



**Southern
Empire**

RESOURCES
CORP.

TSX-V: SMP
FRANKFURT: 5RE
OTCQB: SMPEF

SOUTHERN EMPIRE RESOURCES CORP.
Suite 420 – 789 West Pender Street, Vancouver, BC V6C 1H2

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS
TO BE HELD ON AUGUST 15, 2024**

AND

MANAGEMENT INFORMATION CIRCULAR

JULY 15, 2024

This document requires immediate attention. If you are in doubt as to how to deal with the documents or matters referred to in this Notice of Annual General Meeting of Shareholders or this Management Information Circular, you should immediately contact your advisor.

SOUTHERN EMPIRE RESOURCES CORP.

Suite 420 - 789 West Pender Street, Vancouver, BC V6C 1H2

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual general meeting of the shareholders (“**Shareholders**”) of Southern Empire Resources Corp. (“**Southern Empire**” or the “**Company**”) will be held at Suite 704 – 595 Howe Street, Vancouver, BC V6C 2T5 on Thursday, August 15, 2024 at 10:00 a.m. (Vancouver Time) (the “**Meeting**”) for the following purposes:

1. to fix the number of directors of Southern Empire at five (5);
2. to elect Dale Wallster, Andrew Davidson, P.E. (Ted) Kavanagh, Alex Heath and Joel Dryer as directors of Southern Empire for the ensuing year;
3. to appoint Davidson & Company LLP, Professional Chartered Accountants, as the auditors of Southern Empire for the ensuing year and to authorize the directors of the Company to fix the remuneration to be paid to the auditors;
4. to consider, and if thought fit, to pass an ordinary resolution ratifying, confirming and approving the Company’s 10% rolling stock option plan, as amended and restated, as more particularly described in the accompanying Management Information Circular (the “**Information Circular**”);
5. to receive the audited financial statements of Southern Empire for the financial year ended October 31, 2023, and the accompanying report of the auditors; and
6. to transact such other business as may be properly brought before the Meeting or any adjournment thereof.

The Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this Notice of Annual General Meeting of Shareholders.

The Company’s board of directors has fixed July 9, 2024 as the record date for the determination of Shareholders entitled to notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered Shareholder at the close of business on that date is entitled to such notice and to vote at the Meeting in the circumstances set out in the Information Circular.

If you will not be attending the Meeting, registered Shareholders need to complete, date and sign the accompanying form of proxy and deposit it with the Company’s transfer agent, Computershare Investor Services Inc., 510 Burrard Street, 3rd Floor, Vancouver, BC V6C 3B9 in accordance with the instructions therein, no later than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting or any adjournment thereof.

If you are a non-registered Shareholder, please complete and return the materials in accordance with the instructions set forth in the accompanying Information Circular.

DATED at Vancouver, British Columbia, this 15th day of July 2024.

ON BEHALF OF THE BOARD

“Dale Wallster”

Dale Wallster

President, Chief Executive Officer and Director

SOUTHERN EMPIRE RESOURCES CORP.
Suite 420, 789 West Pender Street, Vancouver, BC, Canada V6C 1H2

**MANAGEMENT INFORMATION CIRCULAR
FOR
THE ANNUAL GENERAL MEETING OF SHAREHOLDERS
TO BE HELD ON AUGUST 15, 2024**

This Management Information Circular (this “Information Circular”) contains information as at July 15, 2024, unless specifically stated otherwise.

INTRODUCTION

Southern Empire Resources Corp. (“**Southern Empire**” or the “**Company**”) is providing this Information Circular and a form of proxy in connection with the solicitation by the management of Southern Empire (the “**Management**”) of proxies for use at the annual general meeting (the “**Meeting**”) of the Shareholders of the Company to be held at Suite 704 – 595 Howe Street, Vancouver, BC V6C 2T5 on Thursday, August 15, 2024 at 10:00 a.m. (Vancouver Time).

The date of this Information Circular is July 15, 2024. Unless otherwise stated, all amounts herein are in Canadian dollars. All references to Shareholders are to registered holders of common shares of Southern Empire (the “**Common Shares**”), unless specifically stated otherwise.

MANAGEMENT SOLICITATION OF PROXIES

The solicitation of proxies by the Management will be conducted by mail and may be supplemented by telephone or other personal contact to be made, without special compensation, by the directors, officers and employees of the Company. The Company does not reimburse Shareholders, nominees or agents for costs incurred in obtaining from their principals authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers, and the Company may reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The Company will bear the cost of the solicitation.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

APPOINTMENT OF PROXYHOLDER

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

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

VOTING BY PROXY

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

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

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

COMPLETION AND RETURN OF PROXY

Completed forms of proxy must be deposited at the office of Southern Empire's registrar and transfer agent, Computershare Investor Services Inc., 510 Burrard Street, 3rd Floor, Vancouver, BC V6C 3B9, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

NON-REGISTERED HOLDERS

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

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

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

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

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

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

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

REVOCABILITY OF PROXY

In addition to revocation in any other manner permitted by law, a Shareholder, his attorney authorized in writing or, if the Shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Southern Empire is authorized to issue an unlimited number of Common Shares without par value and an unlimited number of preferred shares. As at July 15, 2024, 67,597,800 Common Shares were issued and outstanding. To date, the Company has not issued any preferred shares. Persons who are registered Shareholders at the close of business on July 9, 2024 will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each Common Share held.

Other than as set at below, as at the date hereof, to the knowledge of the directors and executive officers of Southern Empire, no person beneficially owns, controls or directs, directly or indirectly, shares carrying 10% or more of the voting rights attached to all shares of the Company:

| Name of Shareholder | Number of Common Shares Held | Percentage of Outstanding Common Shares |
|-------------------------------------|------------------------------|-----------------------------------------|
| Eros Resources Corp. ⁽¹⁾ | 9,402,941 | 13.91% |

Note:

- (1) Eros Resources Corp. is a company listed on the TSX Venture Exchange, of which Andrew Davidson, the Chief Financial Officer, Corporate Secretary and a director of the Company, acts as the Chief Financial Officer and Corporate Secretary.

STATEMENT OF EXECUTIVE COMPENSATION

General

The following information, dated as of July 15, 2024, is provided as required under Form 51-102F6V – Statement for Executive Compensation – Venture Issuers (the “**Form 51-102F6V**”), as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*.

For the purposes of this Form:

“**CEO**” means an individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**CFO**” means an individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**company**” includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

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

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

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

- (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
- (c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year;

“**plan**” includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons;

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

During the financial year ended October 31, 2023, the Company had two NEOs, namely:

- (i) Dale Wallster, the Chief Executive Officer, President and a director of the Company; and
- (ii) Andrew Davidson, the Chief Financial Officer, Secretary and a director of the Company.

Director and NEO Compensation, Excluding Options and Compensation Securities

The following table (presented in accordance with Form 51-102F6V) excluding options (the “**Options**”) and other compensation securities of the Company, provides a summary of the compensation paid by the Company to each NEO and director of the Company for the financial years ended October 31, 2023 and October 31, 2022. Options and other compensation securities are disclosed under the heading “*Stock Options and Other Compensation Securities and Instruments*” below.

| Table of compensation <u>excluding</u> compensation securities | | | | | | | |
|-------------------------------------------------------------------------|----------------------|-----------------------------------------------------|------------|--------------------------------|---------------------------|--------------------------------------|-------------------------|
| Name and position | Financial Year Ended | Salary, consulting fee, retainer or commission (\$) | Bonus (\$) | Committee or meeting fees (\$) | Value of perquisites (\$) | Value of all other compensation (\$) | Total compensation (\$) |
| Dale Wallster ⁽¹⁾ <i>CEO, President and director</i> | 2023 | 180,000 ⁽⁸⁾ | - | - | - | - | 180,000 |
| | 2022 | 180,000 ⁽⁸⁾ | - | - | - | - | 180,000 |
| Andrew Davidson ⁽²⁾ <i>CFO, Secretary and director</i> | 2023 | 96,000 ⁽⁹⁾ | - | - | - | - | 96,000 |
| | 2022 | 96,000 ⁽⁹⁾ | - | - | - | - | 96,000 |
| James Currie ⁽³⁾ <i>Director</i> | 2023 | - | - | - | - | - | - |
| | 2022 | - | - | - | - | - | - |
| P.E. (Ted) Kavanagh ⁽⁴⁾ <i>Director</i> | 2023 | - | - | - | - | - | - |
| | 2022 | - | - | - | - | - | - |
| Alex Heath ⁽⁵⁾ <i>Director</i> | 2023 | - | - | - | - | - | - |
| | 2022 | - | - | - | - | - | - |
| Joel Dryer ⁽⁶⁾ <i>Director</i> | 2023 | - | - | - | - | - | - |
| | 2022 | N/A | N/A | N/A | N/A | N/A | N/A |
| Ronald Netolitzky ⁽⁷⁾ <i>Former Chairman and Director</i> | 2023 | - | - | - | - | - | - |
| | 2022 | - | - | - | - | - | - |

Notes:

- (1) Mr. Wallster was appointed as the Chief Executive Officer, President and a director of the Company on March 18, 2020.
- (2) Mr. Davidson was appointed as the Chief Financial Officer and Secretary of the Company on March 18, 2020 and as a director of the Company on October 26, 2020.
- (3) Mr. Currie was appointed as a director of the Company on March 18, 2020.
- (4) Mr. Kavanagh was appointed as a director of the Company on June 10, 2021.
- (5) Mr. Heath was appointed as a director of the Company on February 15, 2021.
- (6) Mr. Dryer was appointed as a director on June 27, 2023.
- (7) Mr. Netolitzky was appointed as the Chairman and a director of the Company on March 18, 2020 and ceased as the Chairman and a director of the Company on June 27, 2023.
- (8) Consulting fees paid to Mulgravian Ventures Corporation, a company wholly controlled by Mr. Wallster, in respect of management services provided by Mr. Wallster to the Company.
- (9) Consulting fees paid to Jaelky Holdings Inc., a company in which Mr. Davidson has a controlling interest, in respect of management services provided by Mr. Davidson to the Company.

Stock Options and Other Compensation Securities and Instruments

The following table of compensation securities provides a summary of all compensation securities granted, or issued by the Company to each NEO and director of the Company for the financial year ended October 31, 2023, for services provided, directly or indirectly, to the Company.

| 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 |
| Dale Wallster ⁽¹⁾ <i>CEO, President and director</i> | Options | 250,000 | August 28, 2023 | 0.07 | 0.07 | 0.055 | August 28, 2028 |
| Andrew Davidson ⁽²⁾ <i>CFO, Secretary and director</i> | Options | 250,000 | August 28, 2023 | 0.07 | 0.07 | 0.055 | August 28, 2028 |
| James Currie ⁽³⁾ <i>Director</i> | Options | 150,000 | August 28, 2023 | 0.07 | 0.07 | 0.055 | August 28, 2028 |
| P.E. (Ted) Kavanagh ⁽⁴⁾ <i>Director</i> | Options | 150,000 | August 28, 2023 | 0.07 | 0.07 | 0.055 | August 28, 2028 |
| Alex Heath ⁽⁵⁾ <i>Director</i> | Options | 150,000 | August 28, 2023 | 0.07 | 0.07 | 0.055 | August 28, 2028 |
| Joel Dryer ⁽⁶⁾ <i>Director</i> | Options | 150,000 100,000 400,000 | August 28, 2023 August 28, 2023 August 28, 2023 | 0.07 0.11 0.30 | 0.07 0.07 0.07 | 0.055 0.055 0.055 | August 28, 2028 August 28, 2028 August 28, 2028 |
| Ronald Netolitzky ⁽⁷⁾ <i>Former Chairman and Director</i> | Options | Nil | - | - | - | - | - |

Notes:

- (1) Mr. Wallster was appointed as the Chief Executive Officer, President and a director of the Company on March 18, 2020.
- (2) Mr. Davidson was appointed as the Chief Financial Officer and Secretary of the Company on March 18, 2020 and as a director of the Company on October 26, 2020.
- (3) Mr. Currie was appointed as a director of the Company on March 18, 2020.
- (4) Mr. Kavanagh was appointed as a director of the Company on June 10, 2021.
- (5) Mr. Heath was appointed as a director of the Company on February 15, 2021.
- (6) Mr. Dryer was appointed as a director of the Company on June 27, 2023.
- (7) Mr. Netolitzky was appointed as the Chairman and a director of the Company on March 18, 2020 and ceased as the Chairman and a director of the Company on June 27, 2023.

During the financial year ended October 31, 2023, no NEO or director of the Company exercised any compensation securities of the Company.

Employment, Consulting and Management Agreements

Other than as disclosed below and elsewhere in this Information Circular, the Company did not have any contracts, agreements, plans or arrangements that provide for compensation to its Named Executive Officers or directors during the financial year ended October 31, 2023.

Messrs. Wallster and Davidson are not employees of the Company. The Company pays consulting fees to (i) Mulgravian Ventures Corporation, a company wholly controlled by Mr. Wallster, in respect of management services provided by Mr. Wallster to the Company; and (ii) Jaelky Holdings Inc., a company in which Mr. Davidson has a controlling interest, in respect of management services provided by Mr. Davidson to the Company.

Oversight and Description of Director and NEO Compensation

The Company does not have a separate compensation committee. As such, the entire board of directors of the Company (the “**Board**”) is responsible for, among other things, evaluating the performance of the Company’s executive officers, determining or making recommendations to the Board with respect to the compensation of the Company’s executive officers, making recommendations to the Board with respect to director compensation, incentive compensation plans and equity-based plans, making recommendations to the Board with respect to the compensation policy for the employees of the Company or its subsidiaries and ensuring that the Company is in compliance with all legal requirements with respect to compensation disclosure. In performing its duties, the Board has the authority to engage such advisors, including executive compensation consultants, as it considers necessary.

All members of the Board are experienced participants in business or finance, and have sat on the board of directors of other companies, charities or business associations, in addition to the Board.

The Board does not have a pre-determined compensation plan. The Company does not engage in benchmarking practices and the process for determining executive compensation is at the discretion of the Board.

In performing its duties, the Board has considered the implications of risks associated with the Company’s compensation policies and practices. At its present early stage of development and considering its present compensation policies, the Company currently has no compensation policies or practices that would encourage an executive officer or other individual to take inappropriate or excessive risks. A Named Executive Officer or director of the Company is permitted for his or her own benefit and at his or her own risk, to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars or units or exchange funds, that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director of the Company.

Executive compensation awarded to the named executive officers consists of two components: (i) management fees and (ii) Options. The Company does not presently have a long-term incentive plan for its named executive officers. There is no policy or target regarding the allocation between cash and noncash elements of the Company’s compensation program.

Pension

The Company does not provide any pension benefits for directors or executive officers of the Company.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets out those securities of the Company which have been authorized for issuance under equity compensation plans, for the financial year ended October 31, 2023. As at October 31, 2023, its equity compensation plans consisted of the Company’s Stock Option Plan (the “**Stock Option Plan**”).

| Plan Category | Number of securities to be issued upon exercise of outstanding options, warrants and rights (a) | Weighted-average exercise price of outstanding options, warrants and rights (b) | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) |
|----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| Equity compensation plans approved by the security holders | 6,580,000 | \$0.21 | 122,280 |
| Equity compensation plans not approved by the security holders | Nil | Nil | Nil |
| Total | 6,580,000 | - | 122,280 |

The details of the Stock Option Plan, as amended and restated on July 15, 2024 (the “Amended and Restated Stock Option Plan”), are set out below under the heading “*Particulars of Matters to be Acted Upon – 5. Ratification, Confirmation and Approval of the Amended and Restated Stock Option Plan*”.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

To the knowledge of Management, no current or former director, executive officer or employee of the Company, proposed nominee for election to the Board, or associate of such persons is, or has been, indebted to the Company or any of its subsidiaries or has been indebted to any other entity where that indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries since the beginning of the Company’s most recently completed financial year and no indebtedness remains outstanding as at the date of this Information Circular.

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

To the knowledge of Management, no director or executive officer of the Company or any proposed nominee of Management for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, since the beginning of the Company's most recently completed financial year in matters to be acted upon at the Meeting, other than the election of directors of the Company, the appointment of the Company's auditors and the ratification, confirmation and approval of the Amended and Restated Stock Option Plan.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of Management, except as disclosed below, no (a) director, proposed director or executive officer of the Company; (b) person or company who beneficially owns, directly or indirectly, shares or who exercises control or direction of Common Shares, or a combination of both carrying more than ten percent of the voting rights attached to the shares outstanding (an "**Insider**"); (c) director or executive officer of an Insider; or (d) associate or affiliate of any of the directors, executive officers or Insiders, has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which materially affected or would materially affect the Company, except with an interest arising from the ownership of shares where such person or company will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of the same class of shares.

MANAGEMENT CONTRACTS

To the knowledge of Management, except as disclosed elsewhere in this Information Circular, no management functions of the Company or any of its subsidiaries are to any substantial degree performed by a person or company other than the directors or executive officers of the Company or any of its subsidiaries.

AUDIT COMMITTEE

Southern Empire is required to have an audit committee comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company.

Audit Committee Charter

The text of the charter of the Company's audit committee (the "**Audit Committee**") is attached as Schedule "A" to this Information Circular.

Composition of Audit Committee and Independence

The current Audit Committee consists of Alex Heath, (Ted) Kavanagh and James Currie. National Instrument 52-110 *Audit Committees*, ("**NI 52-110**") provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of the member's independent judgment. All members of the Audit Committee are considered independent. All members of the Audit Committee are considered "financially literate" as that term is defined in NI 52-110.

As required under Section 6.1.1(3) of NI 52-110, the majority of the members of the Audit Committee must not be executive officers, employees or control persons of Southern Empire or of an affiliate of the Company. Messrs. Heath, Kavanagh and Currie are not executive officers, employees or control persons of the Company or any affiliate of the Company.

Relevant Education and Experience

Alex Heath - Mr. Heath is experienced in investment banking, and has provided equity financing and financial advisory services to corporate and individual clients including public and private equity offerings. Mr. Heath's business knowledge and experience has provided him with an understanding of financial reporting sufficient to enable him to act as a member of the Audit Committee. Mr. Heath holds a Bachelor of Commerce Degree from the Sauder

School of Business at UBC, is a CFA chartered holder and holds the ICD.D designation from the Institute of Corporate Directors.

P.E. (Ted) Kavanagh – Mr. Kavanagh was the Director of Metals & Mining Finance, Americas for Société Générale where he originated and executed corporate project finance facilities, marketed metals and foreign exchange hedging and trading lines, and provided related advisory services. Previous to his engagement with Société Générale, Mr. Kavanagh acted in a similar capacity for a series of banks.

James Currie – Mr. Currie has held the role of Chief Operations Officer for a number of mid-tier gold producers. Over the course of his 40-year career in the mining industry he has been a director on various boards and held senior management, engineering, and operation roles for a number of mines and projects.

Audit Committee Oversight

Since the commencement of the Company’s most recently completed financial year, the Audit Committee has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

Reliance on Certain Exemptions

Since the commencement of the Company’s most recently completed financial year, the Company has not relied on:

- (a) the exemption in sections 2.4 (De Minimis Non-Audit Services), 3.2 (Initial Public Offerings), 3.4 (Events Outside Control of Member), 3.5 (Death, Disability or Resignation of Audit Committee Members), 3.3(2) (Controlled Companies), 3.6 (Temporary Exemption for Limited and Exceptional Circumstances) or 3.8 (Acquisition of Financial Literacy) of NI 52-110; or
- (b) an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions).

Pre-Approval Policies and Procedures

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

Audit Fees

The aggregate fees billed by the Company’s external auditor in the financial years ended October 31, 2023 and October 31, 2022 by category, are as follows:

| Financial Year Ended | Audit Fees (\$) ⁽¹⁾ | Audit Related Fees (\$) ⁽²⁾ | Tax Fees (\$) ⁽³⁾ | All Other Fees (\$) ⁽⁴⁾ |
|-----------------------------|---------------------------------------|-----------------------------------------------|-------------------------------------|-------------------------------------------|
| 2023 | 70,854 | - | 5,000 | - |
| 2022 | 65,000 | - | - | - |

Notes:

- (1) “Audit fees” include aggregate fees billed by the Company’s external auditor in each of the last two financial years for audit fees.
- (2) “Audited related fees” include the aggregate fees billed in each of the last two financial years for assurance and related services by the Company’s external auditor that are reasonably related to the performance of the audit or review of the Company’s financial statements and are not reported under “Audit fees” above.
- (3) “Tax fees” include the aggregate fees billed in each of the last two financial years for professional services rendered by the Company’s external auditor for tax compliance, tax advice and tax planning.
- (4) “All other fees” include the aggregate fees billed in each of the last two financial years for products and services provided by the Company’s external auditor, other than “Audit fees”, “Audit related fees” and “Tax fees” above.

Exemption in Section 6.1

Southern Empire is a “venture issuer” as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (Composition of Audit Committee) and 5 (Reporting Obligations) of NI 52-110.

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the “**Guidelines**”) adopted in National Policy 58-201. These Guidelines are not prescriptive, but have been used by the Company in adopting its corporate governance practices. The Board and Management consider good corporate governance to be an integral part of the effective and efficient operation of Canadian corporations. The Company’s approach to corporate governance is set out below.

Board of Directors

Management is nominating five (5) individuals to the Board, all of whom are current directors of Southern Empire.

The Guidelines suggest that the board of directors of every reporting issuer should be constituted with a majority of individuals who qualify as “independent” directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect “material relationship” with the Company. The “material relationship” is defined as a relationship which could, in the view of the Board, reasonably interfere with the exercise of a director’s independent judgement. All of the current members of the Board are considered “independent” within the meaning of NI 52-110, except Dale Wallster who is the Chief Executive Officer and President of the Company, and Andrew Davidson, who is the Chief Financial Officer and Secretary of the Company.

The Board has a stewardship responsibility to supervise management of and oversee the conduct of the business of the Company, provide leadership and direction to Management, evaluate Management, set policies appropriate for the business of the Company and approve corporate strategies and goals. The day-to-day management of the business and affairs of the Company is delegated by the Board to the CEO and President. The Board will give direction and guidance through the CEO to Management and will keep Management informed of its evaluation of the senior officers in achieving and complying with goals and policies established by the Board.

The Board recommends nominees to the Shareholders for election as directors, and immediately following each annual general meeting of Shareholders appoints an Audit Committee and the Audit Committee chairperson. The Board establishes and periodically reviews and updates the committee mandates, duties and responsibilities, elects a chairperson of the Board and establishes his or her duties and responsibilities, appoints the Chief Executive Officer, Chief Financial Officer and President of the Company and establishes the duties and responsibilities of those positions and on the recommendation of the CEO and the President, appoints the senior officers of the Company and approves the senior management structure of the Company.

The Board exercises its independent supervision over Management by its policies that (a) periodic meetings of the Board be held to obtain an update on significant corporate activities and plans; and (b) all material transactions of the Company are subject to prior approval of the Board. The Board shall meet not less than three times during each year and will endeavour to hold at least one meeting in each fiscal quarter. The Board will also meet at any other time at the call of the President, or subject to the Articles of the Company, of any director.

The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia), is to manage or supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the Management’s affairs directly and through the Audit Committee.

Directorships

The following directors of Southern Empire hold directorships in other reporting issuers as set out below:

| Name of Director | Name of Reporting Issuer | Exchange |
|-------------------------|---------------------------------|-----------------|
| Dale Wallster | ValOre Metals Corp. | TSX-V |
| | Coast Copper Corp. | TSX-V |
| | Defense Metals Corp. | TSX-V |

| | | |
|---------------------|-------------------------------------------------------------------------------------------------------|---------------------------------------|
| Andrew Davidson | Royal Helium Ltd. Omineca Mining and Metals Ltd. 49 North Resources Inc. 1844 Resources Inc. | TSX-V TSX-V TSX-V TSX-V |
| Alex Heath | Asante Gold Corporation Prospector Metals Corp. | Canadian Securities Exchange TSX-V |
| James Currie | Badger Capital Corp. Northstar Clean Technologies Inc. | TSX-V TSX-V |
| P.E. (Ted) Kavanagh | Signal Gold Inc. Defense Metals Corp. | TSX TSX-V |
| Joel Dryer | - | - |

Orientation and Continuing Education

The Board's practice is to recruit for the Board only persons with extensive experience in identifying and targeting junior businesses for transactions and in public company matters. Prospective new Board members are provided a reasonably detailed level of background information, verbal and documentary, on the Company's affairs and plans prior to obtaining their consent to act as a director.

The Board provides training courses to the directors as needed, to ensure that the Board is complying with current legislative and business requirements.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on 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 Company.

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the Board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Company or an affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid, and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction be approved by the Shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

Nomination of Directors

The Board identifies new candidates for Board nomination by an informal process of discussion and consensus-building on the need for additional directors, the specific attributes being sought, likely prospects, and timing. Prospective directors are not approached until consensus is reached. This process takes place among the Chairman and a majority of the non-executive directors.

Compensation

The Board conducts reviews with regard to the compensation of the directors and the Chief Executive Officer of the Company once a year. To make its recommendations on such compensation, the Board takes into account the types of compensation and the amounts paid to directors and chief executive officers of comparable publicly traded Canadian companies.

Other Board Committees

The Board has no other committees other than the Audit Committee.

Assessments

The Board annually reviews its own performance and effectiveness as well as the effectiveness and performance of its committees. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of individual directors are informally monitored by 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 the Company, given its size and operations. The Company's corporate governance practices allow the Company to operate efficiently, with checks and balances that control and monitor Management and corporate functions without excessive administrative burden.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Financial Statements, Auditors' Report and Management Discussion & Analysis

The audited financial statements of Southern Empire for the financial year ended October 31, 2023, the audit report of Davidson & Company LLP, Chartered Professional Accountants, relating thereto (collectively, the "**Financial Statements**") and the Company's management discussion and analysis relating thereto (the "**MD&A**") will be placed before the Meeting.

No further action or approval is required at the Meeting in respect of these documents.

2. Set the Number of Directors to be Elected

At the Meeting, Shareholders will be asked to pass an ordinary resolution to set the number of directors of Southern Empire for the ensuing year at five (5). The number of directors will be approved if the affirmative vote of the majority of shares present or represented by proxy at the Meeting and entitled to vote are voted in favour to set the number of directors at five (5).

The Board unanimously recommends that Shareholders vote "for" the setting the number of directors of the Company at five (5).

3. Election of Directors

The directors of the Company are elected at each annual general meeting of Shareholders and hold office until the next annual general meeting of Shareholders or until their successors are appointed. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed.

Management proposes to nominate each of the following persons for election as a director. Information concerning such persons, as furnished by the individual nominees, is as follows.

| Name, Province/State and Country of Residence and Position | Period of Service as a Director | Principal occupation, business or employment and, if not a previously elected Director, occupation, business or employment during the past 5 years | Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly ⁽¹⁾ |
|------------------------------------------------------------------------------------------------------------|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| Dale Wallster <i>Chief Executive Officer, President and Director</i> British Columbia, Canada | March 18, 2020 | Chief Executive Officer, President and Director of the Company since March 2020; Prospector; Geologist; Businessman; Director of ValOre Metals Corp. since January 2012; and Director of Coast Copper Corp. since July 2014; Director of Defense Metals Corp. since April 2023. | 7,073,000 ⁽³⁾ (directly and indirectly) |
| Andrew Davidson <i>Chief Financial Officer, Secretary and director</i> Saskatchewan, Canada | October 26, 2020 | Director of the Company since October 2020; Chief Financial Officer and Secretary of the Company since March 2020; Accountant since 2010; Chief Financial Officer and Corporate Secretary of Eros Resources Corp.; Director of Omineca Mining and Metals Ltd. since 2011; Chief Financial Officer of Omineca Mining and Metals Ltd. since 2016; Chief Financial Officer and Director of 49 North Resources Inc. since 2010; and Chief Executive Officer and director of Royal Helium Ltd. since 2019. | 10,057,941 ⁽⁴⁾ (directly and indirectly) |
| Alex Heath ⁽²⁾ <i>Director</i> British Columbia, Canada | February 15, 2021 | Director of the Company since February 2021; President, Chief Executive Officer and Director of Prospector Metals Corp.; and Director of Asante Gold Corporation since April 2013. | 250,000 ⁽⁵⁾ (indirectly) |
| P.E. (Ted) Kavanagh ⁽²⁾ <i>Director</i> New York, United States | June 10, 2021 | Director of the Company since June 2021; Director of Signal Gold Inc. since November 2021; and Director of Defense Metals Corp. since December 2023. | 250,000 (directly) |
| Joel Dwyer <i>Director</i> Illinois, United States | June 27, 2023 | Director of the Company since June 2023; Advisory board member of UnionRock Energy Fund II since September 2022; Principal of LTC Partners, LLC since January 2001; Chairman and Chief Executive Officer of Peoples Education, Inc. since December 2016; Chief Executive Officer of HSIO Technologies LLC from December 2020 to June 2021; Chief Executive Officer of Monet Medical, Inc. from May 2017 to December 2019. | Nil |

Notes:

- (1) The information as to Common Shares beneficially owned or controlled has been provided by the nominees.
- (2) A member of the Audit Committee, of which Mr. Heath is the Chair.
- (3) Mr. Wallster holds: (i) 2,320,000 Common Shares directly, and (ii) 4,753,000 Common Shares indirectly through Mulgravian Ventures Corporation, a company wholly controlled by Mr. Wallster.
- (4) Mr. Davidson holds (i) 611,500 Common Shares directly, (ii) 43,500 Common Shares indirectly through Jaelky Holdings Inc., a company in which Mr. Davidson has a controlling interest and (iii) 9,402,941 Common Shares indirectly through Eros Resources Corp, a company of which Mr. Davidson is the Chief Financial Officer, Corporate Secretary and a director.
- (5) Mr. Heath holds 250,000 Common Shares indirectly through Howe Street Capital Corp., a company in which Mr. Heath has a controlling interest.

No proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company.

Management does not contemplate that any of its nominees will be unable to serve as directors. If any vacancies occur in the slate of nominees listed above before the Meeting, then the Management Proxyholders intend to exercise discretionary authority to vote the Common Shares represented by proxy for the election of any other persons as directors.

Other than as set out below, to the knowledge of the Company, no proposed director:

- (a) is, as at the date of the Information Circular, or has been, within 10 years before the date of the Information Circular, a director, Chief Executive Officer or Chief Financial Officer of any company (including the Company) that:
 - (i) was the subject, while the director was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer of such company, of a cease trade or similar order or 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; or
 - (ii) was subject to a cease trade or similar order or 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, that was issued after the director ceased to be a director, Chief Executive Officer or Chief Financial Officer but which resulted from an event that occurred while the director was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer of such company; or
- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director; or
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) has been subject to any 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 director.

For the purposes of this Information Circular, an “order” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to an exemption under securities legislation, and such order was in effect for a period of more than 30 consecutive days.

On May 6, 2021, Westcore Energy Ltd. (“**Westcore**”), a company in which Andrew Davidson served as the President, Chief Executive Officer and a director, was issued a cease trade order (the “**Westcore CTO**”) by the Alberta Securities Commission and Ontario Securities Commission for failure to file its annual audited financial statements, annual management’s discussion and analysis and certification of the annual filings for the financial year ended December 31, 2020 (collectively, the “**Westcore Annual Filings**”). Mr. Davidson resigned as the President, Chief Executive Officer and a director of Westcore in November 2023. As at the date hereof, Westcore has not filed the Westcore Annual Filings and the Westcore CTO remains in effect.

The Board unanimously recommends that Shareholders vote “for” the election of each of the above nominees as directors of the Company.

4. Appointment and Remuneration of Auditor

The Company is nominating Davidson & Company LLP, Chartered Professional Accountants, of Vancouver, British Columbia for re-appointment as auditor of the Company to hold office until the next annual general meeting of Shareholders and to authorize the Board to fix the remuneration to be paid thereto.

The Board unanimously recommends Shareholders to vote “for” the appointment of Davidson & Company LLP, Chartered Professional Accountants, as the Company’s auditors until the next annual general meeting of Shareholders at a remuneration to be fixed by the Board.

5. Ratification, Confirmation and Approval of the Amended and Restated Stock Option Plan

Pursuant to Policy 4.4 – Security Based Compensation of the TSX Venture Exchange (“TSX-V”), all TSX-V listed companies are required to adopt a stock option plan prior to granting Options. The purpose of the Stock Option Plan is to attract and motivate directors, senior officers, employees, consultants and other permitted optionees providing services to the Company and its subsidiaries, and thereby advance the Company’s interests, by affording such persons with an opportunity to acquire an equity interest in the Company through the grant of Options. The Company is currently listed on Tier 2 of the TSX-V and has adopted a “rolling” stock option plan reserving a maximum of 10% of the issued shares of the Company at the time of the Option grant.

The Shareholders are being asked to approve the Amended and Restated Stock Option Plan, at the Meeting. As a “rolling” stock option plan, the Amended and Restated Stock Option Plan will be required to be re-approved by the Shareholders each year at the Company’s annual general meeting.

Summary of the Amended and Restated Stock Option Plan

The following information is intended as a brief description of the Amended and Restated Stock Option Plan and is qualified in its entirety by the full text of the Amended and Restated Stock Option Plan, which will be available for review at the Meeting and is attached hereto as Schedule “B”. Capitalized terms not otherwise defined herein are as defined in the Amended and Restated Stock Option Plan.

- The aggregate number of Common Shares that may be reserved for issuance pursuant to Options shall not exceed 10% of the outstanding Common Shares at the time of the granting of an Option, less the aggregate number of Common Shares then reserved for issuance pursuant to the Company's other previously established or proposed share compensation arrangements. For greater certainty, if an Option is surrendered, terminated or expires without being exercised, the Common Shares reserved for issuance pursuant to such Option shall be available for new Options granted under this Plan.
- The exercise price per Common Share for an Option shall in no event be less than the Market Price, less, if the Common Shares are listed on the TSX-V the maximum discount permitted by the TSX-V, at the time of granting the Option. The Company must obtain disinterested Shareholder approval of any decrease in the exercise price of or an extension to Options granted to individuals that are Insiders at the time of the proposed amendment.
- The number of Common Shares reserved for issuance under this Plan and the Company's other previously established or proposed share compensation arrangements to (a) any one Person, shall not exceed 5% of the outstanding Common Shares in any 12-month period at the time of the grant (unless the Company has obtained Disinterested Shareholder Approval to exceed such limit); (b) any one Consultant shall not exceed 2% of the outstanding Common Shares in any 12-month period at the time of the grant; (c) all Investor Relations Service Providers shall not exceed an aggregate of 2% of the outstanding Common Shares in any 12-month period at the time of the grant; (d) to Insiders, shall not exceed 10% of the outstanding Common Shares in any 12-month period at the time of grant nor at any point in time.

- Upon expiry of an Option, or in the event an Option is otherwise terminated for any reason, the number of shares in respect of the expired or terminated Option shall again be available for the purposes of the Amended and Restated Stock Option Plan. All Options granted under the Amended and Restated Stock Option Plan, unless sooner terminated, have a term not exceeding and shall therefore expire no later than ten (10) years after the date of the grant (subject to extension where the expiry date falls within a blackout period).
- If an Optionee dies or suffers any inability of the Optionee arising due to medical reasons which the Board considers likely to permanently prevent or substantially impair such Optionee being able to provide the services necessary to qualify as a Permitted Optionee (a “Disability”) prior to otherwise ceasing to be a Permitted Optionee, each Option held by such Optionee shall terminate and shall therefore cease to be exercisable no later than the earlier of the Expiry Date and the date which is twelve months after the date of the Optionee’s death or Disability.
- If an Optionee is terminated or removed for cause, each Option held by such Optionee shall terminate and shall therefore cease to be exercisable upon such termination for cause, unless otherwise determined by the Board.
- If an Optionee ceases to be a Permitted Optionee for any reason other than death, Disability or termination or removal for cause, any Option shall be exercisable to the extent that it has vested and was exercisable as at the date of such cessation, unless further vesting is permitted by the Board, and will terminate (i) 90 days after the date such Optionee ceased to be a Permitted Optionee; or (ii) if the Optionee is subject to the tax laws of the United States of America, the earlier of 90 days after the date such Optionee ceased to be a permitted Optionee and the three months after the date such Optionee ceased to be a Permitted Optionee.
- The Board retains the discretion to impose vesting periods on any Options granted. In accordance with the policies of the Exchange, Options granted to Investor Relations Service Providers must vest in stages over a minimum of 12 months with no more than one-quarter of the Options vesting in any three-month period. Subject to the approval of the Exchange if the Optionee is an Investor Relations Service Provider, the Board may advance, at any time, the dates upon which any or all Options shall vest and become exercisable..
- Options may be exercised in whole or in part at any time prior to their lapse or termination. Common Shares purchased by an Optionee on the exercise of an Option shall be fully paid at the time of their purchase.
- Subject to the approval of the Board, in its discretion, an Optionee (other than an Optionee that is an Investor Relations Service Provider) may exercise an Option by means of a “cashless exercise” as follows: (a) the Brokerage shall loan money to the Optionee to exercise the Options; (b) The Brokerage shall sell a sufficient number of Common Shares to cover the aggregate exercise price of the Options being exercised in order to repay the loan made to the Optionee by the Brokerage; and (c) the Brokerage shall receive an equivalent number of Common Shares from the exercise of the Options by the Optionee, and the Optionee shall then receive the balance of the Common Shares from the exercise of the Option or the cash proceeds from the balance of such Common Shares.
- Subject to the approval of the Board, in its discretion, an Optionee (other than an Optionee that is an Investor Relations Service Provider) may exercise an Option by means of a “net exercise”, where the Optionee shall not be required to deliver payment of the exercise price in respect of the subject Option being so exercised, and instead the Optionee shall receive only the number of Common Shares that is equal to the quotient obtained by dividing: (a) the product of (i) the number of Common Shares in respect of which the subject Option is being exercised, and (ii) the difference between the VWAP of the Common Shares and the exercise price of the subject Option; by (b) the VWAP of the Common Shares.
- If an Option expires during a Blackout Period, the term of the Option shall be extended and the Option shall expire 10 business days after the termination of such Blackout Period, provided that: (i) the Blackout Period was formally imposed by the Company pursuant to its internal trading policies as a result of the bona fide existence of undisclosed Material Information, (ii) the Blackout Period expired upon the general disclosure of the undisclosed Material Information and (iii) the Company is not subject to a cease trade order or similar order under applicable securities laws.

- If the Common Shares are at any time increased, decreased or changed into or exchanged for a different number or kind of shares or securities of the Company through an amalgamation, merger, arrangement, reorganization, spin-off or recapitalization, subject to the prior approval of the Exchange, an appropriate and proportionate adjustment shall be made by the Board, in its discretion.
- If the Common Shares are at any time subdivided or consolidated, the number of Common Shares reserved for Options shall be similarly increased or decreased proportionately and the price payable for any Shares that are then subject to issuance shall be decreased or increased proportionately.
- If the Common Shares are at any time changed as a result of the declaration of a stock dividend thereon, the number of Shares reserved for Options shall be increased proportionately and the price payable for any Common Shares that are then subject to issuance shall be decreased proportionately so that upon exercising each Option the same proportionate shareholdings at the same aggregate purchase price shall be acquired after such stock dividend as would have been acquired before, subject to the prior approval of the Exchange (if required).
- No adjustment shall be made to any Option pursuant to this Part in respect of the payment of any cash dividend or the distribution to the shareholders of the Company of any rights to acquire Common Shares or other securities of the Company.

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to approve, with or without variation, an ordinary resolution ratifying, confirming and approving the Amended and Restated Stock Option Plan. The full text of the resolutions to be considered at the Meeting is set forth below:

RESOLVED AS AN ORDINARY RESOLUTION, THAT:

1. The stock option plan, as amended and restated (the “Stock Option Plan”), of Southern Empire Resources Corp. (the “Company”) in substantially the form described in and attached to the management information circular of the Company dated July 15, 2024, be and the same is hereby ratified, confirmed and approved, subject to the acceptance of the TSX Venture Exchange (the “Exchange”), and shall thereafter continue and remain in effect until ratification is required pursuant to the rules of the Exchange or other applicable regulatory requirements;
2. All unallocated options to acquire common shares of the Company, right or other entitlement available under the Stock Option Plan are hereby approved and authorized;
3. The board of directors of the Company is authorized and directed to make any amendments to the Stock Option Plan as may be required by the Exchange or other regulatory authorities in order to ensure the adoption of the Stock Option Plan; and
4. Any director or officer of the Company is hereby authorized and directed, for and on behalf of the Company, to do all things and to execute, deliver and file all such agreements, documents and instruments, and to do all such other acts and things, as such director or officer deems necessary or desirable to give effect to the forgoing resolutions.

The Board unanimously recommends that Shareholders vote “for” the ratification, confirmation and approval of the Amended and Restated Stock Option Plan.

GENERAL MATTERS

It is not known whether any other matters will come before the Meeting other than those set forth above and in the Notice, but if any other matters do arise, the person named in the Proxy intends to vote on any poll, in accordance with his or her best judgement, exercising discretionary authority with respect to amendments or variations of matters set forth in the Notice and other matters which may properly come before the Meeting or any adjournment of the Meeting.

ADDITIONAL INFORMATION

Additional information relating to Southern Empire may be found on the Company's profile on the System for Electronic Document Analysis and Retrieval + ("SEDAR+") at www.sedar.com. Financial information about the Company is provided in the Financial Statements, together with the MD&A, and can be found on the Company's SEDA+ profile. Shareholders may contact the Company as set out below to request copies of the Financial Statements and MD&A.

Southern Empire Resources Corp.
Suite 420 – 789 West Pender Street
Vancouver, BC V6C 1H2
Attn: Corporate Secretary

OTHER MATTERS

Other than the above, Management knows of no other matters to come before the Meeting other than those referred to in the Notice. However, if any other matters that are not known to Management should properly come before the Meeting, the form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

BOARD APPROVAL

The directors of Southern Empire have approved the contents of this Information Circular and authorized its distribution.

DATED at Vancouver, British Columbia, the 15th day of July 2024.

ON BEHALF OF THE BOARD

"Dale Wallster"

Dale Wallster
President, Chief Executive Officer and Director

SCHEDULE "A"

SOUTHERN EMPIRE RESOURCES CORP.

AUDIT COMMITTEE CHARTER

(Implemented pursuant to National Instrument 52-110 – *Audit Committees*)

National Instrument 52-110 – *Audit Committees* (the "Instrument") relating to the composition and function of audit committees was implemented for reporting issuers and, accordingly, applies to every TSX Venture Exchange listed company, including Southern Empire Resources Corp. ("Southern Empire" or the "Company"). The Instrument requires all affected issuers to have a written audit committee charter which must be disclosed, as stipulated by Form 52-110F2, in the management information circular of the Company wherein management solicits proxies from the security holders of the Company for the purpose of electing directors to the board of directors. The Company, as a TSX Venture Exchange-listed company is, however, exempt from certain requirements of the Instrument.

This Charter has been adopted by the board of directors in order to comply with the Instrument and to more properly define the role of the Committee in the oversight of the financial reporting process of Southern Empire. Nothing in this Charter is intended to restrict the ability of the board of directors or Committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

I. MANDATE

The Audit Committee (the "Committee") of the Board of Directors (the "Board") of Southern Empire Resources Corp. shall assist the Board in fulfilling its financial oversight responsibilities. The Committee's primary duties and responsibilities under this mandate are to serve as an independent and objective party to monitor:

1. The quality and integrity of Southern Empire's financial statements and other financial information;
2. The compliance of such statements and information with legal and regulatory requirements;
3. The qualifications and independence of Southern Empire's independent external auditor (the "Auditor"); and
4. The performance of Southern Empire's internal accounting procedures and Auditor.

II. STRUCTURE AND OPERATIONS

A. Composition

The Committee shall be comprised of three or more members.

B. Qualifications

Each member of the Committee must be a member of the Board.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement.

C. Appointment and Removal

In accordance with the Articles of Southern Empire, the members of the Committee shall be appointed by the Board and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by a majority vote of the Board.

D. Chair

Unless the Board shall select a Chair, the members of the Committee shall designate a Chair by the majority vote of all of the members of the Committee. The Chair shall call, set the agendas for and chair all meetings of the Committee.

E. Meetings

1) The Committee shall meet as frequently as circumstances dictate. The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Company's annual financial statements and, if the Committee feels it is necessary or appropriate, at every other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board or the shareholders of the Company.

2) At each meeting, a quorum shall consist of a majority of members that are not officers or employees of the Company or of an affiliate of the Company.

As part of its goal to foster open communication, the Committee may periodically meet separately with each of management and the Auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and management annually to review the Company's financial statements in a manner consistent with Section III of this Charter.

The Committee may invite to its meetings any director, any manager of the Company, and any other person whom it deems appropriate to consult in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate to exclude in order to carry out its responsibilities.

III. DUTIES

A. Introduction

The following functions shall be the common recurring duties of the Committee in carrying out its purposes outlined in Section I of this Charter. These duties should serve as a guide with the understanding that the Committee may fulfill additional duties and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern which the Committee in its sole discretion deems appropriate for study or investigation by the Committee.

The Committee shall be given full access to Southern Empire's internal accounting staff, managers, other staff and Auditor as necessary to carry out these duties. While acting within the scope of its stated purpose, the Committee shall have all the authority of, but shall remain subject to, the Board.

B. Powers and Responsibilities

The Committee will have the following responsibilities and, in order to perform and discharge these responsibilities, will be vested with the powers and authorities set forth below, namely, the Committee shall:

Independence of Auditor

1. Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor and, if necessary, obtain a formal written statement from the Auditor setting forth all relationships between the Auditor and Southern Empire.
2. Take, or recommend that the Board take, appropriate action to oversee the independence of the Auditor.

3. Require the Auditor to report directly to the Committee.
4. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditor of the Company.

Performance & Completion by Auditor of its Work

1. Be directly responsible for the oversight of the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, including resolution of disagreements between management and the Auditor regarding financial reporting.
2. Review annually the performance of the Auditor and recommend the appointment by the Board of a new, or re-election by the Company's shareholders of the existing, Auditor for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for Southern Empire.
3. Recommend to the Board the compensation of the Auditor.
4. Pre-approve all non-audit services, including the fees and terms thereof, to be performed for the Company by the Auditor.

Internal Financial Controls & Operations of the Company

1. Establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by Southern Empire regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Preparation of Financial Statements

1. Discuss with management and the Auditor significant financial reporting issues and judgments made in connection with the preparation of Southern Empire's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.
2. Discuss with management and the Auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies.
3. Discuss with management and the Auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
4. Discuss with management Southern Empire's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
5. Discuss with the Auditor the matters required to be discussed relating to the conduct of any audit, in particular:
 - (a) The adoption of, or changes to, Southern Empire's significant auditing and accounting principles and practices as suggested by the Auditor, internal auditor or management.
 - (b) The management inquiry letter provided by the Auditor and the Company's response to that letter.

- (c) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

Public Disclosure by the Company

1. Review Southern Empire's annual and interim financial statements, management discussion and analysis (MD&A) and earnings press releases before the Board approves and the Company publicly discloses this information.
2. Review Southern Empire's financial reporting procedures and internal controls to be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assessing the adequacy of those procedures.
3. Review disclosures made to the Committee by the Company's Chief Executive Officer and Chief Financial Officer during their certification process of the Company's financial statements about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

Manner of Carrying Out its Mandate

1. Consult, to the extent it deems necessary or appropriate, with the Auditor, but without the presence of management, about the quality of Southern Empire's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
2. Request any officer or employee of Southern Empire or the Company's outside counsel or Auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.
3. Meet, to the extent it deems necessary or appropriate, with management, any internal auditor and the Auditor in separate executive sessions.
4. Have the authority, to the extent it deems necessary or appropriate, to retain special independent legal, accounting or other consultants to advise the Committee advisors.
5. Make regular reports to the Board.
6. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
7. Annually review the Committee's own performance.
8. Provide an open avenue of communication among the Auditor, the Company's financial and senior management and the Board.
9. Not delegate these responsibilities.

C. Limitation of Audit Committee's Role

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that Southern Empire's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Auditor.

SCHEDULE "B"

SOUTHERN EMPIRE RESOURCES CORP.

AMENDED AND RESTATED STOCK OPTION PLAN

(See attached)

SOUTHERN EMPIRE RESOURCES CORP.

STOCK OPTION PLAN

(As amended and restated on July 15, 2024)

1. PURPOSE OF PLAN

1.1 **Purpose.** The purpose of this stock option plan (the “**Plan**”) of **SOUTHERN EMPIRE RESOURCES CORP.**, a company incorporated under the *Business Corporations Act* (British Columbia), (the “**Company**”) is to advance the interests of the Company by encouraging Directors, Officers, Employees, Management Company Employees, Consultant Companies and Consultants (as such terms are defined herein) of the Company (collectively, “**Permitted Optionees**”), if any, to acquire Shares (as defined herein), thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs.

2. DEFINITIONS

2.1 **Definitions.** In this Plan the following words and phrases shall have the following meanings, namely:

- (a) “**Blackout Period**” means “blackout period” as defined in the Exchange Policies.
- (b) “**Board**” means the board of directors of the Company or, if the Board so elects, a committee of directors (which may consist of only one director) appointed by the Board to administer this Plan.
- (c) “**Company**” means Southern Empire Resources Corp. and its Subsidiaries.
- (d) “**Consultant**” means a “Consultant” as defined in the Exchange Policies.
- (e) “**Consultant Company**” means a “Consultant Company” as defined in the Exchange Policies.
- (f) “**Director**” means a director of the Company.
- (g) “**Employee**” means an “Employee” as defined in the Exchange Policies.
- (h) “**Exchange**” means the TSX Venture Exchange.
- (i) “**Exchange Policies**” means the policies included in the Corporate Finance Manual of the Exchange.
- (j) “**Insider**” means an “Insider” as defined in the Exchange Policies.
- (k) “**Investor Relations Activities**” means “Investor Relations Activities” as defined in Exchange Policies.
- (l) “**Investor Relations Service Provider**” means an “Investor Relations Service Provider” as defined in the Exchange Policies.

- (m) **"Management Company Employee"** means a "Management Company Employee" as defined in the Exchange Policies.
- (n) **"Market Price"** means the price at which the last recorded sale of a board lot of Shares took place on the Exchange during the trading day immediately preceding the date of granting the Option and, if there was no such sale, the closing price on the preceding trading day during which there was such a sale.
- (o) **"Material Information"** means "Material Information" as defined in the Exchange Policies.
- (p) **"Officer"** means an "Officer" as defined in the Exchange Policies..
- (q) **"Option"** means an option to purchase Shares granted to an Optionee under this Plan.
- (r) **"Optionee"** means an optionee granted an Option pursuant to this Plan when such Optionee was a Permitted Optionee and their heirs, executors and administrators.
- (s) **"Permitted Optionee"** means a Director, Officer, Employee, Management Company Employee, Consultant or a corporation, where the corporation's only shareholder is a Director, Officer, Employee or Consultant (other than a Consultant Company).
- (t) **"Plan"** means this stock option plan as amended, supplemented or restated.
- (u) **"Shares"** means common shares in the capital of the Company.
- (v) **"Subsidiary"** means a body corporate that is controlled by the Company and, for the purposes of this definition, a body corporate will be deemed to be controlled by the Company if the Company, directly or indirectly, has the power to direct the management and policies of the body corporate by virtue of ownership of, or direction over, voting securities in the body corporate.
- (w) **"VWAP"** means "VWAP" as defined in the Exchange Policies.

3. GRANTING OF OPTIONS

3.1 **Administration.** This Plan shall be administered by the Board.

3.2 **Grant by Resolution.** The Board may determine by resolution those Optionees to whom Options should be granted and grant to them such Options as the Board determines to be appropriate. The Board shall not grant any Options unless the Options are allocated to a particular Optionee.

3.3 **Representations to Employees, Consultants, and Management Company Employees.** Every instrument evidencing an Option granted to an Employee, Consultant or Management Company Employee shall contain a representation by the Company and the Optionee that such Optionee is a bona fide Employee, Consultant or Management Company Employee, as applicable.

3.4 **No Grants if Listed on NEX.** The Board shall not grant any Options if the Shares are listed on the NEX Board of the Exchange or the Company has been given notice that its listing will or might be transferred to NEX.

3.5 **Terms of Option.** The Board shall determine and specify in its resolution the number of Shares that should be placed under Option to each such Optionee, the price per Share to be paid for such Shares upon the exercise of each such Option, and the period during which such Option may be exercised.

3.6 **Written Agreement.** Every Option shall be evidenced by a written agreement between the Company and the Optionee. If there is any inconsistency between the terms of the agreement and this Plan, the terms of this Plan shall govern.

4. **CONDITIONS GOVERNING THE GRANTING & EXERCISING OF OPTIONS**

4.1 **Agreements must specify Exercise Period and Price, Vesting and Number of Shares.** In granting an Option, the Board must specify a particular time period or periods during which the Option may be exercised, the exercise price required to purchase the Shares subject to the Option and any vesting terms and conditions of the Option, including the number of Shares in respect of which the Option may be exercised during each such time period.

4.2 **Minimum Exercise Price of Options.** The exercise price of an Option shall not be less than the Market Price, less, if the Shares are listed on the Exchange, the maximum discount permitted by the Exchange, at the time of granting the Option. If the Optionee is subject to the tax laws of the United States of America and owns (as determined in accordance with such laws) greater than 10% of the Shares at the time of granting of the Option the exercise price shall be at least 110% of the Market Price. If the Shares are listed on the Exchange, no Options shall be granted which are exercisable at a price of less than \$0.05 per Share.

4.3 **Number of Shares subject to Option.** The number of Shares reserved for issuance to an Optionee pursuant to an Option granted to the Optionee, together with all of the Company's other previously established or proposed share compensation arrangements, in any 12 month period, shall not exceed, at the time of granting of the Option:

- (a) 5% of the issued and outstanding Shares, unless the Company has obtained disinterested shareholder approval or pursuant to Policy 4.4 of the Exchange;
- (b) 2% of the issued and outstanding Shares, if the Optionee is a Consultant; or
- (c) an aggregate of 2% of the issued and outstanding Shares for all Investor Relations Service Providers.

4.4 **Vesting of Options.** Subject to further vesting requirements required by the Board on granting of an Option, all Options shall vest and be exercisable on the following terms:

- (a) *If Optionee is Performing Investor Relations Activities:* If the Optionee is an Investor Relations Service Provider, any Option granted to such Investor Relations Service Provider must vest in stages over at least 12 months with no more than one quarter of the Option vesting in any three-month period.
- (b) *If there is a Change of Control:* If a Change of Control is agreed to by the Company or events which might lead to a Change of Control are commenced by third parties, all

Options, subject to the Exchange's approval (if required), shall vest immediately and be fully exercisable notwithstanding the terms thereof. For the purposes hereof "**Change of Control**" shall mean:

- (i) any transaction or series of related transactions as a result of which any person, entity or group acquires ownership, after the date of an Option, of at least 20% of the Shares and they or their representatives become a majority of the Board or assume control or direction over the management or day-to-day operations of the Company; or
- (ii) an amalgamation, merger, arrangement, business combination, consolidation or other reorganization of the Company with another entity or the sale or disposition of all or substantially all of the assets of the Company, as a result of either of which the Company ceases to exist, be publicly traded or the management of the Company or Board do not comprise a majority of the management or a majority of the board of directors, respectively, of the resulting entity,

and to permit Optionees to participate in any of the foregoing, the Board may make appropriate provision for the exercise of Options conditional upon the Shares so issued being taken-up and paid for pursuant to any of the foregoing.

Subject to the approval of the Exchange if the Optionee is a Investor Relations Service Provider, the Board may advance, at any time, the dates upon which any or all Options shall vest and become exercisable, regardless of the terms of vesting set out in this Plan or the agreement.

4.5 **Exercise of Options if Specified Value Exceeds USD \$100,000.** If the Optionee is subject to the tax laws of the United States of America that part of any Option entitling the Optionee to purchase Shares having a value of USD \$100,000 or less shall be treated as an 'Incentive Stock Option' under United States *Internal Revenue Code* (so that the Optionee may defer the payment of tax on such Shares until the year in which such Shares are disposed of by the Optionee). For the purposes hereof value is determined by multiplying the number of shares which are subject to the Option times the Market Price (at the time of granting of the Option). That part of any Option on Shares having a value in excess of USD \$100,000 shall be treated as a non-qualifying stock option for the purposes of the Code and shall not entitle the Optionee to such tax deferral.

4.6 **Expiry of Options.** Each Option shall expire not later than 10 years from the day on which such Option is granted.

4.7 **Expiry of Options during or immediately after Trading Blackout Periods.** If an Option expires during a Blackout Period then, notwithstanding Section 4.6 or the terms of the Option, the term of the Option shall be extended and the Option shall expire 10 business days after the termination of the Blackout Period, provided that: (i) the Blackout Period was formally imposed by the Company pursuant to its internal trading policies as a result of the bona fide existence of undisclosed Material Information, (ii) the Blackout Period expired upon the general disclosure of the undisclosed Material Information referred to in paragraph (i), and (iii) the Company is not subject to a cease trade order or similar order under applicable securities laws.

4.8 **Death or Disability of Optionee.** If an Optionee dies or suffers a Disability prior to the expiry of an Option, the Optionee's legal representatives, before the earlier of the expiry date of the Option and the first anniversary of the Optionee's death or Disability, may exercise that portion of an Option which has vested as at the date of death or Disability. For the purposes hereof "**Disability**" shall mean any inability of the Optionee arising due to medical reasons which the Board considers likely to

permanently prevent or substantially impair such Optionee being able to provide the services necessary to qualify as a Permitted Optionee.

4.9 **Cessation as an Optionee (With Cause)**. If an Optionee ceases to qualify as a Permitted Optionee by reason of termination or removal for cause any Option shall terminate immediately on such termination or removal and not be exercisable by the Optionee unless otherwise determined by the Board.

4.10 **Cessation as an Optionee (Without Cause)**. If an Optionee ceases to qualify as a Permitted Optionee for any reason except as provided in sections 4.8 or 4.9, any Option shall be exercisable to the extent that it has vested and was exercisable as at the date of such cessation, unless further vesting is permitted by the Board as set out in section 4.4, and must terminate on the earlier of the expiry date of the Option and:

- (a) the 90th day after the Optionee ceased to be a Permitted Optionee, or such other date as may be reasonably determined by the Board; or
- (b) if the Optionee is subject to the tax laws of the United States of America, the earlier of the 90th day and the third month after the Optionee ceased to be an Employee or Officer.

4.11 **No Assignment of Options**. No Option or any right thereunder or in respect thereof shall be transferable or assignable otherwise than by will or pursuant to the laws of succession, and to the extent permitted by the Exchange Policies.

4.12 **Restriction on Resale of Shares Issued on Exercise of an Option**. If the Optionee is an Insider (as defined in the Exchange Policies) or Consultant of the Company at the time the Option is granted or the Option is exercisable for a price less than the Market Price at the time the Option is granted, the Shares issued upon the exercise of the Option shall be subject to the Exchange Hold Period (as defined in the Exchange Policies) from the time the Option was granted and the certificates representing such Shares shall be legended accordingly.

4.13 **Notice of Exercise of an Option**. Options shall be exercised only in accordance with the terms and conditions of the agreements under which they are respectively granted and shall be exercisable only by notice in writing to the Company.

4.14 **Payment on Exercise of an Option**. Options may be exercised in whole or in part at any time prior to their lapse or termination. Shares purchased by an Optionee on exercise of an Option shall be fully paid for in cash or by certified cheque, bank draft or money order at the time of their purchase.

4.15 **Condition to Issuance of Shares**. The Board may require, as a condition of the issuance of Shares or delivery of certificates representing such Shares upon the exercise of any Option and to ensure compliance with any applicable laws, regulations, rules, orders and requirements that the Optionee or the Optionee's heirs, executors or other legal representatives, as applicable, make such covenants, agreements and representations as the Board deems necessary or desirable.

4.16 **Withholding or Deductions of Taxes**. The Company may deduct, withhold or require an Optionee, as a condition of exercise of an Option, to withhold, pay, remit or reimburse any taxes or similar charges, which are required to be paid, remitted or withheld in connection with the exercise of any Option, provided however, that any such withholding or deduction arrangement must comply with Policy 4.4 of the Exchange and shall not, without limitation, result in an alteration of the exercise price

of an Option or create a "Net Exercise" as defined in the Exchange Policies except where permitted under this Plan and pursuant to Policy 4.4 of the Exchange.

4.17 **Cashless Exercise of Options.** Subject to Section 4.19 hereof and the approval of the Board, which approval shall be at the Board's sole discretion, an Optionee (other than an Optionee that is an Investor Relations Service Provider) may exercise an Option by means of a "cashless exercise", where, with the assistance of a brokerage firm with which the Company has an arrangement (a "**Brokerage**") the subject Option may be exercised as follows:

- (a) The Brokerage shall loan money to the Optionee to exercise the Options;
- (b) The Brokerage shall sell a sufficient number of Shares to cover the aggregate exercise price of the Options being exercised in order to repay the loan made to the Optionee by the Brokerage; and
- (c) The Brokerage shall receive an equivalent number of Shares from the exercise of the Options by the Optionee, and the Optionee shall then receive the balance of the Shares from the exercise of the Option or the cash proceeds from the balance of such Shares.

For greater certainty, the Company is not obligated to permit, facilitate or enable a "cashless exercise" of any Option pursuant to this Section 4.17 hereof or to enter into or maintain any arrangement with any Brokerage. Whether an Option may be exercised by way of a "cashless exercise" pursuant to this Section 4.17 hereof shall be at the sole discretion of the Board.

4.18 **Net Exercise of Options.** Subject to Section 4.19 hereof and the approval of the Board, which approval shall be at the Board's sole discretion, an Optionee (other than an Optionee that is an Investor Relations Service Provider), may exercise an Option by means of a "net exercise", where by the Optionee shall not be required to deliver payment of the exercise price in respect of the subject Option being so exercised, and instead the Optionee shall receive only the number of Shares that is equal to the quotient obtained by dividing:

- (a) The product of (i) the number of Shares in respect of which the subject Option is being exercised, and (ii) the difference between the VWAP of the Shares and the exercise price of the subject Option; by
- (b) The VWAP of the Shares.

For greater certainty, the Company is not obligated to permit, facilitate or enable a "net exercise" of any Option pursuant to this Section 4.18. Whether an Option may be exercised by way of a "net exercise" pursuant to this Section 4.18 shall be at the sole discretion of the Board

4.19 **Additional Provisions Regarding Cashless Exercise and Net Exercise.** Notwithstanding any other provision of this Plan:

- (a) The "cashless exercise" provisions of Section 4.17 hereof and the "net exercise" provisions of Section 4.18 hereof are at all times subject to the Exchange Policies; and
- (b) Options granted to an Investor Relations Service Provider may not be exercised by means of a "cashless exercise" pursuant to Section 4.17 hereof or a "net exercise" pursuant to Section 4.18 hereof.
- (c) Upon the exercise of any Option pursuant to a "cashless exercise" under Section 4.17 hereof or a "net exercise" under Section 4.18 hereof, the number of Options so

exercised, surrendered or converted, and not the number of Shares actually issued, shall be used for calculating any limits with respect to the number of Options that may be granted or exercised under this Plan.

5. RESERVATION OF SHARES FOR OPTIONS

5.1 **Sufficient Authorized Shares to be Reserved.** Whenever the constating documents of the Company limit the number of authorized Shares, a sufficient number of Shares shall be reserved by the Board to satisfy the exercise of Options. Shares that were the subject of Options that have lapsed or terminated shall thereupon no longer be in reserve and may once again be subject to an Option.

5.2 **Maximum Number of Shares to be Reserved Under Plan.** The aggregate number of Shares which may be subject to issuance pursuant to Options and any stock options granted under any other previous or current stock option plan or security compensation arrangement shall be 10% of the issued and outstanding Shares at the time of granting the Options. If any Option settled in cash, cancelled, terminated, surrendered, forfeited or expired without being exercised, and pursuant to which no securities have been issued, the number of Shares in respect of such expired or terminated Option shall again be available for the purposes of granting Options pursuant to this Plan, subject to Section 4.19(c) hereof.

5.3 **Maximum Number of Shares Reserved.** All Options, together with all of the Company's other previously granted stock options, stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Shares, shall not result, at the time of granting, in:

- (a) the number of Shares reserved for issuance pursuant to Options granted to Insiders exceeding 10% of the Shares issued and outstanding at any point in time;
- (b) the issuance to Insiders, within a one-year period, of Shares totalling in excess of 10% of the Shares issued outstanding; or
- (c) the issuance to any one individual (and where permitted under this Plan, to any companies that are wholly owned by such individual), within a one-year period, of Shares totalling in excess of 5% of the Shares issued and outstanding,

unless the disinterested shareholders have approved thereof.

6. CAPITAL REORGANIZATIONS

6.1 **Adjustments in Shares.** If the Shares are at any time increased, decreased or changed into or exchanged for a different number or kind of shares or securities of the Company through an amalgamation, merger, arrangement, reorganization, spin-off or recapitalization, subject to the prior approval of the Exchange, an appropriate and proportionate adjustment shall be made by the Board, in its discretion.

6.2 **Share Consolidation or Subdivision.** If the Shares are at any time subdivided or consolidated, the number of Shares reserved for Options shall be similarly increased or decreased and the price payable for any Shares that are then subject to issuance shall be decreased or increased proportionately, as the case may require, so that upon exercising each Option the same proportionate shareholdings at the same aggregate purchase price shall be acquired after such subdivision or consolidation as would have been acquired before.

6.3 **Stock Dividend.** If the Shares are at any time changed as a result of the declaration of a stock dividend thereon, the number of Shares reserved for Options shall be increased proportionately and the price payable for any Shares that are then subject to issuance shall be decreased proportionately so that upon exercising each Option the same proportionate shareholdings at the same aggregate purchase price shall be acquired after such stock dividend as would have been acquired before, subject to the prior approval of the Exchange, provided that such approval is then a requirement of the Exchange. Where an adjustment under this Section 6.3 would result in a number of Shares being reserved for issuance in excess of the limits in Sections 4.3, 5.2 and 5.3 hereof, the Company shall, subject to approval of the Exchange (if such approval is required under the the Exchange Policies), pay to the holders of such Options a cash amount deemed appropriate and proportionate by the Board, in its discretion, in respect of such excess.

6.4 **No Fractional Shares.** No adjustment made pursuant to this Part shall require the Company to issue a fraction of a Share and any fractions of a Share shall be rounded up or down to the nearest whole number, with one-half a Share being rounded up to one Share.

6.5 **No Adjustment for Cash Dividends or Rights Offerings.** No adjustment shall be made to any Option pursuant to this Part in respect of the payment of any cash dividend or the distribution to the shareholders of the Company of any rights to acquire Shares or other securities of the Company.

7. EXCHANGE'S RULES & POLICIES GOVERN & APPLICABLE LAW

7.1 **Exchange's Rules and Policies Apply.** This Plan and the granting and exercise of any Options are also subject to such other terms and conditions as are set out in the rules and policies on stock options of the Exchange and any securities commission having authority and such rules and policies shall be deemed to be incorporated into and become a part of this Plan. If there is an inconsistency between the provisions of such rules and policies and of this Plan, the provisions of such rules and policies shall govern.

7.2 **Compliance With Applicable Laws.** Notwithstanding anything herein to the contrary, the Company shall not be obliged to cause any Shares to be issued or certificates evidencing Shares to be delivered pursuant to this Plan, where issuance and delivery is not, or would result in the Company not, being in compliance with all applicable laws, regulations, rules, orders of governmental or regulatory authorities and the requirements of the Exchange. **If any provision of this Plan, any Option or any agreement entered into pursuant to this Plan contravenes any applicable law, rule, regulation or order, or any policy, bylaw or regulation of the Exchange or any regulatory body having authority over the Company or this Plan, such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith, but the Company shall not be responsible to pay and shall not incur any penalty, liability or further obligation in connection therewith.**

7.3 **No Obligation to File Prospectus.** The Company shall not be liable to compensate any Optionee and in no event shall it be obliged to take any action, including the filing of any prospectus, registration statement or similar document, in order to permit the issuance and delivery of any Shares upon the exercise of any Option in order to comply with any applicable laws, regulations, rules, orders or requirements of any securities regulatory authority.

7.4 **Governing Law.** This Plan shall be governed by, and construed in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

8. AMENDMENT OF PLAN & OPTIONS

8.1 **Board May Amend Plan or Options.** The Board may amend or terminate this Plan or any Options but no such amendment or termination, except with the written consent of the Optionees concerned or unless required to make this Plan or the Options comply with the Exchange Policies, shall affect the terms and conditions of Options which have not then been exercised or terminated.

8.2 **Shareholder Approval.** The approval of disinterested shareholders for an amendment to this Plan or any Option shall be required in respect of Options granted to Insiders involving the extension of the term of such Option or a reduction of the exercise price, including a reduction effected by cancelling an existing Option and granting a new Option exercisable at a lower price within the subsequent one-year period.

Approval by holders of Shares is required for:

- (a) persons eligible to be granted or issued Options under this Plan;
- (b) the maximum number of percentage of Shares that may be issuable under this Plan;
- (c) the limits under this Plan on the amount of Options that may be granted or issued to any one person or any category of persons;
- (d) the method for determining the exercise price of the Options;
- (e) the maximum term of the Options;
- (f) the expiry and termination provisions applicable to the Options, including the addition of a Blackout Period;
- (g) the addition of a Net Exercise (as defined in the Exchange Policies) provision; and
- (h) any method or formula for calculating prices, values or amounts under this Plan that may result in a benefit to an Optionee, including but not limited to the formula for calculating the appreciation of a Stock Appreciation Right (as defined in the Exchange Policies),

provided that disinterested shareholder approval will be required as set out in sections 4.3(a), 5.3 and 8.2 of the Plan and the Exchange Policies.

No approval by any holders of Shares is required for (a) amendments to fix typographical errors; and (b) amendments to clarify existing provisions of the Plan that do not have the effect of altering the scope, nature and intent of such provisions.

8.3 **Exchange Approval Required.** Any amendment to this Plan or shall not become effective until such amendments have been accepted for filing by the Exchange.

9. PLAN DOES NOT AFFECT OTHER COMPENSATION PLANS

9.1 **Other Plans Not Affected.** This Plan shall not in any way affect the policies or decisions of the Board in relation to the remuneration of Permitted Optionees.

10. OPTIONEE'S RIGHTS AS A SHAREHOLDER

10.1 **No Rights Until Option Exercised.** An Optionee shall not be entitled to the rights pertaining to share ownership, such as voting rights, dividend entitlement or rights on liquidation, only with respect to Shares that have been fully paid for and issued to the Optionee upon exercise of an Option.

11. EFFECTIVE DATE & EXPIRY OF PLAN

11.1 **Effective Date.** This Plan has been adopted by the Board subject to the approval of the Exchange and if so approved, subject to the discretion of the Board, the Plan shall become effective upon such approvals being obtained. Thereafter this Plan shall be approved by the holders of the Shares annually, if the Shares are listed on the TSX-V. If such annual approvals are not obtained, Options may no longer be granted. Options may be granted, but cannot be exercised, prior to the receipt of such approvals.

11.2 **Termination.** This Plan shall terminate upon a resolution to that effect being passed by the Board. Any Options shall continue to be exercisable according to their terms after the termination of this Plan.

Adopted by the Board of Directors on July 15, 2024.

Approved by the shareholders of the Company on August 15, 2024.

