

DESERT STAR RESOURCES LTD.
Suite 717 – 1030 West Georgia Street
Vancouver, B.C. V6E 2Y3

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS GIVEN that the Annual General Meeting of Shareholders (the “**Meeting**”) of Desert Star Resources Ltd. (the “**Company**”) will be held at the offices of Miller Thomson LLP located at 400 – 725 Granville Street, Vancouver, B.C., V7Y 1G5 on Wednesday November 29, 2017 at 10 a.m. (Vancouver time) for the following purposes:

1. to receive the Company’s audited financial statements for the financial year ended April 30, 2017 and the auditor’s report thereon;
2. to fix the number of directors for the ensuing year at four and to elect directors for the ensuing year;
3. to appoint Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, as the Company’s auditor for the ensuing fiscal year and to authorize the directors to set the auditor’s remuneration;
4. to approve the Company’s 10% rolling stock option plan, as more particularly set out in the accompanying Information Circular; and
5. to transact such other business as may properly be brought before the Meeting or any adjournment thereof,

all as more particularly set out in the attached Information Circular. The form of proxy accompanies this Notice. The Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice.

The Directors have fixed the close of business on October 25, 2017 as the record date for determination of shareholders entitled to notice of and the right to vote at the Meeting either in person or by proxy. A shareholder who is unable to attend the Meeting in person and who wishes to ensure that their shares will be voted at the Meeting, is requested to complete, date and execute the enclosed form of Proxy and deliver it to the Company’s transfer agent: COMPUTERSHARE INVESTOR SERVICES INC., Proxy Dept., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, FACSIMILE (within North America) 1-866-249-7775 (outside North America) (416) 263-9524, by fax, hand or by mail in accordance with the instructions set out in the form of Proxy and Management Information Circular.

DATED at Vancouver, British Columbia, this 25th day of October, 2017.

BY ORDER OF THE BOARD OF DIRECTORS OF DESERT STAR RESOURCES LTD.

(signed) “*Vince Sorace*”

Vince Sorace
President and Chief Executive Officer

DESERT STAR RESOURCES LTD.

Suite 717 – 1030 West Georgia Street
Vancouver, British Columbia
V6E 2Y3

INFORMATION CIRCULAR

as of October 25, 2017 (unless otherwise noted)

MANAGEMENT SOLICITATION OF PROXIES

This Information Circular is furnished to you in connection with the solicitation of proxies by management of Desert Star Resources Ltd. (“we”, “us”, the “Company” or “Desert Star”) for use at the Annual General Meeting (the “Meeting”) of shareholders of the Company to be held on Wednesday November 29, 2017, at 10 a.m. at the offices of Miller Thomson LLP located at 400 – 725 Granville Street, Vancouver, B.C., V7Y 1G5, and at any adjournment of the Meeting. The Company will conduct its solicitation by mail and our officers, directors and employees may, without receiving special compensation, contact shareholders by telephone, electronic means or other personal contact. We will not specifically engage employees or soliciting agents to solicit proxies. We do not reimburse shareholders, nominees or agents (including brokers holding shares on behalf of clients) for their costs of obtaining authorization from their principals to sign forms of proxy. We will pay the expenses of this solicitation.

APPOINTMENT OF PROXY HOLDER

The persons named as **proxy holders** in the enclosed form of proxy are the Company’s directors or officers. **As a shareholder, you have the right to appoint a person (who need not be a shareholder) in place of the persons named in the form of proxy to attend and act on your behalf at the Meeting. To exercise this right, you must either insert the name of your representative in the blank space provided in the form of proxy and strike out the other names or complete and deliver another appropriate form of proxy.**

A proxy will not be valid unless it is dated and signed by you or your attorney duly authorized in writing or, if you are a corporation, by an authorized director, officer, or attorney of the corporation.

VOTING BY PROXY

The persons named in the accompanying form of proxy will vote or withhold from voting the shares represented by the proxy in accordance with your instructions, provided your instructions are clear. If you have specified a choice on any matter to be acted on at the Meeting, your shares will be voted or withheld from voting accordingly. If you do not specify a choice or where you specify both choices for any matter to be acted on, your shares will be voted in favour of all matters.

The enclosed form of proxy gives the persons named as proxy holders discretionary authority regarding amendments or variations to matters identified in the Notice of Meeting and any other matter that may properly come before the Meeting. As of the date of this Information Circular, our management is not aware of any such amendment, variation or other matter proposed or likely to come before the Meeting. However, if any amendment, variation or other matter properly comes before the Meeting, the persons

named in the form of proxy intend to vote on such other business in accordance with their judgement.

You may indicate the manner in which the persons named in the enclosed proxy are to vote on any matter by marking an "X" in the appropriate space. If you wish to give the persons named in the proxy a discretionary authority on any matter described in the proxy, then you should leave the space blank. **In that case, the proxy holders nominated by management will vote the shares represented by your proxy in accordance with their judgment.**

RETURN OF PROXY

You must deliver the completed form of proxy to the office of the Company's registrar and transfer agent, Computershare Investor Services Inc., Proxy Dept., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, FACSIMILE (within North America) 1-866-249-7775 (outside North America) (416) 263-9524, by fax, hand or by mail or to the Company's head office at the address listed on the cover page of this Information Circular, not less than 48 hours (excluding Saturdays, Sundays, and holidays) before the scheduled time of the Meeting or any adjournment.

ADVICE TO NON-REGISTERED SHAREHOLDERS

Only shareholders whose names appear on our records or validly appointed proxy holders are permitted to vote at the Meeting. Most of our shareholders are "non-registered" shareholders because their shares are registered in the name of a nominee, such as a brokerage firm, bank, trust company, trustee or administrator of a self-administered RRSP, RRIF, RESP or similar plan or a clearing agency such as CDS Clearing and Depository Services Inc. (a "**Nominee**"). If you purchased your shares through a broker, you are likely a non-registered shareholder.

Non-registered holders who have not objected to their Nominee disclosing certain ownership information about themselves to us are referred to as "NOBOs". Those non-registered Holders who have objected to their Nominee disclosing ownership information about themselves to us are referred to as "OBOs".

In accordance with the securities regulatory policy, we will have distributed copies of the Meeting Materials, being the Notice of Meeting, this Information Circular, and the form of proxy directly to NOBOs and to the Nominees for onward distribution to OBOs. **The Company does not intend to pay for a Nominee to deliver to OBOs, therefore an OBO will not receive the materials unless the OBO's Nominee assumes the costs of delivery.**

Nominees are required to forward the Meeting materials to each OBO unless the OBO has waived the right to receive them. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered shareholder. Meeting Materials sent to non-registered holders who have not waived the right to receive Meeting Materials are accompanied by a request for voting instructions (a "VIF"). This form is instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a non-registered holder is able to instruct the registered shareholder (or Nominee) how to vote on behalf of the non-registered shareholder. VIF's, whether provided by the Company or by a Nominee, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit non-registered holders to direct the voting of the Shares which they beneficially own. **Should a non-registered holder who receives a VIF wish to attend the Meeting or have someone else attend on his/her behalf, the non-registered holder may request (in writing) to the Company or its Nominee, as**

applicable, without expense to the non-registered holder, that the non-registered holder or his/her nominee be appointed as proxyholder and have the right to attend and vote at the Meeting. Non-registered holders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.

REVOCATION OF PROXY

If you are a registered shareholder who has returned a proxy, you may revoke your proxy at any time before it is exercised. In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by either:

- (a) signing a proxy bearing a later date; or
- (b) signing a written notice of revocation in the same manner as the form of proxy is required to be signed as set out in the notes to the proxy.

The later proxy or the notice of revocation must be delivered to the office of the Company's registrar and transfer agent or to the Company's head office at any time up to and including the last business day before the scheduled time of the Meeting or any adjournment, or to the Chairman of the Meeting on the day of the Meeting or any adjournment.

If you are a non-registered shareholder who wishes to revoke a VIF or to revoke a waiver of your right to receive Meeting materials and to give voting instructions, you must give written instructions to your Nominee at least seven days before the Meeting.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

None of the directors or executive officers of the Company, nor any person who has held such a position since the beginning of the last completed financial year of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any 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 adoption of the Company's stock option plan, approval of which will be sought at the Meeting. Directors and executive officers of the Company may participate in the Company's stock option plan, and accordingly have an interest in its approval. See "Particulars of Matters to be Acted Upon".

VOTING SHARES AND PRINCIPAL SHAREHOLDERS

The Company is authorized to issue an unlimited number of common shares without par value, of which 18,947,881 common shares are issued and outstanding as of October 25, 2017. There is one class of shares only. Subsequent to the financial year ended April 30, 2017 (effective May 1, 2017), the Company completed a share consolidation on the basis of two old shares for every one new share. All numbers of common shares and securities convertible into common shares reflect the consolidation unless otherwise noted.

Persons who are registered shareholders at the close of business on October 25, 2017 will be entitled to receive notice of, attend, and vote at the Meeting. On a show of hands, every shareholder and proxy holder will have one vote and, on a poll, every shareholder present in person or represented by proxy will have one vote for each share. In order to approve a motion proposed at the Meeting, a majority of at least 50% plus one vote of the votes cast will be required to pass an ordinary resolution, and a majority of at least 2/3 of the votes cast will be required to pass a special resolution.

To the knowledge of our directors and executive officers, there are no persons or companies that beneficially own, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of all voting rights as of October 25, 2017.

ELECTION OF DIRECTORS

Directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until that person sooner ceases to be a director. The shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company at four (4) for the next year, subject to any increases permitted by the Company's Articles.

Unless you provide other instructions, the enclosed proxy will be voted for the nominees listed below. Management does not expect that any of the nominees will be unable to serve as a director. If before the Meeting any vacancies occur in the slate of nominees listed below, the person named in the proxy will exercise his or her discretionary authority to vote the shares represented by the proxy for the election of any other person or persons as directors.

Management proposes to nominate the persons named in the table below for election as director. The information concerning the proposed nominees has been furnished by each of them:

Name, Province or State and Country of Residence and Present Office Held	Periods Served as Director	Number of Shares Beneficially Owned, Directly or Indirectly, or over which Control or Direction is Exercised ⁽¹⁾	Principal Occupation and, if Not Previously Elected, Principal Occupation during the Past Five Years
Vince Sorace ⁽²⁾ Chairman of the Board, President, CEO and Director B.C., Canada	Since April 15, 2015	1,119,200 ⁽³⁾	President, CEO and director of the Company; President, CEO and director of Black Sea Copper & Gold Corp.; President and a director of Nevaro Capital Corporation, a venture capital company
Keith Henderson ⁽²⁾ Director B.C., Canada	Since April 15, 2015	Nil	President & CEO of Centenera Mining Corp. from 2015 to present, a junior resource issuer trading on TSX-V
Gavin Cooper Director and CFO B.C., Canada	Since April 15, 2015	164,500	Chartered Accountant who is a director and/or acts as CFO and corporate secretary of various TSX-V and private companies, including the Company
Chris Taylor ⁽²⁾ Director B.C., Canada	Since April 15, 2015	Nil	Professional Geologist; President and CEO of Great Bear Resources Ltd. and Vice President, Resource Investment, with Planet Mining Exploration Inc., both publically traded junior mineral exploration companies

Notes:

- (1) As at October 25, 2017.
- (2) Denotes a member of the Audit Committee.
- (3) 199,200 of these shares are held directly and 920,000 are indirectly held through accounts designated as RRSP, RESP or TFSA.

No proposed director of the Company is or has been, within the past 10 years, a director, chief executive officer or chief financial officer of any company that, while the person was acting in that capacity:

- (a) 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
- (b) 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.

For the purposes of the above, “order” means (a) a cease trade order; (b) an order similar to a cease trade order; or (c) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

No proposed director of the Company has, within the past 10 years, become 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 the assets of the proposed director.

To the knowledge of the Company, no nominee for director of the Company has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

Other than as set out below, no proposed director of the Company is or has been, within the past 10 years, a director or executive officer of any company that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, become 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.

In November 2008, while Mr. Vince Sorace was President and a Director and Mr. Gavin Cooper was Chief Financial Officer of VRB Power Systems Inc. (“VRB”), the board of directors of VRB resigned and pursuant to an application made by VRB, the Supreme Court of British Columbia appointed an Interim Receiver to manage the affairs of VRB. At the same time, VRB filed a Notice of Intention to make a Proposal in accordance with the Bankruptcy and Insolvency Act (Canada). A new board of directors was elected by shareholders at VRB’s annual general meeting in June 2009 and the Interim Receiver, having fulfilled its mandate, including the settlement of all liabilities of VRB, was granted a discharge from its position by the Supreme Court of British Columbia on July 16, 2009.

EXECUTIVE COMPENSATION

The Company is a venture issuer and is disclosing its executive compensation in accordance with Form 51-102F6V.

The following persons are considered the “**Named Executive Officers**” or “**NEOs**” for the purposes of this disclosure:

- (a) the Company’s chief executive officer (“**CEO**”);
- (b) the Company’s chief financial officer (“**CFO**”);
- (c) each of the Company’s most highly compensated executive officers, 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, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for the April 30, 2017 year end; and
- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact the individual was neither an executive officer, nor acting in a similar capacity at April 30, 2017.

Director and Named Executive Officer Compensation, excluding Compensation Securities

The following table provides a summary of compensation paid or accrued, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company or its subsidiary of the Company to each Named Executive Office and director of the Company during the Company’s two most recent financial years ended April 30, 2017 and April 30, 2016. The Company’s audited financial statements and the notes to the financial statements describe the amalgamation and continuance of operations.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees ⁽²⁾ (\$)	Value of perquisites ⁽¹⁾ (\$)	Value of all other compensation (\$)	Total compensation (\$)
Vince Sorace President, CEO and Director	2017	101,250	Nil	N/A	Nil	Nil	101,250
	2016	110,250	Nil	N/A	Nil	Nil	110,250
Gavin Cooper CFO and Corporate Secretary	2017	81,250	Nil	N/A	Nil	Nil	81,250
	2016	92,250	Nil	N/A	Nil	Nil	92,250
Keith Henderson Director	2017	Nil	Nil	N/A	Nil	Nil	Nil
	2016	Nil	Nil	N/A	Nil	Nil	Nil
Chris Taylor Director	2017	Nil	Nil	N/A	Nil	Nil	Nil
	2016	Nil	Nil	N/A	Nil	Nil	Nil

Notes:

(1) The value of perquisites and benefits, if any, was less than \$15,000.

(2) There is no standard meeting fee or committee fee for attendance at directors’ meetings or serving on committees.

Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued during the most recently completed financial year ended April 30, 2017 to each Named Executive Officer and director for services provided or to be provided, directly or indirectly, to the Company or its subsidiary.

Compensation Securities							
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 date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Vince Sorace President, CEO and Director ⁽²⁾	Stock Options	157,500 (0.83%)	Sept. 27, 2016	\$0.40	\$0.33	\$0.26	Sept. 27, 2021
Gavin Cooper CFO and Corporate Secretary ⁽³⁾	Stock Options	72,500 (0.38%)	Sept. 27, 2016	\$0.40	\$0.33	\$0.26	Sept. 27, 2021
Keith Henderson Director ⁽⁴⁾	Stock Options	37,500 (0.20%)	Sept. 27, 2016	\$0.40	\$0.33	\$0.26	Sept. 27, 2021
Chris Taylor Director ⁽⁵⁾	Stock Options	37,500 (0.20%)	Sept. 27, 2016	\$0.40	\$0.33	\$0.26	Sept. 27, 2021

Notes:

- (1) All stock options are fully vested. One common share is issuable on the exercise of each stock option.
- (2) On April 30, 2017, Mr. Sorace held stock options exercisable as follows: 12,500 at \$0.80 until October 10, 2017, 81,250 at \$0.60 until February 27, 2018, 28,750 at \$0.80 until February 16, 2020, 157,500 at \$0.40 until September 27, 2021.
- (3) On April 30, 2017, Mr. Cooper held stock options exercisable as follows: 12,500 at \$0.80 until October 10, 2017, 18,750 at \$0.60 until February 27, 2018, 7,500 at \$0.80 until April 22, 2018, 6,250 at \$0.80 until October 22, 2018, 7,500 at \$0.80 until February 16, 2020, 72,500 at \$0.40 until September 27, 2021.
- (4) On April 30, 2017, Mr. Henderson held stock options exercisable as follows: 37,500 at \$0.80 until October 22, 2018, 37,500 at \$0.40 until September 27, 2021.
- (5) On April 30, 2017, Mr. Taylor held stock options exercisable as follows: 37,500 at \$0.80 until October 22, 2018, 37,500 at \$0.40 until September 27, 2021.

Exercise of Compensation Securities by Directors and NEOs

During the financial year ending April 30, 2017, none of the Named Executive Officers or directors exercised any stock options.

For information about the material terms of the Company's stock option plan, please refer to the heading "Particulars of Matters to be Acted Upon – Shareholder Approval of Stock Option Plan".

Employment, Consulting and Management agreements

The CEO and CFO compensation were provided under consulting agreements between the Company and each of the CEO and CFO. Both the CEO and CFO have change of control provisions in their consulting agreements that provide for, upon a change of control as defined in their agreements, the Company or the CEO or CFO may terminate such agreement, and all

accrued and unpaid consulting fees to the date of termination of the agreement must be paid, all unpaid expenses incurred in accordance with the agreement up to the date of termination of the agreement must be paid and a lump sum payment equivalent to 12 months' of consulting fees based on the average fees paid to the CEO or CFO over the three months prior to the date of termination must be paid.

Oversight and Description of Director and Named Executive Officer Compensation

Director compensation

The Board determines director compensation from time to time. Directors are not generally compensated in their capacities as such but the Company may, from time to time, grant to its directors incentive stock options to purchase common shares in the capital of the Company pursuant to the terms of the Stock Option Plan and in accordance with the policies of the TSX Venture Exchange (the "Exchange").

Named Executive Officer Compensation

The Board determines executive compensation from time to time. The Company does not have a formal compensation policy. The main objectives the Company hopes to achieve through its compensation are to attract and retain executives critical to the Company's success, who will be key in helping the Company achieve its corporate objectives and increase shareholder value. The Company looks at industry standards when compensating its executive officers.

During the financial year ended April 30, 2017, Mr. Sorace's compensation as CEO consisted of \$101,250. During the financial year ended April 30, 2017, Mr. Cooper's compensation as CFO consisted of \$81,250.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Company has an incentive stock option plan under which stock options are granted. Stock options have been determined by the Company's directors and are only granted in compliance with applicable laws and regulatory policy. The policies of the Exchange limit the granting of stock options to employees, officers, directors and consultants of the Company and provide limits on the length of term, number and exercise price of such options. The Exchange also requires annual approval of stock option plans by shareholders.

The following table sets out equity compensation plan information as at the end of the financial year ended April 30, 2017.

Plan Category	Number of securities to be issued upon exercise of outstanding options ⁽¹⁾ (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)) ⁽²⁾ (c)
Equity compensation plans approved by securityholders	1,287,500	\$0.44	899,582

Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	1,287,500	\$0.44	899,582

Notes:

- (1) Assuming outstanding options are fully vested.
- (2) Excluding the number of shares issuable on exercise of the outstanding options shown in the second column.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of our directors or executive officers, proposed nominees for election as directors, or associates of any of them, is or has been indebted to the Company or our subsidiaries at any time since the beginning of the most recently completed financial year and no indebtedness remains outstanding as at the date of this Information Circular.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Company, no proposed nominee for election as a director of the Company, and no associate or affiliate of any of these persons, has any material interest, direct or indirect, in any transaction since the commencement of our last financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or any of our subsidiaries, other than as disclosed under the heading "Particulars of Matters to be Acted On".

An "informed person" means:

- (a) a director or executive officer of the Company;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;
- (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Company other than voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) the Company if it has purchased, redeemed or otherwise acquired any of its securities, so long as it holds any of its securities.

AUDIT COMMITTEE

Under this heading, the Company is including the disclosure required by Form 52-110F2 of National Instrument 52-110 *Audit Committees* ("**NI 52-110**").

Audit Committee Charter

The Audit Committee Charter was adopted by the Company's Audit Committee and the Board of Directors. The full text of the Company's Audit Committee Charter is attached as Appendix "B" to Desert Star's Information Circular dated November 1, 2013 which was filed on SEDAR on November 18, 2013 and can be viewed under Desert Star's profile at www.sedar.com. It was adopted by the Company when it amalgamated.

Composition of the Audit Committee

As of the date of this Information Circular, the following are the members of the Audit Committee:

Name of Member	Independent ⁽¹⁾	Financially Literate ⁽¹⁾
Vince Sorace	Not independent	Yes
Keith Henderson	Independent	Yes
Chris Taylor	Independent	Yes

Notes:

(1) As that term is defined in NI 52-110.

Relevant Education and Experience of Audit Committee Members

The education and experience of each member of the Audit Committee relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

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

Vince Sorace - Mr. Sorace was an investment advisor for over nine years and has helped finance numerous public and private entities in Canada and the U.S. Mr. Sorace has extensive experience in operations, strategic planning, corporate development and the capital markets.

Keith Henderson, M.Sc., P.Geo. - Mr. Henderson is a mining industry executive with 20 years' experience in Africa, Europe, and the Americas. He was educated in Europe, graduating with B.Sc. (Hons) and M.Sc. in Geology and has extensive experience in multiple mineral deposit types and commodities including precious metals (gold, silver), base metals (copper, zinc, nickel) and bulk commodities such as metallurgical coal and iron ore. After several years in consulting roles, In 2007, Mr. Henderson joined the Cardero Group, where he was responsible for Cardero's original investment in Coalhunter (2010), acquiring 49% of the company for \$3.6 million. He is currently President and CEO of Centenera Mining Corp.

Chris Taylor - Mr. Taylor is a mining industry executive with 15 years' experience across the Americas. He is an economic geologist and explorationist and has experience with porphyry copper gold, epithermal gold, and VMS deposits. He has been professionally active with both mid-tier producing and junior mining companies. Mr. Taylor is a registered Professional Geologist in the Province of British Columbia, and holds a Bachelor of Science (Honours) degree in Earth Science and a Master of Science degree in Structural Geology from Carleton

University. Mr. Taylor is currently President and CEO of Great Bear Resources Ltd. and Vice President, Resource Investment, with Planet Mining Exploration Inc., a publically traded investment company.

Audit Committee Oversight

Since the commencement of the Company’s most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

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

Since the commencement of the Company’s most recently completed financial year, the Company has not relied on the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 (which exempts all non-audit services provided by the Company’s auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor’s annual fees charged to the Company, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year’s audit), the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), the exemption in subsection 6.1.1(5) (*Events Outside of Control of Member*), the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*) or an exemption from NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of NI 52-110.

Pre-Approval Policies and Procedures

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

External Auditor Service Fees (By Category)

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

Financial Ending	Year	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
April 30, 2016		\$18,000	Nil	\$3,500	Nil
April 30, 2017		\$18,000	Nil	\$3,500	Nil

Notes:

- (1) “Audit Fees” include fees necessary to perform the annual audit and if applicable, quarterly reviews of the Company’s consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) “Audit-Related Fees” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. These fees relate to preparing and filing the Company’s Canadian tax return and related schedules.
- (4) “All Other Fees” includes all other non-audit services”.

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

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

CORPORATE GOVERNANCE

National Instrument 58-101 *Disclosure of Corporate Governance Practices* of the Canadian securities administrators requires the Company to annually disclose certain information regarding its corporate governance practices. Under this heading, the Company is providing the disclosure required by Form 58-101F2.

Board of Directors

The Board has responsibility for the stewardship of the Company including responsibility for strategic planning, identification of the principal risks of the Company’s business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Company’s internal control and management information systems.

The Board sets long term goals and objectives for the Company and formulates the plans and strategies necessary to achieve those objectives and to supervise senior management in their implementation. The Board delegates the responsibility for managing the day-to-day affairs of the Company to senior management but retains a supervisory role in respect of, and ultimate responsibility for, all matters relating to the Company and its business. The Board is responsible for protecting shareholders’ interests and ensuring that the incentives of the shareholders and of management are aligned.

As part of its ongoing review of business operations, the Board reviews, as frequently as required, the principal risks inherent in the Company’s business including financial risks, through periodic reports from management of such risks, and assesses the systems established to manage those risks. Directly and through the Audit Committee, the Board also assesses the integrity of internal control over financial reporting and management information systems.

In addition to those matters that must, by law, be approved by the Board, the Board is required to approve any material dispositions, acquisitions and investments outside the ordinary course of business, long-term strategy, and organizational development plans. Management of the Company is authorized to act without board approval, on all ordinary course matters relating to the Company’s business.

The Board also monitors the Company’s compliance with timely disclosure obligations and reviews material disclosure documents prior to distribution. The Board is responsible for selecting the President and appointing senior management and for monitoring their performance.

The Board considers that the following directors are “independent” in that they are independent and free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the director’s ability to act with the best

interests of the Company, other than interests and relationships arising from shareholding: Keith Henderson and Chris Taylor. The Board considers that Vince Sorace, the CEO of the Company and Gavin Cooper, the CFO of the Company, are not independent because they are members of management.

Directorships

Certain of the directors are presently a director of one or more other reporting issuers (or equivalent) in a Canadian or foreign jurisdiction, as follows:

Name of Director	Other reporting issuer (or equivalent in a foreign jurisdiction)
Vince Sorace	Black Sea Copper & Gold Corp.
	Nevaro Capital Corporation
	Bethpage Capital Corp.
Gavin Cooper	Nevaro Capital Corporation
	Bethpage Capital Corp.
	Tova Ventures II Inc.
Keith Henderson	Remo Resources Inc.
	Velocity Minerals Ltd.
	Centenera Mining Corp.
Chris Taylor	Dunedin Ventures Inc.
	New Carolin Gold Corp.
	Great Bear Resources Ltd.

Orientation and Continuing Education

The Board is responsible for providing orientation for all new recruits to the Board. Each new director brings a different skill set and professional background, and with this information, the Board is able to determine what orientation to the nature and operations of Desert Star's business will be necessary and relevant to each new director. Desert Star provides continuing education for its directors as the need arises and encourages open discussion at all meetings, which format encourages learning by the directors.

Ethical Business Conduct

The Board relies on the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law to ensure the Board operates independently of management and in the best interests of the Company. The Board has found that these, combined with the conflict of interest provisions of the Business Corporations Act (BC), as well as the relevant securities regulatory instruments, to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

Nomination of Directors

The Board performs the functions of a nominating committee with respect to appointment of directors. The Board believes that this is a practical approach at this stage of the Company's

development. While there are not specific criteria for board membership, the Company attempts to attract and maintain directors with business knowledge, which assists in guiding management of the Company.

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders. The Board takes into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

Compensation

The Board is responsible for determining all forms of compensation, including long-term incentive in the form of stock options, to be granted to the CEO and the directors, and for reviewing the CEO's recommendations respecting compensation of the other officers of the Company, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of its officers, the Board considers: (i) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and the shareholders; (iv) rewarding performance, both on an individual basis and with respect to operations in general; and (v) permitted compensation under Exchange rules

Other Board Committees

The Board has no other committees other than the Audit Committee described in this Information Circular under the heading "Audit Committee".

Assessments

The Board annually reviews its own performance and effectiveness as well as reviews the Audit Committee Charter and recommends revisions as necessary. Neither Desert Star nor the Board has adopted formal procedures to regularly assess the Board, the Audit Committee or the individual directors as to their effectiveness and contribution. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of individual directors are informally monitored by the other Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and its committees.

The Board believes its corporate governance practices are appropriate and effective for Desert Star, given its size and operations. Desert Star's corporate governance practice allows the Company to operate efficiently, with checks and balances that control and monitor management and corporate functions without excessive administrative burden.

APPOINTMENT OF AUDITOR

Unless otherwise instructed, the proxies given in this solicitation will be voted for the re-appointment of Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, of Vancouver, British Columbia, as our auditor to hold office until the next annual general meeting. Dale Matheson Carr-Hilton Labonte LLP has been the Company's auditors since the

Company's inception. We propose that the Board of Directors be authorized to fix the remuneration to be paid to the auditor.

Our Audit Committee recommends the election of Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, of Vancouver, British Columbia, as our auditor to hold office until the Company's next annual general meeting. The Audit Committee proposes that the Board of Directors be authorized to fix the remuneration to be paid to the auditor.

Unless otherwise instructed, the proxies solicited by management will be voted for the appointment of Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, as the Company's auditor.

MANAGEMENT CONTRACTS

The management functions of the Company are not to any substantial degree performed by any person other than the executive officers and directors of the Company.

PARTICULARS OF MATTERS TO BE ACTED ON

Shareholder Approval of Stock Option Plan

The only equity compensation plan which the Company currently has in place is the 2016 stock option plan (the "**2016 Plan**") which was approved by the directors of the Company. The 2016 Plan was established to provide incentive to employees, officers, directors and consultants who provide services to the Company. Exchange policy requires that all companies listed on the Exchange adopt a stock option plan if a company wishes to grant stock options and that all stock option plans that reserve a maximum of 10% of the issued and outstanding share capital of the Company at the time of grant (called a "rolling plan" under Exchange policies), must be approved and ratified by shareholders on an annual basis in accordance with Policy 4.4 of the Exchange ("**Policy 4.4**"). The Company's 2016 Plan was approved at the previous annual general meeting of shareholders held on November 2, 2016.

Management seeks shareholder approval for renewal of the 2016 Plan, as the Company's 2017 stock option plan (the "**2017 Plan**") in accordance with and subject to the rules and policies of the Exchange. The intention of management in proposing the 2017 Plan is to increase the proprietary interest of employees, officers, directors and consultants in the Company and thereby aid the Company in attracting, retaining and encouraging the continued involvement of such persons with the Company. It is proposed that under the 2017 Plan, the total number of common shares that may be reserved for issuance will be 10% of the issued and outstanding common shares of the Company at the time of grant, less any common shares reserved for issuance pursuant to the grant of stock options under any other share compensation arrangements. The 2017 Plan complies with the current policies of the Exchange, and all capitalized terms below that are not defined in this Information Circular, have the meanings given to them in Policy 4.4. The 2017 Plan is subject to approval by the Exchange.

Terms of the 2017 Plan

A full copy of the 2017 Plan will be available at the Meeting for review by shareholders. Shareholders may also obtain copies of the 2017 Plan from the Company prior to the meeting on written request. The following is a summary of the material terms of 2017 Plan:

1. The options are non-assignable and non-transferable (except that the Optionee's heirs or administrators can exercise any portion of the outstanding option, up to one year from the Optionee's death).
2. The number of shares subject to each option is determined by the Board of Directors provided that the 2017 Plan, together with all other previously established or proposed share compensation arrangements may not, during any 12 month period, result in:
 - (a) the number of options granted to any one Person exceeding 5% of the issued shares of the Company; or
 - (b) the number of options granted to any one Consultant exceeding 2% of the issued shares of the Company; or
 - (c) the number of options granted to all Persons retained to provide Investor Relations Activities of a number shares exceeding 2% of the issued shares of the Company.
3. The exercise price of an option may not be set at less than Discounted Market Price.
4. The options may be exercisable for a period of up to 10 years, (subject to extension where the expiry date falls within a "blackout period").
5. Disinterested shareholder approval will be obtained for any reduction in the exercise price if the Optionee is an Insider of the Company at the time of the proposed amendment.
6. For stock options granted to Employees, Consultants or Management Company Employees, the Company and the Optionee are responsible for ensuring and confirming that the Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be.
7. Any options granted to any Optionee who is a Director, Employee, Consultant or Management Company Employee must expire within a reasonable period following the date the Optionee ceases to be in that role (in general, the Exchange considers anything not exceeding 12 months to be a reasonable period for these purposes).

Shareholders will be asked to pass the following, ordinary resolution, approving the Company's 2017 Plan:

"IT IS RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

1. The Company adopt a 2017 Stock Option Plan (the "Plan"), including the reserving for issuance under the Plan at any time of a maximum of 10% of the issued common shares of the Company;
2. The Board of Directors be authorized on behalf of the Company to make any further 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;
3. The Company file the Plan with the TSX Venture Exchange for acceptance; and
4. Any one director or officer of the Company is authorized and directed to do all such acts and things and to execute and deliver all such deeds, documents, instruments and

assurances as in his opinion may be necessary or desirable to give effect to this resolution.”

Recommendation of the Company’s Directors

The directors have reviewed and considered all facts respecting the approval of the 2017 Plan. The Company’s directors unanimously recommend that the shareholders vote in favour of ratifying and approving the 2017 Plan.

An ordinary resolution requires the approval of a simple majority (50% + one vote) of the votes cast at the Meeting, in person or by proxy. **It is the intention of the persons named in the accompanying Proxy, if not expressly directed to the contrary in such Proxy, to vote such proxies FOR the ordinary resolution authorizing the approval of the 2017 Plan.**

ADDITIONAL INFORMATION

Additional information about the Company is located on SEDAR at www.sedar.com. Financial information is provided in the Company’s comparative financial statements and Management’s Discussion and Analysis for its most recently completed financial year ended April 30, 2017. Shareholders may contact the Company to request copies of the financial statements and Management’s Discussion and Analysis by writing to the Chief Financial Officer, Mr. Cooper at the address below or by e-mail at info@desertstar.ca.

DESERT STAR RESOURCES LTD.
Suite 717 – 1030 West Georgia Street
Vancouver, British Columbia
V6E 2Y3

OTHER MATERIAL FACTS

Management knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the shares represented by the Proxy solicited hereby will be voted on such matter in accordance with the best judgment of the persons voting by proxy.

DATED at Vancouver, British Columbia, on the 25th day of October, 2017.

BY ORDER OF THE BOARD

DESERT STAR RESOURCES LTD.

(signed) “*Vince Sorace*”

Vince Sorace
President, Chief Executive Officer and Director