



**NOTICE OF MEETING AND
MANAGEMENT INFORMATION CIRCULAR**

FOR THE

2021

ANNUAL GENERAL MEETING OF SHAREHOLDERS

OF

SOUTH ATLANTIC GOLD INC.

MEETING DATE: FRIDAY, OCTOBER 22, 2021

TIME: 10:00 AM (PACIFIC TIME)



**NOTICE OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS
OF
SOUTH ATLANTIC GOLD INC.**

NOTICE IS HEREBY GIVEN that the 2021 Annual General Meeting (the “**Meeting**”) of shareholders of **South Atlantic Gold Inc.** (the “**Company**”) will be held on Friday, October 22, 2021 at 10:00am (Pacific Time) for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company for the financial year ended February 28, 2021 together with the auditors’ report;
2. To fix the number of Directors of the Company at six;
3. To elect Directors of the Company for the ensuing year;
4. To appoint SMYTHE LLP, as auditors of the Company for the ensuing year and to authorize the Directors of the Company to fix their remuneration;
5. To consider and, if thought fit, to pass an ordinary resolution to re-approve the rolling 10% stock option plan for the Company; and
6. To transact such other business that may properly come before the Meeting or any adjournment thereof.

The Meeting will be deemed to be held at the Company’s head office located at 335 – 1632 Dickson Avenue, Kelowna BC. Canada; however, the Meeting will be **held in a virtual setting by dial in at 1-877-407-2991 (Event 14) (toll free North America) or 201-389-0925 (Event 14) (International)** and instructions will be provided as to how Shareholders entitled to vote at the Meeting may participate and vote at the Meeting.

Due to the continually evolving global COVID-19 public health emergency and in consideration of the health and safety of our Shareholders, colleagues and our broader community, the Meeting will be held in a virtual meeting format only despite the deemed location set forth above. This means that Shareholders will not be able to attend the Meeting physically. A virtual-only meeting format is being adopted in response to the COVID-19 situation to enfranchise and give all Shareholders an equal opportunity to participate at the Meeting regardless of their geographic location or the particular constraints, circumstances or risks they may be facing as a result of COVID-19.

The Information Circular also provides additional information relating to the matters to be dealt with and voted upon at the Meeting and is deemed to form part of this Notice of Meeting. Please see the section heading “*Particulars of Matters to be Acted Upon*” in the Information Circular for full particulars.



All registered shareholders as at September 17, 2021 (the “**Record Date**”) are entitled to attend and vote at the Meeting in person or by proxy. Shareholders who are unable to attend the Meeting in person are requested to date and sign the enclosed form of proxy and to return it to Computershare Investor Services Inc., **510 Burrard Street, 3rd Floor, Vancouver, British Columbia, V6C 3B9 (according to the instructions on the proxy)**, at least 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting, being **10:00 a.m. (Pacific time) on Wednesday, October 20, 2021**, unless the chairman of the Meeting elects to exercise his or discretion to accept proxies received subsequently. If a shareholder does not deliver a proxy in accordance with these instructions or to the presiding officer of the Meeting, then the shareholder will not be entitled to vote at the Meeting by proxy.

Non-registered shareholders as at the Record Date who receive this notice and accompanying information circular from their broker or other intermediary should complete and return the proxy or voting instruction form in accordance with the instructions provided with it. Completed voting instruction forms must be received at least 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting, being **10:00 a.m. (Pacific time) on Wednesday October 20, 2021**, unless the chairman of the Meeting elects to exercise his or discretion to accept proxies received subsequently. Failure to do so may result in the shares of the non-registered Shareholders not being eligible to be voted at the Meeting. An information circular, a form of proxy and voting instruction form accompany this Notice of Meeting.

DATED at Kelowna, British Columbia, this 22nd day of September, 2021.

BY ORDER OF THE BOARD OF DIRECTORS

“Douglas Meirelles”

**Douglas Meirelles
President and CEO**



SOUTH ATLANTIC GOLD INC.

MANAGEMENT INFORMATION CIRCULAR

(as at and dated September 22, 2021, unless indicated otherwise)

SOLICITATION OF PROXIES BY MANAGEMENT

South Atlantic Gold Inc. (the “**Company**”) is providing this information circular (the “**Information Circular**” or “**Circular**”) and the accompanying form of proxy in connection with management’s solicitation of proxies for use at the annual general meeting of shareholders the Company (each a “**Shareholder**”) to be held at the place set forth in the accompanying Notice of Meeting on Friday, October 22, 2021 at 10:00 a.m. (Pacific Time) and at any adjournments thereof (the “**Meeting**”). **Shareholders wishing to attend the Meeting may do so by calling 1-877-407-2991 (Event 14) (toll free North America) or 201-389-0925 (Event 14) (International) and instructions will be provided as to how Shareholders entitled to vote at the Meeting may participate and vote at the Meeting.**

ALL SHAREHOLDERS ARE STRONGLY ENCOURAGED TO VOTE BY SUBMITTING THEIR COMPLETED FORM OF PROXY (OR VOTING INSTRUCTION FORM) PRIOR TO THE MEETING BY ONE OF THE MEANS DESCRIBED IN THIS CIRCULAR.

A summary of the information Shareholders will need to attend the Meeting is provided below.

Unless the context otherwise requires, when references in this information circular to the company include its wholly-owned subsidiary South Atlantic Gold Brasil Exploração Mineral Ltda, incorporated under the laws of Brazil. The Company will conduct its solicitation by mail and officers and employees of the company may, without receiving special compensation, also telephone or make other personal contact with shareholders for this purpose. The Company will pay the cost of solicitation. In this information circular, references to “\$” are to Canadian dollars unless otherwise indicated.

ATTENDING, PARTICIPATING AND VOTING AT THE MEETING

We are holding the Meeting in a virtual only format this year out of an abundance of caution to proactively deal with the potential issues arising from the unprecedented public health impact of Covid-19 and to limit and mitigate risks to the health and safety of our communities, shareholders, employees, directors and other stakeholders. All shareholders will have an opportunity to listen to the Meeting, and registered Shareholders and duly appointed proxy holders will be permitted to ask questions and vote at the Meeting by calling into the meeting using the dial-in information provided below regardless of their geographic location.

There are different ways to submit your voting instructions, depending on whether you are a registered or beneficial Shareholder. You may vote before the Meeting by completing your form of proxy or voting instruction form (“**VIF**”) in accordance with the instructions provided therein. Beneficial Shareholders should also carefully follow all instructions provided by their intermediaries to ensure that their Common Shares are voted at the Meeting.

If you attend the Meeting via teleconference, it is important that you are connected to the teleconference call at all times during the Meeting in order to vote when required. It is your responsibility to ensure



connectivity for the duration of the Meeting. You should allow ample time to check into the Meeting and complete any related procedures as directed.

Registered Shareholders

You are a registered Shareholder if you have your Common Shares registered in your name.

Registered Shareholders and duly appointed proxy holders will be able to attend, participate and vote at the Meeting by calling **1-877-407-2991 (EVENT 14) (toll-free in Canada and USA) or 201-389-0925 (for holders outside of Canada and USA)** and instructions will be provided as to how Shareholders entitled to vote at the Meeting may participate and vote at the Meeting.

You will be asked to provide your proxy control number (the “**Control Number**”) for account validation when requested. The Control Number for registered Shareholders is located on the form of proxy or in the email notification that you received.

If, as a Registered Shareholder, you decide to vote your Common Shares at the Meeting, you will be revoking any and all previously submitted proxies for the Meeting. If you do not wish to revoke a previously submitted proxy, you will not be able to vote at the Meeting.

If, as a registered Shareholder, you are using your Control Number to participate in the Meeting and you wish to revoke any and all previously submitted proxies for the Meeting you will be provided the opportunity to vote by ballot on the matters put forth at the Meeting. If you do not wish to revoke a previously submitted proxy, you will not be able to participate at the Meeting.

Registered Shareholders who wish to appoint a third-party proxy holder to represent them at the Meeting **must submit their duly completed proxy form or VIF and register the proxy holder. See “Voting by Proxy” below.** You do not have to complete the proxy form if you want to attend the Meeting live via teleconference and vote directly at the Meeting.

Appointment And Registration Of Proxyholder

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

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

Voting By Proxy

Only registered Shareholders as of the Record Date or duly appointed proxyholders are permitted to vote at the Meeting. Shares represented by a properly executed proxy will be voted or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.



If a Shareholder does not specify a choice and the Shareholder has appointed one of the Management Designees as proxyholder, the Management Designee will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

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

If a registered Shareholder who has a proxy attends the virtual Meeting and accepts the terms and conditions when entering the Meeting online, any votes cast by such Shareholder on a ballot during the Meeting will be counted and the previously submitted proxy will be disregarded. If registered Shareholders DO NOT wish to revoke all previously submitted proxies, they should not accept the terms and conditions, in which case such registered Shareholders can only enter the Meeting as a guest.

Completion And Return Of Proxy

Completed proxies must be sent by mail or fax to the Company's registrar and transfer agent, Computershare Investor Services Inc., at its offices at **510 Burrard Street, 3rd Floor, Vancouver, British Columbia, V6C 3B9** or by fax or at **1-866-249-7775** in Canada and the United States, and **001-416-263-9524** outside of Canada and the United States (according to the instructions on the form of proxy), not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently. **You may also vote on the Internet or by telephone.**

In all cases, all proxies must be received and all proxyholders must be registered before 10:00 a.m. (Pacific Time) on Wednesday, October 20, 2021, or in the case of adjournment or postponement of the Meeting, not less than 48 hours excluding Saturdays, Sundays and holidays, prior to the time of the Meeting.

Non-Registered Holders

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

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

Nominees are required to forward the Meeting materials to non-registered holders to seek their voting instructions in advance of the Meeting. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered holder. The Nominees often have their own form of proxy, mailing



procedures and provide their own return instructions. If you wish to vote by proxy, you should carefully follow the instructions from the Nominee in order to ensure that your Shares are voted at the Meeting.

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

Non-registered holders who have not objected to their Nominee disclosing certain ownership information about themselves to the Company are referred to as “non-objecting beneficial owners” (“**NOBOs**”). Those non-registered holders who have objected to their Nominee disclosing ownership information about themselves to the Company are referred to as “objecting beneficial owners” (“**OBOs**”).

In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) of the Canadian Securities Administrators, the Company has elected to send the Meeting materials directly to NOBOs.

If the Company or its agent has sent these materials directly to you (instead of through a Nominee), your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Nominee holding on your behalf. By choosing to send these materials to you directly, the Company (and not the Nominee holding on your behalf) has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions.

The Company does not intend to pay for Nominees to deliver the Meeting materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* to OBOs. As a result, OBOs will not receive the Meeting materials unless their Nominee assumes the costs of delivery.

The Company is not sending the Meeting materials to Shareholders using “notice-and-access”, as defined under NI 54-101.

Revocability Of Proxy

In addition to revocation in any other manner permitted by law, a Shareholder, his attorney authorized in writing or, if the Shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting or to Computershare Investor Services Inc. at its offices at 510 Burrard Street, 3rd Floor, Vancouver, British Columbia, V6C 3B9 or by fax at 1-866-249-7775 in Canada and the United States, and 001-416-263-9524 outside of Canada and the United States

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of common shares without par value (the “**Shares**”), of which **59,331,667** Shares are issued and outstanding. Persons who are registered Shareholders at the close of business on **September 17, 2021** will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each Share held. The Company has only one class of shares.



To the knowledge of the Company's directors and officers[, no person beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to the issued and outstanding Shares.

The articles of the Company (the "**Articles**") provide that a quorum for the transaction of business at a meeting of Shareholders is two persons who are, or represent by Proxy, Shareholders holding in the aggregate, at least five (5%) percent of the issued Common Shares entitled to be voted at the Meeting. Unless otherwise noted, a simple majority of the votes cast at the Meeting (in person or by Proxy) is required in order to pass the resolutions referred to in the accompanying Notice.

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

Other than as disclosed herein no director or executive officer of the Company, nor any person who has held such a position since the beginning of the last completed financial year of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors described herein (*See Particular Matters to be Acted On*).

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Number and Election of Directors

The Board presently consists of six directors. Management is nominating six individuals to stand for election as directors at the Meeting. It is proposed that the number of directors to be elected at the Meeting for the ensuing year be fixed at six.

The term of office of each of the present directors expires at the Meeting. Management of the Company proposes to nominate the persons named below for election as directors of the Company at the Meeting. In accordance with the Articles of the Company, each director elected will hold office until the next annual general meeting of the members of the Company or until their successor is duly elected or appointed, unless such office is earlier vacated in accordance with the Articles or such director becomes disqualified to act as a director pursuant to the British Columbia *Business Corporations Act* ("BCBCA").

Except where authority to vote on the Election of Directors is withheld, unless otherwise indicated, the named proxyholders will vote FOR the election of each of the proposed nominees set forth above as directors of the Company.

The following table and notes thereto sets forth the name of each person proposed to be nominated by management for election as a director, the municipality in which he is ordinarily resident, all offices of the Company now held by him, the period of time for which he has been a director of the Company, and the number of Shares beneficially owned by him, directly or indirectly, or over which he exercises control or direction, as at the date hereof:

Name and Address of Nominee and Present Position with Company	Principal Occupation During the Last Five Years	Director Since	Number of Approximate Voting Securities¹
Douglas Meirelles BC, Canada President, CEO & Director	President and CEO of the Company and Corporate Director of Equinox Gold (2012 – 2019)	April 8, 2020	123,000
Marc Leduc Denver, USA Director	Chief Operating Officer Kore Mining Ltd., Director of Silver Elephant Mining Corp. and South Star Mining Corp.	April 8, 2020	Nil
Antenor. Silva ⁽²⁾ Rio De Janeiro, Brazil Director	Retired and is a board member for three non-public companies [PA Gold, Genesis Mining Cu-Au) and MTR (rare earths)]	November 10, 2020	500,000
Bruce Higson-Smith ⁽²⁾ Colorado, USA Director	Mining Engineer, Sr. VP for Corporate Strategy of Golden Star Resources Ltd. Strategic advisor to Federation Mines Ltd. board of directors	November 10, 2020	100,000
Steven Mitchel Wasel BC, Canada, Nominee-Director	Vice President Exploration, Golden Star Resources Ltd.	Nominee	Nil
Adam Davidson ⁽²⁾ Colorado, USA Nominee-Director	CEO & Executive Director, Trident Royalties Plc	Nominee	Nil

1 Voting securities beneficially owned, directly or indirectly, or over which control or direction is exercised.

2 Denotes member of the audit committee.

Management is not presently aware that any of the nominees will be unwilling to serve as a director if elected but in the event that, prior to the Meeting, any vacancies occur in the slate of nominees submitted herewith, the enclosed form of proxy confers discretionary authority upon the persons named therein to vote for the election of any other eligible person designated by the Board, unless instructions have been given to refrain from voting with respect to the election of directors.

Biography for Nominees

Steven Mitchel Wasel

S. Mitchel Wasel has been involved with exploration and mining for over 30 years and is currently Vice President-Exploration for Golden Star Resources Ltd., a position he has held since 2007. Mr. Wasel has a Bsc in Geology from the University of Alberta and is an active member and a Chartered Professional with the Australasian Institute of Mining & Metallurgy.

Adam Davidson

Mr. Davidson has over 10 years' experience in the natural resources sector with extensive mining capital markets experience. Mr. Davidson is currently the CEO and Executive Director of London-listed Trident Royalties Plc, and was previously with Resource Capital Funds, BMO Capital Markets, and Orica Mining Services. He is a Graduate of the Australian Institute of Company Directors and previously served as a Non-Executive Director of private gold producer, RG Gold.

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

Except as disclosed hereinbelow, to the knowledge of the Company, no proposed director:

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

Bruce Higson-Smith was a director of Great Western Minerals Group Ltd. ("**GWMG**") from March 3, 2014 to May 5, 2015. Pursuant to an application by GWMG, in accordance with National Policy 12-203 - Cease Trade Orders for Continuous Disclosure Defaults, a management cease trade order was issued by the Financial and Consumer Affairs Authority of Saskatchewan, GWMG's principal regulator, on April 2, 2015, due to GWMG's failure to file certain required continuous disclosure documents. On April 30, 2015, GWMG announced that it entered into a support agreement with holders of approximately 65.3% of

GWMG's US\$90 million secured convertible bonds outstanding (the "**Supporting Bondholders**") pursuant to which GWMG, with the support of the Supporting Bondholders, would commence an orderly process for the solicitation of interests in the GWMG's business, property and assets by way of a sale and investor solicitation process to be implemented pursuant to proceedings commenced by GWMG under the Companies' Creditors Arrangement Act ("**CCAA**"). On May 11, 2015, the Financial and Consumer Affairs Authority of Saskatchewan issued a cease trade covering all securities of GWMG.

Antenor Silva was a director of MBAC Fertilizer Corp ("**MBAC**") until October 2016. MBAC was subject to management cease trade orders resulting from a failure to file financial statements as issued on April 5, 2016 by the Ontario Securities Commission ("**OSC**"), April 8, 2016 by the British Columbia Securities Commission ("**BCSC**") and April 21, 2016 by the Manitoba Securities Commission ("**MSC**"). These cease trade orders were revoked on April 29, 2016 by the MSC, and on May 2, 2016 by the OSC and the BCSC. MBAC was subject to management cease trade orders resulting from a failure to file financial statements as issued on May 20, 2016 by the OSC and the BCSC. These cease trade orders were revoked on June 7, 2016 by the OSC and the BCSC.

Mr. Silva was a director of MBAC until October 2016. On October 27, 2016, MBAC completed a recapitalization transaction pursuant to an amended and restated plan of compromise and arrangement under the Companies' Creditors Arrangement Act (Canada) dated September 14, 2016.

The board of directors has not appointed an executive committee.

As the Company is a reporting company the directors of the Company are required to elect from their number an audit committee. **Antenor Silva, Adam Davidson and Bruce Higson-Smith** are the three directors to be elected by the Board to the audit committee for the ensuing year all of whom are considered to be independent.

Appointment of Auditor

The persons named in the enclosed instrument of proxy intend to vote for the appointment of Smythe LLP, ("**Smythe**"), as the Company's auditor until the next annual general meeting of shareholders at remuneration to be fixed by the Board.

Management recommends that the shareholders of the Company approve the appointment of Smythe as auditor for the Company.

Unless instructions are given to abstain from voting with regard to the appointment of the Auditors, it is the intention of management nominees to vote FOR the appointment of Smythe as auditors of the Company.

Annual Approval of Rolling Stock Option Plan

The Company has a rolling stock option plan (the "**Plan**"), which makes a total of 10% of the issued and outstanding shares of the Company available for issuance thereunder. The Company's Plan was most recently approved by the shareholders at the last annual general meeting held on November 10, 2020. In accordance with policy 4.4 of the Exchange (the "**Exchange**"), all rolling stock option plans, such as the Company's requires the approval of the shareholders of the Company on an annual basis.

The purpose of the Plan is to allow South Atlantic to grant options to directors, officers, employees, management employee and consultants ("**Eligible Person**"), as additional compensation, and as an



opportunity to participate in the success of South Atlantic. The granting of such options is intended to align the interests of such Eligible Persons with that of the shareholders.

The Plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance, set aside and made available for issuance under the Plan may not exceed 10% of the issued and outstanding shares of the Company at the time of granting of options (including all options granted by the Company to date). The number of Common Shares which may be reserved in any 12 month period for issuance to any one individual upon exercise of all stock options held by that individual may not exceed 5% of the issued and outstanding Common Shares of the Company at the time of the grant. The number of Common Shares which may be reserved in any 12 month period for issuance to any one consultant may not exceed 2% of the issued and outstanding Common Shares and the maximum number of Common Shares which may be reserved in any 12 month period for issuance to all persons engaged in investor relations activities may not exceed 2% of the issued and outstanding Common Shares of the Company. The Plan provides that options granted to any person engaged in investor relations activities will vest in stages over 12 months with no more than $\frac{1}{4}$ of the stock options vesting in any three month period.

The Plan will be administered by the Board or a special committee of directors, either of which will have full and final authority with respect to the granting of all stock options thereunder. Stock options may be granted under the Plan to such Eligible Persons, as the board of directors may from time to time designate.

The exercise price of any stock options granted under the Plan shall be determined by the Board, but may not be less than the market price of the Common Shares on the Exchange on the date of the grant (less any discount permissible under Exchange rules). The term of any stock options granted under the Plan shall be determined by the Board at the time of grant but, subject to earlier termination in the event of termination or in the event of death, the term of any stock options granted under the Plan may not exceed ten years. Options granted under the Plan are not to be transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession. Subject to certain exceptions, in the event that an Eligible Person ceases to be an Eligible Person, in relation to the Company, stock options granted to such Eligible Person under the Plan will expire 90 days after such individual or entity ceases to act in that capacity in relation to the Company, or such later date as may be reasonably determined by the Board, notwithstanding such later date may not exceed 12 months from the date the Eligible Person ceased to be and Eligible Person.

Stock options granted to optionees engaged in investor relations activities on behalf of the Company expire 30 days after such optionees cease to perform such investor relations activities for the Company. In the event of death of an option holder, options granted under the Plan expire one year from the date of the death of the option holder.

The full text of the Plan will be available for review at the Meeting and will be supplied free of charge to Shareholders upon written request made directly to the Company at its registered head office located at 335 – 1632 Dickson Avenue, Kelowna BC V1Y 7T2 Attention: President and CEO.

Accordingly, at the Meeting, South Atlantic shareholders will be asked to pass an ordinary resolution ratifying the Plan. All South Atlantic shareholders present at the Meeting, whether in person or by proxy, will be entitled to vote on such resolution as follows:



Shareholder Approval of the Plan

“RESOLVED, as an ordinary resolution that:

1. the Plan be ratified, confirmed and approved, subject to acceptance by the Exchange;
2. the Company be authorized to grant stock options pursuant and subject to the terms and conditions of the Plan at any time to a maximum of 10% of the issued and outstanding shares of the Company on the applicable grant date;
3. the Board of Directors be authorized on behalf of the Company to make any amendments to the Plan as may be required by regulatory authorities, without further approval of the Shareholders of the Company, in order to ensure adoption of the Plan; and
4. any one or more directors and officers of the Company be authorized and directed to perform all such acts and deeds and things and execute, under seal of the Company or otherwise, all such documents, agreements and other writings as may be required to give effect to the true intent of these resolutions.”

Unless otherwise instructed, the person named in the enclosed proxy or voting instruction form intend to vote such proxy or voting instruction form in favour of the approval of the Plan. The directors of the Company recommend that shareholders vote in favour of the approval of the Plan. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast on the resolution.

Other Business

While management of the Company is not aware of any business other than that mentioned in the Notice of Meeting to be brought before the Meeting for action by the shareholders, **it is intended that the proxies hereby solicited will be exercised upon any other matter or proposal that may properly come before the Meeting, or any adjournment thereof, in accordance with the discretion of the persons authorized to act thereunder.**

GENERAL STATEMENT OF EXECUTIVE COMPENSATION – Venture Issuers

For the purpose of this Statement of Executive Compensation:

“**Company**” means South Atlantic Gold Inc.;

“**compensation securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries;

“**external management company**” includes a subsidiary, affiliate or associate of the external management company;

“**NEO**” or “**named executive officer**” means each of the following individuals:

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

During the financial year ended February 28, 2021 the Company had two Named Executive Officers (“**NEO**”) being:

- a) Douglas Meirelles, President and CEO; and
- b) Terese Gieselman, CFO and Secretary of the Company.

“**underlying securities**” means any securities issuable on conversion, exchange or exercise of compensation securities.

Director and Neo Compensation

Director and NEO compensation, excluding options and compensation securities

The following table sets forth all compensation for the two most recently completed financial years being February 28, 2021, paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company or its subsidiary, to each NEO and director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or a director of the Company for services provided and for services to be provided, directly or indirectly, to the Company or its subsidiary.

Table of Compensation Excluding Compensation Securities							
Name and Principal Position	Year February 28	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of Perquisites (\$)	Value of all other compensation (\$)	Total Compensation (\$)
Douglas Meirelles <i>CFO, President Director</i> ¹	2021	\$47,250	Nil	Nil	Nil	Nil	\$47,250
Terese Gieselman ² <i>CFO & Secretary</i>	2021	\$46,686	Nil	Nil	Nil	\$16,438 ³	\$63,124
Nanmao Su <i>Director</i>	2021	Nil	Nil	Nil	Ni	Nil	Nil
Oliver Friesen <i>Director</i>	2021	Nil	Nil	Nil	Ni	Nil	Nil
Marc Leduc <i>Director</i>	2021	Nil	Nil	Nil	Ni	Nil	Nil
Bruce Higson-Smith <i>Director</i>	2021	Nil	Nil	Nil	Ni	Nil	Nil
Antenor Silva <i>Director</i>	2021	Nil	Nil	Nil	Ni	Nil	Nil

NOTES:

- 1 Mr. Meirelles was appointed as President and CEO effective July 9, 2020.
- 2 Consulting fees were paid or accrued to Terese Gieselman for her services as CFO and Corporate Secretary through Minco Corporate Management Inc. (“Minco”), (*See External Management Companies for further details*);
- 3 Other compensation includes fees for administration, accounting and employment services provided to the Company by Minco personnel (*See External Management Companies*); and

Employment, Consulting and Management agreements

Other than set out herein, the Company did not have any formal employment, management or consulting agreements under which compensation was provided during the most recently completed financial year February 28, 2021 or is payable in respect of services provided to the Company or any of its subsidiaries that were performed by a director or NEO.

Meirelles Contract

On December 1, 2020 (the “**Effective Date**”) the Company entered into an employment agreement (the “**Meirelles Contract**”) with Douglas Meirelles (“**Meirelles**”) as the Company’s President and CEO at an annual rate of \$84,000 per annum (the “**Base Salary**”) on a half-time basis up to \$120,000 per annum based on a full-time basis.



Subject to the approval of the Exchange or such other applicable regulatory authority, grants of stock options (pursuant to and governed by the terms of the Plan) by the Company to Meirelles may be made from time to time at the discretion of the Board.

Furthermore, at the discretion of the Board, the Company may pay Meirelles a performance bonus, in addition to the Base Salary, based upon 100% of the Base Salary.

The Company will reimburse Meirelles for healthcare to a maximum of \$5,000 per annum and for all reasonable costs and expenses incurred by Meirelles in furtherance of or in connection with the business of the Company.

Pursuant to the terms of the Meirelles Contract, the Company may terminate the Meirelles Contract without cause and shall pay severance in the amount of one year of the Base Salary.

Change in Control Severance

In the event of the following occurs during the term of the Meirelles Contract:

- a) ***“Change in Control”*** means the occurrence of any one or more of the following events, with the exception of any changes, events or transactions that may occur related to any bankruptcy, creditor protection, insolvency, breach of covenant, delisting or other change, event or transaction that is directly or indirectly related to the Corporation and any financial distress, as determined by the Board;
- (i) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation and another corporation or other entity, as a result of which the holders of Common Shares prior to the completion of the transaction hold less than 50% of the outstanding Common Shares of the successor corporation after completion of the transaction;
 - (ii) (ii) any person, entity or group of persons or entities acting jointly or in concert (an ***“Acquiror”***) acquires or acquires control (including, without limitation, the right to vote or direct the voting) of Common Shares of the Corporation which, when added to the Common Shares owned of record of beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or affiliates of the Acquiror to cast or to direct the casting of 50% or more of the votes attached to all of the Corporation’s outstanding Common Shares which may be cast to elect directors of the Corporation or the successor corporation (regardless of whether a meeting has been called to elect directors);
 - (iii) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent;

in each case, except in the event that such transactions are solely among the Company and its subsidiaries or affiliates or in the event that there is no anticipated change in the majority of the members of the Board in connection with the event”.

and the Meirelles Contract is terminated by the Company or Meirelles resigns for good reason (as defined in the Meirelles Contract) within 12 months of a Change of Control control, the Company shall pay severance in the amount of two years the Base Salary.

If a Change of Control of the Company had occurred on February 28, 2021, the total cost to the Company of related payments to the NEOs as described hereinabove is estimated below assuming the mentioned events had occurred on February 28, 2021:

Name and Position	Amount as at February 28, 2021
Douglas Meirelles, President and CEO	\$168,000

External Management Companies

The Company retained the services of Terese Gieselman, through her management company, Minco Corporate Management Inc. (“Minco”). Minco is a private company wholly-owned by Terese Gieselman, the CFO and Corporate Secretary of the Company at rate of \$85 per hour. Minco provides accounting and administration personnel services at rates between \$50 - \$65 per hour on a month to month basis.

Compensation Securities Table

During the most recently completed financial year February 28, 2021 the following options were granted to NEO’s and directors:

Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities and percentage of class*	Date of Issue or Grant	Issue, conversion or exercise price	Closing price of security or underlying security on the date of grant	Closing price of security or underlying security at year end	Expiry date
Douglas Meirelles ¹ President and CEO Director	Stock Option	150,000 (3%) 150,000 Underlying Shares (0.25%)	July 9/20	\$0.05	\$0.05	\$0.085	July 9/2025
		750,000 (15%) 750,000 Underlying Shares (1.27%)	Nov. 10/20	\$0.14	\$0.14	\$0.85	Nov.10/ 2025
Terese Gieselman ² CFO & Secretary	Stock Option	435,000 (8.7%) 435,000 Underlying Shares (0.74%)	Nov. 10/20	\$0.14	\$0.14	\$0.085	Nov.10/ 2025
Bruce Higson- Smith ³ Director	Stock Option	420,000 (8.4%) 420,000 Underlying Shares (0.71%)	Nov. 10/20	\$0.14	\$0.14	\$0.085	Nov.10/ 2025
Marc Leduc ⁴ Director	Stock Option	150,000 (3%) 150,000 Underlying Shares (0.25%)	July 9/20	\$0.05	\$0.05	\$0.085	July 9/2025
		315,000 (6.3%) 315,000 Underlying Shares (0.53%)	Nov. 10/20	\$0.14	\$0.14	\$0.85	Nov.10/ 2025
Oliver Friesen ⁵ Director	Stock Option	360,000 (7.2%) 360,000 Underlying Shares (0.61%)	Nov. 10/20	\$0.14	\$0.14	\$0.085	Nov.10/ 2025
Antenor Silva ⁶ Director	Stock Option	315,000 (6.3%) 315,000 Underlying Shares (0.53%)	Nov. 10/20	\$0.14	\$0.14	\$0.085	Nov.10/ 2025
Nanmao Su ⁷ Director	Stock Option	315,000 (6.3%) 315,000 Underlying Shares (0.53%)	Nov. 10/20	\$0.14	\$0.14	\$0.085	Nov.10/ 2025

*Percentages based on 5,000,000 options outstanding and 59,066,667 shares outstanding as at February 28, 2021;

As at February 29, 2021 NEO' and directors held the following options:

- 1 Mr. Meirelles held an aggregate of 900,000 options each exercisable into one common share of the Company of which 400,000 are fully vested. Of these 150,000 are exercisable at \$0.05 per share until July 9, 2025 and 250,000 are exercisable at \$0.14 until November 10, 2025;
- 2 Ms. Gieselman held 125,000 options exercisable at \$0.07 into on common share of the Company and which are fully vested and exercisable until December 17, 2023. Ms. Gieselman through Minco held 435,000 options exercisable at \$0.14 into on common share of the Company of which 145,000 are fully vested and exercisable until November 10, 2025;
- 3 Mr. Higson-Smith held 420,000 options each exercisable into one common share of the Company of which 140,000 are fully vested and are exercisable at \$0.14 until November 10, 2025;
- 4 Mr. Leduc held an aggregate of 465,000 options each exercisable into one common share of the Company of which 255,000 are fully vested. Of these 150,000 are exercisable at \$0.05 per share until July 9, 2025 and 105,000 are exercisable at \$0.14 until November 10, 2025;
- 5 Mr. Friesen held an aggregate of 530,000 options each exercisable into one common share of the Company of which 290,000 are fully vested. Of these 170,000 are exercisable at \$0.07 per share until December 17, 2023 and 120,000 are exercisable at \$0.14 until November 10, 2025;
- 6 Mr. Silva held 315,000 options each exercisable into one common share of the Company of which 105,000 are fully vested and are exercisable at \$0.14 until November 10, 2025; and
- 7 Mr. Su held an aggregate of 365,000 options each exercisable into one common share of the Company of which 155,000 are fully vested. Of these 50,000 are exercisable at \$0.05 per share until July 9, 2025 and 105,000 are exercisable at \$0.14 until November 10, 2025.

See Securities Authorized for Issuance Under Equity Compensation Plans for additional information.

Exercise of Compensation Securities by Directors and NEO's

During the most recently completed year end February 28, 2021 there was no exercise of compensation securities by directors or NEO's.

Stock Option Plan

The Company's Stock Option Plan provides that the maximum number of options eligible for issuance under the Plan is equal to 10% of the number of common shares of the Company outstanding from time to time. As required by the policies of the Exchange, as this plan is considered a "rolling plan" it requires approval by the shareholders of the Company on an annual basis, which will be sought at the Meeting. Refer to "Particulars of Other Matters to be Acted Upon – Annual Approval of Rolling Stock Option Plan" for further details.

Employment, consulting and management agreements

Other than set out herein, the Company did not have any formal employment, management or consulting agreements under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Company or any of its subsidiaries that were performed by a director or NEO.

Termination and Change of Control Benefits

Except as described under "*Employment, Consulting and Management Agreements*", neither the Company, nor its subsidiaries, has a contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer at, following or in connection with any termination (whether



voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company or its subsidiaries, or a change in responsibilities of the NEO following a change in control.

Oversight and Description of Director and NEOs Compensation

Compensation Review Process

The Company does not have a formal compensation program. The Company's officers in most cases are compensated based on a daily or fixed monthly, amounts and are paid indirectly through professional management and consulting companies in which they are owners, contractors or employees. In establishing fees or salaries for the Company's CEO, other executive officers and directors, consideration is given to salary ranges for comparable positions in similar size resource industry companies. Data for such comparisons is obtained from the evaluation of compensation against industry peers including those with a similar market capitalization, in the business of exploring similar minerals in similar jurisdictions, and from reviewing similar other companies' compensation information included in their information circulars. In setting salaries within competitive ranges, the Company considers performance related factors including the Company's overall results during the past year and its performance relative to a budgeted plan or stated objectives. Consideration also is given to an individual's contribution to the Company and the accomplishments of departments for which that officer has management responsibility, and the potential for future contributions to the Company.

In keeping with the relatively simple compensation structure adopted by most venture issuers, the Company's executive compensation for its executive officers has two primary components, cash compensation and incentive stock options.

Compensation Risk Assessment and Mitigation

Although the Company does not have formal policies specifically targeting risk-taking in a compensation context, the practice of management and the Board is to consider all factors relating to an executive officer's performance, including any risk mitigation efforts or excessive risk-taking, in determining compensation.

Under the Company's policies, executive officers and directors are not permitted to purchase financial instruments (including prepaid variable contracts, equity swaps, collars or units of exchange funds) that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held directly or indirectly by the executive officer or director.

Elements of Executive Compensation Program

The Company's compensation program consists of the following elements:

- (a) base salary or consulting fees;
- (b) bonus payments; and
- (c) equity participation through the Plan.



Base Salary or Consulting Fees

Base salary ranges for NEOs were initially determined upon review of salaries paid by other companies that are comparable in size to the Company.

In determining the base salary of a NEO, the Board considers the following factors:

- (a) the particular responsibilities related to the position;
- (b) salaries paid by other companies in the same industry, which were similar in size and stage of development as the Company;
- (c) the experience level of the NEO;
- (d) the amount of time and commitment which the NEO devotes to the Company; and
- (e) the NEO's overall performance and performance in relation to the achievement of corporate milestones and objectives.

Bonus Payments

Each of the NEOs, as well as all employees, are eligible for an annual bonus, payable in cash or through option-based compensation. The amount paid is based on the Board's assessment of the Company's performance for the year. Factors considered in determining bonus amounts include individual performance, financial criteria (such as cash management and share price performance) and operational criteria (such as significant acquisitions of mineral properties and the attainment of corporate milestones). The Company did not award any bonuses during its financial year ended February 28, 2021.

Equity Participation

The Company currently offers equity participation in the Company through the Plan.

Executive Compensation

Except for the grant of Options to the NEOs and any compensation payable pursuant consulting fees incurred for the performance of duties by the CEO the CFO there are no additional arrangements under which NEOs were compensated by the Company during the two most recently completed financial years for their services in their capacity as NEOs, directors or consultants.

Director Compensation

The Company does not currently pay compensation to non-management directors, nor are they paid for attendance at board meetings. The directors are reimbursed for expenses occurred in carrying out their duties as directors and are granted Options. The Board at its discretion may in the future elect to award directors fees for meeting attendance and chair committee members pursuant to industry standards.

The Company's current Plan (See Particular Matters to be Acted On) allows the Company to grant Options to the officers, employees and directors. The purpose of granting such Options is to assist the Company in compensating, attracting, retaining and motivating the directors of the Company and to closely align the personal interests of such persons to that of the Shareholders.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth as at the year ended February 28, 2021, the number of securities authorized for issuance under the Company's Plan:

Plan Category	Number of securities to be issued upon exercise of outstanding Options (a)	Weighted-average exercise price of outstanding Options (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) ¹
Equity compensation plans approved by security holders	5,000,000 ¹	\$0.07	906,667 ²
Equity compensation plans not approved by security holders	—	—	—
Total	5,000,000	\$0.07	906,667

NOTES:

1. Issued pursuant to the Plan.
2. Based on 10% of the issued and outstanding Common Shares of 59,066,067 as at the date of this Circular.

MANAGEMENT CONTRACTS

The Company's management functions are performed by its NEOs and the Company has no management agreements or arrangements in place under which such management functions are performed by persons other than NEOs.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors, executive officers, and employees, proposed nominees for election as directors or their associates has been indebted to the Company or to any of its subsidiaries nor has any of these individuals been indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company or any of its subsidiaries for the financial year ended February 28, 2021.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein or as previously disclosed in an information circular of the Company, no informed person (i.e. insider) of the Company, no proposed director of the Company, and no associate or affiliate of any informed person or proposed director has had any material interest, direct or indirect, in any transaction since financial year ended February 29, 2020 or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

INFORMATION ON CORPORATE GOVERNANCE

The following information of the Company’s Corporate Governance Policy is given in accordance with Form 58-101F2 of National Instrument 58-101.

Board of Directors

The Board is currently composed of six (6) directors, and it is proposed that six (6) directors will be nominated at the Meeting.

Form 58-101F2 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as “independent” directors under NI 58-101, which provides that a director is independent if he or she has no direct or indirect “material relationship” with the Company. “Material relationship” is defined as a relationship which could, in the view of the Company’s Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

Of the six proposed nominees, one nominee, Douglas Meirelles is considered “not independent”. Mr. Meirelles is the current President and CEO and is considered an “inside” or a management director. Each of the remaining five proposed directors are considered by the Board to be “independent”, within the meaning of NI 58-101. The independent board determines executive compensation from time to time.

Directorships

The following table sets forth the directors of the Company who currently hold directorships on other reporting issuers:

Name of Director	Other Issuer
Antenor Silva	Amarillo Gold Corporation ¹
Marc Leduc	Silver Elephant Mining Corp. ² South Star Mining Corp. ¹
Adam Davidson	Trident Royalties Plc ³

Notes:

- (1) Listed on the TSX Venture Exchange.
- (2) Listed on the TSX
- (3) London Stock Exchange (AIM)

Orientation and Continuing Education

The Board does not have a formal orientation and education program for new directors. Upon joining the Board, each director is provided with an orientation program regarding the role of the Board, its committees and its directors, and the nature and operation of the Company’s current and past business. They are also provided with a copy of the audit committee charter. The Board encourages directors to participate in continuing education opportunities in order to ensure that the directors may maintain or enhance their skills and abilities as directors and maintain a current and thorough understanding of the Company’s business.

Ethical Business Conduct

Corporate governance is the structure and process used to direct and manage the business and affairs of a corporation with the objective of enhancing shareholder value. The Board believes that the Company has in place corporate governance practices that are both effective and appropriate to the Company's size and business operations.

To facilitate meeting this responsibility, the Board seeks to foster maintaining a culture of ethical business conduct and social responsibility as critically important. Management consistently strives to instill the Company's principles into the practices and actions of the Company's management and employees.

In that regard, the Board adopted a written **Code of Business Conduct** (the "Code") for its directors, officers, employees and consultants. A copy of the Code can be found on the Company website at www.southatlanticgold.com and has been posted on SEDAR at www.sedar.com;

Nomination of Directors

The Board has not established a nominating committee. In circumstances where the Company needs to nominate new directors, current directors put forward candidates to the Board for consideration and potential nomination as a director.

Compensation

The Company has not yet established a compensation committee and to date, decisions regarding compensation for the directors and the executive officers have been made by the independent board members.

Other Board Committees

The Company has no committees other than the audit committee. The Company is small and until now the duties of the recommended committees have been performed by the plenary Board. Going forward, upon the expansion in the size of the Board, the Board will review its corporate governance practices and consider, among other matters, whether it would be desirable to establish additional committees of the Board.

Assessments

The Board has not yet established a formal performance review process for assessing the effectiveness of the Board, the audit committee or the individual directors. It is expected that the contributions of an individual director are informally monitored by the other Board members, having in mind the business strengths of the individual and the reasons for which the individual was nominated for appointment to the Board. The Company will continue to develop its approach to corporate governance in light of its own circumstances and what are recognized as best practices in this area.

DISCLOSURE BY VENTURE ISSUERS

NI 52-110F2 requires the Company as a ‘venture issuer’ to disclose annually in its information circular the following information concerning the audit committee and its relationship with its independent auditors.

Audit Committee Charter

The audit committee is governed by its charter, which is set out in the attached Schedule “A” of this Circular.

Composition of the Audit Committee

As at the date of this Circular are the current members of the audit committee:

Adam Davidson	Independent ⁽¹⁾	Financially literate ⁽²⁾
Antenor Silva	Independent ⁽¹⁾	Financially literate ⁽²⁾
Bruce Higson-Smith	Independent ⁽¹⁾	Financially literate ⁽²⁾

⁽¹⁾ A member of an audit committee is independent if the member meets the meaning of that term as defined in section 1.4 of National Instrument 52-110 - *Audit Committees* (“**NI 52-110**”).

⁽²⁾ As defined by NI 52-110.

Relevant Education and Experience

Each of the members of the Audit Committee has a general understanding of the accounting principles used by the Company to prepare its financing statements and will seek clarification from the Company’s auditors, where required. Each of the members of the Audit Committee also has direct experience in understanding accounting principles for private and reporting companies and experience in preparing, auditing analyzing or evaluating financial statements similar to those of the Company.

All members of the Audit Committee are financially literate as required by section 1.6 of NI 52-110.

In accordance with section 6.1.1(3) of NI 52-110 relating to the composition of the audit committee for venture issuers, a majority of the members of the audit committee are not executive officers, employees or control persons of the Company. A member of the audit committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of an issuer’s board of directors, reasonably interfere with the exercise of a member’s independent judgment, or is one of the relationships that is deemed material, which are described above under *Board of Directors*.

After the Meeting, the Board will be appointing new members to the Audit Committee. The proposed members of the Audit Committee will be Messrs. Davidson, Higson-Smith and Silva. In making these appointments, the Board will consider those individuals who are well-qualified to serve on the Audit Committee, given the expertise they have accrued in their business careers, and who meet the independence and financial literacy requirements of National Instrument 52-110 *Audit Committees*

Adam Davidson - Chair

Mr. Davidson has over 10 years' experience in the natural resources sector with extensive mining capital markets experience. Mr. Davidson was previously with Resource Capital Funds, BMO Capital Markets, and Orica Mining Graduate of the Australian Institute of Company Directors and previously served as a Non-Executive Director of private gold producer, RG Gold.

Antenor Silva - Mr. Silva has over 50 years' experience in metallurgical plants engineering & operation, open pit and underground mines, in both International and Brazilian companies. Mr. Silva starts his professional career at Serrana de Mineração in 1966. Following in 1971, was a co-founder of Paulo Abib Eng. acting as COO/Pres. By 1986, join CMP/CMA, as CEO, first Brazilian gold companies listed at the BOVESPA stock market. In addition to other senior management positions within the mining industry, Mr. Silva was a co-founder of Yamana Gold, were acted as COO and Pres& COO, until he retired in 2009. Mr. Silva incorporates in 2010 a fertilizer company, MBAC Corp and served as CEO. Mr. Silva sat at the following public companies' boards, Yamana Gold-Canada, Oceana Gold-Australia, Colossus Minerals-Canada, Valdiam Resources-Canada, MbAC Fert-Canada, (TSX listed companies) and Alumbrera Mining-Argentina. Currently Mr. Silva sits on three non-public companies' boards, which include PA Gold, Genesis Mining (Cu-Au) and MTR (rare earths). Mr. Silva has a degree in Mining Eng. from Sao Paulo Univ.

Bruce Higson-Smith

Mr. Higson-Smith, mining engineer with nearly 40 years experience, earned a B.Sc.(Min.Eng.) Honours, ARSM, from the Royal School of Mines, Imperial College London in 1982 and a M.B.A. from Baruch College, City University of New York in 1992. Highlights of his career include Investment Analyst and Portfolio Manager with the Castle Group, Emerging Markets Gold Fund, Resource Capital Funds in Denver from 1993 to 2002. He was Chief Financial Officer of Castle Exploration and Senior VP of Corporate Strategy for Golden Star Resources Ltd. from 2003 to 2019. Mr. Higson-Smith is currently a strategic advisor to the board of directors of Federation Mining Ltd.

Audit Committee Oversight

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

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (*Exemptions*).

Pre-Approval Policies and Procedures

As at the date of this Circular, the Audit Committee has not adopted any specific policies or procedures for the engagement of non-audit services.

External Auditor Service Fees (By Category)

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

Financial Year Ending	Audit Fees¹	Audit Related Fees²	Tax Fees³	All Other Fees⁴
February 28, 2021	\$13,000	\$Nil	\$2,000	\$Nil
February 29, 2020	\$13,000	\$Nil	\$2,000	\$Nil

¹ The Audit Fees are fees billed by the Company's external auditor for services provided in auditing the annual financial statements.

² Audit Related Fees are fees billed for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements.

³ Tax Fees are fees billed by the external auditor for tax compliance, tax advice and planning.

⁴ All Other Fees are fees billed by the external auditor for products and services not included in the categories described above.

Exemption for Venture Issuers

The Company is a "venture issuer" as defined in NI 52-110 and is relying on the exemption contained in Section 6.1 of NI 52-110, which exempts the Company from the requirements of Parts 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

OTHER MATTERS

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

ADDITIONAL INFORMATION

Additional information relating to the Company is available through the internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) which can be accessed at www.sedar.com. Comparative financial information on the Company for the year ended February 28, 2021, together with the auditors' report thereon and management discussion and analysis of the Company will be presented at the Meeting and which can also be accessed at www.sedar.com. Shareholders may request copies of the Company's financial statements and MD&A by contacting the Company at Suite 335 – 1632 Dickson Avenue Kelowna, BC V1Y 7T2.

BOARD APPROVAL

The content and sending of this Circular has been approved by the Company's Board. The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DATED at Kelowna, British Columbia, this 22nd day of September, 2021

BY ORDER OF THE BOARD OF DIRECTORS

“Douglas Meirelles”

Douglas Meirelles, President and CEO

SCHEDULE "A"

THE AUDIT COMMITTEE'S CHARTER

Purpose

The overall purpose of the Audit Committee (the "**Committee**") of **SOUTH ATLANTIC GOLD INC.** (the "**Company**") is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the financial statements and related financial disclosure of the Company, and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Board that through the involvement of the Committee, the external audit will be conducted independently of the Company's Management to ensure that the independent auditors serve the interests of Shareholders rather than the interests of Management of the Company. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will monitor the independence and performance of the Company's independent auditors.

Composition, Procedures and Organization

- (1) The Committee shall consist of at least three members of the Board of Directors (the "**Board**").
- (2) At least two (2) members of the Committee shall be independent¹ and the Committee shall endeavour to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members' independent judgment. At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Company. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.
- (3) All of the members of the Committee shall be "financially literate"².
- (4) The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
- (5) Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
- (6) The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.

(7) The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.

1 *"Independent" member of an audit committee means a member who has no direct or indirect material relationship with the Company. A "material relationship" means a relationship which could, in the view of the Company's Board of Directors, reasonably interfere with the exercise of a member's independent judgment.*

2 *"Financially literate" individual is an individual who has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.*

(8) Meetings of the Committee shall be conducted as follows:

(A) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;

(B) the external auditors shall receive notice of and have the right to attend all meetings of the Committee;

(C) management representatives may be invited to attend all meetings except private sessions with the external auditors; and

(D) the proceedings of all meetings will be minuted.

(9) The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

(10) Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee on ceasing to be a director. The Board may fill vacancies on the Committee by election from among its number. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all its powers so long as a quorum remains in office. Subject to the above, each member of the Committee shall hold office as such until the next Annual General Meeting of the Shareholders after his/her election.

(11) The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.

Roles and Responsibilities

(1) The overall duties and responsibilities of the Committee shall be as follows:

- (A) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly consolidated financial statements and related financial disclosure;
 - (B) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
 - (C) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
 - (D) to report regularly to the Board on the fulfilment of its duties and responsibilities.
- (2) The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
- (A) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
 - (B) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
 - (C) review the audit plan of the external auditors prior to the commencement of the audit;
 - (D) approve in advance provision by the external auditors of services other than auditing;
- (E) to review with the external auditors, upon completion of their audit:
- (i) contents of their report;
 - (ii) scope and quality of the audit work performed;
 - (iii) adequacy of the Company's financial and auditing personnel;
 - (iv) co-operation received from the Company's personnel during the audit;
 - (v) internal resources used;
 - (vi) significant transactions outside of the normal business of the Company;
 - (vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
 - (viii) the non-audit services provided by the external auditors;
- (F) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles;
- (G) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management; and
- (H) review any significant disagreements between management and the external auditor regarding financial reporting.

(3) The duties and responsibilities of the Committee as they relate to the Company's internal auditors are to:

(A) periodically review the internal audit function with respect to the organization, staffing and effectiveness of the internal audit department;

(B) review and approve the internal audit plan; and

(C) review significant internal audit findings and recommendations, and management's response thereto.

(4) The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:

(A) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;

(B) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and

(C) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.

(5) The Committee is also charged with the responsibility to:

(A) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;

(B) review and approve the financial sections of:

(i) the annual report to Shareholders;

(ii) the annual information form, if required;

(iii) annual and interim MD&A;

(iv) prospectuses;

(v) news releases discussing financial results of the Company; and

(vi) other public reports of a financial nature requiring approval by the Board and report to the Board with respect thereto;

(C) review regulatory filings and decisions as they relate to the Company's consolidated financial statements;

(D) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;

(E) review and report on the integrity of the Company's consolidated financial statements;

(F) establish procedures for:

- (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
- (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;

(G) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company;

(H) review and recommend updates to the charter and receive approval of changes from the Board;

(I) review the minutes of any audit committee meeting of subsidiary companies;

(J) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;

(K) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and

(L) perform other functions as requested by the full Board.

(6) The Committee shall have the authority:

(A) to engage independent counsel and other advisors as it determines necessary to carry out its duties,

(B) to set and pay the compensation for any advisors employed by the Committee; and

(C) to communicate directly with the internal and external auditors.