

KESTREL GOLD INC.
ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
June 19, 2024

MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

The information contained in this circular is furnished in connection with the solicitation by management of KESTREL GOLD INC. (the “**Corporation**”) of proxies to be used at the Annual and Special Meeting of the Shareholders of the Corporation (the “**Meeting**”) to be held on Wednesday, the 19th day of June, 2024 at 10:00 o'clock in the forenoon (Calgary time) at the place and for the purposes set forth in the accompanying Notice of Annual and Special Meeting (“**Notice of Meeting**”) and at any adjournment thereof. The information contained in this Management Information Circular is given as of May 17, 2024, unless otherwise stated.

The solicitation of proxies is made on behalf of the management of the Corporation. The costs incurred in the preparation and mailing of the form of proxy, Notice of Meeting and this Management Information Circular will be borne by the Corporation. In addition to the use of mails, proxies may be solicited personally or by telephone by directors, officers, and employees of the Corporation, who will not be remunerated therefor. The cost of the solicitation will be borne by the Corporation.

APPOINTMENT AND REVOCATION OF PROXIES

A Shareholder has the right to appoint a person or company (who need not be a shareholder) to represent him at the Meeting other than the persons designated in the enclosed proxy form and may do so either by inserting the name of his chosen nominee in the space provided for that purpose on the form and striking out the other names on the form, or by completing another proper form of proxy. In any case, the form of proxy should be dated and executed by the shareholder, or his attorney authorized in writing, or if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

To be effective, the proxy must be deposited at the offices of the registrar and transfer agent of the Corporation, Olympia Trust Company (i) by mail to PO Box 128, STN M, Calgary, AB, T2P 2H6 (Attention: Proxy Dept); or (ii) by fax at (403) 668-8307, by email at proxy@olympiustrust.com, or by Internet using the 12 digit control number located on the back of your proxy at <https://css.olympiustrust.com/pxlogin>. All instructions are listed in the enclosed form of proxy. Your proxy or voting instructions must be received in each case no later than 10:00 a.m. (Mountain Standard Time) on June 17, 2024, or, if the Meeting is adjourned, not later than 48 hours (excluding Saturdays, Sundays, and statutory holidays) before the beginning of any adjournment of the Meeting.

In addition to revocation in any other manner permitted by law, a shareholder who has given a proxy may revoke it any time before it is exercised, by instrument in writing executed by the shareholder or by his attorney authorized in writing and deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the chairman of such meeting on the day of the Meeting, or any adjournment thereof.

VOTING OF PROXIES

All of the persons named in the enclosed form of proxy, who are officers and directors of the Corporation, have indicated their willingness to represent as proxy the shareholder who appoints them. Each shareholder may instruct his proxy how to vote his shares by completing the blanks on the proxy form.

Unless otherwise instructed in the proxy form, the proxy will be voted in favour of the resolution fixing the number of directors to be elected at the Meeting, in respect of the election of directors and the appointment of auditors, and in favour of any other proposed resolution as set forth under “Particulars of Matters to Be Acted Upon.”

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments and variations to matters identified in the Notice of Meeting and with respect to any other matters which may properly come before the Meeting. Management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.

ADVICE TO BENEFICIAL SHAREHOLDERS

The Corporation is not using “notice-and-access” (as defined in National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”)) to send their proxy-related materials to the shareholders of the Corporation.

Only registered shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting; however, in many cases, Common Shares of the Corporation beneficially owned by a person are registered either: (i) in the name of an intermediary (an “**Intermediary**”) (which may include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of registered retirement savings plans, registered retirement income funds, registered education savings plans and similar plans); or (ii) in the name of a clearing agency, which in Canada, in the vast majority of cases, is CDS & Co. (the registration name for The Canadian Depository for Securities).

Shareholders who hold their Common Shares of the Corporation through an Intermediary are referred to herein as **Beneficial Owners**.

Under NI 54-101, Beneficial Owners are either:

- (i) “non-objecting beneficial owners” or “**NOBOs**”, who are Beneficial Owners who do not object to the disclosure by the Intermediary of ownership information about the Beneficial Owner; or

- (ii) “objecting beneficial owners” or “**OBOs**”, who are Beneficial Owners who object to the disclosure by the Intermediary of ownership information about the Beneficial Owner.

The Corporation is sending the Meeting materials (including the Notice of Meeting, this Management Information Circular and proxy-related materials) directly to NOBOs and has appointed Olympia Trust Company (the “**Agent**”) as its agent for this purpose.

Included in the Meeting materials is a voting instruction form (“**VIF**”) sent by the Agent which requests instructions from the Beneficial Owner regarding voting of Common Shares to be voted at the Meeting. In the case of NOBOs resident in foreign jurisdictions, an Intermediary VIF, referred to below, is sent on behalf of the Intermediary holding the Common Shares on behalf of the Beneficial Owner.

Beneficial Owners are requested to complete and return the VIF at the address set forth in the VIF. Alternatively, Beneficial Owners can vote on the Internet, by e-mail or fax, by following the instructions in the VIF.

The following disclosure is made pursuant to NI 54-101: “These security holder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the issuer (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.”

If the Beneficial Owner is an OBO or a NOBO resident in a foreign jurisdiction, included in the Meeting materials is a voting information form (“**Intermediary VIF**”) sent on behalf of the Intermediary holding the Common Shares on behalf of the Beneficial Owner. The Intermediary VIF requests instructions from the Beneficial Owner regarding voting of Common Shares to be voted at the Meeting. Beneficial Owners are requested to complete and return the Intermediary VIF at the address set forth in the Intermediary VIF. Alternatively, Beneficial Owners can vote on the Internet or by toll free telephone, by following the instructions in the Intermediary VIF.

The Corporation does not intend to pay for Intermediaries to forward to OBOs under NI 54-101 the proxy-related materials and the Intermediary VIF, and the OBO will not receive the materials unless the OBO’s Intermediary assumes the cost of delivery.

If the Beneficial Owner wishes to attend the Meeting and vote in person, or if the Beneficial Owner wishes to appoint another person to attend the Meeting and vote on behalf of the Beneficial Owner, the Beneficial Owner must insert the name of the Beneficial Owner or other person in the space provided in the VIF or the Intermediary VIF, as applicable, sign and date same, and mail same at the address set forth in the VIF or the Intermediary VIF. Alternatively,

the Beneficial Owner or other person may be designated on the Internet by following the instructions in the VIF or the Intermediary VIF, as applicable. Unless prohibited by law, the person whose name is written in the space provided in the VIF or the Intermediary VIF will have full authority to present matters to the Meeting and, provided that the voting section of the VIF or Intermediary VIF is not filled in, vote on all matters that are presented at the Meeting, even if those matters are not set out in the VIF or the Intermediary VIF or this Management Information Circular. The Beneficial Owner should consult a legal advisor if the Beneficial Owner wishes to modify the authority of that person in any way.

All references to shareholders in this Management Information Circular and the accompanying form of proxy and Notice of Meeting are to shareholders of record unless specifically stated otherwise. Where documents are stated to be available for review or inspection, such items will be shown upon request to registered shareholders who produce proof of their identity.

VOTING SHARES

The Corporation's issued and outstanding voting shares consist of 105,114,336 Common Shares. Holders of Common Shares are entitled to one vote at the Meeting for each Common Share held.

The directors have fixed the close of business on May 17, 2024, as the record date for the Meeting. Only shareholders of record as at the close of business on May 17, 2024 are entitled to receive notice of and to attend and vote at the Meeting except that a transferee of shares acquired after that date shall be entitled to vote at the Meeting if such transferee produces properly endorsed certificates for such shares or otherwise establishes ownership of such shares and has demanded not later than 10 days before the Meeting that the name of such transferee be included in the list of shareholders entitled to vote at the Meeting.

QUORUM

Pursuant to the by-laws of the Corporation, a quorum for the transaction of business at the Meeting shall be at least two (2) persons present holding or representing by proxy not less than five percent (5%) of the outstanding Common Shares of the Corporation entitled to vote at the Meeting.

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and executive officers of the Corporation, the following is the only person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation:

<u>Name of Shareholder</u>	<u>Type of Ownership</u>	<u>Number of Common Shares</u>	<u>Percentage of Common Shares</u>
FruchtExpress Grabher GmbH & Co KG	Direct	19,950,000	18.97%
John Bernard Kreft	Direct	12,760,000	12.14%

EXECUTIVE COMPENSATION

The following disclosure of compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Corporation, or a subsidiary of the Corporation, to each Named Executive Officer and director is made in accordance with the requirements of National Instrument 51-102. Disclosure is required to be made in relation to each Named Executive Officer, being individuals who served as the Corporation's Chief Executive Officer, Chief Financial Officer, and each of the three most highly compensated executive officers of the Corporation who at the end of the most recently completed financial year whose salary and bonus exceeded \$150,000. The Chief Executive Officer and the Chief Financial Officer of the Corporation are the Corporation's only Named Executive Officers.

The board of directors of the Corporation (the "Board") is responsible for approving compensation, including long-term incentives in the form of stock options, to be granted to the Chief Executive Officer, the Chief Financial Officer and the directors.

The compensation program of the Corporation is designed to attract, motivate, reward and retain knowledgeable and skilled executives required to achieve the Corporation's corporate objectives and increase shareholder value. The main objective of the compensation program is to recognize the contribution of the executive officers to the overall success and strategic growth of the Corporation. The compensation program is designed to reward management performance by aligning a component of the compensation with the Corporation's business performance and share value. The philosophy of the Corporation is to pay the management a total compensation amount that is competitive with other Canadian junior companies and is consistent with the experience and responsibility level of the management. The purpose of executive compensation is to reward the executives for their contributions to the achievements of the Corporation on both an annual and long-term basis.

Executive compensation is not based on specific performance goals or benchmarks but is determined on a subjective basis by the board of directors.

The compensation program provides incentives to its management and directors to achieve long term objectives through grants of stock options under the Corporation's stock option plan. Increasing the value of the Corporation's Common Shares increases the value of the stock options. This incentive closely links the interests of the Named Executive Officers and directors to shareholders of the Corporation.

The Corporation does takes into account the options granted in prior years when considering new grants of options. The allocation of the number of options granted among the directors and officers of the Corporation is determined by the entire board of directors.

The board of directors does not specifically consider the implications of the "risks" associated with the Corporation's compensation policies and practices because the types of compensation are relatively simple and do not generally create "risks" in and of themselves.

The Corporation does not prohibit any Named Executive Officer or director from purchasing financial instruments including, for greater certainty, prepaid variable forward 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 Named Executive Officer or director.

Summary Compensation Table

The following table sets forth the compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Corporation, or a subsidiary of the Corporation, to each Named Executive Officer for the financial years ended September 30, 2023, 2022, and 2021.

Name and principal position	Year	Salary (\$)	Share-based (\$)	Option-based awards (\$)	Non-equity incentive plan compensation		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
					(\$)	(\$)			
Robert H. Solinger Chief Executive Officer	2023	60,000	Nil	Nil	Nil	Nil	Nil	Nil	60,000
	2022	87,500	Nil	Nil	Nil	Nil	Nil	Nil	87,500
	2021	90,000	Nil	Nil	Nil	Nil	Nil	Nil	90,000
Debbie Fern Chief Financial Officer	2023	18,000	Nil	Nil	Nil	Nil	Nil	Nil	18,000
	2022	45,500	Nil	Nil	Nil	Nil	Nil	Nil	45,500
	2021	27,000	Nil	Nil	Nil	Nil	Nil	Nil	27,000

Incentive Plan Awards

Outstanding share-based awards and option-based awards

The following table sets forth all awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, for each NEO and director of the Company.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options	Option exercise price	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested	Market or payout value of vested share-based awards not paid out or distributed
	(#)	(\$)		(\$)	(#)	(\$)	(\$)
Robert H. Solinger Chief Executive Officer and Director	1,000,000	\$0.05	July 28/25	n/a	n/a	n/a	n/a
Scott C. Kellaway Director	750,000	\$0.05	July 28/25	n/a	n/a	n/a	n/a
Patrick Lynch	750,000	\$0.05	July 28/25	n/a	n/a	n/a	n/a

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Debbie Fern Chief Financial Officer	350,000	\$0.05	July 28/25	n/a	n/a	n/a	n/a

Note:

- (1) Calculated by multiplying the number of Common Shares purchasable on exercise of the options by the difference between the market price of the Common Shares at September 30, 2023 and the exercise price of the options. The closing price of the Corporation's Common Shares on the TSX Venture Exchange on September 27, 2023, the last date of trade prior to September 30, 2023, was \$0.025.

Incentive plan awards – value vested or earned during the year

No option-based awards, share-based awards or non-equity plan compensation value vested or were earned during the most recently completed financial year for any NEO and director of the Company.

Narrative Description of Option-based and Share-based plans

The Corporation maintains a stock option plan (the “Stock Option Plan”).

The full text of the Stock Option Plan is attached hereto Schedule “B”.

The Stock Option Plan provides that the Board may allocate non-transferable options to purchase Common Shares of the Corporation to Employees, Directors, and Consultants, as defined in the policies of the TSX Venture Exchange (the “**Exchange Policies**”) of the Corporation and its subsidiaries. Under the Stock Option Plan, the aggregate number of Common Shares to be delivered upon the exercise of all options granted under the Stock Option Plan shall not exceed 10% of the issued Common Shares of the Corporation at the time of granting the options; unless the Corporation has obtained disinterested shareholder approval as provided for in the Exchange Policies, no individual shall, during any 12 month period, be granted an option which exceeds 5% of the issued and outstanding Common Shares of the Corporation at the time of granting of the option; no Consultant to the Corporation shall, during any 12 month period, be granted an option which exceeds 2% of the issued and outstanding Common Shares of the Corporation at the time of granting of the option; no Employee conducting investor relations activities for the Corporation shall, during any 12 month period, be granted an option which exceeds 2% of the issued and outstanding Common Shares of the Corporation at the time of granting of the option; and the exercise price can only be at such price permitted by the Exchange Policies. Options under the Stock Option Plan are non-assignable (except in the event of death) and may be exercisable for a term of up to ten years. If the expiry date of the option falls within a blackout period, or within nine business days following the expiration of a blackout period, the expiry date of the option is automatically

extended to the tenth business day after the end of the blackout period. If an optionee ceases to be an Employee, Director or Consultant of the Corporation or its subsidiaries for any reason (other than for cause or other than for death), the option shall terminate within a reasonable period not to exceed 12 months (as fixed in the agreement evidencing the option) next succeeding the optionee ceasing to be in at least one of the foregoing categories. The option shall terminate immediately if the optionee's position is terminated for cause or if the optionee is removed as a director. The option shall terminate within one year after the death of the optionee. The Board may, at its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.

Pension Plan Benefits

Defined Benefit Plans and Retirement Plans

The Corporation does not have any pension or retirement plan.

Deferred Compensation Plans

The Corporation does not have a deferred compensation plan.

TERMINATION AND CHANGE OF CONTROL BENEFITS

There is no contract, agreement, plan or arrangement between the Corporation and any Named Executive Officer of the Corporation 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 in control of the Corporation or a change in the Named Executive Officer's responsibilities.

Compensation of Directors

No amount of compensation was provided to the directors of the Corporation for the most recently completed financial year.

The Corporation does not prohibit any Named Executive Officer or director from purchasing financial instruments including, for greater certainty, prepaid variable forward 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 Named Executive Officer or director.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth information with respect to securities to be issued upon the exercise of outstanding options, warrants and rights granted pursuant to equity compensation plans of the Corporation as at the financial year ended September 30, 2023:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by securityholders	4,000,000	\$0.05	6,511,434
Equity compensation plans not approved by securityholders	n/a	n/a	n/a
Total	4,000,000		6,511,434

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer, employee or former director, executive officer or employee of the Corporation or its subsidiaries, or any proposed nominee for election as a Director of the Corporation, nor any associate of any such director, executive officer or proposed nominee, is, or has been at any time since the beginning of the last completed financial year, indebted to the Corporation or its subsidiaries nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Corporation or any of its subsidiaries.

MANAGEMENT CONTRACTS

The Corporation has not entered into an agreement or arrangement under which management functions of the Corporation are to any substantial degree to be performed by a person or company other than by the directors or senior officers of the Corporation or its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Management of the Corporation is not aware of any material interests, direct or indirect, of any “informed person” (as defined in National Instrument 51-102) of the Corporation, any proposed director of the Corporation, or any associate or affiliate of any informed person or proposed director of the Corporation in any transaction since the commencement of the last completed financial year of the Corporation, or in any proposed transaction, which has materially affected or will materially affect the Corporation or any of its subsidiaries.

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

Management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer since the beginning of the Corporation’s last financial year, of any proposed nominee for election as a director, or of any associate or affiliate of such director, executive officer or proposed nominee in any matter to be acted upon, other than the approval of the stock option plan (see “*Particulars of Matters to Be Acted Upon – Stock Option Plan*”).

CORPORATE GOVERNANCE

National Policy 58-201 – *Corporate Governance Guidelines* and National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, sets out a series of guidelines for effective corporate governance. The Corporation has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Corporation’s practices comply with the guidelines; however, the Board considers that some of the guidelines are not suitable for the Corporation at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101 mandates disclosure of corporate governance practices which disclosure is set out below.

Board of Directors

The Board consists of three directors, two of whom are independent based upon the tests for independence set forth in National Instrument 52-110. Scott C. Kellaway and Patrick Lynch are independent. Robert H. Solinger is not independent as he is the President and Chief Executive Officer of the Corporation.

The independent directors have full access to management. The independent directors are able to meet at any time without any members of management including the non-independent directors being present. The independent members of the Audit Committee are able to meet with the Corporation’s auditors without management or the non-independent member of the Audit Committee being in attendance.

Directorship

No directors of the Corporation are directors of other reporting issuers or the equivalent.

Orientation and Continuing Education

The Board has not developed an official orientation or training program for new Board members. As required, new directors have the opportunity to become familiar with the Corporation by meeting with the other directors and with officers and employees. Orientation activities are tailored to the particular needs and experience of each director and the overall needs of the Board. Board members are encouraged to communicate with management and auditors and technical consultants if required. They are expected to keep themselves current with industry trends and developments and changes in legislation with management’s assistance. Board members have full access to the Corporation’s records.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors pursuant to corporate legislation and the common law, and the conflict of interest provisions under corporate legislation which restricts an individual director’s participation in decisions of the board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation. The Board has also

adopted a whistleblower protection policy with respect to the confidential and anonymous reporting of complaints and irregularities.

Nomination of Directors

The Board has not appointed a nominating committee because the Board fulfills these functions. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence, and other factors.

Compensation of Directors, the Chief Executive Officer and Chief Financial Officer

The Board is responsible for approving compensation, including long-term incentives in the form of stock options, to be granted to the Chief Executive Officer, the Chief Financial Officer, and the directors. The Board determines compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and officers while taking into account the financial and other resources of the Corporation.

Board Committees

The Corporation does not have any committees in addition to the Audit Committee.

Assessments

Based upon the Corporation's size, its current state of development and the number of individuals on the Board, the Board considers a formal process for regularly assessing the effectiveness and contribution of the Board, as a whole, its committees or individual directors to be unnecessary at this time. The Board plans to continue evaluating its own effectiveness on an ad hoc basis.

AUDIT COMMITTEE

Audit Committee Charter

The text of the Corporation's Audit Committee Charter is attached hereto as Schedule "A".

Composition of Audit Committee

The Audit Committee is composed of three directors, Robert H. Solinger, Scott C. Kellaway and Patrick Lynch. All the members of the Audit Committee are "financially literate" within the meaning of National Instrument 52-110. Robert H. Solinger is financially literate by virtue of having been Chief Financial Officer of several public and private companies. Scott C. Kellaway is financially literate by virtue of having been the President and Chief Executive Officer of Family Memorials Inc. which was listed on the TSX Venture Exchange. Patrick Lynch is financially literate by virtue of being a retired tax practitioner. Two of the members of the committee namely, Scott C. Kellaway and Patrick Lynch, are "independent" within the meaning of the policies of the TSX Venture Exchange and National Instrument 52-110. The Company is a "venture issuer" as defined in National Instrument 52-110 and as such is relying on the exemption from the requirement that all members of the audit committee be independent.

COMPENSATION OF AUDITORS

Audit Fees

The aggregate audit fees of the Auditor for the fiscal year ended September 30, 2023, were \$20,000 and were \$19,000 for the fiscal year ended September 30, 2022.

Audit Related Fees

The aggregate fees of the Auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit Fees" above for the fiscal year ended September 30, 2023, were \$nil and for the fiscal year ended September 30, 2022, were \$nil.

Tax Fees

The aggregate fees for professional services rendered by the Auditor for tax compliance, tax advice and tax planning were \$2,500 for the fiscal year ended September 30, 2023; and were \$2,500 for the fiscal year ended September 30, 2022.

All Other Fees

The aggregate fees for products and services, other than the services reported in "Audit Fees", "Audit Related Fees", and "Tax Fees", referred to above, provided to the Company by the Auditor were \$244 for the fiscal year ended September 30, 2023, and were \$232 for the fiscal year ended September 30, 2022.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Corporation's directors, the only matters to be placed before the Meeting are those matters set forth in the accompanying Notice of Meeting, more particularly described as follows:

Financial Statements

At the Meeting, shareholders will receive and consider the audited financial statements of the Corporation for the financial year ended September 30, 2023, along with the auditors' report thereon. No vote by the shareholders with respect thereto is required or proposed to be taken.

National Instrument 51-102, Continuous Disclosure Obligations, (the "**Instrument**") provides that the Corporation is not required to send annual or interim financial statements to its registered shareholders, unless they request copies of same. However, the *Business Corporations Act* (Alberta) requires that annual financial statements be sent to each shareholder, unless waived in writing by the shareholder. The Instrument provides that shareholders will not receive interim financial statements and the management discussion and analysis for the interim financial statements unless requested.

With respect to beneficial shareholders, the Instrument provides that the Corporation is only required to send annual or interim financial statements and the related management discussion and analysis to its beneficial shareholders if they request copies of same.

Fix Number of Directors to be Elected

The affairs of the Corporation are managed by a board of directors who are elected annually to hold office until the next annual meeting or until the director's successor is elected or appointed.

The Articles of the Corporation provide that the board of directors shall consist of a minimum of one and a maximum of eleven directors. The Corporation is a "distributing corporation" as defined in the *Business Corporations Act* (Alberta) and accordingly, must have a minimum of three directors. The Board currently consists of three members.

The shareholders of the Corporation will be asked to consider and, if thought appropriate, to approve and adopt a resolution fixing the number of directors to be elected at the Meeting at three. In order to be effective, the resolution requires the approval of a majority of votes cast by shareholders who vote in respect of the resolution.

Election of Directors

Hereinafter set forth are the names of the persons for whom it is intended that votes will be cast for their election as directors pursuant to the proxy solicited hereby unless the shareholder directs that his shares be withheld from voting in the election of directors. Management has been informed that each of the proposed nominees listed below is willing to serve as a director, if elected.

In the following table and notes thereto is stated the name of each person proposed by management for election as a director, the person's province or state and country of residence, the person's positions and offices with the Corporation, if any, the person's principal occupation or employment, the person's period or periods of service as a director of the Corporation and the number of Common Shares of the Corporation beneficially owned, or controlled or directed, directly or indirectly, by the person as of the date hereof:

Name, Residence And Office	Director Since	Principal Occupation	Number of Common Shares as at the date hereof
Robert H. Solinger * Alberta, Canada President and Chief Executive Officer	March, 2017	President and Chief Executive Officer of the Corporation since July 2018. Self-employed as consultant since 2012.	4,491,477 (Direct)
Scott C. Kellaway * Ontario, Canada	March 2014	President and Chief Executive Officer of Family Memorials Inc.	1,739,667 (Direct) 516,000 (Indirect - TFSA)
Patrick Lynch * Alberta, Canada	July, 2018	Retired since 2015; Vice President, Taxation, with Veresen Energy Inc. until retirement in 2015	100,000

* Member of Audit Committee

The directors will hold office until the close of the next annual general meeting of shareholders, unless such office is earlier vacated by the death or resignation of the director or by removal or disqualification in accordance with the *Business Corporations Act* (Alberta).

The information as to principal occupation and shares beneficially owned, or controlled or directed, directly or indirectly, not being within the knowledge of the Corporation, has been furnished by the respective nominee.

To the knowledge of management of the Corporation, no proposed director is, or within the ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including the Corporation) that: (i) while that person was acting in that capacity was the subject of a cease trade order or an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under Canadian securities legislation (any such order referred to as an “**Order**”), for a period of more than 30 consecutive days; or (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer, and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer, except as follows:

1. On the February 3, 2016, the Alberta Securities Commission issued a cease trade order against the Corporation (the “AB Cease Trade Order”) as a result of the Corporation’s failure to file the annual audited financial statements, annual management’s discussion and analysis, and certification of annual filings for the year ended September 30, 2015. On February 5, 2016, the British Columbia Securities also issued a cease trade order against the Corporation (the “BC Cease Trade Order”) as a result of the Corporation’s failure to file annual audited financial statements for the year ended September 30, 2015, and a Form 51-102F1 *Management’s Discussion and Analysis* for the period ended September 30, 2015. On February 21, 2017, the AB Cease Trade Order and the BC Cease Trade Order were revoked. Scott C. Kellaway was a director on the dates of the AB Cease Trade Order and the BC Cease Trade Order.
2. Scott C. Kellaway was on April 28, 2014 President, Chief Executive Officer of Family Memorials Inc. (“Family Memorials”) when Family Memorials announced (the “Default Notice”) that it would be unable to file its audited financial statements, management’s discussion and analysis and related Chief Executive Officer and Chief Financial Officer certificates for the year ended December 31, 2013 (the “Required Filings”) before the April 30, 2014 deadline. As a result of this delay in the filing of the Required Filings, the Ontario Securities Commission (the “OSC”) issued a temporary management cease trade order (“MCTO”) on May 2, 2014 and a permanent MCTO on May 14, 2015 against the Corporation’s Chief Executive Officer, Scott C. Kellaway, and the Corporation’s former Chief Financial Officer, as opposed to issuing a general cease trade order against the Corporation. The MCTO prohibited all trading in securities of the Corporation, whether direct or indirect, by the Corporation’s Chief Executive Officer and Chief Financial Officer until two full business days following receipt by the OSC of the Required Filings. The Corporation completed the Required Filings on May 28, 2014 and the MCTO expired as of June 2, 2014.

To the knowledge of management of the Corporation, no proposed director is or has been during the ten years prior to the date hereof, a director or executive officer of any company

(including the Corporation) 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.

To the knowledge of management of the Corporation, no proposed director, during the ten years prior to the date hereof, has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold assets of the proposed director.

To the knowledge of the management of the Corporation, no proposed director has been subject to: (i) 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 (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Appointment and Remuneration of Auditors

It is intended to vote the proxy solicited hereby (unless the shareholder directs therein that his shares be withheld from voting in the appointment of auditors) to appoint the firm of Smythe LLP, Chartered Accountants, Vancouver, British Columbia, as auditors of the Corporation to hold office until the next annual meeting of shareholders and to authorize the directors to fix their remuneration. Smythe LLP, Chartered Accountants were appointed as auditors for the Corporation on May 31, 2007.

Stock Option Plan

Pursuant to the Exchange Policies, the Corporation's Stock Option Plan must receive shareholder approval annually.

The text of the Corporation's Stock Option Plan is attached hereto as Schedule "B".

Set forth below is the resolution to be submitted to the shareholders in relation to approving the Stock Option Plan. The resolution must be passed by a majority of the votes cast by holders of Common Shares who vote in respect of the resolution. The resolution is as follows:

“BE IT RESOLVED that the Stock Option Plan of the Corporation, a copy of which is attached to the Management Information Circular of the Corporation dated May 17, 2024, be and the same is hereby ratified and approved.”

Other Matters

Management is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting. If other matters come before the Meeting it is the intention of the individuals named in the form of proxy to vote the same in accordance with their best judgment in such matters.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available through the System for Electronic Document Analysis and Retrieval (“**SEDAR+**”) through the Internet at <https://www.sedarplus.ca/landingpage/>.

To obtain copies of the Corporation’s financial statements and management discussion and analysis, shareholders are required to send the return card referred to under “Particulars of Matters to Be Acted Upon” – “Financial Statements”.

Financial information relating to the Corporation is provided in the Corporation’s comparative financial statements and management discussion and analysis for its most recently completed financial year. See “Particulars of Matters to Be Acted Upon” – “Financial Statements”.

Dated: May 17, 2024

Schedule “A”

KESTREL GOLD INC.
(the “Corporation”)
Audit Committee Charter

A. Composition and Process

1. The Audit Committee shall be composed of a minimum of three members of the Board of Directors, a majority of whom are independent. An independent director, as defined in National Instrument 52-110 - Audit Committees (“NI 52-110”) is a director who has no direct or indirect material relationship which could, in the view of the Corporation’s Board of Directors, be reasonably expected to interfere with the exercise of a member’s independent judgment or as otherwise determined to be independent in accordance with NI 52-110.
2. Members shall serve one-year terms and may serve consecutive terms, which are encouraged to ensure continuity of experience.
3. The Chairperson shall be appointed by the Board of Directors for a one-year term, and may serve any number of consecutive terms.
4. All members of the Audit Committee shall be financially literate. Financial literacy is the ability to read and understand a balance sheet, income statement and cash flow statement that present a breadth and level of complexity comparable to the Corporation’s financial statements.
5. The Chairperson shall, in consultation with management and the external auditor and internal auditor (if any), establish the agenda for the meetings and ensure that properly prepared agenda materials are circulated to the members with sufficient time for study prior to the meeting. The external auditor will also receive notice of all meetings of the Audit Committee. The Audit Committee may employ a list of prepared questions and considerations as a portion of its review and assessment process.
6. The Audit Committee shall meet at least four times per year and may call special meetings as required. A quorum at meetings of the Audit Committee shall be its Chairperson and one of its other members or the Chairman of the Board of Directors. The Audit Committee may hold its meetings, and members of the Audit Committee may attend meetings, by telephone conference if this is deemed appropriate.
7. The minutes of the Audit Committee meetings shall accurately record the decisions reached and shall be distributed to Audit Committee members with copies to the Board of Directors, the Chief Executive Officer, the Chief Financial Officer and the external auditor.
8. The Audit Committee reviews, prior to their presentation to the Board of Directors and their release, all material financial information required by securities legislation and policies.
9. The Audit Committee enquires about potential claims, assessments and other contingent liabilities.
10. The Audit Committee periodically reviews with management, depreciation and amortization policies, loss provisions and other accounting policies for appropriateness and consistency.
11. The Charter of the Audit Committee shall be reviewed by the Board of Directors on an annual basis.

B. Authority

1. Appointed by the Board of Directors pursuant to provisions of the Business Corporations Act (Alberta) and the bylaws of the Corporation.
2. Primary responsibility for the Corporation’s financial reporting, accounting systems and internal controls is vested in senior management and is overseen by the Board of Directors. The Audit Committee is a standing committee of the Board of Directors established to assist it in fulfilling its responsibilities in this regard. The Audit Committee shall have

responsibility for overseeing management reporting on internal controls. While it is management's responsibility to design and implement an effective system of internal control, it is the responsibility of the Audit Committee to ensure that management has done so.

3. In fulfilling its responsibilities, the Audit Committee shall have unrestricted access to the Corporation's personnel and documents and will be provided with the resources necessary to carry out its responsibilities.
4. The Audit Committee shall have direct communication channels with the internal auditor (if any) and the external auditor to discuss and review specific issues, as appropriate.
5. The Audit Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties.
6. The Audit Committee shall establish the compensation to be paid to any advisors employed by the Audit Committee and such compensation shall be paid by the Corporation as directed by the Audit Committee.

C. Relationship with External Auditors

1. An external auditor must report directly to the Audit Committee.
2. The Audit Committee is directly responsible for overseeing the work of the external auditor including the resolution of disagreements between management and the external auditor regarding financial reporting.
3. The Audit Committee shall implement structures and procedures to ensure that it meets with the external auditor on at least annually in the absence of management.

D. Accounting Systems, Internal Controls and Procedures

1. Obtain reasonable assurance from discussions with and/or reports from management, and reports from external auditors that accounting systems are reliable and that the prescribed internal controls are operating effectively for the Corporation and its subsidiaries and affiliates.
2. The Audit Committee shall review to ensure to its satisfaction that adequate procedures are in place for the review of the Corporation's disclosure of financial information extracted or derived from the Corporation's financial statements and will periodically assess the adequacy of those procedures.
3. Direct the external auditor's examinations to particular areas.
4. Review control weaknesses identified by the external auditor, together with management's response.
5. Review with the external auditor its view of the qualifications and performance of the key financial and accounting executives.
6. In order to preserve the independence of the external auditor the Audit Committee will:
 - (a) recommend to the Board of Directors the external auditor to be nominated; and
 - (b) recommend to the Board of Directors the compensation of the external auditor's engagement;
7. The Audit Committee shall review and pre-approve any engagements for non-audit services to be provided by the external auditor or its affiliates, together with estimated fees, and consider the impact on the independence of the external auditor.
8. Review with management and with the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgments of management that may be material to financial reporting.

9. The Audit Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and most recent former external auditor of the Corporation.
10. The Audit Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and the confidential anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
11. The Audit Committee shall on an annual basis, prior to public disclosure of its annual financial statements, ensure that the external auditor has entered into a participation agreement and has not had its participant status terminated, or, if its participant status was terminated, has been reinstated in accordance with the Canadian Public Accountability Board ("CPAB") bylaws and is in compliance with any restriction or sanction imposed by the CPAB.

E. Statutory and Regulatory Responsibilities

1. Annual Financial Information - review the annual audited financial statements and related management's discussion and analysis ("MD&A"), including any letter to shareholders and related press releases, and recommend their approval to the Board of Directors, after discussing matters such as the selection of accounting policies (and changes thereto), major accounting judgments, accruals and estimates with management and the external auditor.
2. Annual Report - review the management MD&A section and all other relevant sections of the annual report, if prepared, to ensure consistency of all financial information included in the annual report.
3. Interim Financial Statements - review the quarterly interim financial statements and related MD&A, including any letter to shareholders and related press releases and recommend their approval to the Board of Directors.
4. Earnings Guidance/Forecasts - review forecasted financial information and forward looking statements.
5. Review the Corporation's financial statements, MD&A and earnings press releases before the Corporation publicly discloses this information.

F. Reporting

1. Report, through the Chairperson of the Audit Committee, to the Board of Directors following each meeting on the major discussions and decisions made by the Audit Committee.
2. Report annually to the Board of Directors on the Audit Committee's responsibilities and how it has discharged them.
3. Review the Audit Committee's Charter annually and recommend the approval of any proposed amendments to the Board of Directors.

G. Other Responsibilities

1. Investigating fraud, illegal acts or conflicts of interest.
2. Discussing selected issues with corporate counsel or the external auditor or management.

Schedule “B”

**KESTREL GOLD INC.
STOCK OPTION PLAN**

1. Purpose

The purpose of the Stock Option Plan (the “**Plan**”) of Kestrel Gold Inc. (the “**Corporation**”) is to advance the interests of the Corporation and each subsidiary of the Corporation by encouraging the Employees, Directors and Consultants of the Corporation and its subsidiaries to acquire shares in the Corporation, thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and its subsidiaries and furnishing them with additional incentive in their efforts on behalf of the Corporation and its subsidiaries.

2. Definitions

Unless otherwise defined in this Plan, all capitalized words shall have the meanings ascribed thereto in the policies of the TSX Venture Exchange Inc. (the “**Exchange**”), as such policies are from time to time amended or varied (the “**Policies**”).

3. Administration

The Plan shall be administered by the board of directors of the Corporation. A majority of the board of directors shall constitute a quorum, and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the directors.

Subject to the provisions of the Plan, the board of directors shall have authority to construe and interpret the Plan and all option agreements entered into thereunder, to define the terms used in the Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the board of directors shall be binding and conclusive on the Optionees and on their legal personal representatives and beneficiaries.

Notwithstanding the foregoing or any other provision contained herein, the board of directors shall have the right to delegate the administration and operation of the Plan, in whole or in part, to a committee of the board of directors or to the President or any other officer of the Corporation. Whenever used herein, the term “board of directors” shall be deemed to include any committee or officer to which the board of directors has, fully or partially, delegated responsibility and/or authority relating to the Plan or the administration and operation of the Plan pursuant to this Section 3.

Each option granted hereunder shall be evidenced by an agreement, signed on behalf of the Corporation and by the Optionee, in such form as the directors shall approve. Each such agreement shall recite that it is subject to the provisions of the Plan.

4. Shares Subject to Plan

Subject to adjustment as provided in Section 15 hereof, the shares to be offered under the Plan shall consist of shares of the Corporation's authorized but unissued common shares (the “**Shares**”). The aggregate number of Shares to be delivered upon the exercise of all options granted under the Plan shall not exceed 10% of the issued Shares of the Corporation as at the time of granting of options. If any option granted hereunder shall expire or terminate for any reason without having been exercised in full, the un-purchased Shares subject thereto shall again be available for the purpose of the Plan.

5. Maintenance of Sufficient Capital

The Corporation shall at all times during the term of the Plan reserve and keep available such numbers of Shares as will be sufficient to satisfy the requirements of the Plan.

6. Eligibility and Participation

Directors, Employees and Consultants of the Corporation and its subsidiaries shall be eligible for selection to participate in the Plan. The board of directors shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted, and the number of Shares to be subject to each option. An Optionee may, if such Optionee is otherwise eligible, and if permitted under the Policies, be granted an additional option or options if the directors shall so determine.

For options granted to Employees, Consultants or Management Company Employees, the Corporation and the Optionee shall be responsible for ensuring and confirming that the Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be.

7. Exercise Price

The exercise price of the Shares covered by each option shall be determined by the directors. The exercise price shall be not less than the price permitted by the Policies.

8. Number of Optioned Shares

The number of Shares subject to an option to an Optionee shall be determined in the resolution of the board of directors, provided that:

- (a) unless the Corporation has obtained disinterested shareholder approval as provided for in the Policies, the aggregate number of options granted to any one Person (and Companies wholly owned by that Person) in a 12 month period shall not exceed 5% of the issued Shares of the Corporation, calculated on the date an option is granted to the Person;
- (b) the aggregate number of options granted to any one Consultant in a 12 month period shall not exceed 2% of the issued Shares of the Corporation, calculated at the date an option is granted to the Consultant;
- (c) the aggregate number of options granted to Persons retained to provide Investor Relations Activities must not exceed 2% of the issued Shares of the Corporation in any 12 month period, calculated at the date an option is granted to any such Person. In addition, options issued to

Consultants retained to provide Investor Relations Activities must vest in stages over 12 months with no more than ¼ of the options vesting in any three month period;

- (d) unless the Corporation has obtained disinterested shareholder approval as provided for in the Policies, no option shall be granted to an Insider if such grant could result in the Insiders (as a group) being granted, within a 12 month period, options to purchase an aggregate number of Shares exceeding 10% of the issued Shares of the Corporation, calculated at the date an option is granted to an Insider; and
- (e) unless the Corporation has obtained disinterested shareholder approval as provided for in the Policies, the aggregate number of Shares reserved for issuance under options granted to Insiders (as a group) at any point in time shall not exceed 10% of the issued Shares of the Corporation.

9. Duration of Option

Each option and all rights thereunder shall be expressed to expire on the date set out in the option agreements and shall be subject to earlier termination as provided in Sections 11, 12 and 15.

10. Option Period, Blackout Period, Consideration and Payment

- (a) The period within which such option shall be exercised (the “**Option Period**”) shall be a period of time fixed by the board of directors, not to exceed ten (10) years from the date the option is granted, provided that the Option Period shall be extended with respect to any option as provided in paragraph (b) and shall be reduced with respect to any option as provided in Sections 11, 12 and 15.
- (b) “**Blackout Period**” means the period during which an Optionee is prohibited from exercising an option due to trading restrictions imposed by the Corporation pursuant to the internal trading policies of the Corporation respecting restrictions on trading that is in effect at that time.

If the expiry date of an option falls within a Blackout Period or within nine business days following the expiration of a Blackout Period, such expiry date of the option shall be automatically extended without any further act or formality to that date which is the tenth business day after the end of the Blackout Period, such tenth business day to be considered the expiry date for such option for all purposes under the Plan provided that:

- (i) the Blackout Period must be formally imposed by the Corporation pursuant to its internal trading policies as a result of the bona fide existence of undisclosed Material Information. For greater certainty, in the absence of the Corporation formally imposing a Blackout Period, the expiry date of any options will not be automatically extended in any circumstances;
 - (ii) the Blackout Period must expire upon the general disclosure of the undisclosed Material Information and the expiry date of the option can be extended to no later than ten (10) business days after the expiry of the Blackout Period; and
 - (iii) the automatic extension of an Optionee’s options will not be permitted where the Optionee or the Corporation is subject to a cease trade order (or similar order under Securities Laws) in respect of the Corporation’s securities.
- (c) An option shall vest and may be exercised (in each case to the nearest full share) during the Option Period in such manner as the board of directors may fix by resolution. Options which have vested may be exercised in whole or in part at any time and from time to time during the Option Period.

- (d) The exercise of any option shall be contingent upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Shares with respect to which the option is being exercised, accompanied by cash payment, certified cheque, bank draft, or such other form of payment as shall be accepted by the Corporation, for the full purchase price of such Shares with respect to which the option is exercised, plus the amount of any withholding tax which the Corporation is required to withhold and remit pursuant to applicable income tax legislation. No Optionee or his legal representatives, legatees or distributees shall be, or shall be deemed to be, a holder of any Shares subject to an option under the Plan, unless and until the certificates for such Shares are issued to him or them under the terms of the Plan.

11. Ceasing To Be a Director, Employee or Consultant

- (a) If an Optionee ceases to be a Director, Employee, or Consultant of the Corporation or any of its subsidiaries for any reason (other than for cause or other than for death), the Optionee may, but only within a reasonable period, not to exceed 12 months, (as fixed in the agreement evidencing the option) next succeeding the Optionee's ceasing to be in at least one of the foregoing categories, exercise the Optionee's option to the extent that the Optionee was entitled to exercise such option at the date of such cessation.
- (b) If an Optionee's position as a senior officer, Employee, Management Company Employee or Consultant is terminated (as the case may be by the Corporation or by one of its subsidiaries) for cause, each unexercised option held by such Optionee shall forthwith cease and terminate and be of no further force or effect whatsoever. If an Optionee is removed as a director of the Corporation or of any of its subsidiaries, each unexercised option held by such Optionee shall forthwith cease and terminate and be of no further force or effect whatsoever.
- (c) Nothing contained in the Plan, nor in any option granted pursuant to the Plan, shall as such confer upon any Optionee any right with respect to continuance as a Director, Employee, or Consultant of the Corporation or of any of its subsidiaries.

12. Death of Optionee

In the event of the death of an Optionee, the Optionee's option shall be exercisable only within one year next succeeding such death and then only:

- (a) by the person or persons to whom the Optionee's rights under the option shall pass by the Optionee's will or the laws of descent and distribution; and
- (b) to the extent that the Optionee was entitled to exercise such option at the date of the Optionee's death.

13. Rights of Optionee

No person entitled to exercise any option granted under the Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such option until certificates representing such Shares shall have been issued.

14. Proceeds from Sale of Shares

The proceeds from sale of Shares issued upon the exercise of options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the board of directors may determine and direct.

15. Adjustments

In the event that the outstanding Shares of the Corporation are changed into or exchanged for a different number or kind of shares or other securities of the Corporation, or in the event that there is a reorganization, amalgamation, consolidation, subdivision, reclassification, dividend payable in capital stock or other change in the capital stock of the Corporation, then each Optionee shall thereafter upon the exercise of the option granted to him, be entitled to receive, in lieu of the number of Shares to which the Optionee was theretofore entitled upon such exercise, the kind and amount of shares or other securities or property which the Optionee would have been entitled to receive as a result of any such event if, on the effective date thereof, the Optionee had been the holder of the Shares to which he was theretofore entitled upon such exercise and the Optionee shall pay for such shares or other securities or property, the amount the Optionee would have paid if the Optionee had exercised the option prior to such effective date.

In the event the Corporation proposes to amalgamate, merge or consolidate with any other corporation (other than with a wholly-owned subsidiary of the Corporation) or to liquidate, dissolve or wind-up, or in the event an offer to purchase the Shares of the Corporation or any part thereof shall be made to all holders of Shares of the Corporation, the Corporation shall have the right, upon written notice thereof to each Optionee, to require the exercise of the option granted within the thirty (30) day period next following the date of such notice and to determine that upon the expiry of such thirty (30) day period, all rights of the Optionee to exercise same (to the extent not theretofore exercised) shall ipso facto terminate and cease to have any further force or effect whatsoever.

16. Transferability

All benefits, rights and options accruing to any Optionee in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein. During the lifetime of an Optionee any benefits, rights and options may only be exercised by, or on behalf of, the Optionee.

17. Amendment and Termination of Plan

The board of directors may, at any time, suspend or terminate the Plan. The board may also at any time amend or revise the terms of the Plan subject to the Policies and subject to prior Exchange acceptance; provided that no such amendment or revision shall alter the terms of any options theretofore granted under the Plan.

18. Reduction of Exercise Price and Extension

If the Corporation agrees to amend any option agreement by reduction of the exercise price or the extension of the term of an option, and if the Optionee is an Insider at the time of the amendment, such amendment shall be subject to disinterested shareholder approval in accordance with the Policies.

19. Necessary Approvals

The obligation of the Corporation to issue and deliver Shares in accordance with the Plan is subject to any approvals which may be required from any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation. If any Shares cannot be issued to any Optionee for whatever reason, the obligation of the Corporation to issue such Shares shall terminate and any option exercise price paid to the Corporation will be returned to the Optionee.

20. Effective Date of Plan

The Plan has been adopted by the board of directors of the Corporation subject to the approval of the Exchange and, if so approved, the Plan shall become effective upon such approval being obtained, subject to disinterested shareholder approval being obtained in accordance with the Policies.

21. Interpretation

The Plan will be governed by and construed in accordance with the laws of Canada and of the Province of Alberta.

