

# **SPARTON RESOURCES INC.**

**82 Richmond Street East, Toronto,**

**Ontario, Canada, M5C 1P1**

## **NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the Annual Meeting (the “Meeting”) of the shareholders of  
**SPARTON RESOURCES INC.** (the “Corporation”)

will be held at:

**82 Richmond Street East, Toronto,**

**Ontario, Canada, M5C 1P1**

on:

Friday, June 28, 2019 at 4:00 p.m. (Toronto time) for the following purposes:

1. to receive the financial statements of the Corporation for the financial year ended December 31, 2018 together with the report of the auditors thereon;
2. to elect directors of the Corporation for the ensuing year;
3. to appoint the auditors of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix the remuneration of such auditors;
4. to transact such further or other business as may properly be brought before the Meeting or any adjournment thereof.

The accompanying Management Information Circular of the Corporation provides additional information relating to the matters to be dealt with at the Meeting and forms part of this notice.

The Board of Directors of the Corporation has, by resolution fixed the close of business on June 03, 2019 as the record date, being the date for the determination of the registered holders of common shares entitled to receive notice of, and vote at, the meeting and any adjournments thereof.

Shareholders who are unable to attend the meeting in person are requested to complete, date, sign and send the enclosed form of proxy to TSX Trust Company so that as large a representation as possible may be had at the Meeting. Instructions on how to complete and return the proxy are provided with the proxy form and are described in the Management Information Circular.

**BY ORDER OF THE BOARD**



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A. Lee Barker  
President and Chief Executive Officer  
June 03, 2019

# SPARTON RESOURCES INC.

## MANAGEMENT INFORMATION CIRCULAR

### Solicitation of Proxies

**THIS INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF SPARTON RESOURCES INC. (THE "CORPORATION") OF PROXIES TO BE USED AT THE ANNUAL MEETING OF SHAREHOLDERS OF THE CORPORATION TO BE HELD AT THE TIME AND PLACE AND FOR THE PURPOSES SET FORTH IN THE ENCLOSED NOTICE OF MEETING (THE "MEETING").** It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally by regular employees of the Corporation at nominal cost. The cost of solicitation by management will be borne directly by the Corporation.

### Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are directors and officers of the Corporation. A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON TO REPRESENT HIM AT THE MEETING MAY DO SO either by inserting such person's name in the blank space provided in that form of proxy or by completing another proper form of proxy and, in either case, depositing the completed proxy at the office of TSX Trust Company, 100 Adelaide St. West, Suite 301, Toronto, Ontario M5H 4H1, at any time prior to 5:00 p.m. (Toronto time) on the last business day preceding the day of the Meeting or delivered to the Chairman on the day of the meeting or adjournment thereof.

A proxy given pursuant to this solicitation may be revoked by instrument in writing, including another proxy bearing a later date, executed by the shareholder or by his attorney authorized in writing, and deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of such meeting on the day of the meeting, or adjournment thereof, or in any other manner permitted by law.

### Voting of Proxies

Shares represented by properly executed proxies in favour of persons designated in the printed portion of the enclosed form of proxy **WILL BE VOTED FOR EACH OF THE MATTERS TO BE VOTED ON BY SHAREHOLDERS AS DESCRIBED HEREIN OR WITHHELD FROM VOTING OR VOTED AGAINST IF SO INDICATED ON THE FORM OF PROXY.** The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the notice of meeting, or other matters which may properly come before the meeting. At the time of printing this circular the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.

### Voting By Non-Registered Shareholders

Only registered shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares (as hereinafter defined) owned by a person (a "non-registered owner") are registered either (a) in the name of an intermediary (an "Intermediary") that the non-registered owner deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered savings plans, registered retirement income funds, registered education savings plans and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("CDS")) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the Circular and the accompanying notice of Meeting together with the form of proxy (collectively, the "Meeting Materials") (i) directly to non-registered owners who have advised their Intermediary that they do not object to the Intermediary providing their ownership information to issuers whose securities they beneficially own ("Non-Objecting Beneficial Owners" or "NOBOs"), and (ii) to the clearing agencies and Intermediaries for onward distribution to non-registered owners who have advised their Intermediary that they object to the Intermediary providing their ownership information ("Objecting Beneficial Owners" or "OBOs").

Intermediaries are required to forward the Meeting Materials to Objecting Beneficial Owners unless an Objecting Beneficial Owner has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Objecting Beneficial Owners. Generally, Objecting Beneficial Owners who have not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number and class of securities beneficially owned by the Objecting Beneficial Owner but which is not otherwise 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 owner when submitting the proxy. In this case, the Objecting Beneficial Owner who wishes to vote by proxy should otherwise properly complete the form of proxy and deliver it as specified; or
- (b) be given a form of proxy which is not signed by the Intermediary and which, when properly completed and signed by the Objecting Beneficial Owner and returned to the Intermediary or its service company, will constitute voting instructions (often called a "Voting Instruction Form") which the Intermediary must follow. Typically, the non-registered owner will also be given a page of instructions which contains a removable label containing a bar code and other information. In order for the form of proxy to validly constitute a Voting Instruction Form, the non-registered owner must remove the label from the instructions and affix it to the Voting Instruction Form, properly complete and sign the Voting Instruction Form and submit it to the Intermediary or its services company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit non-registered owners to direct the voting of the Common Shares they beneficially own. Should a non-registered owner who receives either form of proxy wish to vote at the Meeting in person, the non-registered owner should strike out the persons named in the form of proxy and insert the non-registered owner's name in the blank space provided. Non-registered owners should carefully follow the instructions of their Intermediary including those regarding when and where the form of proxy or Voting Instruction Form is to be delivered.

#### **Delivery of Security Holder Material**

These security holder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

By choosing to send these materials to you directly, the Corporation (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

#### **Voting Securities and Principal Holders Thereof**

The authorized capital of the Corporation consists of an unlimited number of common shares ("Common Shares"). As of the date hereof, the Corporation had 127,215,089 Common Shares issued and outstanding. The Corporation shall make a list of all persons who are registered holders of Common Shares at the close of business on June 03, 2019 and the number of Common Shares registered in the name of each person on that date. Each shareholder is entitled to one vote for each Common Share registered in his or her name as it appears on the list.

To the knowledge of the directors and senior officers of the Corporation, as of the date hereof, the following are the only persons or companies that beneficially own or exercise control or direction over securities carrying more than 10% of the voting rights attached to any class of outstanding voting securities of the Corporation entitled to be voted at the Meeting:

Name of Shareholder and Municipality of Residence	Number of Common Shares Owned, Controlled or Directed	% of the Outstanding Common Shares
N/A	N/A	N/A

**Interest of Certain Persons in Matters to be Acted Upon**

No person who has been a director or executive officer of the Corporation at any time since the beginning of its last completed financial year or any associate of any such director or executive officer has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except as disclosed in the Circular.

**EXECUTIVE COMPENSATION**

**Compensation Discussion and Analysis**

The Governance and Compensation Committee of the Corporation's Board of Directors (hereinafter referred to as this section as the "Committee") has responsibility for approving the compensation program for the Corporation's Named Executive Officers. The Committee acts pursuant to the Governance and Compensation Committee Charter that has been approved by the Board of Directors. Pursuant to the Charter, the purpose of the Committee is to assist the Board in (i) identifying potential nominees to the Board; (ii) assessing the effectiveness of the directors, the Board and the various committees of the Board and the composition of the Board and its committees; (iii) developing, reviewing and planning the Corporation's approach to corporate governance issues, including the public disclosure of the Corporation's corporate governance practices; (iv) discharging its responsibilities regarding compensation of the Corporation's executives and the members of the Board; (v) setting objectives for the Chief Executive Officer (the "CEO") and evaluating the CEO's performance; (vi) monitoring management's succession plan for the CEO and other senior management; and (vii) overseeing enforcement of and compliance with the Corporation's Code of Business Conduct. The objectives of the Corporation's compensation programs are to attract and retain the best possible executives and to motivate the executives to achieve goals consistent with the Corporation's business strategy.

Given the very low number of employees, the compensation practices are flexible, entrepreneurial and geared to meeting the requirements of the individual and hence securing the best possible talent to run the Corporation. During 2017 there were two key elements used to compensate the Named Executive Officers, consisting of consulting fees and long-term incentives in the form of stock options.

*Consulting Fees* – Consulting fees for the Chief Executive Officer and the Chief Financial Officer are generally fixed by the Committee at its meeting in December of each year for the following year. Increases or decreases in consulting fees on a year-over-year basis are dependent on the Committee's assessment of the performance of the Corporation overall, the Corporation's mining projects and the particular individual. The Committee is free to set fees at any level it deems appropriate. In fixing fees, the Committee is generally mindful of its overall goal to keep cash compensation for its executive officers within the range of cash compensation paid by companies of similar size and industry.

*Long-Term Incentives - Stock Options* - The Corporation relies on the grant of stock options to align management's interest with shareholder value. Grant ranges had been established independently each time grants of stock options were made to provide competitive long-term incentive value, with significant recognition of contribution and potential of the individual. The options have a five-year term and an exercise price equal to the closing price of the common shares on the TSX Venture Exchange ("TSXV") for the trading day preceding the time of grant. However, the exercise price may not be less than the Discounted Market Price on the TSXV, subject to a minimum price of \$0.10.

**Option-Based Awards**

The grant of stock options to executive officers, consultants and employees is determined by the Committee. Previous grants of options are taken in account when considering new grants. The Committee and management review the option schedule periodically during each calendar year and the contributions made to the Corporation by option holders as directors, or their performance as employees or consultants. Because director fees are not paid by the Corporation, and

salaries are maintained at relatively modest levels, incentive options remain as the one of the only incentives available to attract capable individuals. The Committee independently makes recommendations to the board for executive options and management normally makes recommendations for those options related to employees and consultants.

### Summary Compensation Table

During the fiscal year ended December 31, 2018, the Corporation had two Named Executive Officers, as defined in Form 51-102F6 – Statement of Compensation (the “Form”) of National Instrument 51-102 of the Canadian Securities Administrators, namely the Corporation’s President and Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”) (collectively the “Named Executive Officers”). The following table, presented in accordance with the Form, sets forth all annual and long-term compensation for services rendered by the Named Executive Officers to the Corporation for the fiscal years ended December 31, 2018, 2017, and 2016.

Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-Term Incentive Plans			
A. Lee Barker President and CEO	2016	Nil	Nil	Nil	Nil	Nil	Nil	102,000 <sup>(1)</sup>	102,000
	2017	Nil	Nil	57,948	Nil	Nil	Nil	Nil	57,948
	2018	36,000	Nil	Nil	Nil	Nil	Nil	Nil	36,000
Winfield Ding CFO	2016	Nil	Nil	Nil	Nil	Nil	Nil	60,000 <sup>(1)</sup>	60,000
	2017	Nil	Nil	11,499	Nil	Nil	Nil	Nil	47,499
	2018	36,000	Nil	Nil	Nil	Nil	Nil	Nil	36,000

(1) Paid as consulting fees.

### Incentive Plan Awards

The table below shows the number of stock options outstanding for each Named Executive Officer and their value at December 31, 2018 based on the last trade of the Common Shares on the TSXV prior to the close of business on December 31, 2018 of \$0.05.

### *Outstanding Share-Based Awards and Option-Based Awards*

Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options (\$)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options (\$)	Number of Shares or Units of Shares that Have Not Vested (#)	Market or Payout Value of Share-Based Awards that Have Not Vested (\$)
A. Lee Barker	1,000,000	0.10	April 10, 2020	Nil Nil	Nil Nil	Nil
Winfield Ding	200,000	0.10	April 10, 2020	Nil Nil	Nil Nil	Nil

***Incentive Plan Awards – Value Vested or Earned During the Year***

<b>Name</b>	<b>Option-Based Awards – Value Vested During the Year (\$)<sup>(1)</sup></b>	<b>Share-Based Awards – Value Vested During the Year (\$)</b>	<b>Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)</b>
A. Lee Barker	Nil	Nil	Nil
Winfield Ding	Nil	Nil	Nil

(1) The value of the option-based awards is based on the Black-Scholes Model calculation method as set out in the Corporation's Financial Statements for the year ended December 31, 2018.

**Pension Plan Benefits**

The Corporation does not provide Defined Pension Plan Benefits to its Directors or Officers.

**Termination and Change of Control Benefits**

The Corporation does not currently have employment contracts in place with the Named Executive Officers. The Corporation does not have in place any compensatory plan or arrangement with either of the Named Executive Officers that would be triggered by the resignation, retirement or other termination of employment of such officer, from a change of control of the Corporation or a change in the executive officer's responsibilities following any such change of control.

**Director Compensation**

**Director Compensation Table**

The Corporation's policy with respect to directors' compensation was developed by the Committee. The following table sets forth the compensation awarded, paid to or earned by the directors of the Corporation during the most recently completed fiscal year ended December 31, 2018. Directors of the Corporation who are also officers or employees of the Corporation are not compensated for service on the Board of Directors; therefore no fees are payable to A. Lee Barker for his service as a director of the Corporation.

<b>Name</b>	<b>Fees Earned (\$)</b>	<b>Share-Based Awards (\$)</b>	<b>Option-Based Awards (\$)<sup>(3)</sup></b>	<b>Non-Equity Incentive Plan Compensation (\$)</b>	<b>Pension Value (\$)</b>	<b>All Other Compensation (\$)</b>	<b>Total (\$)</b>
A. Lee Barker <sup>(1)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
G. Wesley (Wes) Roberts	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Richard Williams	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) A. Lee Barker was paid consulting fees of nil for the financial year ended December 31, 2018

(2) The value of the option-based awards is based on the Black-Scholes Model calculation method as set out in the Corporation's Financial Statements for the year ended December 31, 2018

**Retainer and Meeting Fees**

The directors may be compensated for their attendance at directors or shareholder meetings. At the time of joining the board of directors and periodically thereafter, directors are also granted incentive stock options, with the intent of providing a long-term ownership perspective on the Corporation. During the year ended December 31, 2018, a total of nil stock options were granted to executive or non-executive directors of the Corporation. Directors who are not officers are entitled to receive compensation to the extent that they provide services to the Corporation at rates that would be charged by such directors for such services to arm's length parties. No other cash remuneration was paid during the year ended December 31, 2018 to any of the other directors in their capacity as directors, except for reimbursements of "out of pocket" expenses incurred in connection with attendance at such meetings.

## Incentive Plan Awards

The table below shows the number of stock options outstanding for each Director and their value at December 31, 2018 based on the last trade of the Common Shares on the TSXV prior to the close of business on December 31, 2018 of \$0.05.

### ***Outstanding Share-Based Awards and Option-Based Awards***

Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options (\$)	Number of Shares or Units of Shares that Have Not Vested (\$)	Market or Payout Value of Share-Based Awards that Have Not Vested (\$)
A. Lee Barker	1,000,000	0.10	April 10, 2020	Nil Nil	Nil Nil	N/A
Wes Roberts	300,000	0.10	April 10, 2020	Nil Nil	N/A	N/A
Richard D. Williams	400,000	0.10	April 10, 2020	Nil Nil Nil	N/A	N/A

### ***Incentive Plan Awards – Value Vested or Earned During the Year***

Name	Option-Based Awards – Value Vested During the Year (\$) <sup>(1)</sup>	Share-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
A. Lee Barker	Nil	N/A	N/A
Wes Roberts	Nil	N/A	N/A
Richard D. Williams	Nil	N/A	N/A

(1) The value of the option-based awards is based on the Black-Scholes Model calculation method as set out in the Corporation's Financial Statements for the year ended December 31, 2018.

### **Securities Authorized for Issuance under Equity Compensation Plans**

The following table provides information as of December 31, 2017 concerning options outstanding pursuant to the Corporation's existing stock option plan, which has been approved by the shareholders of the Corporation and which is the only compensation plan of the Corporation under which equity securities of the Corporation are authorized for issuance.

Plan Category	Number of Common Shares to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of Common Shares remaining available for future issuance under the stock option plan
Stock Option Plan	2,775,000	0.10	9,303,116

### **Indebtedness of Directors and Executive Officers**

During 2018 no directors or executive officers were indebted to the Company.

AGGREGATE INDEBTEDNESS (\$)		
Purpose	To the Company or its Subsidiaries	To Another Entity

Share Purchases	Nil	Nil
Other	Nil	Nil

### **MATTERS TO BE ACTED UPON**

#### **Election of Directors**

At the Meeting, shareholders will be asked to elect three directors (the “Nominees”). The following table provides the names of the Nominees proposed by management of the Corporation and information concerning them. The persons named in the enclosed form of proxy intend to vote for the election of the Nominees. Management does not contemplate that any of the Nominees will be unable to serve as a director. In accordance with the by-law amendment which was ratified by shareholders at the shareholders meeting held on June 24, 2014, nominations of persons to be elected as directors must be submitted to the Corporation not less than 30 days prior to the Meeting.

Each director elected will hold office until the next annual meeting of the Corporation, or any adjournment thereof, or until his or her successor is elected or appointed. Voting in respect of the election of directors will be conducted in a manner which allows shareholders to vote for or withhold their votes in respect of individual director nominees. The Board of Directors of the Corporation have adopted a Majority Voting Policy, which is described below under “Corporate Governance Policy – Majority Voting Policy”.

<b>Name &amp; Municipality of Residence</b>	<b>Office</b>	<b>Director Since</b>	<b>Present Occupation if Different from Office Held</b>	<b>Shares Beneficially Owned or Over which Control is Exercised<sup>(1)</sup></b>
A. Lee Barker Whitby, Ontario	Director, President, and CEO	1985	Geological and Mining Consultant	2,578,645
Richard D. Williams <sup>(2) (3)</sup> Toronto, Ontario	Director	2008	President, Blackwell Investor Relations Corp.	3,998,500
Wes Roberts (2)(3)	Director	2016	Consulting Engineer	Nil

- (1) The information as to shares beneficially owned or over which they exercise control or direction not being within the knowledge of the Corporation has been furnished by the respective nominees individually.
- (2) Member or proposed member of the Audit Committee.
- (3) Member or proposed member of the Governance and Compensation Committee.

Each of the Nominees was elected at a previous shareholders meeting.

**IF ANY OF THE ABOVE NOMINEES IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR ANOTHER NOMINEE IN THEIR DISCRETION UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS SHARES ARE TO BE WITHHELD FROM VOTING IN THE ELECTION OF DIRECTORS.**

Except as set out below, to the knowledge of the Corporation, no director or proposed director of the Corporation is, or has been in the last 10 years, (a) a director, chief executive officer or chief financial officer of a company that (i) while that person was acting in that capacity, was the subject of a cease trade order or similar order (including a management cease trade order) or an order that denied the issuer access to any exemptions under Canadian securities legislation, for a period of more than 30 consecutive days, or (ii) after that person ceased to act in that capacity, was subject of a cease trade or similar order or an order that denied the issuer access to any exemption under Canadian securities legislation, for a period of more than 30 consecutive days which resulted from an event that occurred while that person acted in such capacity, or (b) a director or executive officer of a company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (c) 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 its assets:



Richard D. Williams is a director of First Metals Inc. In May 2009, First Metals Inc. reported that as a result of delays in filing audited Financial Statements for fiscal 2008 and financial statements for the first quarter of 2009, Richard Williams who was then in the capacity of Chief Executive Officer of First Metals Inc. voluntarily agreed to a management cease trading order issued by the Ontario Securities Commission. As a result of filing the required information the cease trading order lapsed, effective June 2009. Richard Williams was an officer and director of First Metals when it made and filed a proposal to its creditors under the Bankruptcy and Insolvency Act Canada. on April 2013. An amended proposal was tabled and accepted by the creditors of First Metals and subsequently, it was approved by the Ontario Superior Court of Justice.

### **Appointment of Auditors**

Unless such authority is withheld, the persons named in the accompanying proxy intend to vote for the appointment NSV Chartered Accountants Professional Corporation, as auditors of the Corporation, and to authorize the directors to fix their remuneration. NSV were appointed as auditors of the Corporation by resolution of the directors effective March 15, 2019, which appointment is to be confirmed by the shareholders of the Corporation on June 28, 2019.

### **Audit Committee**

The Corporation's disclosure of its audit practices pursuant to National Instrument 52-110 – Audit Committees (“NI 52-110”) is set out below in the form required by Form 52-110F2 – Disclosure by Venture Issuer.

#### **Audit Committee Charter**

A copy of the Corporation's Audit Committee Charter is annexed to the Circular as Appendix “A”.

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

The Corporation is required to have an audit committee with a majority of independent members. The following directors are currently members of the Corporation's audit committee: Richard D. Williams, Wes Roberts and A. Lee Barker. Each member of the Audit Committee is “financially literate” and independent within the meaning of MI 52-110. The Audit Committee has the responsibility to review and approve the fees charged by the external auditors for audit services, and to review and approve all services other than audit services to be provided by the external auditors, and associated fees. A majority of the members of the Audit Committee are independent directors of the Corporation.

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

*Alan Lee Barker*, is a Professional Engineer and mineral industry consultant with over 50 years of international experience in various senior technical, financial, administrative and management positions with junior and senior mineral industry companies. He has served on various Audit Committees for these organizations. Mr. Barker holds a B.A.Sc. in Applied Geology from the University of Toronto and an M.Sc. (Applied) in Mineral Exploration and Mineral Economics from McGill University.

*Wes Roberts* is a Professional Mining Engineer with extensive field and management experience in the mineral industry. He is currently a Mining consultant with Gravitas Mining Group and was previously a mining consultant with Dorsey Whitney LL, and VP Mining of Heenan Blaikie Consulting, a business unit of Heenan Blaikie LLP. He was Vice President Corporate Development, Breakwater Resources, from 2006 to 2008. Prior to 2006, he was a Project Evaluation Consultant to Inco Limited, providing specialized mineral evaluation services to the Exploration Department of Inco Technical Services Limited. He has extensive international experience supervising due diligence evaluations of projects in Africa, South America, Central and East Eastern Asia. Since 2011, he has actively advised and represented the Inuit Regional Associations of the Territory of Nunavut, (Arctic, Canada) with respect to providing commercial land access lease agreements with major mining companies including the Mary River Iron Ore Project (Baffinland Iron Ore Corp. and Arcelor Mittal), Meliadine Gold Project (Agnico Eagle Mines), Hope Bay Gold Project (Newmont Gold and TMAC) and the Back River Gold Project (Sabina Gold & Silver Corp.),

*Richard D. Williams* is a lawyer, and mining industry consultant. As a senior level mining executive with broad, in-depth experience in international and corporate and commercial affairs and securities law, Mr. Williams has a strong background in mine finance, and resource company corporate management. He is currently President, CEO and a director of Waseco Resources Inc., and a director of Terreno Resources Corp. and Canadian Premium Sand Inc.

### Audit Committee Oversight

At no time during the financial year ended December 31, 2018 have any recommendations by the Audit Committee respecting the appointment and/or compensation of the external auditors of the Corporation not been adopted by the board of directors of the Corporation.

### External Auditor Service Fees

The aggregate fees billed to the Corporation by the Corporation's external auditors in each of the last two fiscal years for (i) audit services (Audit Fees), (ii) assurance and related services by the external auditor that are reasonably related to the performance of the audit or review of the Corporation's financial statements and that are not included in Audit Fees (Audit-Related Fees), (iii) professional services rendered by the Corporation's external auditor for tax compliance, tax advice, and tax planning (Tax Fees), and (iv) products and services provided by the Corporation's external auditor, other than Audit Fees, Audit-Related Fees and Tax Fees (All Other Fees), are as follows:

<b>Year Ended December 31<sup>st</sup></b>	<b>Audit Fees</b>	<b>Audit-Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
2017	29,000	0	0	0
2018	27,205	0	0	0

### Corporate Governance Disclosure

The Corporation's disclosure of corporate governance practices pursuant to National Instrument 58-101 – Disclosure of Corporate Governance Practices ("NI 58-101") is set out below in the form required by Form 58-101F2 – Corporate Governance Disclosure (Venture Issuers).

#### Board of Directors

The Board of Directors (the "Board") is currently comprised of three directors, a majority of whom are independent (as that term is defined in Section 1.2 of NI 58-101), namely, Wes Roberts and Richard D. Williams. One of the current directors, A. Lee Barker, the President and CEO of the Corporation, is not independent.

#### Majority Voting Policy

Board policy requires that, in an uncontested election, any nominee for director with respect to whom a majority of the votes represented by proxies validly deposited prior to the annual meeting of the shareholders (the "Meeting") are "withheld" from his or her election (a "Majority Withheld Vote"), shall submit his or her resignation to the Governance and Compensation Committee for consideration promptly following the Meeting. The Governance and Compensation Committee shall consider the resignation and shall recommend to the Board whether or not to accept it. The Board shall consider the recommendation of the Governance and Compensation Committee and determine whether or not to accept the recommendation. A press release disclosing the Board's determination (and the reasons for rejecting the resignation, if applicable) shall be issued within 90 days following the date of the Meeting.

Any director who tenders his or her resignation shall not participate in any meeting of the Governance and Compensation Committee, if he or she is a member of that Committee, or of the Board to consider whether his or her resignation shall be accepted. However, if the number of members of the Governance and Compensation Committee who received a Majority Withheld Vote at the Meeting is such that the remaining members of this committee do not constitute a quorum, then the directors who did not receive a Majority Withheld Vote shall appoint a committee to consider the resignations and recommend to the Board whether to accept them. In a contested election, where the number of director nominees exceeds the number of directors to be elected, a plurality vote standard will continue to apply.

The majority voting policy, together with the change to give shareholders the option of voting for or withholding their votes in respect of individual director nominees, provides enhanced director accountability. These measures combined encourage individual board members to be diligent in the performance of their duties by providing shareholders with the right to vote for individual directors based on their individual performance as a director or withhold their votes for a director who fails to meet the standards required by the shareholders.

## Directorships

A. Lee Barker is a director of Diadem Resources Ltd.

Richard D. Williams is a director of Waseco Resources Inc., Terreno Resources Corp. and Canadian Premium Sand Inc.

Wes Roberts is a director of Golden Share Mining Corporation, Canadian Gold Miner Corp., Central Timmins Exploration Corp., and Terra Bella Non-Profit Housing Corporation.

## Orientation and Continuing Education

New directors are provided with information on the Corporation and its management and will be fully briefed by senior management on the corporate organization and key current issues. Visits to key operations may also be arranged for new directors.

Ongoing training and development of directors consists of similar components, including periodic updates of written corporate information and site visits. Individual directors may engage outside advisors with the authorization of the Board.

## Ethical Business Conduct

The Corporation is committed to conducting its business with the highest standards of business ethics and in accordance with applicable laws, rules and regulators. The Corporation adopted a written Code of Ethics and Business Conduct (the "Code") on May 5, 2006 that applies to all directors, officers and employees of the Corporation and sets out specific policies to guide these individuals in the performance of their duties. The Code sets out in detail the core values and the principles by which the Corporation is governed and addresses topics such as: honest and ethical conduct; conflicts of interest; compliance with applicable laws, rules and regulations and Corporation policies and procedures; confidential information; public disclosures; and protection and proper use of company assets.

The management of the Corporation is committed to fostering and maintaining a culture of high ethical standards and compliance, and ensuring a work environment that encourages employees to raise concerns to the attention of management and promptly addressing any employee compliance concerns. The Corporation will maintain appropriate records evidencing compliance with the Code. It is ultimately the Board's responsibility for monitoring compliance with the Code. The Board will review the Code periodically, and review management's monitoring of compliance with the Code, and if it were necessary, consult with members of the Corporation's senior management team and Audit Committee, as appropriate, to resolve any reported violations of the Corporation's Code. A copy of the Corporation's Code has been filed on and is accessible through SEDAR at [www.sedar.com](http://www.sedar.com).

## Nomination of Directors

On May 5, 2006, the Board established a Governance and Compensation Committee and adopted the Governance and Compensation Committee Charter on the same date. The Governance and Compensation Committee is responsible for proposing new candidates for Board nomination. The Governance and Compensation Committee will select individuals with the desired background and qualifications, taking into account the needs of the Board at the time. The Governance and Compensation Committee is comprised of a majority of independent directors to encourage an objective nomination process. The current members of the Governance and Compensation Committee are Wes Roberts and Richard Williams who are both independent directors.

## Compensation

In June of 2005, the Board appointed a Compensation Committee composed of a majority of independent directors. On May 5, 2006, the Board changed the name of the Compensation Committee to the Governance and Compensation Committee and adopted the Governance and Compensation Committee Charter on the same date. All decisions relating to the CEO are voted on by the Governance and Compensation Committee to ensure the committee follows an objective process for determining compensation. Decisions involving senior executive appointments, remuneration reviews and bonus allocations are recommended by the CEO, but must be approved by the Governance and Compensation Committee members.

On an annual basis the Governance and Compensation Committee will approve and recommend to the Board the Corporation's compensation policies generally, including base salary, annual incentives, long-term incentives, executive perquisites, supplemental benefits and equity-based incentive plans. In reviewing such compensation policies, the Governance and Compensation Committee may consider the recruitment, development, promotion, retention and compensation of executives and other employees of the Corporation and any other factors that it deems appropriate.

The Governance and Compensation Committee will review the adequacy and form of director compensation annually. In addition, the Governance and Compensation Committee will approve and recommend to the Board all forms of compensation to be provided to the CEO and other key executive officers of the Corporation. In reviewing such compensation for recommendation, the Governance and Compensation Committee, among other things, evaluates executive officer achievement against corporate goals and objectives, the Corporation's overall performance, shareholder returns, the value of similar incentive awards relative to such targets at comparable companies, awards given in past years, and such other factors as the Governance and Compensation Committee deems appropriate and in the best interests of the Corporation.

The Governance and Compensation Committee is also responsible for proposing goals for the administration of the Corporation's equity-based compensation plans and reviewing their competitiveness and making recommendations regarding the form of compensation for the Board that realistically reflects the responsibilities and risks of these positions.

During fiscal year 2018 no compensation consultants or advisors were retained by the Corporation.

#### Other Board Committees

The Corporation currently does not have any other Board Committees with the exception of the Audit Committee and Governance and Compensation Committee.

#### Assessments

The Board assesses its members and its committees with respect to effectiveness and contribution on an ongoing basis. This assessment process is informal. If an individual Board member is unable to contribute due to ability, lack of time or commitment, the individual would either resign or not be nominated for re-election.

#### Interest of Informed Persons in Material Transactions

Except as otherwise disclosed herein, no insider of the Corporation has any interest in material transactions involving the Corporation.

#### Additional Information

Copies of this Management Information Circular, the Annual Report which contains the comparative audited financial statements of the Corporation, any interim financial statements subsequent to those statements contained in the Annual Report, Management's Discussion and Analysis, and the Annual Information Form may be obtained on the SEDAR website at [www.sedar.com](http://www.sedar.com) or free of charge upon request from the Secretary of the Corporation at: 82 Richmond Street East, Toronto, Ontario

#### Board Approval

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

**DATED** as of the 3<sup>rd</sup> day of June, 2019.



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A. Lee Barker  
President and Chief Executive Officer

**APPENDIX “A” TO THE MANAGEMENT INFORMATION CIRCULAR  
OF SPARTON RESOURCES INC.**

**AUDIT COMMITTEE CHARTER**

**MANDATE**

The Audit Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) to assist the Board in fulfilling its oversight responsibilities.

The Committee’s primary duties and responsibilities are to:

- Review and assess management’s overall process to identify principal risks that could affect financial reporting and the achievement of the Corporation’s business plans, and to monitor the process to manage such risks.
- Oversee and monitor the Corporation’s compliance with legal and regulatory requirements.
- Be directly responsible for the appointment, compensation and oversight of the external auditors.
- Oversee audits of the Corporation’s financial statements.
- Oversee and monitor the qualifications, independence and performance of the Corporation’s external auditors.
- Oversee and monitor the integrity of the Corporation’s financial reporting process and system of internal controls regarding financial reporting and accounting compliance.
- Provide an avenue of communication among the external auditors, management, and the Board.
- Report to the Board regularly.

The Committee has the authority to conduct any review or investigation appropriate to fulfilling its responsibilities. The committee shall have unrestricted access to personnel and information in the Corporation, and to the external auditor, and to any resources necessary to carry out its responsibility including the ability to retain, at the Corporation’s expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties.

**MAJOR RESPONSIBILITIES AND FUNCTIONS**

***Review Procedures***

Review and update the Committee’s charter at least annually and provide a summary of the Committee’s composition and responsibilities in the Corporation’s annual report or other public disclosure documentation.

***Annual Financial Statements***

1. Discuss and review with management and the external auditors the Corporation’s annual audited financial statements and related documents prior to their filing or distribution.
2. Review and formally recommend approval to the Board, the Corporation’s:
  - (a) year-end audited financial statements;
  - (b) Management’s Discussion and Analysis; and
  - (c) Annual Information Form.

The review shall include a report prepared by the external auditors about the quality of the most significant accounting principles and practices governing the Corporation’s financial statements, and which involve the most complex, subjective or significant judgemental decisions or assessments.

***Quarterly Financial Statements***

3. Review with management and, where applicable the external auditors, and either approve, including authorization for public release, or formally recommend for approval to the Board the Corporation’s:
  - (a) quarterly unaudited financial statements and related documents, including Management’s Discussion and Analysis; and
  - (b) any significant changes to the Corporation’s accounting principles.
4. Where applicable, review and discuss quarterly reports from the external auditors regarding:
  - (a) all critical accounting policies and practices to be used;

- (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the external auditors; and
- (c) other material written communications between the external auditors and management, such as any management letter or schedule of unadjusted differences.

#### ***Internal Control Environment***

- 5. Ensure that management provide to the Committee an annual report on the Corporation's control environment as it pertains to the Corporation's financial reporting process and controls.
- 6. Review and discuss significant financial risks or exposures and assess the steps management has taken to monitor, control, report and mitigate such risk to the Corporation.
- 7. Review the effectiveness of the overall process for identifying the principal risks affecting the achievement of business plans and provide the Committee's view to the Board of Directors.
- 8. Review significant findings prepared by the external auditors, together with management's responses.

#### ***Other Review Items***

- 9. Review policies and procedures with respect to officers' and directors' expense accounts and perquisites, including their use of corporate assets, and consider the results of any review of these areas by the external auditors.
- 10. Review all insider transactions and related party transactions between the Corporation and any officers or directors.
- 11. Review legal and regulatory matters, including correspondence with regulators and governmental agencies that may have a material impact on the interim or annual financial statements, related corporation compliance policies, and programs and reports received from regulators or governmental agencies.
- 12. Review policies and practices with respect to off-balance sheet transactions and trading and hedging activities, and consider the results of any review of these areas by the external auditors.
- 13. Review with the Chief Executive Officer, the Chief Financial Officer of the Corporation and the external auditors:
  - (a) all significant deficiencies identified and material weaknesses in the design or operation of the Corporation's internal controls and procedures for financial reporting which could adversely affect the Corporation's ability to record, process, summarize and report financial information required to be disclosed by the Corporation in the reports that it files or submits under governing legislation; and
  - (b) any fraud, whether or not material, that involves management of the Corporation or other employees who have a significant role in the Corporation's internal controls and procedures for financial reporting.
- 14. Review all prospectuses and information circulars as to financial information.

#### ***External Auditors***

- 15. Be directly responsible, in the Committee's capacity as a committee of the Board and subject to the rights of shareholders and applicable law, for the appointment, compensation and oversight of the work of the external auditors (including resolution of disagreements between management and the external auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The external auditors shall report directly to the Committee.
- 16. Meet on a regular basis with the external auditors (without management present) and have the external auditors be available to attend Committee meetings or portions thereof at the request of the Chairman of the Committee or a majority of the members of the Committee.
- 17. Review and discuss with the external auditors all significant relationships that the external auditors and their affiliates have with the Corporation and its affiliates in order to determine the external auditors' independence, including, without limitation:
  - (a) receiving and reviewing, as a part of the auditors' report, a formal written statement from the external auditors delineating all relationships that may reasonably be thought to bear on the independence of the external auditors with respect to the Corporation and its affiliates; and
  - (b) discussing with the external auditors any disclosed relationships or services that the external auditors believe may affect the objectivity and independence of the external auditors.

18. Review and evaluate:
  - (a) the external auditor's and the lead partner of the external auditor team's performance, and make a recommendation to the Board regarding the reappointment of the external auditors at the annual meeting of the Corporation's shareholders or regarding the discharge of such external auditors;
  - (b) the terms of engagement of the external auditors, together with their proposed fees;
  - (c) external audit plans and results;
  - (d) any other related audit engagement matters; and
  - (e) the engagement of the external auditors to perform non-audit services, together with the fees therefore, and the impact thereof, on the independence of the external auditors.
19. Upon reviewing and discussing the information provided to the Committee in accordance with paragraphs 17 and 18, evaluate the external auditors' qualifications, performance and independence, and consider whether the provision of permitted non-audit services is compatible with maintaining auditor independence, taking into account the opinions of management. The Committee shall present its conclusions with respect to the external auditors to the Board.
20. Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law. Consider whether, in order to assure continuing external auditor independence, it is appropriate to adopt a policy of rotating the external auditing firm on a regular basis.
21. Consider with management and the external auditors the rationale for employing audit firms other than the principal external auditors, including a review of management consulting services and related fees provided by the external auditors compared to those of other audit firms.

#### ***Approval of Audit and Non-Audit Services***

22. Review and, where appropriate, approve the provision of all audit services (including the fees and terms thereof) in advance of the provision of those services by the external auditors.
23. Review and, where appropriate, approve the provision of all permitted non-audit services (including the fees and terms thereof) in advance of the provision of those services by the external auditors (subject to the *de minimus* exception for non-audit services prescribed in applicable legislation which are approved by the Committee prior to the completion of the audit).
24. If the pre-approvals contemplated in paragraphs 23 and 24 are not obtained, approve, where appropriate and permitted, the provision of all audit and non-audit services promptly after the Committee or a member of the Committee to whom authority is delegated becomes aware of the provision of those services.
25. Delegate, if the Committee deems necessary or desirable, to subcommittees consisting of one or more members of the Committee, the authority to grant the pre-approvals and approvals described in paragraphs 23 through 25. The decision of any such subcommittee to grant pre-approval shall be presented to the full Committee at the next scheduled Committee meeting.

#### ***Other matters***

26. Review and concur in the appointment, replacement, reassignment, or dismissal of the Chief Financial Officer, and other key financial executives in the financial reporting process.
27. Review and approve hiring policies regarding partners, employees and former partners and employees of the present and former external auditor.
28. Report Committee actions to the Board with such recommendations, as the Committee may deem appropriate.
29. Conduct or authorize investigations into any matters within the Committee's scope of responsibilities.
30. The Corporation shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the external auditors for the purpose of rendering or issuing an audit report and to any advisors employed by the Committee.
31. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

32. The Committee shall evaluate its performance annually.
33. Perform such other functions as required by law, the Corporation's charter or bylaws, or the Board.
34. Consider any other matters referred to it by the Board.
35. Establish procedures for:
  - (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or audit matters, and
  - (b) the confidential submission by employees of the Corporation of concerns regarding questionable accounting controls or auditing matters.

## **OPERATION OF COMMITTEE**

### ***Reporting***

The Committee shall report to the Board. The full Board shall be kept informed of the Committee's activities by a report following each Committee meeting.

### ***Composition of Committee***

The Committee shall consist of not less than three Directors as determined by the Board, a majority of whom shall qualify as independent Directors and who are free from any relationship that would interfere with the exercise of his or her independent judgement.

All members of the Committee shall have the financial literacy to be able to read and understand the Corporation's financial statements and to understand the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

### ***Appointment of Committee Members***

Members of the Committee shall be appointed at a meeting of the Board, typically held immediately after the annual shareholders' meeting, provided that any member may be removed or replaced at any time by the Board and shall in any event cease to be a member of the Committee upon ceasing to be a member of the Board.

### ***Vacancies***

Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board.

### ***Chairman***

The Governance and Compensation Committee shall recommend an independent director as Chairman of the Committee to the Board for approval. The Board shall appoint the Chairman of the Committee.

If the Chairman of the Committee is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee to preside.

### ***Secretary***

The Committee shall appoint a Secretary who need not be a member of the Committee or a director of the Corporation. The Secretary shall keep minutes of the meetings of the Committee.

### ***Compensation***

Committee members may not, other than in their respective capacities as members of the Committee, the Board or any other committee of the Board, accept any consulting, advisory or other compensatory fee from the Corporation or its affiliates. For greater certainty, director's fees are the only compensation an audit committee member may receive from the Corporation or its affiliates, other than direct compensation up to any maximum threshold permitted at law and any money received as pension or deferred income that is not contingent on continued service.

### ***Committee Meetings***

The Committee shall meet at least quarterly at the call of the Chairman. The Chairman of the Committee may call additional meetings as required. In addition, a meeting may be called by any director or by the external auditors.



Committee meetings may be held in person, by video-conference, by means of telephone or by any combination of any of the foregoing.

***Notice of Meeting***

Notice of the time and place of every meeting may be given orally, in writing, by facsimile or by electronic communication to each member of the Committee and to external auditors at least 48 hours prior to the time fixed for such meeting.

A member and the external auditors may, in any manner, waive notice of the meeting. Attendance of a member at the meeting shall constitute waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.

***Quorum***

A majority of committee members, present in person, by video-conference, by telephone or by a combination thereof, shall constitute a quorum.

***Attendance at Meetings***

The Chief Executive Officer and the Chief Financial Officer are expected to be available to attend meetings, but a portion of every meeting will be reserved for in-camera discussion without members of management being present.

The Committee should meet, on a regular basis and without management present, with the external auditors and management in separate executive sessions to discuss any matters that the Committee or these groups believe should be discussed privately with the Committee.

The Committee may by specific invitation have other resource persons in attendance.

The Committee shall have the right to determine who shall and who shall not be present at any time during a meeting of the Committee.

***Minutes***

Minutes of Committee meetings shall be sent to all Committee members and to the external auditors.

***Engaging Outside Resources***

The Committee is empowered to engage such outside resources, as it deems advisable, at the expense of the Corporation.