence of instructions to the contrary, the enclosed Proxy will be voted for the nominees listed herein. Blue Sky's management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until his/her successor is elected or appointed, unless his/her office is earlier vacated in accordance with the Articles of the Company, or with the provisions of the *Business Corporations Act* (British Columbia).

Management of Blue Sky proposes to nominate the persons listed below for election as directors. Information concerning such persons, as furnished by the individual nominees as at May 21, 2021 is as follows:

Name, province and country of residence and present office held <sup>(1)</sup>	Period as director	Number of Shares beneficially owned, or controlled or directed, directly or indirectly <sup>(1)</sup>	Principal occupation or employment and, if not a previously elected director, occupation during the past five years
NIKOLAOS CACOS <sup>(2)(3)</sup> President, CEO and Director British Columbia, Canada	Since August 2014	Nil (directly) 2,800,000 (indirectly)	President of Cacos Consulting Ltd.; director and officer of Grosso Group Management Ltd.; director of several mineral exploration companies.
DAVID TERRY <sup>(2)(3)</sup> Director British Columbia	Since July 2012	9,273 (directly) 1,000,000 (indirectly)	Professional Geologist, Senior Executive and Corporate Director.
JOSEPH GROSSO <sup>(2)(3)</sup> British Columbia, Canada Director, Chairman	Director since September 2017	9,035,725 (directly) Nil (indirectly)	Chairman, President and director of Grosso Group Management Ltd. since 2004; Executive Chairman, director, President and CEO of Golden Arrow Resources Corporation since 2004; and Chairman and director of Argentina Lithium & Energy Corp. since 2016.

(1) Shares beneficially owned, controlled or directed, directly or indirectly at May 21, 2021 based upon information furnished to the Company by the nominee or on SEDI.

(2) Member of the Audit Committee.

(3) Member of the Compensation and Governance Committee.

## Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, none of the foregoing nominees for election as a director of the Company:

- (a) is as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer, or chief financial officer of any company that:
  - i.) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an “Order”), which Order was issued while the director or executive officer was acting in the capacity as director, chief executive officer, or chief financial officer of such company; or
  - ii.) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer, or chief financial officer of such company;
- (b) is, or within the last 10 years has been, 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; or
- (c) has, within the last 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 his assets.

To the knowledge of the Company, none of the nominees for election as 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 security holder in deciding whether to vote for a proposed director.

You can vote for the election of all the nominees described above, vote for the election of some of them and withhold from voting for others, or withhold from voting for all of them.

**The persons designated in the accompanying form of proxy will vote in favor of the appointment of Nikolaos Cacos, Joseph Grosso and David Terry as directors of the Company, unless the Shareholder specifies in the form of proxy to withhold from voting.**

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information about Blue Sky’s executive compensation objectives and processes and to discuss compensation decisions relating to its Named Executive Officers listed in the *Table of Compensation Excluding Compensation Securities* that follows.

Blue Sky is an exploration stage company engaged in the exploration and development of mineral property interests.

Blue Sky has, as of yet, no significant revenues from operations and often operates with limited financial resources to ensure that funds are available to complete scheduled programs. As a result, the directors of Blue Sky have to

consider not only the financial situation of Blue Sky at the time of the determination of executive compensation, but also the estimated financial situation of Blue Sky in the mid and long term. An important element of executive compensation is that of stock options, which do not require cash disbursement by Blue Sky. Additional information about Blue Sky and its operations is available in the audited consolidated financial statements and MD&A for the years ended December 31, 2020 and 2019, which are available for viewing under Blue Sky’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

## Currencies

All financial amounts are stated in Canadian dollars unless otherwise indicated.

## Named Executive Officers of Blue Sky

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

During its fiscal year ended December 31, 2020, the following two individuals were NEOs of Blue Sky, namely, Nikolaos Cacos, President and CEO, and Darren Urquhart, Chief Financial Officer.

## Director and Named Executive Officer Compensation, excluding Options and Compensation Securities

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company and/or its subsidiaries to each NEO and director of the Company for the two most recently completed financial years ended on December 31, 2020 and 2019. Options and compensation securities are disclosed under the heading “Stock Options and other Compensation Securities” of this Circular.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$) <sup>(2)</sup>	Value of all other compensation (\$)	Total compensation (\$)
Nikolaos Cacos President, CEO & Director <sup>(1)</sup>	2020	60,000	Nil	Nil	Nil	Nil	60,000
	2019	60,000	Nil	Nil	Nil	Nil	60,000
Darren Urquhart CFO	2020	12,000	Nil	Nil	Nil	Nil	12,000
	2019	12,000	Nil	Nil	Nil	Nil	12,000
Joseph Grosso Director	2020	50,000	Nil	Nil	Nil	Nil	50,000
	2019	50,000	Nil	Nil	Nil	Nil	50,000
David Terry Director	2020	96,000	Nil	Nil	Nil	Nil	96,000
	2019	97,770	Nil	Nil	Nil	Nil	97,770

1) Mr. Cacos does not receive any compensation in his capacity as a director.

2) The value of perquisites and benefits, if any, for each NEO or director was less than the lesser of \$50,000 and 10% of the total annual salary and bonus.

## STOCK OPTIONS AND OTHER COMPENSATION SECURITIES

No compensation securities were granted or issued by the Company to NEOs and/or directors of the Company during the financial year ended December 31, 2020. NEO and director holdings as at December 31, 2020 are as follows:

Name and position	Number of Stock Options held
NIKOLAOS CACOS President, CEO & Director	750,000
DARREN URQUHART CFO	200,000
JOSEPH GROSSO Director	1,000,000
DAVID TERRY Director	350,000

### *Exercise of Compensation Securities by Directors and NEOs*

No director or NEO exercised any compensation securities, being solely comprised of stock options, during the year ended December 31, 2020.

## STOCK OPTION PLANS AND OTHER INCENTIVE PLANS

The Company does not have a share-based award plan other than the stock option plan referred to herein. The Company also does not have a pension plan or a long-term incentive plan.

The significant terms of the Company's stock option plan are set out below under the heading "Particulars of Matters to be Acted Upon – Approval of New Stock Option Plan".

## EMPLOYMENT, CONSULTING AND MANAGEMENT AGREEMENTS

### *Joseph Grosso, Chairman of the Board*

The Company and Oxbow International Marketing Corp. ("**Oxbow**"), a private company controlled by Mr. Joseph Grosso, entered into an engagement agreement, effective May 1, 2011 (the "**Oxbow Agreement**"), whereby Oxbow shall cause performance of all duties customarily performed by a Chairman of a publicly-traded company engaged in mineral exploration including formulating strategy, overseeing the affairs of the Company and executing its business plan. The Oxbow Agreement was replaced by a new agreement ("**New Oxbow Agreement**"), effective February 3, 2020, to update the language to be in line with current standards.

The termination provisions under the New Oxbow Agreement provide that a payment equal to two times the annual fee (the "**Termination Fee**") be paid to Oxbow in the event of termination without cause. The change of control ("**Change of Control**") provisions under the New Oxbow Agreement provide that a payment equal to two times the annual fee (the "**Change of Control Fee**") be paid to Oxbow in the event of a Change of Control. The definition of Change of Control is defined below.

Confidentiality provisions shall survive the termination of the New Oxbow Agreement for a period of one year after termination.

For twelve (12) months following the termination of the New Oxbow Agreement, Oxbow shall not: own or have any interest directly in, nor permit any of its personnel to act as an officer, director, agent, employee or consultant of a Competitive Entity (as defined in the New Oxbow Agreement). The restriction shall not apply where Oxbow holds less than five percent (5%) of the publicly traded securities of any Competitive Entity. Except as provided above, Oxbow shall be free to engage in, and receive the full benefit of, any activity that it sees fit to engage, whether or not competitive with the business of the Company.

During the year ended December 31, 2020, Mr. Grosso's total compensation from the Company was \$50,000 (2019 - \$50,000). Mr. Grosso's option-based compensation from the Company was \$Nil (2019 - \$Nil).

***Nikolaos Cacos, President and Chief Executive Officer***

The Company entered into an engagement agreement with Cacos Consulting, of which Nikolaos Cacos is a principal, related to the position of President and CEO of the Company, with effect as of August 31, 2014 (the "**Cacos Consulting Agreement**"). Mr. Cacos, on behalf of Cacos Consulting, shall cause performance of all duties customarily performed by a Vice President Corporate Development of a publicly-traded company engaged in mineral exploration including formulating strategy, assisting in the affairs of the Company and executing the Company's business plan for an annual fee of \$60,000 per year. The engagement relationship between Cacos Consulting and the Company is non-exclusive and Cacos Consulting may enter into engagement relationships with other companies. The Cacos Consulting Agreement was replaced by a new agreement ("**New Cacos Consulting Agreement**"), effective February 3, 2020, to update the language to be in line with current standards.

The termination provisions under the New Cacos Consulting Agreement provide that a payment equal to two times the annual fee (the "**Termination Fee**") be paid to Cacos Consulting in the event of termination without cause. The change of control ("**Change of Control**") provisions under the New Cacos Consulting Agreement provide that a payment equal to two times the annual fee (the "**Change of Control Fee**") be paid to Cacos Consulting in the event of a Change of Control. The definition of Change of Control is defined below.

Confidentiality provisions shall survive the termination of the New Cacos Consulting Agreement for a period of one year.

For twelve (12) months following the termination of the New Cacos Consulting Agreement, Cacos Consulting shall not: own or have any interest directly in, nor permit any of its personnel to act as an officer, director, agent, employee or consultant of a Competitive Entity (as defined in the New Cacos Consulting Agreement). The restriction shall not apply where Cacos Consulting holds less than five percent (5%) of the publicly traded securities of any Competitive Entity. Except as provided above, Cacos Consulting shall be free to engage in, and receive the full benefit of, any activity that it sees fit to engage, whether or not competitive with the business of the Company.

During the year ended December 31, 2020, Mr. Cacos' total compensation from the Company was \$60,000 (2019 - \$60,000). Mr. Cacos' option-based compensation from the Company was \$Nil (2019 - \$Nil).

***Darren Urquhart, Chief Financial Officer***

Pursuant to an engagement agreement between Blue Sky and Darren Urquhart Chartered Accountant Inc. ("**DUCAI**"), with effect as of April 25, 2014, (the "**DUCAI Agreement**"), DUCAI shall cause performance of all duties customarily performed by a CFO of a publicly-traded company engaged in a business similar to the Company's business. The DUCAI Agreement was replaced by a new agreement ("**New DUCAI Agreement**"), effective February 3, 2020, to update the language to be in line with current standards.

The termination provisions under the New DUCAI Agreement provide that a payment equal to the annual fee (the "**Termination Fee**") be paid to DUCAI in the event of termination without cause. The change of control ("**Change of Control**") provisions under the New DUCAI Agreement provide that a payment equal to the annual fee (the "**Change of Control Fee**") be paid to DUCAI in the event of a Change of Control. The definition of Change of Control is below.

Confidentiality provisions shall survive the termination of the New DUCAI Agreement for a period of one year after termination.

For twelve (12) months following the termination of the New DUCAI Agreement, DUCAI shall not: own or have any interest directly in, nor permit any of its personnel to act as an officer, director, agent, employee or consultant of a Competitive Entity (as defined in the New DUCAI Agreement). The restriction shall not apply where DUCAI holds less than five percent (5%) of the publicly traded securities of any Competitive Entity. Except as provided above,

DUCAI shall be free to engage in, and receive the full benefit of, any activity that it sees fit to engage, whether or not competitive with the business of the Company.

During the year ended December 31, 2019, Mr. Urquhart's total compensation from the Company was \$12,000 (2019 - \$12,000). Mr. Urquhart's option-based compensation from the Company was \$Nil (2019 - \$Nil).

### **Change of Control**

For the purposes of the above agreements, Change of Control means any of the following:

- (a) any change in the registered holdings or beneficial ownership of the outstanding common shares of the Company which results in a person or a group of persons acting jointly or in concert, or a person associated or affiliated with any such person or group being in position to exercise effective control of the Company as a "**control person**" as that term is defined in the *Securities Act* (British Columbia), which person or group could not previously exercise effective control of the Company, which for the purposes of this clause, shall be any such person or group holding, owning or controlling, directly or indirectly, securities sufficient to elect directors of the Company;
- (b) incumbent directors no longer constituting a majority of the Board of Directors of the Company;
- (c) the completion of a merger, amalgamation, arrangement, business combination or similar transaction with a person or group of persons that is not associated or affiliated (within the meaning of the *Business Corporations Act* (British Columbia) as amended) with the Company; or
- (d) the sale, lease or transfer of all or substantially all of the Company's assets.

In the event that within the twelve (12) month period immediately following a Change of Control (as defined in above), any of the following occur:

- (a) the Agreement with the Company is terminated, other than for just cause;
- (b) the designated personnel is placed in a position of lesser stature than that held immediately preceding the Change of Control; is assigned duties inconsistent with such position or duties which, if performed, would result in a significant change in the nature or scope of powers, authority, functions or duties inherent in such position immediately prior to the Change of Control; is assigned performance requirements or working conditions which are at variance with the performance requirements and working conditions in effect immediately preceding the Change of Control; or is accorded treatment on a general basis that is in derogation of status; or
- (c) any requirement of the Company that the location at which the services to the Company are provided be outside a radius of 20 kilometres from the location at which the designated personnel performed such duties immediately before the Change of Control,

(each a "**Change of Control Event**");

then, by notice in writing within ninety (90) days of the Change of Control Event, this Agreement shall be deemed to have been terminated and the Company will, immediately upon such termination, pay the Change of Control Fee only. In addition, all options held by the above noted NEOs and directors shall vest immediately and the NEOs and directors will be entitled to exercise the stock options on the earlier of (i) the expiry date of the stock options, and (ii) 12 months from the date the NEO or director terminated the Agreement.



### Estimated Incremental payments

NEO		Termination Without Cause (\$)	Change of Control (\$)
Joseph Grosso	Salary	100,000	100,000
	Bonus	Nil	Nil
	Options	Nil	Nil
Nikolaos Cacos	Salary	120,000	120,000
	Bonus	Nil	Nil
	Options	Nil	Nil
Darren Urquhart	Salary	12,000	12,000
	Bonus	Nil	Nil
	Options	Nil	Nil

#### ***Dr. David Terry and Vinland Holdings Ltd.***

During the year ended December 31, 2020, Vinland Holdings Ltd. (“**Vinland**”), a private company controlled by Dr. Terry, a director of the Company, provided executive services as a consultant to the Company pursuant to a consulting agreement. Vinland’s total compensation was \$96,000 (2019 - \$97,770), for geological services which included monthly consultant fees. Dr. Terry’s option-based compensation from Blue Sky was \$Nil (2019 - \$Nil). Dr. Terry’s agreement does not include termination, severance, constructive dismissal or change of control clauses.

#### ***Management Agreements***

Please refer to the heading entitled “Management Contracts” below.

#### ***Non-NEO Directors***

As at the year ended December 31, 2020, the Company had three directors, one of whom is also an NEO, namely Nikolaos Cacos.

#### **Oversight and Description of Directors and NEO Compensation**

The Company is an exploration stage company engaged in the exploration and development of mineral property interests. The Company has, as of yet, no significant revenues from operations and often operates with limited financial resources to ensure that funds are available to complete scheduled programs. As a result, the directors of the Company have to consider not only the financial situation of the Company at the time of the determination of executive compensation, but also the estimated financial situation of the Company in the mid and long term. An important element of executive compensation is that of stock options, which do not require cash disbursement by the Company.

#### **Compensation Objectives and Principles**

The primary goal of Blue Sky’s executive compensation package is to attract and retain the key executives necessary for Blue Sky’s long-term success, to encourage executives to further the development of Blue Sky and its operations, and to motivate top quality and experienced executives.

#### **Compensation Process**

The process for determining executive compensation relies on the Board’s discussions with the input from and upon the recommendation of the Compensation and Governance Committee. The members of the Compensation and Governance Committee are Nikolaos Cacos, David Terry and Joseph Grosso. Mr. Cacos brings over 25 years of management expertise in the mineral exploration industry. He has extensive experience in providing strategic planning to and administration of public companies. Mr. Cacos serves as a director and officer of several publicly traded companies. Dr. Terry has more than 30 years of experience focused on exploration for a wide spectrum of precious and base metal deposits throughout North and South America. He has held numerous senior positions

with both major and junior mining companies, including Boliden Limited, Westmin Resources Limited, Hemlo Gold Mines Inc., Cominco Limited and Gold Fields Mining Corporation. He holds a BSc and PhD from the University of Western Ontario. Mr. Grosso is the Founder of Grosso Group Management Ltd. Mr. Grosso's specialty is financing, negotiations, corporate and marketing strategies. He has successfully formed strategic alliances and negotiated with mining industry majors such as Barrick, Teck, Newmont, Viceroy (now Yamana Gold) and Vale, and government officials at all levels.

The Compensation and Governance Committee monitors compensation of the directors and executive officers of Blue Sky. The Compensation and Governance Committee periodically reviews the compensation paid to directors and management based on such factors as (i) recruiting and retaining executives critical to the success of Blue Sky and the enhancement of shareholder value, (ii) providing fair and competitive compensation; (iii) balancing the interests of management and the Shareholders; and (iv) rewarding performance, both on an individual basis and with respect to operations in general. To determine compensation payable, the Compensation and Governance Committee review compensation paid for directors and CEOs of companies of similar size and stage of development in the mineral exploration/mining industry and determine an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of Blue Sky.

### **Components of Compensation**

Blue Sky's key components of executive compensation are base salary, variable annual cash incentives and option based awards. Blue Sky does offer other perquisites but such are not material on an annual basis.

#### ***Annual base salary***

The objectives of the base salary are to recognize market pay and acknowledge the competencies and skill of individuals. Base salary for the NEOs is determined by the Board upon the recommendation of the Compensation and Governance Committee. The base salary for the most recently completed financial year and the prior financial years have been historically based upon engagement of employment or engagement agreements with the NEOs.

#### ***Annual cash incentives***

The objectives of annual incentives in the form of cash payments are designed to add a variable component of compensation. The objectives are not necessarily based on corporation performance factors such as stock prices and earnings per share and can be subjective to a certain degree. The objectives are based more on the general improvement of Blue Sky in terms of successful financings, property acquisitions, property option agreements, and other factors as determined by the Compensation and Governance Committee. These factors are assessed against the objectives of Blue Sky in light of the external environment and current business situations.

#### ***Option based awards***

Long-term incentives in the form of options to purchase common shares of the Company are intended to align the interest of the Company's directors and its executive officers with those of the shareholders of the Company, to provide a long term incentive that rewards these individuals for their contribution to the creation of shareholder value, and to reduce the cash compensation the Company would otherwise have to pay. The Company's Stock Option Plan is administered by the directors. In establishing the number of Blue Sky Options to be granted to the Named Executive Officers, reference is made to the number of stock options granted to officers of other publicly traded companies that, similar to the Company, are involved in the mining industry, as well as those of other publicly traded Canadian companies of a comparable size to that of the Company in respect of assets (see "Compensation Process" above). The directors also consider previous grants of options and the overall number of options that are outstanding relative to the number of outstanding shares in determining whether to make any new grants of options and the size and terms of any such grants, as well as the level of effort, time, responsibility, ability, experience and level of commitment of the director or executive officer in determining the level of incentive stock option compensation. See "*Stock Options and Other Compensation Securities*" above.

## Pension Plan Benefits

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

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The only equity compensation plan which the Company has in place is the Stock Option Plan. The Stock Option Plan has been established 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.

The following table sets forth information with respect to the Company's stock option plan as at the year ended December 31, 2020.

### Compensation Plan Information

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 shares remaining available for issuance under equity compensation plans <sup>(1)</sup>
Equity compensation plans <b>approved</b> by shareholders	4,170,000	\$0.30 Options	7,841,023
Equity compensation plans <b>not approved</b> by shareholders	N/A	N/A	N/A
<b>Total</b>	4,170,000	\$0.30 Options	7,841,023

(1) This figure is based on the total number of shares authorized for issuance under the Stock Option Plan, less the number of Blue Sky Options outstanding as at Blue Sky's year ended December 31, 2020, assuming outstanding options are fully vested.

### Indebtedness of Directors, Executive Officers and Senior Officers

No person who is or at any time since the commencement of Blue Sky's last completed financial year was a director, executive officer or senior officer of Blue Sky, and no associate of any of the foregoing persons has been indebted to Blue Sky at any time since the commencement of Blue Sky's last completed financial year. No guarantee, support agreement, letter of credit or other similar arrangement or understanding has been provided by Blue Sky at any time since the beginning of the most recently completed financial year with respect to any indebtedness of any such person.

### Interest of Informed Persons In Material Transactions

Other than transactions carried out in the normal course of business of the Company or any of its affiliates, none of the directors or senior officers of the Company, a proposed management nominee for election as a director of the Company, any Shareholder beneficially owning shares carrying more than 10% of the voting rights attached to the shares of the Company nor an associate or affiliate of any of the foregoing persons had any material interest, direct or indirect, in any transactions which materially affected the Company or any of its subsidiaries or in any proposed transaction which has or would materially affect the Company or any of its subsidiaries.

## MANAGEMENT CONTRACTS

Presently, Blue Sky is party to the following management agreements:

*Grosso Group Management Ltd.*: During fiscal 2010, Blue Sky entered into a Management Services Agreement with the Grosso Group, which provides its member companies with administrative and management services. The

Grosso Group's areas of experience encompass financing, marketing, property acquisition, community relations, socioeconomic issues, regulatory compliance, government relations, property exploration and investor relations. The Grosso Group staff is available to the member companies on a cost recovery basis without the expense of full time personnel. The board of directors of Blue Sky approved the Management Services Agreement on May 7, 2010, with effect as of April 1, 2010. The Agreement expired on December 31, 2018 and was automatically renewed for a period of two years pursuant to the terms of the Agreement.

The member companies pay monthly fees to the Grosso Group. The fee is based upon a reasonable pro-rating of the Grosso Group's costs including its staff and overhead costs among each member company. The fee is reviewed and adjusted quarterly based on the level of services required.

Pursuant to the terms of the Management Services Agreement, Grosso Group invoiced Blue Sky for a total of \$217,095 and \$224,145 (2019).

The Management Services Agreement may be terminated by the Grosso Group upon 30 days' written notice to Blue Sky, and terminated by Blue Sky upon 90 days' written notice to the Grosso Group. Upon termination by Blue Sky, a termination fee is payable up to a maximum of \$750,000. In the event that Blue Sky is required to pay an early termination fee, the fees are the aggregate of the termination fee in addition to the lesser of the monthly fees calculated to the end of the term and the monthly fees calculated for eighteen months, up to a maximum of \$1,000,000.

Mr. Grosso is director and officer of the Grosso Group, and a director and Chairman of the Board of the Company. Mr. Nikolaos Cacos is a director of the Grosso Group, and a director and officer of the Company. Mr. Urquhart is an officer of the Grosso Group, and an officer of the Company. See "*Executive Compensation – Narrative Discussion; Named Executive Officer Agreements*" for details of the agreements with Mr. Grosso, Mr. Cacos and Mr. Urquhart.

Each of the member companies which have entered into the Grosso Group Management Services Agreement has its own separate board of directors (whose members may include persons employed by the Grosso Group); however, some directors will serve on multiple boards and on the board of directors of companies which are not members of the Grosso Group.

No management functions of Blue Sky are performed to any substantial degree by a person or persons other than the directors or executive officers of Blue Sky.

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

### **APPOINTMENT OF AUDITORS**

Unless such authority is withheld, the persons named in the accompanying proxy intend to vote for the re-appointment of Crowe MacKay LLP, Chartered Professional Accountants, as auditors of the Company for the ensuing year and to authorize the directors to fix their remuneration. Crowe MacKay LLP, Chartered Professional Accountants has been the auditor for the Company since 2016.

**Management recommends shareholders to vote FOR the Appointment of Auditor resolution to appoint Crowe MacKay LLP, Chartered Professional Accountants, as the Company's auditors for the Company's fiscal year ending December 31, 2020 at remuneration to be fixed by the Company's board of directors.**

### **APPROVAL OF THE STOCK OPTION PLAN**

The Board approved the adoption of the new rolling stock option plan (the "**New Option Plan**") to conform to the current policies of the TSXV on August 10, 2020. Shareholders first approved the New Option Plan on September 16, 2020.

The following is a summary of the material terms of the New Option Plan: The New Option Plan is a "rolling 10% plan" so the number of common shares reserved for issuance under the New Option Plan to directors, officers,

employees or consultants of the Company and its subsidiaries shall not exceed 10% of the issued and outstanding common shares of the Company as at the date of each granted stock options. The aggregate number of options granted to any option holder in a 12-month period must not exceed 5% of the issued and outstanding common shares of the Company, and the maximum number of options which may be granted to insiders within any 12-month period must not exceed 10% of the issued and outstanding common shares of the Company, unless the Company has obtained disinterested shareholder approval of such grants as required by the TSXV. The aggregate number of options granted to any one consultant of the Company within any 12-month period must not exceed 2% of the issued and outstanding common shares of the Company. Options granted to all persons retained to provide investor relations activities must not exceed 2% of the issued and outstanding common shares of the Company in any 12-month period, and such options are subject to vesting provisions. The exercise price of options granted under the New Option Plan is determined by the Board (or a committee thereof) and cannot be less than the market value of the Company's common shares as of the date of grant. The term of the options cannot exceed 10 years, subject to earlier termination after certain events such as the option holder ceasing to hold office or be employed or engaged by the Company, or the death or disability of the option holder. The New Option Plan does not provide for mandatory vesting provisions of the options. Options granted under the New Option Plan may contain vesting provisions at the discretion of the Board (or a committee thereof).

In accordance with the policies of the TSXV, "rolling 10% stock option plans" must receive shareholder approval at the time the plan is implemented and annually thereafter at the annual meeting by the shareholders of the Company. Accordingly, the Company will be seeking the approval of its shareholders to the New Option Plan at the Meeting.

The rules of the TSXV require that the New Option Plan be approved by the affirmative vote of a majority of the votes cast at the Meeting. Accordingly, the shareholders will be asked at the Meeting to pass the following ordinary resolution (the "**New Option Plan Resolution**"):

"RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the New Option Plan of the Company, as more particularly described in the Information Circular of the Company dated May 24, 2021, be and is hereby adopted as the stock option plan of the Company;
2. the Company is authorized to grant stock options pursuant and subject to the terms and conditions of the New Option Plan entitling all of the optionholders in aggregate to purchase up to such number of common shares of the Company as is equal to 10% of the number of common shares of the Company issued and outstanding on the applicable grant date;
3. the Company be authorized to abandon or terminate all or any part of the New Option Plan if the board of directors of the Company (the "**Board**") deems it appropriate and in the best interests of the Company to do so, subject to the approval of the TSX Venture Exchange; and
4. the Board or any committee created pursuant to the New Option Plan is authorized to make such amendments to the New Option Plan from time to time as the Board may, in its discretion, consider to be appropriate, provided that such amendments will be subject to the approval of all applicable regulatory authorities and in certain cases, in accordance with the terms of the New Option Plan, the shareholders."

An ordinary resolution is a resolution passed by greater than 50% of the votes cast by those shareholders, who being entitled to do so, vote in person or by proxy at the Meeting.

The form of the New Option Plan Resolution set forth above is subject to such amendments as management may propose at the Meeting but which do not materially affect the substance of the New Option Plan Resolution.

A complete copy of the New Stock Option Plan is attached to the Information Circular dated August 13, 2020, and will be available at the Meeting. Shareholders may obtain a copy of the New Stock Option Plan in advance of the Meeting upon request to the Company, at **Attn: Corporate Secretary, #312, 837 West Hastings Street, Vancouver, BC V6C 3N6**.

**Management of the Company recommends that the Shareholders vote in favour of the New Option Plan Resolution. It is the intention of persons named in the enclosed form of proxy, if not expressly directed otherwise in such form of proxy, to vote such proxy FOR the New Option Plan Resolution.**

#### **OTHER MATTERS**

Management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting accompanying this Circular. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the form of proxy accompanying this Circular to vote the same in accordance with their best judgment of such matters.

#### **CORPORATE GOVERNANCE**

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. National Policy 58-201 - *Corporate Governance Guidelines* provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, NI 58-101 prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

##### ***Board of Directors***

The Company's Board facilitates its exercise of independent supervision over the Company's management through meetings of the Board, both with and without members of the Company's management (including members of management that are also directors) being in attendance. The independent directors are encouraged to meet at any time they consider necessary without any members of management including the non-independent directors being present.

The Company's Board is comprised of three directors. The Board has determined Joseph Grosso and David Terry to be "independent" based upon the tests for independence set forth in NI 52-110. Nikolaos Cacos is a current member of management and thus not considered to be independent as he serves as President and Chief Executive Officer.

##### ***Directorships***

Certain of the directors are presently a director of one or more other reporting companies as follows:

<b>Name of Director of the Company</b>	<b>Names of Other Reporting Issuers</b>
Nikolaos Cacos	Golden Arrow Resources Corporation Argentina Lithium & Energy Corp.
David Terry	Golden Arrow Resources Corporation Argentina Lithium & Energy Corp. Great Bear Resources Ltd. Aftermath Silver Ltd. Genesis Metals Corp.
Joseph Grosso	Golden Arrow Resources Corporation Argentina Lithium & Energy Corp.

##### ***Orientation and Continuing Education***

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

1. access to recent, publicly filed documents of Blue Sky; and
2. access to management and technical experts and consultants.

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

The Board of Blue Sky attempts to provide continuing education for its directors in order that they maintain the skill and knowledge necessary for them to meet their obligations as directors. As an example, technical presentations are made at Board meetings, focusing on either a particular property or a summary of various properties. The question and answer portions of these presentations are a valuable learning resource for the non-technical directors.

### ***Ethical Business Conduct***

The Board has responsibility for the stewardship of Blue Sky including responsibility for strategic planning, identification of the principal risks of the Company's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Company's internal control and management information systems. To facilitate meeting this responsibility, the Board seeks to foster a culture of ethical conduct by striving to ensure the Company carries out its business in line with high business and moral standards and applicable legal and financial requirements. In that regard, the Board:

- has adopted a **Code** for its directors, officers, employees and consultants. A copy of the Code can be found on the Company website at [www.blueskyuranium.com](http://www.blueskyuranium.com) and is posted on SEDAR at [www.sedar.com](http://www.sedar.com) under Blue Sky's profile;
- has adopted a written **Whistleblower Policy** for its directors, officers, employees and consultants which details procedures to report financial concerns and ethical business dilemmas. The Board has appointed a Compliance Officer who is responsible for investigating and resolving all reported complaints and allegations concerning violations of the Code. The Compliance Officer has direct access to the Audit Committee and the Board and the Compliance Officer is required to report to the Board at least annually on compliance activity;
- is cognizant of the Company's timely disclosure obligations and has adopted a written **Corporate Disclosure and Insider Trading Policy** for its directors, officers, employees and consultants. The Board has established a Disclosure Committee to review material disclosure documents such as financial statements, management's discussion and analysis and press releases prior to their distribution, and identify material information. The Disclosure Committee is comprised of the Company's Chief Executive Officer (CEO), Chief Financial Officer (CFO) and any one director of the Company;
- has adopted a **Foreign Corporate Policy** that outlines the Company's commitment to ethical business practices in every jurisdiction in which it does business. Company directors, officers, employees, management company employees and those who provide services to the Company, shall be expected to act with integrity, honesty and in good faith, support the communities in which it operates and act in accordance with applicable laws with the highest standards of ethical and professional behaviour in foreign jurisdictions;
- has adopted a **Privacy Policy** which sets forth how the Company gathers, manages, protects and disposes of the personal information of members of the public, investors and employees;
- encourages management to consult with legal and financial advisors to ensure the Company's requirements are met;
- is cognizant of timely disclosure obligations and reviews material disclosure documents such as financial statements, management's discussion and analysis (MD&A) and press releases prior to their distribution;
- relies on its Audit Committee to annually review the systems of internal financial control and discuss such matters with the Company's external auditor; and
- actively monitors the Company's compliance with the Board's directives and ensures that all material transactions are thoroughly reviewed and authorized by the Board before being undertaken by management.

The Board must also comply with the conflict of interest provisions of the *Business Corporations Act* (British Columbia) as well as the relevant securities regulatory instruments, in order to ensure that directors exercise

independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

### ***Nomination of Directors***

The Board has responsibility for identifying potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors.

### ***Compensation***

The Board has established a Compensation and Governance Committee which recommends to the Board the directors' and officers' compensation, among other things, on the time commitment, effort and success of each individual contribution towards the success of Blue Sky and a comparison of the remuneration paid by Blue Sky to publicly available information of the remuneration paid by other reporting issuers (public companies) that the Committee feels are similarly placed within the industry.

In addition, the directors and officers are granted stock options under the Blue Sky Stock Option Plan. The Compensation and Governance Committee determines the terms of each stock option within the parameters set out in the Stock Option Plan and applicable stock exchange rules and policies.

### ***Other Board Committees***

In addition to the following "Audit Committee" section, the Board has established the following committees, described below.

***Compensation and Governance Committee:*** The Compensation and Governance Committee is responsible for the review and setting of all compensation (including stock options) paid by the Company to the CEO, all other executive officers of the Company and the members of the Board. The Committee is also responsible for the governance roles, responsibilities, authorities and powers including the general responsibility for developing and reviewing the approach of the Company to governance issues. (See: "Executive Compensation – Compensation Process" above for further details of the Compensation Committee.)

The Compensation and Governance Committee is also responsible for reviewing and assessing the effectiveness of the Board; making recommendations to the Board regarding the composition and the appropriate size of the Board; reviewing the corporate governance policies and practices of the Company generally and making recommendations thereon to the directors of the Company.

***Disclosure Committee:*** The Board has established a Disclosure Committee, presently comprised of the Company's CEO, CFO and any one director, to assist the Company in the identification and disclosure of material information, fulfilling its responsibilities regarding disclosures to its security holders and the investment community, made on a timely basis. The Disclosure Committee assists with controls and procedures regarding material information disclosure; determines 'blackout' periods for trading; and pre-approves all news releases prior to dissemination.

***Audit Committee:*** The Audit Committee is described in the next section.

### ***Assessments***

The Compensation and Governance Committee is responsible for reviewing and assessing the effectiveness of the Board of the Company, and making recommendations to the Board regarding the composition and the appropriate size of the Board; reviewing the corporate governance policies and practices of the Company generally and making recommendations thereon to the directors of the Company, including overseeing and making recommendations to the directors of the Company on developing the approach of the Company to corporate governance issues and practices and formulating the response of the Company to the corporate governance guidelines and disclosure requirements.



## AUDIT COMMITTEE DISCLOSURE

NI 52-110 of the Canadian securities administrators requires the Company's audit committee to meet certain requirements. It also requires the Company to disclose in this Circular certain information regarding the audit committee. That information is disclosed below.

### Overview

The overall purpose of the Audit Committee of the Company is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on integrity of the consolidated financial statements of the Company and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of material facts.

### The Audit Committee's Charter

The Company's Board has adopted a charter for the Audit Committee which sets out the Committee's mandate, organization, powers and responsibilities. The complete Audit Committee Charter is attached as Schedule "A" to this Circular.

### Composition of the Audit Committee

The Audit Committee consists of three directors. The following table sets out the names of the members of the Audit Committee and whether they are 'independent' and 'financially literate'.

Name of Member	Independent <sup>(1)</sup>	Financially Literate <sup>(2)</sup>
Nikolaos Cacos	No	Yes
David Terry	Yes	Yes
Joseph Grosso	Yes	Yes

(1) To be considered to be independent, a member of the Audit Committee must not have any direct or indirect 'material relationship' with the Company. A material relationship is a relationship which could, in the view of the board, reasonably interfere with the exercise of a member's independent judgment.

(2) To be considered financially literate, a member of the Audit Committee must have 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.

### Relevant Education and Experience

The board of directors believes that the audit committee members have the relevant education and experience to comply with NI 52-110. In addition to the information below, each member's general business experience and the education of each audit committee member is relevant to the performance of his responsibilities as a member which include:

1. an understanding of the accounting principles used by the Company to prepare its financial statements;
2. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
3. experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities; and
4. an understanding of internal controls and procedures for financial reporting,

and are as follows:

Name of Member	Education/Experience
Nikolaos Cacos	Mr. Cacos has over 25 years of management expertise in the mineral exploration industry. He holds extensive experience in administration and providing strategic planning for public companies. Mr. Cacos served as Director and officer of several publicly traded companies. He holds a Master of International Management degree from Heidelberg, Germany, and a Bachelor of Science degree from the University of British Columbia.
Joseph Grosso	Mr. Grosso has over 25 years of expertise in the mineral exploration industry. He has successfully formed strategic alliances and negotiated with mining industry majors such as Barrick, Teck, Newmont, Viceroy (now Yamana Gold) and Vale, and government officials at all levels. Mr. Grosso's specialty is financing, negotiations, corporate and marketing strategies.
David Terry	Dr. Terry is a professional economic geologist, senior executive and corporate director with more than 30 years' of international experience in the mineral resources sector. He has played key roles in the successful acquisition, exploration and development of a number of precious and base metal deposits, primarily in North and South America, and has expertise in advanced project evaluation, M&A, corporate finance, and design and execution of effective exploration programs. Dr. Terry holds a B.Sc. and Ph.D. in geology from Western University in Ontario and is a member of the Association of Professional Engineers and Geoscientists of British Columbia.

### Complaints Process

The Board has established, and the Audit Committee is responsible for the effectiveness of, the Whistleblower Policy which outlines procedures for the confidential, anonymous submission by directors, officers, employees and consultants regarding the Company's compliance with all applicable government laws, rules and regulations, corporate reporting and disclosure, accounting practices, accounting controls, auditing practices and other matters relating to fraud against shareholders, without fear of retaliation of any kind. If an applicable individual has any concerns about any of these accounting matters which they consider to be questionable, incorrect, misleading or fraudulent, the applicable individual is urged to come forward with any such information, complaints or concerns, without regard to the position of the person or persons responsible for the subject matter of the relevant complaint or concern.

The applicable individual may report their concern in writing, by telephone or e-mail and forward it to the Company's Compliance Officer. All submissions will be treated on a confidential and anonymous basis, except when the matter refers to violation of any applicable law, rule or regulation that relates to the corporate reporting and disclosure, or refers to the violation of the Company's Code of Business Conduct and Ethics, when the person making the submission must be identified for purposes of performing the investigation. Further, the Company will not discharge, discipline, demote, suspend, threaten or in any manner discriminate against any person who submits in good faith any accounting concern.

Promptly following the receipt of any complaints submitted to it, the Audit Committee will investigate each complaint and take appropriate corrective actions.

The effectiveness of the "Whistleblower Policy" is monitored by the Audit Committee and it is posted on the Company's website at [www.blueskyuranium.com](http://www.blueskyuranium.com) under *About Us - Corporate Governance*.

### Audit Committee Oversight

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

## Reliance on Certain Exemptions - NI 52-110

### *Reliance on Exemptions in NI 52-110 regarding De Minimis Non-Audit Services or on a Regulatory Order Generally*

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 (which exempts all non-audit services provided by the Company's auditor from the requirement to be preapproved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Company, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit) or an exemption from NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of NI 52-110.

### *Reliance on Exemptions in NI 52-110 regarding Audit Committee Composition & Reporting Obligations*

Since the Company is a "venture issuer", as defined in NI 52-110, it relies on the exemption contained in section 6.1 of NI 52-110 from the requirements of Part 3 Composition of the Audit Committee (as described in "*Composition of the Audit Committee*" above) and Part 5 Reporting Obligations of NI 52-110 (which requires certain prescribed disclosure about the Audit Committee in the Company's Annual Information Form, if any, and this Circular).

## Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in section C.2 (e) of the Audit Committee Charter, attached hereto as Schedule "A".

## External Auditor Service Fees (By Category)

The following table discloses the fees billed to the Company by its external auditor during the last two financial years.

Financial Year Ending	Audit Fees <sup>(1)</sup>	Audit Related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All Other Fees <sup>(4)</sup>
December 31, 2020	\$22,500	\$Nil	\$Nil	\$Nil
December 31, 2019	\$24,490	\$Nil	\$Nil	\$Nil

### Notes:

- (1) The aggregate fees billed by the Company's auditor for audit fees.
- (2) The aggregate fees billed for assurance and related services by the Company's auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed in the 'Audit Fees' column.
- (3) The aggregate fees billed for professional services rendered by the Company's auditor for tax compliance, tax advice and tax planning. These services include the filing of the Company's annual tax returns.
- (4) The aggregate fees billed for professional services other than those listed in the other three columns.

## ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com) or the Company's website [www.blueskyuranium.com](http://www.blueskyuranium.com). Financial information relating to Blue Sky Uranium Corp. is provided in the Company's audited financial statements and Management's Discussion & Analysis ("MD&A") for the financial year ended December 31, 2020. Shareholders may contact the Company to request copies of financial statements and related MD&A at the following address:

BLUE SKY URANIUM CORP.  
Suite 312, 837 West Hastings Street  
Vancouver, BC V6C 3N6  
Phone: (604) 687-1828; Fax: (604) 687-1858

## **CERTIFICATION AND BOARD APPROVAL**

The undersigned hereby certifies that the contents and the sending of this Circular to the Company's Shareholders have been approved by the Board.

DATED at Vancouver, British Columbia, as of May 24, 2021.

ON BEHALF OF THE BOARD OF  
BLUE SKY URANIUM CORP.

*"Nikolaos Cacos"*  
President, CEO and Director

## Schedule "A"

BLUE SKY URANIUM CORP.  
(the "Company")

### AUDIT COMMITTEE CHARTER

(Adopted by the Board of Directors on May 1, 2009,  
as amended May 28, 2010 and as amended November 28, 2017)

#### **A. PURPOSE**

The overall purpose of the Audit Committee (the "Committee") is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Company and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information.

#### **B. COMPOSITION, PROCEDURES AND ORGANIZATION**

The Committee shall consist of at least three members of the Board of Directors (the "Board"), the majority of whom shall not be officers, employees or control persons of the Company or its associates or affiliates (as the terms "control person", "associate" and "affiliate" are defined in the TSX Venture Exchange's Corporate Finance Manual).

- 1) The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
- 2) Unless the Board has appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
- 3) The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
- 4) The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
- 5) Meetings of the Committee shall be conducted as follows:
  - a) the Committee shall meet as circumstances dictate, at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
  - b) the external auditors may receive notice of and have the right to attend meetings of the Committee; and
  - c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
- 6) The external auditors shall communicate directly to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

## C. ROLES AND RESPONSIBILITIES

- 1) The overall duties and responsibilities of the Committee shall be as follows:
  - a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and interim consolidated financial statements and related financial disclosure;
  - b) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
  - c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
  - d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
- 2) The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
  - a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
  - b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
  - c) review the audit plan of the external auditors prior to the commencement of the audit;
  - d) to review with the external auditors, upon completion of their audit:
    - (i) the contents of their report;
    - (ii) the scope and quality of the audit work performed;
    - (iii) the adequacy of the Company's financial and auditing personnel;
    - (iv) the co-operation received from the Company's personnel during the audit;
    - (v) the internal resources used;
    - (vi) any significant transactions outside of the normal business of the Company;
    - (vii) any significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
    - (viii) any non-audit services provided by the external auditors;
  - e) to pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the external auditors; provided that:
    - (i) the Committee may delegate to one or more independent members the authority to pre-approve non-audit services, provided that such independent members must report such pre-approval to the Committee at the first scheduled meeting of the Committee following such pre-approval; and
    - (ii) the Committee shall have satisfied the requirement for pre-approval in paragraph 6)e) if:
      - 1) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five percent of the total amount

- of fees paid by the Company and its subsidiary entities to the external auditors during the fiscal year in which the services are provided;
- 2) the Company or its subsidiary entity, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
  - 3) the services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or one of its members to whom pre-approval authority has been granted pursuant to subparagraph 6)e)(i);
- f) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles;
  - g) to implement structures and procedures to ensure that the Committee meets with the external auditors on a regular basis in the absence of management; and
  - h) to review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and any former external auditor of the Company.
- 3) The duties and responsibilities of the Committee as they relate to the Company's internal auditors are to:
- a) periodically review the internal audit function with respect to the organization, staffing and effectiveness of the internal audit department;
  - b) review and approve the internal audit plan; and
  - c) review significant internal audit findings and recommendations, and management's response thereto.
- 4) The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
- a) establish adequate procedures for:
    - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
    - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
  - b) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
  - c) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
  - d) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
  - e) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.

- 5) The Committee is also charged with the responsibility to:
- a) review the Company's annual and interim financial statements and related Management's Discussion & Analysis ("MD&A") and earnings press releases, including the impact of unusual items and changes in accounting principles and estimates, and any press releases related to the foregoing, and report to the Board with respect thereto;
  - b) review and approve the financial sections of:
    - (i) the annual report to shareholders;
    - (ii) the annual information form;
    - (iii) prospectuses;
    - (iv) news releases discussing financial results of the Company; and
    - (v) other public reports of a financial nature requiring approval by the Board;and report to the Board with respect thereto, or alternatively establish adequate procedures for the review of the financial sections of such disclosure documents and periodically assess the adequacy of such procedures;
  - c) review regulatory filings and decisions as they relate to the Company's consolidated financial statements;
  - d) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
  - e) review and report on the integrity of the Company's consolidated financial statements;
  - f) review the minutes of any audit committee meeting of subsidiary companies;
  - g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements; and
  - h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information.