



**NOTICE OF ANNUAL AND SPECIAL
MEETING OF SHAREHOLDERS
AND
MANAGEMENT PROXY **CIRCULAR****

(Information presented as of July 21, 2021, unless otherwise stated)

***Our Annual and Special Meeting of Shareholders will be held on Tuesday, August 31, 2021, at 10 am (EDT),
via a virtual meeting live webcast***

EXPLORATION PUMA INC.
175, rue Legaré, Rimouski (Québec) G5L 3B9

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual and Special Meeting of Shareholders of Puma Exploration Inc. (hereinafter the “**Company**”) will be held virtually on Tuesday, August 31, 2021, at 10:00 a.m., for the following purposes:

1. To receive the Company’s consolidated audited annual financial statements, and related auditors’ report for the fiscal year ended February 28, 2021;
2. To elect the Company’s Directors for the ensuing years.
3. To appoint Mallette L.L.P. as the independent auditor of the Company for the financial year ending on February 28, 2022, and authorize the Directors to fix their remuneration;
4. To consider and, if deemed advisable, to approve, with or without variation, an ordinary resolution (the “**Assets Sale Resolution**”), the full text of which is set forth in the accompanying management proxy circular dated the date hereof, approving the disposition of the Company’s Copper Projects (as such term is defined in the accompanying management proxy circular), all as more particularly set forth and described in the management proxy circular;
5. To consider and, if deemed advisable, to approve, with or without variation, a special resolution (the “**Stated Capital Reduction Resolution**”), the full text of which is set forth in the accompanying management proxy circular dated the date hereof, approving a reduction of the stated capital of the Company and a distribution of common shares of Melius Capital 3 Corp., all as more particularly set forth and described in the management proxy circular;
6. To address any other issue that may be duly submitted to the Meeting or to any continuation thereof in the event of adjournment.

A copy of the annual management report, the consolidated annual financial statements, and the auditors’ report for the fiscal year ended February 28, 2021, is available at www.sedar.com. The management proxy circular includes supplementary information on the issues that will be addressed in the Meeting and, as such, is an integral part of this Notice.

This year, the Corporation is holding the Meeting as a virtual meeting only, which will be conducted via live audio webcast online at <https://virtual-meetings.tsxtrust.com/1213>, where all Shareholders and their proxyholders regardless of geographic location will have an equal opportunity to participate at the Meeting. Shareholders and proxyholders will not be able to attend the Meeting in person. This decision was made once again in an effort to contain the spread of the coronavirus (COVID-19) and to prioritize and support the wellbeing of our Shareholders, employees, directors, and other Meeting attendees. The Circular contains further details and instructions about virtual participation.

Rimouski (Quebec)
July 21, 2021

BY ORDER OF THE BOARD OF DIRECTORS

(signed) *Marcel Robillard*
Marcel Robillard
President and Chief Executive Officer

MANAGEMENT PROXY CIRCULAR

FORWARD-LOOKING INFORMATION

This Information Circular contains certain forward-looking statements and forward-looking information (collectively referred to herein as “**forward-looking statements**”) within the meaning of Canadian securities laws. All statements other than statements of historical fact are forward-looking statements. Undue reliance should not be placed on forward-looking statements, which are inherently uncertain, are based on estimates and assumptions, and are subject to known and unknown risks and uncertainties (both general and specific) that contribute to the possibility that the future events or circumstances contemplated by the forward-looking statements will not occur. Forward-looking information presented in such statements may, among other things, relate to: the structure, steps, timing and effects of the Proposed Transaction (as defined below); the anticipated benefits and shareholder value resulting from the Proposed Transaction; the nature of the Company’s operations following the Proposed Transaction; expectations regarding the ability of the Company to identify and acquire other assets; the Company’s business outlook; plans and objectives of management for future operations; forecast business results; anticipated financial performance and the proposed transaction. Although the Company believes that the expectations reflected in the forward-looking statements contained in this Information Circular, and the assumptions on which such forward-looking statements are made, are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned not to place undue reliance on forward-looking statements included in this document, as there can be no assurance that the plans, intentions or expectations upon which the forward-looking statements are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause the Company’s or Melius Capital 3 Corp.’s (“**Melius**”) actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. The forward-looking statements contained in this Information Circular are made as of the date hereof and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, except as required by applicable law. The forward-looking statements contained herein are expressly qualified by this cautionary statement.

MATTERS RELATING TO PROXIES

The management proxy circular (the “**Circular**”) is provided in the context of the solicitation by the management of Puma Exploration Inc. (the “**Company**”) of proxies that will be used at the annual and special shareholders’ meeting of the Company (the “**Meeting**”), which will be held virtually on Tuesday, August 31, 2021, at 10:00 a.m., for the purposes indicated in the attached notice of meeting (the “**Notice of Meeting**”) and at any continuation thereof in the event of an adjournment. This solicitation is made primarily by mail, but proxies may be done by Internet, telephone or in person by employees of the Company. The Company assumes the costs of this solicitation.

Unless otherwise indicated, the information contained in this Circular is current as of July 21, 2021, and all amounts in this Circular are expressed in Canadian dollars.

REGISTERED SHAREHOLDERS

You should have received a Form of Proxy from the Company’s transfer agent, TSX Trust Company. Follow the instructions on your Form of Proxy to vote by Internet or fax, or complete, sign and mail the Form of Proxy in the envelope provided.

NON-REGISTERED SHAREHOLDERS

Your Common Shares are held in the name of a nominee (securities broker, trustee or other financial institution). You will have received a voting instruction form from your broker. Follow the instructions on your Voting Instruction Form to vote by Internet or fax, or complete, sign and mail the Voting Instruction Form in the postage prepaid envelope provided. **To vote in person at the Meeting, see the box on page 5 of this Circular.**

QUORUM

The Company's by-laws set forth that a quorum is reached at a shareholders' meeting, regardless of the number of persons actually present, when the holder(s) of shares representing 5% of the votes are present in person or represented by proxy.

APPOINTMENT OF PROXIES

The persons mentioned in the attached proxy form are directors of the Company. **Any shareholder has the right to appoint a proxy to represent him/her at the Meeting other than the persons whose names appear as proxies in the proxy form attached hereto by crossing out the printed names and inserting the name of the proxy of his/her choice in the space provided for this purpose.** A person thus named as proxy is not required to be a shareholder of the Company.

Shareholders who are unable to attend the Meeting are asked to complete the proxy form attached hereto and send it no later than August 27, 2021, before 10:00 a.m. to TSX Trust Company, 301-100 Adelaide Street West, Toronto (Ontario) M5H 4H1, fax it to 1 (416) 595-9593 or via internet at www.voteproxyonline.com. Registered shareholders can virtually attend and vote in real time through a live audio webcast of the meeting. If the shareholder is a company, the signature of an officer on the proxy form must be duly authorized in writing.

RIGHT OF REVOCATION OF PROXIES

A shareholder who grants a proxy may revoke it at any time by a written instrument executed by the shareholder or his/her proxy duly authorized in writing or, if the shareholder is a company, by an officer duly authorized in writing, and by submitting it at the Company's head office or to TSX Trust Company, 301-100 Adelaide Street West, Toronto (Ontario) M5H 4H1, by faxing it to 1 (416) 595-9593 or online at www.voteproxyonline.com no later than August 27, 2021, before 10:00 a.m.

INFORMATION FOR BENEFICIAL SHAREHOLDERS

Only registered shareholders or holders of a duly designated proxy may virtually attend and vote at the Meeting. Shareholders who do not hold their shares in their own name (the "Beneficial Shareholders") are advised that only the proxies of registered shareholders may be recognized and used for a vote at the Meeting. Beneficial Shareholders who fill out and return a proxy shall indicate the name of the person (usually a brokerage house) that holds their shares as the registered shareholder. Each intermediary (broker) has its own mailing procedure and provides its own return instructions, which should be carefully followed. Nevertheless, its purpose is limited to instructing the registered shareholder on how to vote in the name of the Beneficial Shareholder.

If the shares appear on the account statement supplied to a shareholder by a broker, then, generally speaking, these shares will not be registered in the name of the shareholder in the Company's records. It is probable that these shares will be registered in the name of the shareholder's broker or an agent of the broker. In Canada, most of these shares are registered in the name of CDS & Co. (the name of registration of Clearing and Depository Services Inc. which acts as nominee for many Canadian brokerage firms). The voting rights attached to shares held by brokers or their nominees may not be exercised in favour of or against resolutions, except as directed by the shareholder. Without specific instructions, brokers or nominees are prohibited from exercising the voting rights attached to the shares of their customers. The directors and executive officers of the Company do not know for whose benefit the shares registered in the name of CDS & Co. are held.

Brokers and other intermediaries are required to request voting instructions from the Beneficial Shareholders before shareholder meetings. Brokers and other intermediaries have their own specified sending procedures and instructions for returning documents, which must be followed to the letter by the Beneficial Shareholders so that their voting rights can be exercised at the Meeting. In Canada, most brokers now delegate the responsibility of obtaining instructions from their customers to Broadridge Financial Solutions, Inc. ("BFSI"). A Beneficial Shareholder who receives a voting instruction form from BFSI may not use this form to vote directly at the Meeting. If you have any questions about exercising your voting rights attached to the shares that you hold through a broker or another intermediary, please contact this broker or other intermediary directly.

Since the Company has limited access to the names of its non-registered Shareholders, if you attend the Meeting, the Company may have no record of your shareholdings or of your entitlement to vote unless your nominee has appointed you as proxyholder. Therefore, if you wish to vote in real time as part of a live audio webcast of the meeting, insert your own name in the space provided on the request for voting instructions or Form of Proxy and return same by following the instructions provided. Do not otherwise complete the form as your vote will be taken at the Meeting. Please register with the transfer agent, TSX Trust Company, upon arrival at the Meeting.

Attending the Shareholders Meeting Electronically

Beneficial Shareholders who have not duly appointed themselves as proxy holders will be able to participate at the virtual Meeting as guests but will not be able to vote at the virtual Meeting.

We encourage you to log into the Meeting at least 15 minutes prior to the commencement of the Meeting. You may begin to log into the Meeting virtual platform beginning at 9.45 a.m. (Montréal time), on August 31, 2021. The Meeting will begin promptly at 10 a.m. (Montréal time), on August 31, 2021.

Simply go to the following website in your web browser (not a Google search) on your smartphone, tablet or computer. You will need the latest versions of Chrome, Safari, Edge or Firefox. Please ensure your browser is compatible by logging in early. **PLEASE DO NOT USE INTERNET EXPLORER:** <https://virtual-meetings.tsxtrust.com/1213>

Please ensure that you are connected to the Internet at all times to be able to vote. If you are not connected, your vote may not be recorded. It is your responsibility to ensure you stay connected for the duration of the meeting. You should allow ample time to log into the meeting online and complete the related procedure.

I have a control number

If you have received a form of proxy from our transfer agent, TSX Trust Company, with a control number, select “I have a control number” and enter your control number and this case sensitive password: *puma2021*

I am a Guest

If you do not have a control number select “I am a Guest” and fill in the required information.

The chair of the meeting and other members of management present will answer questions relating to matters to be voted on before a vote is held on each matter, if applicable. General questions will be addressed during a question-and-answer period following the conclusion of the meeting. So that as many questions as possible are answered, Shareholders and proxyholders are asked to be brief and concise and to address only one topic per question. Multiple questions on the same topic or that are otherwise related may be grouped, summarized and answered together.

All Shareholder questions are welcome. However, we do not intend to address questions that are irrelevant to the business of the meeting or to the Company's operations that are related to non-public information about the Company, constitute derogatory references to individuals or that are otherwise offensive to third parties, are repetitious or have already been asked by other shareholders, are in furtherance of a shareholder's personal or business interest, or are out of order or not otherwise appropriate as determined by the chair or secretary of the meeting in their reasonable judgment. The chair of the meeting has broad authority to conduct the meeting in an orderly manner. The chair of the meeting may exercise broad discretion with respect to, for example, the order in which questions are asked and the amount of time devoted to any one question.

Unless otherwise indicated in this Circular as well as the attached proxy form and Notice of Meeting, “Shareholders” refers to registered shareholders.

EXERCISE OF DISCRETIONARY POWER CONFERRED BY PROXY

The voting right conferred by common shares (the “**Shares**”), for which a proxy is given by the form duly signed in favour of the persons who are therein designated, will be exercised at the time of any vote held at the Meeting according to the instructions given. **For votes on the election of directors, the appointment of auditors, the Assets Sale Resolution (as defined herein) or the Stated Capital Reduction Resolution (as defined herein), the voting rights conferred by these shares will be exercised for the same purposes and in the manner provided for in the relevant sections of this Circular, unless there is a request in the proxy to abstain from voting on the election of directors or the appointment of auditors or to vote against the approval of the Assets Sale Resolution or the Stated Capital Reduction Resolution.**

The directors soliciting the proxy are committed to respecting the instructions given by a shareholder in the proxy form. **If no instructions have been given, votes will be expressed in favour of the adoption of the resolutions set forth in the Notice of Meeting. The proxy attached hereto confers a discretionary power with regard to any amendment relating to matters set forth in the Notice of Meeting as well as any other matter that may be normally raised at the Meeting.** As of the date of this Circular, the Company’s Directors have no knowledge of any amendment to the matters mentioned in the Notice of Meeting nor with respect to any other matter that may be raised at the Meeting.

INTEREST OF CERTAIN PERSONS IN MATTERS ON THE AGENDA

The Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any of the following persons in any matter to be acted upon at the Meeting:

- a) each person who has been a director or executive officer of the Company at any time since the beginning of the Company’s last financial year;
- b) each proposed nominee for election as a director of the Company; and
- c) each associate or affiliate of any of the foregoing.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized capital stock of the Company consists of an unlimited number of common shares without par value.

On July 21, 2021, 77,721,474 shares of the Company were issued and outstanding. Each share confers a voting right to its holders duly registered in the Company’s records on July 22, 2021, i.e. the record date determining the shareholders entitled to receive the Notice of Meeting and to vote at the Meeting. Holders of shares acquired after the record date have the right to vote in the Meeting if they present one (or more) share certificate(s) registered in their name and if they demand the inclusion of their name on the list of shareholders entitled to vote at least 48 hours before the Meeting.

To the knowledge of the Company’s management, as of the date of this Circular, there is no person holding, directly or indirectly, control over more than 10% of the Company’s outstanding shares.

DETAILS OF ISSUES TO BE ADDRESSED AT THE MEETING

1- AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

The audited consolidated annual financial statements of the Company for the year ended February 28, 2021, together with the notes thereto and the auditor's report thereon will be submitted at the Meeting. These audited consolidated financial statements and related management's discussion and analysis were sent to all Shareholders who requested them in conjunction with this meeting. Receipt at the Meeting of such consolidated annual financial statements and the report of the auditor thereon will not constitute approval or disapproval of any matters referred to therein.

2- ELECTION OF THE COMPANY'S DIRECTORS

The general by-laws stipulate that Company's affairs are administered by a Board of Directors composed of a minimum of three (3) and a maximum of fifteen (15) directors. At present, there are three (4) directors. The term of each director elected at the Meeting expires on the date of the annual meeting following his election or his appointment or on the date when his successor is elected or appointed, unless he resigns, or his position becomes vacant due to his death or some other reason, according to the Company's by-laws.

You can vote for the election of all the candidates described below, vote for the election of some of them and withhold from voting for others, or withhold from voting for all of them. Unless otherwise instructed, the persons named in the accompanying form of proxy will vote FOR the election of each of the candidates described below as director of the Company.

The Management of the Company considers that none of the candidates will be unable to act as a director.

The following information regarding the candidates for director, is based on the information provided to the Company by these candidates:

Name, province of residence, country, and position within the Company	Principal Occupation	Director Since	Number of common shares owned or controlled as of July 21, 2021
Marcel Robillard ⁽¹⁾ Province of Quebec, Canada President and Chief Executive Officer and Director	President and CEO of Puma Exploration Inc.	2009	2,054,210 ⁽²⁾
Richard Thibault ⁽¹⁾ Province of New-Brunswick, Canada Director	Mining Consultant	2011	413,714 ⁽³⁾
Michel Fontaine ⁽¹⁾ Province de Quebec, Canada Director	Founder and Sales Manager of Windfall Geotek Corp.	2020	107,000 ⁽⁴⁾
Réjean Gosselin Province of Quebec, Canada Director	Mining Consultant	2020	500,000 ⁽⁵⁾
Dr. Laura Araneda Province of New-Brunswick, Canada	Mining Exploration Executive	Nominee	0 ⁽⁶⁾

⁽¹⁾ Members of the audit committee.

⁽²⁾ Not including 1,442,500 shares that may be issued to him through stock options and 100,000 warrants.

⁽³⁾ Not including 1,725,000 shares that may be issued to him through stock options and 737,500 warrants.

⁽⁴⁾ Not including 600,000 shares that may be issued to him through stock options.

⁽⁵⁾ Not including 900,000 shares that may be issued to him through stock options and 400,000 warrants.

⁽⁶⁾ Not including 200,000 shares that may be issued to her through stock options.

2- ELECTION OF THE COMPANY'S DIRECTORS (CONTINUED)

All above-mentioned candidates are directors of the Company since the date indicated above and were elected directors of the Company during an annual meeting of shareholders for which the convocation contained a management proxy circular except Mr. Rejean Gosselin and Dr. Laura Araneda.

RÉJEAN GOSSELIN graduated from Laval University in 1979 with a Master's Degree in Geology. He is fluent in French, English and Spanish. Immediately after graduating and until 1983, Réjean began his career in mining exploration with Jean Descarreaux and Associates Limited (JDAL) of Val d'Or, Quebec. As part of the projects executed with JDAL, Mr. Gosselin's tasks consisted of supervising an uranium exploration program in Saskatchewan (1979-1980), implementing and conducting a gold exploration program for UN (United Nations Revolving Fund for Natural Resources Exploration) in Guyana (1980-1981), and elaborating and executing different exploration programs for gold and base metals in Canada and USA. In 1980, he also co-founded with Jean Descarreaux Claude Resources acquired by Silver Standard for 450M\$ in 2016. In 1983 he listed Oasis Resources (now Gleneagle Resources) and later in 1990 Oxford Resources (now Midland Exploration). For more than 30 years, Mr. Gosselin worked in mining exploration and served as director and Chief Executive Officer for various Canadian junior mining companies. More recently, from 2003 to 2007, he was President and CEO of Diabras Exploration (now Sierra Metals). During this period, he was responsible for the reopening of two mines in the state of Chihuahua, Mexico, namely the Bolivar Zn-Cu mine and the Cusi silver mine. Under his guidance, his team made the discovery of the Cu-Au-Fe skarn-hosted deposit adjacent to the Bolivar Mine in the Sierra Madre. The three mines are still in operation today. In 2007 he formed Maya Gold & Silver and served as President and CEO until 2009 when he became Chairman of the Board until 2017. Under the helm of Mr Gosselin, Maya purchased and reopened the Zgounder Millenium Silver Mine in Morocco. Maya is now Aya Gold & Silver, a 1-Billion market cap company, mining, developing, and exploring in Morocco and Mauritania. Mr. Gosselin got involved with Rio Moche Exploration as President & CEO in 2015. Rio became public after the RTO of OneCap in 2017 on Colombian exploration projects, and later changed its name for Origin Gold Corporation. Origin became O2Gold in 2020 when Mr. Gosselin left. The company is still exploring in Colombia. Mr. Gosselin joined Puma Exploration Inc. one year ago. The company, at that time, was finally rewarded for its decade-long effort in New Brunswick by a gold discovery at Williams Brook. Mr. Gosselin helped the company secure financing in 2020.

DR. LAURA ARANEDA lives in New Brunswick where she graduated from the University of New Brunswick with a Bachelor of Business Administration, the Entrepreneurial Leadership Program and was awarded a Doctorate of Letters from the University of New Brunswick in 2014. Laura was President of Vic Progressive Drilling for 20 years where she started as a clerk in 1987. Dr. Araneda has been awarded Canada's 100 Top Female Entrepreneur for four consecutive years. Laura also assists many institutes active in education, business and mining. Dr. Araneda possesses an enviable network in the Maritimes and in Canada.

The fact that certain directors and officers of the Company are associated with other resource companies may lead to situations of conflict of interest. If a director or officer is placed in a situation of conflict of interest, he shall abstain from taking part in discussions, decisions, and voting.

The Company's directors, officers, and insiders control a total of 3,074,924 issued and outstanding shares, i.e. approximately 4% of the Company's issued and outstanding shares.

Please refer to the section "Compensation of Executive Officers and Directors" for information about the various interests of the candidates for director.

2- ELECTION OF THE COMPANY'S DIRECTORS (CONTINUED)

To the knowledge of the Company, and according to the information that the candidates for election to the Board of Directors have provided to it, none of the candidates:

- a) is, as at the date of the information circular, or has been, within 10 years before the date of the information circular, a director, chief executive officer or chief financial officer of any company (including the company in respect of which the information circular is being prepared) that,
 - i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
 - ii) was subject to 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, state the fact and describe the basis on which the order was made and whether the order is still in effect; or
- b) is, as at the date of the information circular, or has been within 10 years before the date of the information circular, a director or executive officer of any company (including the company in respect of which the information circular is being prepared) 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, state the fact; or
- c) has, within the 10 years before the date of the information circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director, state the fact.

Also, to the knowledge of the Company, no candidate for election as director has been subject to:

- a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

3- APPOINTMENT OF AUDITOR

The Board proposes that Mallette L.L.P. be appointed the Company's auditor and that the directors of the Company be authorized to establish their compensation upon recommendation of the Audit Committee.

Except when instructions have been given to abstain from voting on the appointment of the auditor, the persons whose names appear in the attached proxy form shall vote in favour of the appointment of Mallette L.L.P., and the authorization for the Company's directors to establish their compensation, unless the shareholders signing the proxy has indicated his/her intention to abstain from voting in connection therewith.

FEES FOR THE AUDITORS' SERVICES

In addition to handling the auditing of the Company's financial statements, Mallette L.L.P. has not provided the Company with other services and has billed for the following fees to the Company over the past two fiscal years:

Fees	Fiscal year ended February 28, 2021 (\$)	Fiscal year ended February 29, 2020 (\$)
Fees for audit ⁽¹⁾	25,000	28,875
Fees for services associated with the audit ⁽²⁾	7,000	-
Fees for tax services ⁽³⁾	-	-
Total	32,000	28,875

⁽¹⁾ Refers to total fees billed by the Company's outside auditor for audit services.

⁽²⁾ Refers to total fees billed for associated services rendered by the outside auditors that are reasonably related to the performance of the Company's audit and are not included in the fees referred to in ⁽¹⁾ above, including professional services provided by the Company's outside auditor pertaining accounting reporting standards.

⁽³⁾ Refers to the total fees billed for professional services rendered by the outside auditor pertaining to tax compliance and tax consulting.

USE OF CERTAIN EXEMPTIONS

At no time since the start of the Company's fiscal year ended February 28, 2021, has the Company claimed the exemption provided for under Article 2.4 (exception for services not associated with the audit of minimal value) of Regulation 52-110 or an exemption of all or part of Regulation 52-110 granted by virtue of Part 8 (exemptions) of Regulation 52-110.

However, the Company is relying on the exemption set out in section 6.1 of Regulation 52-110 respecting Audit Committees with respect to certain reporting obligations.

PRE-APPROVAL POLICIES AND PROCEDURES

The Audit Committee has not adopted special policies and procedures for the awarding of contracts related to services not associated with auditing.

4 - APPROVAL OF SALE OF THE COMPANY'S COPPER PROJECTS

Description to the Proposed Transaction

On May 14, 2021, the Company and its wholly-owned subsidiary, Murray Brooks Minerals Inc. ("**MBM**") entered into a non-binding letter of intent (the "**LOI**") to grant the sole and exclusive right and option (the "**Option**") to Melius Capital 3 Corp. ("**Melius**") to acquire 100% of their respective rights and interest in and to the Murray Brooks West Project, the Turgeon Project, the Brunswick Cards Project, the Legacy Project and the Chester Project (collectively, the "**Copper Projects**"), such projects being described in greater detail below. Melius is a private entity incorporated pursuant to the laws of the province of Ontario in 2021.

On June 30, 2021, the parties executed an option agreement (the "**Option Agreement**") which replaces and supersedes the LOI. In accordance with the Option Agreement, the Company will receive, in consideration for the Copper Projects, 12 million common shares of Melius ("**Melius Shares**") having a deemed value of \$1.2 million, and additional payments over a three (3) year period in Melius Shares and/or cash payments, at the sole discretion of Melius, totalling \$2,300,000 in value, for a total aggregate consideration of \$3.5 million (the "**Proposed Transaction**"). The first payment under the Option Agreement consists of the issuance of 6,000,000 Melius Shares to the Company (the "**Closing Shares**"). The Company intends to distribute a part of those 6,000,000 Closing Shares to the Company's shareholders of record as of the record date, which date is yet to be set by the Board of Directors, but preceding the date of listing of the shares of Melius on the Canadian Securities Exchange (the "**CSE**") or any other a recognized Canadian stock exchange (the "**Listing**"). Upon Listing, Melius will issue a further 6,000,000 Melius Shares to the Company (the "**Listing Shares**"). The Listing Shares will be retained by the Company for investment purposes.

Melius is an arm's length party to the Company. The Proposed Transaction, the LOI and the provisions of the Option Agreement are the result of arm's length negotiations conducted between the Company and Melius and their respective representatives and advisors. As such, the Proposed Transaction is considered to be an "Arm's Length Transaction" (as such term is defined in the policies of the TSXV).

Background to the Proposed Transaction

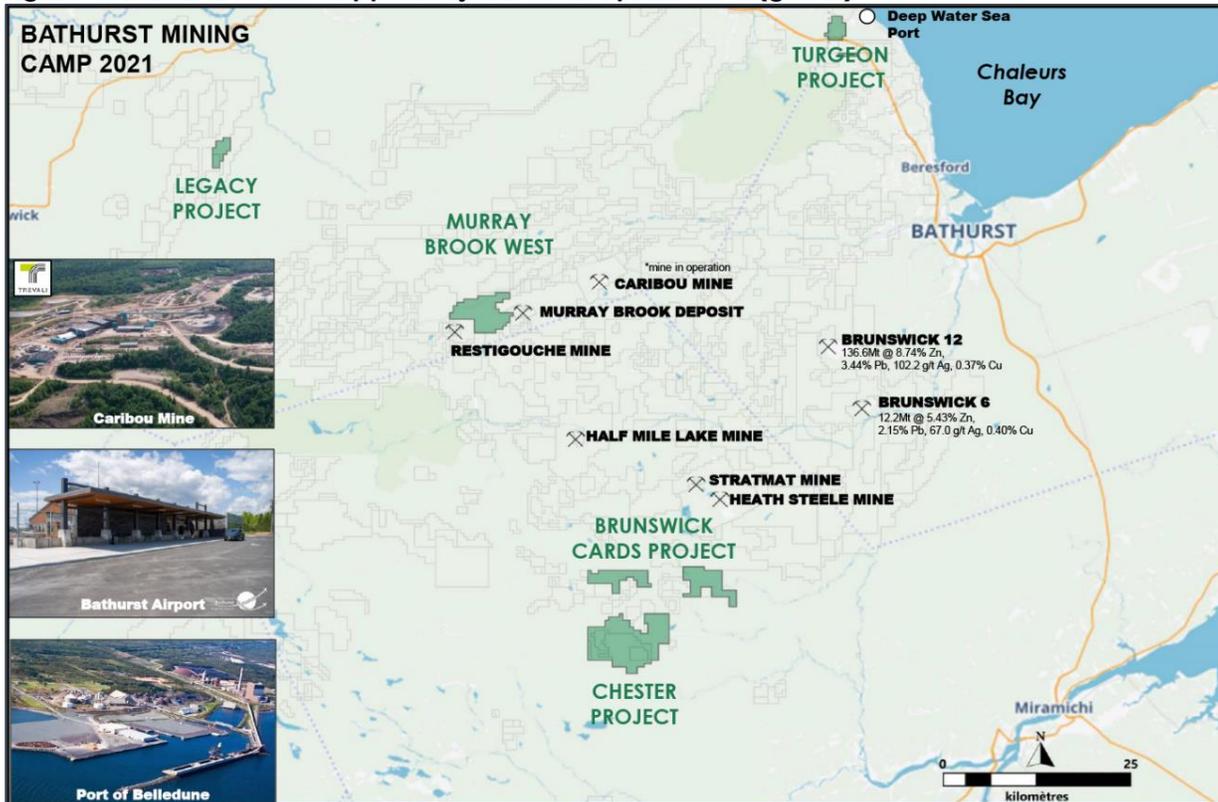
The Company's objective, with the Proposed Transaction, is to unlock the significant value from its Copper Projects, while the Company will concentrate its efforts and capital on its flagship Williams Brook Gold Project in New Brunswick. In connection with the Proposed Transaction, it is a Condition Precedent (as such term is defined below) for the Melius Shares to be accepted for listing on the CSE or any other Canadian stock exchange.

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to approve, with or without variation, an ordinary resolution (the "**Assets Sale Resolution**") approving the potential sale of the Copper Projects, pursuant to the Option Agreement, the terms of which are described in greater detail below. At the time of the Listing, the Company and its shareholders are expected to collectively hold approximately 19.7% of the Melius Shares that will be issued and outstanding (18.9% on a fully diluted basis), subject to the issuance by Melius of additional Melius Shares, by way of equity offerings, acquisitions or otherwise, which will result in further dilution of the Company's and its shareholders equity position in Melius.

The Copper Projects

The Proposed Transaction includes properties from very early-stage (grassroot), very prospective for new discoveries, as well as properties with historical resources ready for expansion (Figure 1).

Figure 1: Location of the Copper Projects to be Spinned Off (green)



Chester Project

The Chester Project is comprised of a total of 281 mineral claims. The Company owns 100% of 145 mineral claims within the boundaries of the Chester Project. The remaining 136 mineral claims within the boundaries of the Chester Project are subject to an option agreement between Galleon Gold Corp. (formerly Explor Resources Inc.) and the Company (the “**Chester Option Agreement**”).

Turgeon Project

The Company is the 100% owner of 36 mineral claims comprising the Turgeon Project. The Turgeon Property consisting of 31 claims, over a total surface area of 6.7 km² is located 5 km south of the Belledune deep water port and it is accessible by road all year long and is crossed by an electrical transport line.

Legacy Project

MBM is the 100% owner of 29 mineral claims comprising the Legacy Project. The Legacy Project consists of two (2) block of claims which cover an area of about 635 ha and are situated in the County of Restigouche, Province of New Brunswick, Canada. The project occurs approximately 100 km west of Bathurst and approximately 40 km from Saint Quentin. The Legacy Project includes the Legacy deposit, a historical Cu resource and two main prospects (Hornfels Zone and the J.J. Gold Zone) and numerous geophysical targets. The drilling and resource model suggest that the mineralisation continues with depth and that additional tonnage could be delineated with additional drilling. Mineralisation is primarily hosted by silicified calcareous argillite and, to a lesser extent, in skarnified beds and irregular zones within the argillite.

Murray Brook West Project

The Company is the 100% owner of 128 mineral claims comprising Murray Brook West Project. The Murray Brook West Project consists of one (1) block of claims which covers an area of about 2,790 ha and is located between the past-producing Restigouche Mine and the Murray Brook Deposit, approximately 60 km west of Bathurst, New Brunswick.

Brunswick Cards Project

The Company is the 100% owner of 164 mineral claims comprising the Brunswick Cards Project. The Brunswick Cards Project covers 3,590 ha and are located north of the Chester Project and South-East of the East Steel past operating mine.

The technical information in this Circular has been reviewed and approved by Dominique Gagné, PGeo, a Qualified Person in accordance with Canadian regulatory requirements as set out in *Regulation 43-101 respecting Standards of Disclosure for Mineral Projects* (Québec).

Additional information on the Chester Project, the Turgeon Project, the Legacy Project, the Murray Brook West Project and the Brunswick Cards Project (collectively, the “**Copper Projects**”) can be found on the Company’s website at www.explorationpuma.com/copper-exploration.

Terms and Conditions of the Option Agreement

General

Under the Option Agreement, the Company and MBM will grant to Melius the Option in consideration for the payment of an aggregate amount of \$3,500,000 by no later than three (3) years following the closing of the Proposed Transaction (the “**Option Period**”), payable in common shares of Melius as follows:

- a) 6,000,000 Closing Shares at a deemed price of \$0.10 per share (\$600,000), which were issued by Melius on June 30, 2021. The Closing Shares are kept in escrow by Melius’ legal counsel pending satisfaction or waiver of the Conditions Precedent by October 31, 2021;
- b) 6,000,000 Listing Shares at a deemed price of \$0.10 per share to be issued prior to the Listing (\$600,000), which shall occur on or before March 1, 2022; and
- c) \$2,300,000, payable at Melius’ option in cash or in Melius Shares at a price per share equal to the 20-day volume-weighted average price as follows:
 - (i) \$300,000 on or before the first anniversary of the closing of the Proposed Transaction (the “**Closing**”);
 - (ii) \$1,000,000 on or before the second anniversary of the Closing; and
 - (iii) \$1,000,000 on or before the third anniversary of the Closing.

Melius will also assume all rights and obligations of the Company on all existing option and royalty agreements (or other outstanding agreements) relating to the Copper Projects.

Hold Period

The Listing Shares issued to the Company will be subject to a 36-month contractual escrow release period from their respective issuance, as follows:

- a) on the date which is
 - (i) on or before March 1, 2022 and
 - (ii) when the Listing Shares are issued, 10% of the Listing Shares to which the Company is entitled;
- b) on the date that is 6 calendar months from date the Listing Shares are issued, 15% of the Listing Shares to which the Company is entitled;

- c) on the date that is 12 calendar months from date the Listing Shares are issued, 15% of the Listing Shares to which the Company is entitled;
- d) on the date that is 18 calendar months from date the Listing Shares are issued, 15% of the Listing Shares to which the Company is entitled;
- e) on the date that is 24 calendar months from date the Listing Shares are issued, 15% of the Listing Shares to which the Company is entitled;
- f) on the date that is 30 calendar months from date the Listing Shares are issued, 15% of the Listing Shares to which the Company is entitled; and,
- g) on the date that is 36 calendar months from date the Listing Shares are issued, 15% of the Listing Shares to which the Company is entitled.

Other Considerations

Following Closing, Melius and the Company will form a technical committee with two (2) representatives each (a) to consider and approve programs and budgets; (b) to provide advice to the operator on exploration programs; and (c) to provide a forum for Melius, the Company and MBM to share their views with respect to conducting mining operations on the Copper Projects during the Option Period. Melius will be the operator with Geominex Inc. providing the technical field work services for Melius and the Company. Furthermore, at Closing, the Company will have the right to nominate one (1) individual to the board of directors of Melius.

Royalty Agreement

Upon exercise of the Option, the parties will immediately execute a royalty agreement in the form provided as a schedule to the Option Agreement and pursuant to which the Company will be granted a 2% net smelter returns royalty on the Murray Brook West Project, the Chester West Property and the South Big Sevogle River Property (six (6) mineral claims owned by the Company in the Chester Project), half of which (1%) is redeemable by Melius for \$1,000,000.

Conditions Precedent

The Closing is conditional upon all of the following conditions (the “**Conditions Precedent**”) being satisfied or waived on or before October 31, 2021:

- a) The execution of a consent agreement whereby Melius will agree to be bound by the Chester Option Agreement and Galleon Gold Corp. will agree to the Option Agreement;
- b) The filing by Melius of a preliminary prospectus in any jurisdiction in Canada (the “**Prospectus**”);
- c) The successful completion by Melius of one or more equity offerings by way of private placements for aggregate gross proceeds of at least \$1,500,000, following which at least 55,000,000 Melius Shares will be issued and outstanding including the issuance by Melius of the 6,000,000 Closing Shares to the Company;
- d) A satisfactory demonstration to the Company, acting reasonably, that subject to the issuance to Melius of a final receipt for the Prospectus (the “**Final Receipt**”), Melius will meet, all of the other requirements that must be met as a pre-requisite to the listing of the Melius Shares on the CSE;
- e) A satisfactory evidence to the Company, acting reasonably, that following the issuance to Melius of the Final Receipt for the Prospectus, the 6,000,000 Closing Shares, issued to the Company will not be subject to any resale restrictions or escrow requirements under applicable securities laws or the rules and policies of the CSE other than the statutory hold period which will expire four (4) months plus one (1) day after the issue of the Closing Shares;

- f) A satisfactory demonstration to the Company, acting reasonably, that if, following the issuance to Melius of the Final Receipt for the Prospectus, the Company proceeds with the distribution to its shareholders of the Closing Shares, by way of a dividend in kind, reduction of capital or otherwise (the "**Distribution**"): (i) the Distribution will be considered and accepted by the CSE for the purposes of Melius meeting the listing requirements of the CSE regarding public float and distribution; and (ii) following the Distribution, all of the listing requirements of the CSE regarding public float and distribution will be met by Melius on the Listing Date;
- g) The receipt by the Company of the final approval of the TSXV in respect of the Option and, if required by the TSXV, any other transaction contemplated under the Option Agreement; and
- h) The receipt by the Company of all required shareholders approvals in respect of the Option, and, if required, any other transaction contemplated under the Option Agreement.

Termination of the Option Agreement

If a Condition Precedent is not satisfied or waived by October 31, 2021, then either the Company or Melius may terminate the Option Agreement or extend the delay with the written consent of each other parties on one or more occasions.

Melius will use reasonable efforts to list the Melius Shares on the CSE or mutually agreeable Canadian securities exchange. In the event that Melius is not listed on the CSE or mutually agreeable Canadian securities exchange at the latest on March 1, 2022, then the Option Agreement will be automatically terminated.

Furthermore, Melius may elect at any time, on or before the Option deadline to terminate the Option by delivering notice in writing to that effect to the Company.

Maintenance of the Copper Projects

During the Option Period, Melius will be responsible to keep the mineral claims comprising the Copper Projects in good standing free and clear of all encumbrances, and to keep all existing agreements on the Copper Projects in good standing, notably the Chester Option Agreement, including a \$500,000 work commitment and \$100,000 cash payment on or before January 17, 2022.

Shareholders and Regulatory Approvals

Shareholders Approval

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to authorize and approve an ordinary resolution authorizing the sale of the Copper Projects, the full text of which is set out below under "Assets Sale Resolution".

The Proposed Transaction constitutes a "Reviewable Disposition" as that term is defined in Policy 5.3 - *Acquisitions and Dispositions of Non-Cash Assets* of the TSXV ("Policy 5.3") and is subject to the acceptance of the TSXV. The TSXV staff has advised the Company that pursuant to Policy 5.3, a majority of the votes cast by shareholders on the Assets Sale Resolution is required. The Proposed Transaction is an arm's length transaction and there are no shareholders with a material interest in the Proposed Transaction or the sale of the Copper Projects.

Regulatory Approval

The Company has applied for the TSXV's acceptance of the Proposed Transaction. The Company requires the final acceptance of the TSXV prior to Closing. Final acceptance of the TSXV is subject to a number of customary conditions, including, but not limited to, (a) the receipt of shareholders approval of the Proposed Transaction at the Meeting; and (b) confirmation that Company will continue to meet the continued listing requirements of the TSXV upon Closing.

The acceptance of a transaction by the TSXV should not be interpreted to mean that the TSXV has in any way passed upon the merits of the Proposed Transaction. Subject to the satisfaction or waiver of all other conditions for Closing, the Company proposes to complete the Proposed Transaction as soon as practicable following receipt of shareholder approval and of final acceptance from the TSXV, and expects that the Proposed Transaction will close in October or November 2021.

Related Party Transaction

The Proposed Transaction is not considered to be a related party transaction under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions*.

Reasons for the Proposed Transaction

The Proposed Transaction has resulted from an ongoing strategic review of the Company's business, assets and prospects being undertaken by the Board of Directors as well as a consideration of the Company's financial position. In the course of its evaluation of the Transaction, the Board of Directors consulted with the Company's senior management and legal counsel, and considered the Proposed Transaction with reference to the general industry, economic and market conditions, its prospects, strategic alternatives, competitive position and the risks related to the Company's ongoing financing requirements. The Company's objective is to unlock value to concentrate its efforts and capital on its flagship Williams Brook Gold Project in New Brunswick.

Specifically, the Board of Directors considered the following factors, among others:

- a) the Company is expected to hold a significant equity position in Melius upon issuance of the Closing Shares and the Listing Shares;
- b) the Company's shareholders would retain an interest in the Copper Projects through its shareholding in Melius;
- c) the Company currently relies on ongoing equity financing to provide funding to advance its exploration projects, so any additional funding would provide the Company with the necessary capital required for its flagship Williams Brook Gold Project in New Brunswick, having no more financial resources to commit to the Copper Projects;
- d) the process to complete the Proposed Transaction is procedurally fair. The following rights and approvals protect shareholders of the Company: (i) the Assets Sale Resolution must be approved by a majority of votes cast in person or by proxy at the Meeting by shareholders; and (ii) the Proposed Transaction must be approved by the applicable regulatory approval;
- e) the material conditions required for Closing, including shareholders' approval and regulatory approval, were considered by the Board of Directors to be reasonable under the circumstances; and
- f) Melius is an arm's length party to the Company.

In the course of its deliberations, the Board of Directors also identified and considered a variety of risks and potentially negative factors in connection with the Proposed Transaction, including the risks set out under the heading "Risk Factors Related to the Proposed Transaction" below.

Based on the results of this strategic review and sales process, the Board of Directors concluded that the Proposed Transaction is in the best interests of the Company and authorized the submission of the Assets Sale Resolution to the shareholders for approval at the Meeting.

Risk Factors related to the Proposed Transaction

In evaluating whether to approve the Proposed Transaction, shareholders should carefully consider the following risk factors. Additional risks and uncertainties, including those currently unknown to or considered immaterial by the Company may also adversely affect the Proposed Transaction. The following risk factors are not a definitive list of all risk factors associated with the Proposed Transaction.

Whether or not the Proposed Transaction is completed, the Company will continue to face the risks that it currently faces with respect to its affairs, business and operations and future prospects. Such risk factors are set forth and described in the filings of the Company filed with the securities regulatory authorities which have been filed on SEDAR at www.sedar.com.

Completion of the Proposed Transaction

There are a number of Conditions Precedents to the Proposed Transaction which are outside the control of the Company, including, but not limited to, approval of the Assets Sale Resolution, approval by the TSXV of the Proposed Transaction, the Listing and the completion of certain conditions of Closing (as detailed above). There can be no certainty, nor can the Company provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. Moreover, a substantial delay in obtaining satisfactory approvals could result in the Proposed Transaction not being completed. If the Proposed Transaction is not completed for any reason, there are risks that the announcement of the Proposed Transaction and the dedication of substantial resources of the Company to the completion thereof could have a material adverse effect on the current and future operations, financial condition and prospects of the Company.

In addition, each of the Company and Melius has the right to terminate the Option Agreement in certain circumstances. Accordingly, there is no certainty that the Option Agreement will not be terminated before the completion of the Proposed Transaction. If the Proposed Transaction is not completed, there can be no assurance that the Company will be able to find another opportunity to sell the Copper Projects on the same or similar terms, if any.

Expenses of the Proposed Transaction

There are certain costs related to the Proposed Transaction, such as legal, accounting and regulatory fees, that must be paid even if the Proposed Transaction is not completed, which will impact the Company's financial position.

Assets Sale Resolution

For the Proposed Transaction to proceed, the Assets Sale Resolution, which will be an ordinary resolution, must be approved by a majority of the votes cast by shareholders present in person or represented by proxy at the Meeting. The Assets Sale Resolution is expected to be substantially in the following form:

BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the disposition by Puma Exploration Inc. (the "**Company**") of its Copper Projects (the "**Sale**"), as contemplated in the management proxy circular of the Company dated July 21, 2021 (the "**Circular**") and the Option Agreement, as such term is defined in the Circular, be, and is hereby, authorized and approved;
2. notwithstanding the approval of this resolution by the shareholders, the board of directors of the Company be, and is hereby, authorized and empowered, without further notice to, or approval of, the shareholders to: (a) amend, modify or supplement the terms of the Sale, and (b) not proceed with the Sale or any related transactions; and
3. any one director or officer of the Company be, and is hereby, authorized and directed, for and in the name of and on behalf of the Company, to execute, or cause to be executed, whether under the corporate seal of the Company or otherwise, and to deliver or cause to be delivered, all such other documents and instruments, and to do or cause to be done all such other acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the intent of these resolutions and the completion of the transactions contemplated hereby, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.

The form of Assets Sale Resolution set out above is subject to such amendments as the management may propose at the Meeting but which do not materially affect the substance of the Assets Sale Resolution.

Recommendation of the Board of Directors

The Board of Directors has concluded that the Proposed Transaction is in the best interest of the Company and the Company's shareholders. The Board of Directors unanimously recommends that shareholders vote in favour of the Assets Sale Resolution at the Meeting.

Except when instructions have been given to abstain from voting on the appointment of the auditor, the persons whose names appear in the attached proxy form shall vote in favour of the Assets Sale Resolution. If you do not specify how you want your shares voted at the Meeting, the persons named as proxyholders in the enclosed form of proxy will cast the votes represented by your proxy at the Meeting in favour of the Assets Sale Resolution.

5 - REDUCTION OF THE STATED CAPITAL OF THE COMPANY'S COMMON SHARES IN AN AMOUNT OF \$600,000

In the context of the Proposed Transaction, the Company wishes, subject to the required regulatory and shareholders' approvals, to reduce the stated capital related of its common shares by an amount of \$600,000.

In connection with this reduction of stated capital in the amount of \$600,000, the Company intends, on an effective date to occur prior to the listing of the common shares of Melius on a recognized Canadian stock exchange, to proceed with the following transactions:

- (a) to distribute a portion of the 6,000,000 shares of Melius held by the Company (the "**Distributed Melius Shares**") to all of its shareholders other than its beneficial shareholders who are residents of the United States (the "**U.S. Shareholders**") and who will be of record on a date to be determined by the Company's Board of Directors (the "**Distribution Record Date**"), which will precede the date of listing of the Melius Shares on the Canadian Securities Exchange or any other recognized Canadian stock exchange (the "**Listing**"); and
- (b) to pay in cash the amount otherwise payable to the U.S. Shareholders in connection with such reduction in stated capital.

In particular, the number of Melius Shares to be distributed to the Company's Non-U.S. Shareholders will be determined by the following formula:

$$A = 6,000,000 - [6,000,000 \times (B/C)]$$

where

A :	number of Melius Shares to be distributed to the Company's shareholders other than its U.S. Shareholders
B :	number of common shares of the Company held by the U.S. Shareholders as of the Distribution Record Date
C :	total number of common shares of the Company issued and outstanding as of the Distribution Record Date

As of July 21, 2021, according to information held by the Company, there were 77,721,674 common shares of the Company issued and outstanding, of which 4,192,892 were held by U.S. Shareholders.

For illustrative purposes only, based on the assumption of a Distribution Record Date of July 21, 2021 and a market value of the Melius Shares of \$0.10 per share:

- (a) 5,676,315 Melius Shares would have been distributed to the Company's Non-U.S. Shareholders for a deemed value of \$567,631, or approximately one (1) Melius Share for every 13.69 common shares of the Company held by the Non-U.S. Shareholders; and
- (b) an amount of \$32,368.10 would have been paid in cash by the Company to the U.S. Shareholders;

all as part of the payments related to the reduction of the Company's stated capital for an amount of \$600,000.

Stated Capital Reduction Resolution

For the Proposed Transaction to proceed, the Stated Capital Reduction Resolution, which will be a special resolution, must be approved by two thirds (2/3) of the votes cast by shareholders present in person or represented by proxy at the Meeting. The Stated Capital Reduction Resolution is expected to be substantially in the following form:

WHEREAS the Company has received, pursuant to an option agreement dated June 30, 2021, 6,000,000 common shares of Melius Capital 3 Corp. ("**Melius**"), which have been issued to the Company as fully paid (the "**Melius Shares**");

WHEREAS Melius seeks to list on the CSE or any other Canadian stock exchange and the Company intends, prior to such listing, to distribute to all of its shareholders (other than its U.S. Shareholders) a portion of said Melius Shares (the "**Distributed Shares**") in the manner contemplated in the Company's management proxy circular dated July 21, 2021;

CONSEQUENTLY, BE IT RESOLVED AS A SPECIAL RESOLUTION:

- to reduce the stated capital of the Company's common shares by \$600,000;
- to determine that the fair market value of the Distributed Shares will be established on the day preceding immediately the day of the listing of the common shares of Melius on a recognized Canadian stock exchange;
- in partial payment of the stated capital reduction and subject to regulatory approval, to distribute the Distributed Shares to shareholders other than U.S. Shareholders of record on the distribution record date to be determined by the Company's Board of Directors;
- to authorize the directors of the Company to determine the appropriate procedure to give effect to this distribution;
- to authorize any director or officer of the Company to execute all additional documentation that such signatory will deem necessary or useful to give effect to this resolution; and
- to authorize the directors to revoke this resolution prior to giving it effect if they consider that it is in the interest of the Company.

The form of Stated Capital Reduction Resolution set out above is subject to such amendments as the management may propose at the Meeting but which do not materially affect the substance of the Stated Capital Reduction Resolution.

Recommendation of the Board of Directors

The Board of Directors has concluded that the Proposed Transaction is in the best interest of the Company and the Company's shareholders. The Board of Directors unanimously recommends that shareholders vote in favour of the Stated Capital Reduction Resolution at the Meeting.

Except when instructions have been given to vote against the Stated Capital Reduction Resolution, the persons whose names appear in the attached proxy form shall vote in favour of the Stated Capital Reduction Resolution. If you do not specify how you want your shares voted at the Meeting, the persons named as proxyholders in the enclosed form of proxy will cast the votes represented by your proxy at the Meeting in favour of the Stated Capital Reduction Resolution. Canadian Federal Income Tax Considerations of the Distribution as a Reduction of Stated Capital.

This summary is of a general nature only and is not exhaustive of all possible income tax considerations. This summary is not intended to be, and should not be construed as legal, business or tax advice to any shareholders. No representation is made as to the tax considerations which apply to a particular shareholder. Consequently, shareholders should consult their own tax advisors with respect to their particular circumstances.

The following summary describes the principal Canadian federal income tax considerations generally applicable to a shareholder who is an individual or a corporation and who, at all relevant times, for purposes of the application of the *Income Tax Act* (Canada) (the “**ITA**”) and any relevant tax treaty (i) is or is deemed to be resident in Canada; (ii) is not exempt from tax; and (iii) holds the common shares of the Company as capital property.

Shareholders who are not resident in Canada and shareholders who do not hold their shares as capital property should consult their own tax advisor regarding their specific circumstances.

This summary is based on the current provisions of the ITA and the regulations thereunder, and the Company’s understanding of the current administrative practices of the Canada Revenue Agency published prior to the date hereof. This summary also takes into account all specific proposals to amend the ITA and the regulation thereunder publicly announced by the Minister of Finance (Canada) prior to the date hereof (the “**Proposed Amendments**”) and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. Other than the Proposed Amendments, this summary does not otherwise take into account or anticipate any changes to the ITA or administrative practices, whether by legislative, regulatory or judicial action nor does it take into account tax considerations of any province, territory or foreign jurisdiction.

Distribution - Reduction of Stated Capital

The reduction in the Company’s stated capital will not result in a deemed dividend received by shareholders as the following conditions are met:

- (a) the Distributed Melius Shares come from the proceeds of disposition made by the Company following a transaction concluded both:
 - (i) outside the Company’s normal course of business; and (ii) during the period starting 24 months before the distribution; and
- (b) no other reduction in paid-up capital was made by the Company before this transaction.

The aggregate fair market value of the Distributed Shares received by a shareholder on the reduction of the stated capital related to the common shares of the Company will be deducted in computing the adjusted cost base, for such shareholder, of the common shares of the Company held by such shareholder. To the extent that, following such calculation, the adjusted cost base is negative, the shareholder will be deemed to have realized a capital gain equal to that negative amount and the adjusted cost base of the said shareholder’s common shares of the Company will, thereafter, be nil. In the case of a shareholder who holds only flow-through common shares of the Company acquired from treasury, a capital gain equal to the value of the Distributed Shares received will be realized by such shareholder since these flow-through shares are deemed to have an adjusted cost base for such shareholder that is nil.

A shareholder will be deemed to have acquired the Distributed Shares at a cost equal to their fair market value at the time of the distribution.

Taxation of Capital Gains and Capital Losses

An individual or a corporation is required to include, in computing its income for a taxation year, one-half of the amount of any capital gain realized during the year (a “**Taxable Capital Gain**”) and is generally entitled to deduct one-half of the amount of any capital loss incurred during the year (an “**Allowable Capital Loss**”) against Taxable Capital Gains realized in the year. Generally, any Allowable Capital Losses in excess of such Taxable Capital Gains may be carried back against Taxable Capital Gains realized in any of the three preceding taxation

years or may be carried forward indefinitely against Taxable Capital Gains realized during any following taxation year, to the extent and under the circumstances specified in the ITA.

A corporation that is throughout the relevant taxation year a “Canadian-controlled private corporation”, as defined under the ITA, may be liable to pay regular tax plus an additional refundable tax of 30% on its “aggregate investment income” for the year, which includes Taxable Capital Gains. In addition, the non-taxable portion of the capital gain is added to the Company’s capital dividend account.

Capital gains realized by individuals and certain trusts may give rise to alternative minimum tax under the ITA.

Canadian Federal Income Tax Considerations for non-resident Shareholders

This following is generally applicable to a Shareholder who, at all relevant times, for purposes of the application of the ITA and the applicable tax treaty (the “**Tax Treaty**”), is not and has not been at any time while the non-resident Shareholder held the common shares of the Company, resident in Canada, and never did and does not use or hold, and was and is not deemed under the ITA to use or hold the common shares of the Company in carrying on a business in Canada. Special rules, which are not discussed in this summary, may apply to a non-resident Shareholder that is an insurer that carries on an insurance business in Canada and elsewhere. Non-resident Shareholders should consult their own tax advisors with respect to non-resident tax laws.

As mentioned above under the heading “Distribution as a Reduction of Stated Capital”, no dividend should arise from the reduction of the stated capital and hence, there should be no Canadian non-resident withholding tax in that regard in connection with the distribution of the Distributed Shares or of an amount in cash in favour of non-resident Shareholders.

A non-resident Shareholder will not be subject to tax under the ITA on any capital gain realized in respect of the distribution in his favour in circumstances described above under the heading “Distribution as a Reduction of Stated Capital”, nor on a subsequent disposition of the Distributed Shares, unless the common shares of the Company, or the Distributed Shares, as the case may be, held are “taxable Canadian property”, as defined in the ITA, of the non-resident Shareholder and the non-resident Shareholder is not entitled to relief under the Tax Treaty between Canada and his home country.

The common shares of the Company, or the Distributed Shares, as the case may be, will be “taxable Canadian property” of a non-resident Shareholder at a particular time if: (i) the shares were acquired in a transaction as a result of which they were deemed to be taxable Canadian property; or if the following three conditions are met, namely (ii) the common shares of the Company, or the Distributed shares, as the case may be, are, at that time, listed on a designated stock exchange; (iii) the non-resident Shareholder, persons with whom the non-resident Shareholder does not deal at arm’s length, or the non-resident Shareholder together with such persons, owned (or had under option) 25% or more of the issued shares of any class of the capital stock of the Company, or of Melius, as the case may be, at any particular time within the 60-month period immediately preceding the particular time, and (iv) the shares derived more than 50% of their fair market value from one or any combination of real property situated in Canada, Canadian resource properties (within the meaning of the ITA), timber resource properties (within the meaning of the ITA), and options or interest in the foregoing, at any particular time within the 60-month period immediately preceding the particular time.

Completion of the transactions described herein may have tax consequences under the laws of the country where the non-resident shareholder resides and such consequences are not described in this Information Circular. Shareholders who are non-resident are advised to consult their own tax advisors to determine any particular tax consequences to them of the proposed transaction.

Provincial (Quebec) Tax Considerations for non-resident shareholders

The comments found in the preceding section are also applicable under the Quebec tax legislation. It should however be noted that only non-resident shareholders that are corporations may be subject to Quebec taxation.

Non-resident shareholders: certificate in respect of property disposed of

If a non-resident shareholder disposes of shares which qualify as taxable Canadian property, he would be required to check whether it is mandatory to request a certificate pursuant to article 116 ITA. Penalties are applicable in the event of default. A similar obligation exists in Quebec for non-resident shareholders which are corporations.

6- OTHER MATTERS

Management of the Company is not aware of any other matter to come before the meeting other than those referred to in the notice of meeting. However, if any other matters which are not known to the management should properly come before the Meeting, the accompanying Form of Proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

COMPENSATION OF DIRECTORS AND EXECUTIVES OFFICERS

NAMED EXECUTIVE OFFICER AND DIRECTOR COMPENSATION, EXCLUDING COMPENSATION SECURITIES

The following table sets forth information required under Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* (the “Form 51-102F6V”) of NI 51-102 concerning all compensation paid, made payable, awarded, granted, gave or otherwise provided by the Company for the two most recently completed financial years to all persons acting as Named Executive Officers (as defined herein) or director of the Company for services provided, directly or indirectly, to the Company during the financial year ended February 28, 2021. These amounts include the annual base salary and certain other forms of remuneration, the payment having been made or postponed. “Named Executive Officers” means the following persons:

- a) a Chief Executive Officer (“CEO”);
- b) a Chief Financial Officer (“CFO”);
- c) each of the most highly compensated executive officers, or the most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and
- d) each individual who would be an NEO under paragraph (c) 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 that financial year.

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES

The following table presents information regarding all compensation paid, payable, awarded, granted, given, or otherwise attributed to NEOs of the Company for services rendered to the Company during the three (3) most recently completed financial years:

Name and position	Year	Salary, consulting fee, retainer, or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites ⁽¹⁾ (\$)	Value of all other compensation ⁽²⁾ (\$)	Total compensation (\$)
Marcel Robillard President and Chief Executive Officer and Director	2021	150,000	-	-	-	-	150,000
	2020	150,000	-	-	-	-	150,000
	2019	150,823	-	-	-	-	150,823
Ginette G. Brisson Chief Financial Officer	2021	44,378	7,000	-	-	-	51,378
	2020	40,851	10,000	-	-	-	50,051
	2019	43,089	6,000	-	-	-	49,089
Rejean Gosselin Director	2021	14,000	-	-	-	-	14,000
	2020	-	-	-	-	-	-
	2019	-	-	-	-	-	-
Michel Fontaine Director	2021	-	-	-	-	-	-
	2020	-	-	-	-	-	-
	2019	-	-	-	-	-	-
Richard Thibault Director	2021	-	-	-	-	-	-
	2020	-	-	-	-	-	-
	2019	-	-	-	-	-	-

⁽¹⁾ Value of perquisites is indicated only if such perquisites are not generally available to all employees of the Company, are not integrally and directly related to the performance of the Director or Named Executive Officer’s duties and that, in aggregate, are greater than: a) \$15,000, if the Named Executive Officer or Director’s total salary for the financial year is \$150,000 or less, b) 10% of the Named Executive Officer or Director’s salary for the financial year, if the Named Executive Officer or Director’s total salary for the financial year is greater than \$150,000 but less than \$500,000, or c) \$50,000, if the Named Executive Officer or Director’s total salary for the financial year is \$500,000 or greater.

⁽²⁾ The Company does not offer any pension plan or defined benefit or contribution plans in favor of its directors and Named Executive Officers.

OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS

The table below indicates the securities awarded or issued as compensation by the Company to each named executive officer and director of the Company during the last financial year ended February 28, 2021, for services rendered or to be rendered, directly or indirectly, to the company.

SECURITIES AWARDED AS COMPENSATION

Name and position	Type	Number of securities, underlying securities, and percentage of the category ⁽¹⁾ ⁽²⁾	Issue date	Conversion issue price	Closing price of the security or the underlying security on the day before the grant date	Closing price of the security or the underlying security at the end of the financial year	Due date
Marcel Robillard President and Chief Executive Officer and Director	Options	260,000	04-08-2020	0.15	0.095	0.20	04-08-2025
	Options	750,000	01-02-2021	0.16	0.16	0.20	01-02-2026
Ginette G. Brisson Chief Financial Officer	Options	110,000	04-08-2020	0.15	0.095	0.20	04-08-2025
	Options	150,000	01-02-2021	0.16	0.16	0.20	01-02-2026
Rejean Gosselin Director	Options	100,000	12-08-2020	0.15	0.125	0.20	12-08-2025
	Options	500,000	01-02-2021	0.16	0.16	0.20	01-02-2026
Michel Fontaine Director	Options	100,000	12-08-2020	0.15	0.125	0.20	12-08-2025
	Options	300,000	01-02-2021	0.16	0.16	0.20	01-02-2026
Richard Thibault Director	Options	160,000	04-08-2020	0.15	0.095	0.20	04-08-2025
	Options	300,000	01-02-2021	0.16	0.16	0.20	01-02-2026

⁽¹⁾ Stock options of the Company are granted under the Option Plan (as defined below) of the Company. Please see the "Stock Option Plan" section below. During the last financial year, no stock purchase options were adjusted, canceled, replaced, modified or exercised.

⁽²⁾ The board of directors may, in its sole discretion, determine whether stock options will vest immediately or whether they will be subject to a certain vesting schedule, as it deems appropriate in the circumstances.

EXERCISE OF COMPENSATION SECURITIES BY DIRECTORS AND EXECUTIVE OFFICERS

During the last fiscal year, no compensation securities have been exercised by the directors and the named executive officers.

STOCK OPTION PLANS AND OTHER INCENTIVE PLANS

The following table presents, for each named executive officer and directors, all the grants outstanding as of February 28, 2021:

Name	OPTIONS-BASED ASSIGNMENTS				ACTIONS-BASED ASSIGNMENTS		
	Number of securities under-lying unexercised ⁽²⁾ options	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested	Market or payment value of share-based awards that have not vested (\$)	Market or payment value of vested share-based awards not paid out or distributed (\$)
Marcel Robillard	42,500	1.00	15-09-2022	0	n/a	n/a	n/a
	90,000	1.00	12-06-2023	0	n/a	n/a	n/a
	260,000	0.15	04-08-2025	13,000	n/a	n/a	n/a
	750,000	0.16	01-02-2026	30,000	n/a	n/a	n/a
Ginette G. Brisson	2,500	3.50	10-03-2021	0	n/a	n/a	n/a
	15,000	1.00	15-09-2022	0	n/a	n/a	n/a
	25,000	1.00	12-06-2023	0	n/a	n/a	n/a
	110,000	0.15	04-08-2025	5,500	n/a	n/a	n/a
	150,000	0.16	01-02-2026	6,000	n/a	n/a	n/a
Rejean Gosselin	100,000	0.15	12-08-2025	5,000	n/a	n/a	n/a
	500,000	0.16	01-02-2026	20,000	n/a	n/a	n/a
Richard Thibault	20,000	3.50	10-03-2021	0	n/a	n/a	n/a
	17,500	1.00	15-09-2022	0	n/a	n/a	n/a
	60,000	1.00	12-06-2023	0	n/a	n/a	n/a
	160,000	0.15	04-08-2025	8,000	n/a	n/a	n/a
	300,000	0.16	01-02-2026	12,000	n/a	n/a	n/a
Michel Fontaine	100,000	0.15	12-08-2025	5,000	n/a	n/a	n/a
	300,000	0.16	01-02-2026	12,000	n/a	n/a	n/a

⁽¹⁾ The value of unexercised “in-the-money” options is calculated using the closing price of the common shares of the Company on the TSX Venture Exchange on February 28, 2021 (\$0.20), less the respective exercise price of the options.

⁽²⁾ As at February 28, 2021, all outstanding stock options were exercisable without restrictions or conditions.

STOCK OPTION PLANS AND OTHER INCENTIVE PLANS (CONTINUED)

STOCK OPTION PLAN

In 2003, the Board of Directors established a stock option plan that was ratified by the shareholders on April 4, 2003 (the “**Stock Option Plan**”) pursuant to which options may be granted in favor of directors, officers, employees and consultants providing ongoing services to the Company.

The exercise price, terms and conditions of the options are established by the Board of Directors, subject to the rules of the regulatory authorities having jurisdiction over the securities of the Company. The exercise price at the time of the grant of the options shall not be less than the closing market price of the Common Shares listed on the TSX Venture Exchange (“**TSXV**”) on the day prior to their grant. The options granted may be exercised during a period not exceeding 10 years. The options are non-transferable. For any option granted under the Stock Option Plan, the Board of Directors may, at its sole discretion, determine whether such option shall vest immediately or be subject to such vesting schedule as the Board of Directors may deem appropriate in the circumstances.

The Board of Directors is responsible for the revision of any required modifications to the Stock Option Plan.

As of the date hereof, 6,885,000 Common Shares are reserved for the exercise of options pursuant to the Stock Option Plan. Considering that the TSXV requires that stock option plans reserving more than 10 % of the issued and outstanding common shares at the time of its adoption or amendment must be approved by shareholders, the shareholders have previously approved the Stock Option Plan. A total of 335,000 stock options remain to be granted under the Stock Option Plan.

EMPLOYMENT, CONSULTING AND MANAGEMENT AGREEMENTS

There are no employment, consulting or management agreements or arrangements under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Company that were performed by a Named Executive Officer or a director of the Company.

In addition, there are no payment plans or benefits for Named Executive Officers or directors of the Company following their resignation, retirement or any other end of employment with the Company, as the case may be, or following a change of control of the Company or a change in responsibilities following a change of control of the Company.

OVERSIGHT AND DESCRIPTION OF DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

Determination of Compensation

The Board of Directors of the Company has the responsibility to recommend to the Named Executive Officers the compensation policy in order to make sure it is consistent with the Company's business plan, strategies and objectives. The Board has the responsibility of analyzing all questions relating to, namely, human resources planning, compensation for executive officers, directors and other employees, short and long-term incentive programs and employee benefits programs, and recommends the appointment of executive officers.

General Principles of Executive Compensation

The compensation paid to Named Executive Officers has the following primary objectives:

- offer total compensation capable of attracting and retaining top level executive officers required to ensure the Company's short and long-term goals and success; and
- motivate the executive officers in achieving and exceeding the goals of the Company and of its shareholders.

STOCK OPTION PLANS AND OTHER INCENTIVE PLANS (CONTINUED)

OVERSIGHT AND DESCRIPTION OF DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION (CONTINUED)

Components of the Compensation Policy

The compensation policy consists of the sum of (i) base salary and (ii) long term incentive compensation.

Each of these elements, together with the Company's philosophy with respect to same, is hereinafter detailed.

Base Salary

The Company's base salary policy considers the current conditions of the competitive market, experience, return or expected return on investment and particular qualifications of executive officers. The base salary is not measured with market comparators.

The salaries of the Named Executive Officers are reviewed and recommended for approval to the Board of Directors yearly. The Board will consider the general experience of its members in assessing base salaries.

Long Term Incentive Compensation

The establishment of a balance between short and long-term compensation is essential for the Company's performance. For this reason, the Company has adopted the Stock Option Plan in 2003 allowing the grant of options to officers, directors, key employees and consultants of the Company. Reference is made to the description of such plan under the heading "Stock Option Plan" hereinabove.

In general, the Board of Directors determines the number of options granted annually according to the level of responsibility and authority of each of the executive officers. The total amount of stock options issued over the past years is looked at but does not have a material impact on the number of options to be granted to the executive officers. The options are granted at market value at time of grant and may be exercised over ten years.

For the directors of the Company, the number of options granted annually to them is determined by the Board of Directors without applying any known or measurable objectives. Criteria such as the Company's global performance are looked at in determining the number of options to be granted to the directors.

The purpose of the Stock Option Plan is to serve as an incentive for the directors, officers and consultants who will be motivated by the Company's success as well as to promote ownership of Common Shares by these people. There is no performance indicator relating to profitability or risk attached to the Stock Option Plan.

The long-term incentive compensation is not based on known or measured corporate or individual performance objectives but is determined in a view to improve the executive officers' salaries and to encourage the work of these persons towards an increase of the earnings per share.

Compensation of directors

The compensation of the directors is established by the Audit Committee. Directors that are not NEOs do not receive a fee for each Board or committee meeting to which they attend. For the year ended February 28, 2021, the directors that are not NEOs received stock option compensation in the table "Securities awarded as compensation"

STOCK OPTION PLANS AND OTHER INCENTIVE PLANS (CONTINUED)

Components of the Compensation Policy (continued)

General

The compensation seeks to primarily reward the superior performance through both individual and corporate results and the increased shareholder value. In reviewing executive officers' compensation, the Board of Directors will take into consideration numerous factors that are not easily measurable, but which consider the individual performance, experience, integrity and peer appreciation.

Pension Plan Benefits

The Company does not offer any pension plan benefits to any of its directors and Named Executive Officers.

EQUITY COMPENSATION PLANS INFORMATION

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Option, or Warrants or Rights (a)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans, (excluding securities reflected in column (a)) (c)
Equity compensation plans of the Company approved by security holders	6,885,000	0.27	335,000
Equity compensation plans not approved by security holders	n/a	n/a	n/a
Total	6,885,000	0.27	335,000

INDEBTEDNESS TO THE COMPANY OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date hereof, no amounts are owed to the Company by any director, executive officer, employees or any former director, executive officer or employee of the Company or any of its subsidiaries, or any proposed director of the Company or associate of the foregoing. During the fiscal year ending February 28, 2021, the Company did not grant any loan.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of the Company, no informed person of the Company, proposed director of the Company, or any person associated or affiliated to said officials has had any material interest, direct or indirect, in a transaction having been concluded since the beginning of the most recently completed fiscal year or in any proposed transaction which has or would affect in a material manner the Company or one of its subsidiaries.

LIABILITY INSURANCE FOR DIRECTORS AND EXECUTIVE OFFICERS

The Company has liability insurance for its directors and officers, which protects them from the liabilities they incur in their capacity as director or executive officer. The insurance policy provides a maximum annual insurance coverage of \$2,000,000. The Company will pay an annual premium of \$19,500 for this insurance policy.

GOVERNANCE PRACTICES

BOARD OF DIRECTORS

The mandate of the Board of Directors is to supervise the management of the affairs of the Company and to act in the best interests of the Company.

The Board holds meetings during which it reviews the activities of the Company. The frequency of the meetings of the Board and the nature of the items on the agenda will vary depending on the activities and priorities of the Company. During the year ended February 28, 2021, the Board met 7 times.

The governance practices of the Board, which must be disclosed annually pursuant to the applicable securities legislation and the policies of the TSX Venture Exchange, are reproduced at Schedule B of this Circular.

AUDIT COMMITTEE

The charter of the Company's Audit Committee is presented in Schedule A of this Circular. The Audit Committee's general mandate is to examine and recommend to the Board the approval of the Company's annual and quarterly consolidated financial statements as well as the management reports and in particular:

- to study and assess all aspects of the Company's financial information reporting process, internal controls, risks, and insurance coverage;
- to present relevant recommendations on these subjects to the Board; and
- to supervise the establishment and management of policies and directives regarding financial information and internal control, and to ensure that the process of certifying the consolidated annual financial statements meets the applicable standards.

In addition, this committee evaluates and supervises the risk-management program and provides pre-approval reviews of all transactions between related parties; after this evaluation, it provides its recommendations to the Board.

The Audit Committee ensures that the external auditors remain independent of Management. The Committee reviews the proposed audit and its execution, evaluates the auditors' performance, and makes recommendations to the Board of Directors. The Committee reviews the auditors' compensation, makes recommendations in this regard, and pre-authorizes mandates unrelated to auditing, as permitted by law.

When it considers it necessary, the Committee meets jointly and separately with Management and with the external auditors to discuss the Company's financial affairs.

COMPOSITION

As of the date of this Circular, the Audit Committee includes Mr. Michel Fontaine, Mr. Richard Thibault, and Mr. Marcel Robillard, who are all Directors of the Company. Mr. Michel Fontaine and Mr. Richard Thibault are considered to be independent members, and the three directors have financial expertise, as these terms are defined *in Regulation 52-110 regarding Audit Committees* ("**Regulation 52-110**"). According to Regulation 52-110, a person has "financial expertise" when he/she has the ability to read and understand a set of financial statements that present accounting matters of a scope and a level of complexity that are on the whole comparable to those that may reasonably be expected to be raised by the Company's consolidated financial statements.

Under Regulation 52-110, the Company, as an emerging issuer, is exempt from the requirement that each of the members of its Audit Committee be independent. However, in accordance with Policy 3.1 of the TSX Venture Stock Exchange, the majority of the members of the Company's Audit Committee must be directors who are not officers or employees of the Company or of companies in its Group. The Audit Committee must include at least three directors, the majority of whom are not employees, major shareholders, or officers of the issuer.

AUDIT COMMITTEE (CONTINUED)

RELEVANT TRAINING AND EXPERIENCE

The training and experience of each member of the Audit Committee relevant to his/her responsibilities as members of the Audit Committee are as follows:

MARCEL ROBILLARD is a geologist and a 1993 graduate of Université du Québec in Montreal. He also earned a master's degree in earth sciences in 1995. Since September 2010, he is president and CEO of Puma Exploration (PUM-TSX-V). He is Director of PEZM Gold Inc. (PEZM-H). From 1998 to 2007, he was project geologist and project manager for Géominex, a geology and exploration consulting company where he was president from 2007 to 2015.

RICHARD THIBAUT holds a B.Sc. (Mining Engineering) from Queen's University of Canada. He is a Professional Engineer (P.Eng.) with over 42 years of mining experience in engineering, operations, management and consulting in North and South America and Southeast Asia. He is currently the President and Principal at Avot Consulting Inc. Recently, he was the vice-president and director of mines at Muzo Columbia, and prior the Group Chief Operating Officer, Mining of Malaysia Smelting Company Bhd. and Senior General Manager of its subsidiary Rahman Hydraulic Tin Sdn. Bhd. From 2008 to 2013 he was Chief Executive Officer and Director of Antioquia Gold Inc. (AGD-V) a publicly traded company with mining interests in Colombia. Mr. Thibault HAS worked in Argentina, Australia, Bolivia, Canada, Chile, Colombia, Ecuador, Malaysia, Mexico, Panama, Peru, United States and Venezuela.

MICHEL FONTAINE is a private investor, entrepreneur, and independent board member of Puma Exploration Inc. with more than two decades of experience working in the mining sector. He is currently the founder and Sales Manager of Windfall Geotek, a public software firms (TSXV-WIN) leveraging Artificial Intelligence (AI) and Machine Learning since 2005 to optimize and significantly improve outcomes in the exploration, development, operations, and financing in the mining sector. Mr. Fontaine currently serves on the Board of Directors of Puma Exploration (TSXV-PUMA). Michel also served in the past on the Boards of Directors of Metanor, Majescor, Everton and AEMQ. From 1997-2004, Michel worked at Merrill Lynch and BMO Nesbitt Burns as a financial advisor.

REPORT ON GOVERNANCE PRACTICES

With respect to corporate governance practices, the Company is governed by Regulation 58-101 – Disclosure of Corporate Governance Practices and by National Policy 58-201 – Corporate Governance Guidelines. Policy 58-201 sets out guidelines for effective corporate governance, addressing topics such as the constitution of the Board of Directors, the mandate of the Board of Directors, orientation and continuing education, as well as periodic assessments of the Board of Directors. In accordance with Regulation 58-101 and Policy 3.1 of the TSX Venture Exchange, each reporting issuer, such as the Company, must publish its corporate governance practices annually. This statement of practices is presented in Schedule B of this Circular.

OTHER AGENDA ITEMS

The Company's management is unaware of any change regarding the items listed in the Notice of Meeting or of any other item that could be submitted to the Meeting, apart from those mentioned in the Notice of Meeting. However, if changes concerning the items on the agenda mentioned in the Notice of Meeting or other items, are submitted to the Meeting in valid form, the attached proxy form confers discretionary power upon the persons named therein to vote, using their best judgment, on the related changes or on other items.

PROPOSALS FROM SHAREHOLDERS

Any shareholder who wishes to present a proposal at the next Annual Meeting in 2022 must submit this proposal to the Company before April 30, 2022, so that it can be included in the management proxy documents for that annual meeting.

ADDITIONAL INFORMATION

Financial information concerning the Company appears in the Company's consolidated annual financial statement and management report for the fiscal year ended February 28, 2021.

Shareholders may obtain additional information concerning the Company on the SEDAR Web site at www.sedar.com or on the Puma Exploration site at www.explorationpuma.com.

APPROVAL

The Company's Board of Directors has approved the contents of this Circular and its release to shareholders.

Rimouski (Quebec)

Date: July 21, 2021

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) *Marcel Robillard*
President and Chief Executive Officer

SCHEDULE A
PUMA EXPLORATION INC.
(THE "COMPANY")
AUDIT COMMITTEE CHARTER

CONSTITUTION, COMPOSITION, AND QUORUM

By resolution, the Board has constituted an Audit Committee, comprising a minimum of three members who must possess financial expertise that complies with the laws, regulations, and policies applicable to matters concerning securities, in particular Regulation 52-110. A majority of the committee members must be independent directors. In addition to other skills, each member of the committee should be capable of reading and understanding financial statements. A majority of the members must be residents of Canada. A committee quorum consists of a majority of its members. The Audit Committee has the power to appoint a President and a Vice-President.

POWERS AND AUTHORITY

In exercising its functions, the Committee has the right to examine the books, records, and accounts of the Company and its subsidiaries and to discuss any matters concerning the financial situation of the Company and its subsidiaries with the officers and auditors of the Company and its subsidiaries.

The external auditors report directly to the Audit Committee, which has the authority to communicate directly with the external auditors. The external auditors attend all meetings of the Committee when reports or consolidated financial statements prepared by them or public releases based on these reports or statements are to be examined or approved by the Committee. They may also be invited to other meetings. The President of the Committee must convene a meeting when requested by the external auditors. The Audit Committee must meet with the external auditors in the absence of management at least once a year, during the presentation of the consolidated annual financial statements, and at any time upon request.

At any time, the Committee may summon any of the Company's employees to question him/her about the Company's financial data and may and should inquire about any complaint or concern raised on the subject of accounting, internal accounting controls, or auditing.

The Audit Committee has full discretion to recruit the services of legal counsel or other independent advisers to assist it in carrying out its duties and functions and has the authority to approve and ensure the payment of their fees and expenses.

DELEGATION

The Audit Committee may not delegate any part of its mandate whatsoever to Management. However, the Committee may delegate to one or more of its independent members the power of prior approval of services not related to auditing, as long as the prior approval is presented to the Audit Committee at its first regular meeting after the approval and the terms of Regulation 52-110 regarding Audit Committees and the policies and procedures of prior approval are adopted by the Audit Committee.

REPORTS

The Audit Committee must report on its work, activities, and decisions to the Directors at the Directors' meeting following its meeting, mentioning all the points discussed, the decisions made, the methods used to study and check the reports, statements, and documents submitted, the Committee members' level of satisfaction with them, pending matters and disagreements, and the decisions made.

COMPENSATION

The Directors determine the compensation given to members of the Audit Committee for their services.

MANDATE

1. The Audit Committee must recommend to the Board of Directors:
 - a. The external auditors to be appointed for the preparation or issuance of an auditor's report or to provide other auditing, examination, or certification services to the Company;
 - b. The compensation of external auditors.
2. The Audit Committee must be directly responsible for the supervision of the work of the external auditors hired to prepare or issue an auditor's report or to provide other auditing, examination, or certification services to the Company, including the resolution of conflicts between Management and the external auditors regarding financial information.
3. The Audit Committee must give prior approval for all services not related to auditing that the external auditors have to provide to the Company or to its subsidiaries.
4. The Audit Committee must examine all financial statements, management reports, and public releases concerning the Company's annual and interim performance before the Company publishes them.
5. The Audit Committee must make certain that adequate procedures are in place to examine the Company's public releases of financial information extracted or derived from its financial statements (other than the information mentioned in Item 4) and must periodically assess the adequacy of these procedures.
6. The Audit Committee must establish procedures:
 - a. Concerning the receiving, filing, and handling of complaints received by the Company on the subject of accounting, internal accounting controls, and auditing;
 - b. Concerning the confidential, anonymous submission by Company employees of concerns over questionable accounting or auditing matters.
7. The Audit Committee must consider and approve the Company's hiring policies regarding junior partners, employees, and former junior partners and employees of the Company's current and former external auditors.

SCHEDULE B
PUMA EXPLORATION INC.
(THE "COMPANY")
GOVERNANCE PRACTICES

1. BOARD OF DIRECTORS

a) *List of the directors who are independent.*

Presently, among the four (4) directors making up the Board of Directors for the current fiscal year, three (3) meet the definition of independent directors: Mr. Michel Fontaine, Mr. Réjean Gosselin and Mr. Richard Thibault.

The Board of Directors has established that the Three (3) directors considered to be independent have no significant relationship or connection with the Company arising from 1) positions held within the Company, 2) positions held by members of their immediate family, 3) connections between them and the Company's auditor, 4) positions held within other entities that have Board or committee members in common with the Company or its subsidiaries, 5) compensation received or consulting fees received, or 6) the fact that this person is both a director and an employee of a company that controls the other or of companies that are controlled by the same person, all as defined in Articles 1.4 and 1.5 of Regulation 52-110 regarding Audit Committees.

b) *List of the directors who are not independent and the grounds for this conclusion.*

The board has concluded that Mr. Marcel Robillard, who acts as president and chief executive officer, is not an independent director as defined in Articles 1.4 and 1.5 of Regulation 52-110 respecting audit committees because of the employment relationship that binds him to the Company.

2. DIRECTORS' TERMS

Indicate any case where a director is a director of another issuer that is a reporting issuer or equivalent in Canadian territory or a foreign country. Indicate the director and issuer in question.

MARCEL ROBILLARD is a director of PEZM Gold Inc.

RÉJEAN GOSSELIN is a director of Pedro Ressources Ltd

3. FURTHER DEVELOPMENT AND TRAINING

The directors keep themselves informed and receive copies of all information requested and updated during meetings of the Board of Directors and Audit Committees. Because of the limited number of directors and the Company's emerging status, no formal system for development has been established.

4. BUSINESS ETHICS

The Board of Directors acknowledges that it has taken on the responsibility of supervising the Company as regards its competent and ethical operation. To ensure that independent judgment is exercised by the directors during the examination of transactions and contracts in which a director or a member of senior management has a major interest, these transactions are reviewed and approved only by directors meeting as a committee of the board, and any director who has such an interest must abstain from taking part in the discussions and voting on this subject.

5. SELECTION OF CANDIDATES FOR THE BOARD OF DIRECTORS

At the present time, the candidacy of a current member of the Company's Board of Directors is reviewed before submitting the candidacy of said director to the Annual Meeting of Shareholders, by assessing his/her potential for and commitment to protecting the Company's interests during the preceding year, as well as his/her experience and expertise in the various areas of geology, administration, and accounting.

In addition, the Board of Directors has adopted a policy of assuming that a director who has been a member of the Board of Directors for several years has a deeper knowledge of the Company and its history, which enables him/her to make more informed decisions at meetings of the Board of Directors.

New candidates are selected after obtaining references from the industry.

6. COMPENSATION

During the fiscal year ended February 28, 2021, the Company's directors received the compensation described in the heading "Compensation of Executive Officers and Director" of the Circular.

7. OTHER BOARD COMMITTEES

The Company has only an Audit Committee and no other committee.

8. ASSESSMENTS

The Board of Directors ensures the proper operation of the Board and the Audit Committee by collecting information from its legal counsel, consultants and auditors about any shortcomings that may exist and, if necessary, takes immediate steps to correct them.

9. TERM OF OFFICE AND BOARD RENEWAL

The Corporation has not set a term of office for directors nor a mandatory retirement age as the Corporation considers it would be inappropriate to deprive the Corporation of the value and experience of a long-term director. The Corporation also believes that the actual process of assessment of the directors is adequate and serves as an ongoing mechanism for the renewal of the term of office of directors.

10. DIVERSITY

In this sub-section, "designated groups" means women, Aboriginal peoples, persons with disabilities and members of visible minorities, as such terms are defined in the *Employment Equity Act (Canada)*.

Although the Board considers the level of representation of members of the designated groups on the Board when seeking and selecting candidates for the positions of directors for a first or new term and aims to cultivate an environment where individual differences are respected, the Corporation considers that it is not necessary at this point, given its size and limited resources and the size of the Board, to adopt a written policy with respect to the search and selection of candidates that are members of the designated groups for the positions of directors nor to set targets for the different designated groups in that regard. Among the nominees for election as directors at the Meeting, one is member of the designated groups, Mme Laura Aradena. This represents 20% of directors.

Concerning the executive officers, the Board considers the level of representation of members of the designated groups when appointing persons to the different functions but has not set targets for the different designated groups in that regard. The Corporation only has 2 executive officers and the setting of targets would not be efficient. The Board considers above all the qualifications and expertise of each candidate in the best interest of the Corporation. For the year ended February 28, 2021, one executive officer of the Corporation was a member of the designated groups, being a woman, Ginette G. Brisson, CPA, CGA, Chief Financial Officer, representing 50 % of the executive officers.

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