

**ARCHON MINERALS LIMITED**  
#606 – 889 West Pender Street  
Vancouver, BC V6C 3B2

**Notice of Meeting  
&  
Management Information and Proxy Circular**

Annual and Special Meeting of Shareholders  
to be held on Tuesday, August 1, 2023, 11:00 a.m.

Dated as of June 8, 2023

Archon Minerals Limited  
#606 – 889 West Pender Street  
Vancouver, BC V6C 3B2  
Tel: (604) 682-3303

## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the “Meeting”) of the shareholders of Archon Minerals Limited (the “Company”) will be held at #606 – 889 West Pender Street, Vancouver, B.C., on **August 1, 2023 at 11:00 am (Vancouver time)** for the following purposes:

1. To receive and consider the financial statements of the Company and the auditor's report thereon for the fiscal year ended May 31, 2022;
2. To fix the number of directors at four (4);
3. To elect the directors to hold office until the next annual meeting of shareholders;
4. To appoint DeVisser Gray LLP, Chartered Accountants, as independent auditors of the Company for the next fiscal year, and to authorize the Directors to fix their remuneration; and
5. To approve, with or without variation, the Company’s omnibus equity incentive plan, as more particularly described in the Circular.

Accompanying this Notice of Meeting are a Management Information and Proxy Circular, Proxy Form and a Financial Statement Request Form.

A shareholder entitled to vote at the Meeting is entitled to appoint a proxyholder to attend and vote in his or her stead. If you are unable to attend the Meeting, or any adjournment thereof, in person, please date, execute, and return the enclosed form of proxy in accordance with the instructions set out in the notes to the proxy and any accompanying information from your intermediary.

DATED at Vancouver, British Columbia, on June 8, 2023

BY ORDER OF THE BOARD OF DIRECTORS

*“Stewart Blusson”*

Stewart Blusson  
President and Chief Executive Officer

## MANAGEMENT INFORMATION AND PROXY CIRCULAR

This management information and proxy circular (the “Information Circular”) is furnished in connection with the solicitation of proxies by management of Archon Minerals Limited (the “Company”) for use at the annual general meeting of shareholders (the “Meeting”) of the Company to be held at 11:00 a.m. (PST), on Tuesday, August 1, 2023, and any adjournment thereof, for the purposes set forth in the accompanying notice of meeting (the “Notice”).

Unless otherwise indicated, the information contained in this Information Circular is given as at June 8, 2023, and all currency figures are in Canadian dollars.

### PARTICULARS OF MATTERS TO BE ACTED UPON

#### 1. Election of Directors

The term of office of each present Director expires at the Meeting. Management does not contemplate that any of the nominees will be unable to serve as a Director. Management of the Company proposes to nominate the persons named in the following table for election to the board of Directors (the “Board”) until the next annual shareholder meeting or until their successors are elected or appointed, unless their office is earlier vacated in accordance with the *Business Corporations Act* (British Columbia). Unless otherwise instructed, the enclosed form of proxy will be voted “FOR” the nominees listed below.

Information concerning the nominees, as furnished by them individually, is set forth below.

Name, Province and Country of Residence and Current Position with the Company	Director Since	Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised <sup>(2)</sup>	Principal Occupation for the Past Five Years
<b>Stewart L. Blusson</b> <sup>(1)</sup> British Columbia, Canada <i>Director, President, CEO, CFO</i>	1993-04-01	33,679,886	Self-employed geologist and prospector
<b>R. Ross Blusson</b> British Columbia, Canada <i>Director</i>	1993-04-01	964,092	Self-employed geologist and prospector
<b>Matthew Scoville</b> <sup>(1)</sup> Arizona, USA <i>Proposed Director</i>	N/A	Nil	Financial & Asset Analysis Manager at Rise48 Equity, since 2022; project controller at Rio Tinto, 2019 to 2022
<b>Melody Yiu</b> <sup>(1)</sup> British Columbia, Canada <i>Director and Secretary</i>	2023-05-09	Nil	Lawyer at Connect Law Corporation

Notes:

(1) Member of the Audit Committee. Stewart L. Blusson serves as chair of the Audit Committee.

(2) These figures do not include stock options which are disclosed under “Stock Option Plan”.

#### *Cease Trade Orders and Bankruptcies*

None of the nominees proposed to be Director is or has been, within the ten years prior to the date hereof, a director or chief executive officer or chief financial officer of any company (including the Company) that: (i) was subject to an order that was issued while the proposed director was acting as a director, chief executive officer or chief financial officer; or (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief

executive officer or chief financial officer. For the purposes hereof, “order” means: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

No proposed director of the Company is, at the date of this Circular, or has been within ten years before the date of this 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.

#### *Penalties and Sanctions*

No proposed director of the Company 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 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 proposed director.

#### *Individual Bankruptcies*

No proposed director of the Company has, within the ten years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

## **2. Appointment of Auditor**

Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the approval of the appointment of DeVisser Gray LLP, Chartered Accountants, as the auditor of the Company until the close of the next annual meeting of shareholders or until a successor is appointed, and to authorize the Directors to fix the auditor’s remuneration. DeVisser Gray LLP was first appointed as the auditor of the Company on September 26, 2007.

#### *Fees Paid to Auditor*

The aggregates fees paid by the Company to its auditor in each of the last two fiscal years are as follows:

	<b>FY2022</b>	<b>FY2021</b>
Audit fees	\$11,000*	\$9,000
Audit related fees	Nil	Nil
Tax fees	\$2,000*	\$2,000
All other fees	Nil	Nil

\*estimated fees

### **3. Adoption of Omnibus Equity Incentive Plan**

The Board has determined that it is in the best interest of the Company to adopt a new security-based compensation plan (the "Omnibus Plan") in replacement of the Company's stock option plan (the "Stock Option Plan").

The current Stock Option Plan is a 20% "fixed" plan which allows the Company to reserve up to 20% of the issued and outstanding common shares of the Company, at the time the Plan is approved by shareholders, for issuance upon exercise of stock options. The new Omnibus Plan includes all of the elements of the current Stock Option Plan, but includes additionally other forms of security-based compensation such as restricted share units, deferred share units, performance share units, and stock appreciation rights. A copy of the proposed Omnibus Plan is attached to this circular as Appendix B.

Outstanding stock options granted under the Stock Option Plan will continue to be valid but governed by the new Omnibus Plan, if approved by shareholders.

At the Meeting, shareholders will be asked to approve the following ordinary resolution:

"BE IT RESOLVED THAT:

1. Archon Minerals Limited (the "Company") adopt the omnibus equity incentive plan (the "Omnibus Plan") as set out in Appendix B of the Company's management information circular dated June 8, 2023;
2. The reservation of up to 10,883,352 common shares in the capital of the Company for issuance pursuant to exercise or settlement of Awards (as such term is defined in the Omnibus Plan) granted under the Omnibus Plan is hereby authorized and approved;
3. The Company is hereby authorized to make any changes to the Omnibus Plan as may be required by the TSX Venture Exchange; and
4. Any one Director or officer of the Company is hereby authorized and directed to do all acts and things, to execute, under the common seal of the Company or otherwise, and to deliver all agreements, documents and instruments, to give all notices and to deliver, file and distribute all documents and information which such person determines to be necessary or desirable in connection with or to give effect to or carry out any of the foregoing resolutions."

## **GENERAL PROXY INFORMATION**

### **Solicitation of Proxies**

All costs of solicitation by management will be borne by the Company. In addition to the solicitation of proxies by mail, directors, officers and employees may solicit proxies personally, by telephone or facsimile, but will not receive compensation for so doing.

### **Appointment of Proxyholder**

The individuals named in the accompanying form of proxy (the "Proxy") are directors ("Directors") or officers ("Officers") of the Company and were designated by management of the Company (the "Management Proxyholder"). **A shareholder wishing to appoint some other person who need not be a shareholder to represent the shareholder at the Meeting has the right to do so, by striking out the names of those persons named in the accompanying form of Proxy and inserting such other person's name in the blank space provided in the form of Proxy or by completing another form of Proxy.**

Shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person. Shareholders electing to submit a Proxy may do so by:

- a) completing, dating and signing the enclosed form of Proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc. ("Computershare") by fax within North America at 1-866-249-7775, outside North America at 1-416-263-9524, or by mail or hand delivery to Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1; or
- b) using a touch-tone phone to transmit voting choices to a toll-free number. The toll-free number to call is 1-800-732-VOTE (8683) within North America and 1-312-588-4290 outside North America. Shareholders must follow the instructions of the voice response system and refer to the enclosed Proxy for the shareholder's account number and the Proxy access number.

A Proxy will not be valid unless the completed, dated and signed form of Proxy is received by Computershare not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting, or any adjournment thereof.

### **Revocation of Proxy**

A shareholder who has given a Proxy may revoke it by an instrument in writing:

- a) executed by the shareholder or by the shareholder's attorney authorized in writing or, where the shareholder is a company, by a duly authorized officer or attorney of the company; and
- b) delivered to either:
  - i) Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, or
  - ii) the chairman of the Meeting on the day of the Meeting or any adjournment thereof.

Only registered shareholders have the right to revoke a Proxy. Non-registered holders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries (as defined below) to revoke the Proxy on their behalf. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

### **Exercise of Discretion by Proxyholders**

Shares represented by properly executed Proxies in favour of persons designated in the enclosed form of Proxy will, where a choice with respect to any matter to be acted upon has been specified in the form of Proxy, be voted in accordance with the specification made. In the absence of any such specification, the Proxy will be voted as recommended by Management. Where directions are given by the shareholder in respect of voting for or against any resolution, the proxyholder will do so in accordance with such direction.

The enclosed form of proxy, when properly signed, confers discretionary authority upon the person named therein as proxyholder with respect to amendments or variations to matters which may be properly brought before the Meeting. At the date of this Information Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters, which are not now known to Management, should properly come before the Meeting, then the Management designees intend to vote in accordance with the judgment of Management.

### **Non-Registered Holders**

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting.** Most shareholders of the Company are “non-registered” shareholders (“Non-Registered Holders”) because the shares they own are not registered in their names but are instead registered in the name of (a) a brokerage firm, bank, trust company, trustee or administrator of self-administered RRSPs, RRIFs, RESPs and similar plans; or (b) a clearing agency such as CDS & Co. (any of the foregoing, an “Intermediary”). **If you are a Non-Registered Holder, your shares can only be voted by the Intermediary in accordance with instructions received from you.**

In accordance with securities regulatory policy, the Company has distributed copies of the Notice, this Information Circular and the Proxy (collectively, the “Meeting Materials”) to the Intermediaries for distribution to Non-Registered Holders. Each Intermediary has its own form of proxy and mailing procedures. Therefore, **if you receive the Meeting Materials from an Intermediary, you should carefully review the voting instructions provided by your Intermediary to ensure that you direct the voting of your shares in accordance with those instructions.**

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications (“Broadridge”), who typically sends a voting instruction form (“VIF”) to Non-Registered Shareholders requesting them to provide voting instructions. **Please note a Broadridge VIF cannot be used to vote directly at the Meeting. If you are a Non-Registered Shareholder with a Broadridge VIF, you must follow the procedures set out by Broadridge, well in advance of the Meeting, for voting directly at the Meeting.**

Non-Registered Shareholders who wish to attend the Meeting and indirectly vote as proxyholder for the registered shareholder should contact their Intermediary well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their Shares as a proxyholder.

### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The Company's authorized capital consists of an unlimited number of common shares without par value (the “Shares”). As at June 2, 2023 (the “Record Date”), there were 54,416,758 Shares issued and outstanding. Each share carries the right to one vote.

Any shareholder of record at the close of business on the Record Date who either personally attends the Meeting or who has completed and delivered a Proxy in the manner specified herein, subject to the provisions described above, shall be entitled to vote or to have such shareholder's shares voted at the Meeting.

To the best of the knowledge of the Directors or executive Officers, only the following persons beneficially owns, directly or indirectly, or exercised control or direction over, Shares carrying more than 10% of the voting rights attached to all outstanding Shares:

<b>Name and Address</b>	<b>Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised</b>	<b>Percentage of Issued and Outstanding Shares</b>
Stewart Blusson 2801 – 323 Jervis Street Vancouver, BC V6C 3P8	33,677,986	62.46%

### **DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION**

#### **Oversight and Determination of Compensation**

The Board as a whole has the responsibility of determining compensation for directors and senior management. However, to date, no cash compensation has been paid to officers or directors.

### **Summary Compensation Table**

The following table sets forth the particulars of compensation, excluding stock options and other compensation securities, paid to NEOs for the Company's two most recently completed financial years. NEOs are comprised of:

- a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer (“CEO”), including an individual performing functions similar to a CEO;
- b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer (“CFO”), including an individual performing functions similar to a CFO;
- c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for that financial year; and
- d) each individual who would be a NEO 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.

<b>Name and Position</b>	<b>Fiscal year ended May 31,</b>	<b>Salary, consulting fee, retainer or commission</b>	<b>Bonus</b>	<b>Committee or meeting fees</b>	<b>Value of perquisites</b>	<b>Value of all other compensation</b>	<b>Total compensation</b>
Stewart Blusson	2022	Nil	Nil	Nil	Nil	Nil	Nil
<i>President, CEO, CFO and Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil

### **Stock Options and Other Compensation Securities**

No stock options were granted nor exercised by Directors and NEOs during the most recently completed financial year.

### **Stock Option Plan**

The Company has a 10% “fixed” stock option plan (the “Plan”) to attract and retain experienced and qualified directors, officers and employees. A copy of the Plan can be requested from the Company. The key terms of the Plan are provided below for reference only.

*Eligibility.* Only Directors, Officers, employees and consultants of the Company (collectively “Eligible Persons”) are eligible to receive options under the Plan.

*Number of Shares.* In any 12-month period, the number of Shares which may be reserved for issuance under option(s) to:

- a) any one person shall not exceed 5% of the total issued and outstanding shares of the Company (on a non-diluted basis) on the date of grant unless disinterested shareholder approval is obtained;
- b) any one consultant shall not exceed 2% of the total issued and outstanding shares of the Company (on a non-diluted basis) as at the date of grant; and

- c) all persons performing investor relations activities, in aggregate, shall not exceed 2% of the total issued and outstanding shares of the Company (on a non-diluted basis) as at the date of grant of the most recent option to be granted to a person performing investor relations activities.

*Term.* The maximum term of options granted under the Plan is 10 years.

*Vesting.* Options granted to those performing investor relations activities shall vest over a minimum of twelve months with no more than a quarter of such options vesting in any three-month period.

*Exercise Price.* The exercise price of an option under the Plan is to be determined by the Board, provided that such price cannot be less than the Discounted Market Price (as that term is defined under TSX Venture Exchange (“TSXV”) policies) of the Shares at the date of the grant of such option.

*Termination of Options.* No option may be exercisable if the optionee ceases to be an Eligible Person, except:

- a) if the Company terminates the optionee’s employment, engagement or directorship for cause, any outstanding option (whether exercisable or not at that time) shall be immediately forfeited and cancelled;
- b) if the Company terminates the optionee’s employment, engagement or directorship for any reason other than for cause, any outstanding option(s) previously granted to such optionee must expire on the earlier of 30 days after the termination date and the original expiry date of such option(s).
- c) if the optionee dies or ceases to be an Eligible Person due to a disability, any outstanding option(s) previously granted to such optionee must expire on the earlier of 12 months after the termination date and the original expiry date of such option(s).

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out equity compensation plan information as at May 31, 2022.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plan (excluding securities reflected in column (a))</b>
	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>
Equity compensation plan approved by securityholders	300,000	\$0.70	5,091,676 <sup>(1)</sup>
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
<b>Total</b>	<b>300,000</b>	<b>N/A</b>	<b>5,091,676</b>

Note:

- (1) The maximum number of options available for grant under the Plan is 5,391,676.

The Plan is the Company’s only equity compensation plan. For material features of the Plan, please see “Stock Option Plan” above.

## CORPORATE GOVERNANCE

### **Board of Directors**

The Board will consist of four Directors, three of whom are independent. Except for Stewart L. Blusson, who is the Company's President, CEO and CFO, none of the other Directors is: (i) an Officer or employee of the Company; (ii) a party to a material contract with the Company or has a material interest in a transaction involving the Company; or (iii) the recipient of remuneration from the Company other than incentive stock options disclosed herein.

### **Directorships**

As at the date hereof, none of the Directors are directors of other reporting issuers.

### **Orientation and Continuing Education**

The Board provides ad hoc orientation for new Directors. All Directors receive a Director's manual containing a record of historical public information about the Company, copies of the Company's charters and other relevant information. The Board also arranges meetings with management to provide a review of the nature and operations of the Company.

The Board provides continuing education for directors on an ad hoc basis in respect of issues that are necessary for them to understand to meet their obligations as directors. All of the Directors are actively involved in their respective areas of expertise, and they are encouraged to keep themselves current with industry trends and changes in legislation by liaising with management and the Company's counsel, attending industry-related events and other educational seminars. The cost of continuing education activities will be borne by the Company.

### **Ethical Business Conduct**

The Board has adopted and maintains a code of ethics which is applicable to the Company's Directors, Officers and employees. The purpose of the code is to provide guidance and to prohibit unethical behavior with respect to issues such as conflicts of interest, confidentiality, whistleblowing, protection of corporate assets and opportunities, and compliance with laws and regulations. Furthermore, Directors are frequently reminded to consider whether they are in a conflict of interest by virtue of serving as directors or officers in other companies or holding an interest in a transaction or agreement. A Director in such circumstances is advised to disclose his or her interest in a transaction or agreement, and if the Board considers the interest to be material, such Director must abstain from discussing and voting on the matter.

### **Nomination of Directors**

Given the small size of the Company and its early stage of development, the Board has not appointed a nomination committee or put in place formal procedure for the identification of potential Board candidates. Since the size of the Board is limited, the functions of such a committee can be served by the Board as a whole.

### **Compensation**

The Board as a whole determines the compensation of the Directors and NEOs. Currently, it is the Board's policy to compensate its Directors and NEOs with equity options in order to align the interest of Directors with those of the Company's shareholders.

### **Other Board Committees**

The Company has no committee other than its audit committee at this point.

## **Assessments**

Members of the Board are expected to continually evaluate the effectiveness of the Board, its committees and fellow Directors by considering the accomplishment, or lack thereof, of the Company's goals. Furthermore, the Board is of the view that the Company's shareholders are the most important assessors of Board performance and that they provide the most effective, objective assessment of the Board's performance.

## **AUDIT COMMITTEE**

### **The Audit Committee's Charter**

The Charter of the Audit Committee is attached as Appendix A to this Information Circular.

### **Composition of the Audit Committee**

All three members of the Audit Committee — Stewart Blusson, Matthew Scoville and Melody Yiu — are financially literate, and except for Stewart Blusson who is the Company's President, CEO and CFO, are independent members of the committee.

### **Relevant Education and Experience**

*Stewart L. Blusson* completed an undergraduate degree at the University of British Columbia (1960) and a doctorate in geology at the University of California, Berkeley (1964). As one of Canada's most successful exploration geologists, Dr. Blusson has many years of experience in managing public companies as an executive officer and director, and has during that time worked extensively with accountants and auditors in the preparation and analysis of financial statements.

*Matthew Scoville* commenced his career at Dominion Diamond Mines where he assumed diverse roles including serving on the Major Projects team at the Ekati diamond mine. Mr. Scoville then transitioned to Rio Tinto Exploration Canada, where he contributed his expertise to the FalCon Diamond Project. Currently, Matthew serves in a leadership role at a private equity firm headquartered in Scottsdale, Arizona. Mr. Scoville holds a bachelor's degree in Management from the University of British Columbia.

*Melody Yiu* is a corporate and securities lawyer with over a decade of experience advising public companies. She founded Connect Law Corporation in 2013 and previously practiced at other law firms in Vancouver. Ms. Yiu holds a juris doctor from the University of Toronto and a bachelor's degree in Commerce from the University of British Columbia.

### **Audit Committee Oversight**

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

### **Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of National Instrument 52-110 (the "Instrument"), or an exemption from the Instrument, in whole or in part, granted under Part 8 thereof.

### **Pre-Approval Policies and Procedures**

The Audit Committee has not adopted any specific policies or procedures for the engagement of non-audit services. Generally, management is responsible for ensuring that any required non-audit services are performed in a timely manner, subject to review by the Board or the Audit Committee.

**Exemption**

The Company is relying on the exemption provided by Section 6.1 of the Instrument.

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

None of the Directors, executive Officers or proposed nominees for election as Directors, executive Officers or their respective associates or affiliates, or other management of the Company is or has been indebted to the Company as at the date hereof.

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

Except as disclosed herein, no person: (a) who has been a Director or executive Officer at any time since the commencement of the Company's last financial year; (b) who is a proposed nominee for election as a Director; or (c) who is an associate or affiliate of a person included in subparagraphs (a) or (b), has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of Directors and the appointment of auditors and as set out herein.

**INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

To the knowledge of management of the Company, no informed person (a Director, Officer or holder of 10% or more of the Shares) or nominee for election as a Director or any associate or affiliate of any informed person or proposed Director has had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries during the most recently completed financial year, or has any interest in any material transaction in the current year, other than as set out herein.

**MANAGEMENT CONTRACTS**

Management functions of the Company are not to any substantial degree performed by a person or company other than the Directors or executive Officers.

**OTHER BUSINESS**

As of the date of this Information Circular, management is not aware of any other matters to come before the Meeting. The securities represented by the Proxy will be voted as directed by the holder, but if such direction is not made in respect of any matter, the Proxy will be voted as recommended by Management.

**ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information relating to the Company is provided in the Company's comparative financial statements and management's discussion and analysis ("MD&A") for the financial year ended May 31, 2022. Shareholders may contact the Company to request copies of the financial statements and the MD&A.

DATED at Vancouver, British Columbia, this June 8, 2023

BY ORDER OF THE BOARD OF DIRECTORS

*"Stewart Blusson"*

Stewart Blusson  
Director, President, CEO and CFO

Appendix A

**Archon Minerals Limited**  
**AUDIT COMMITTEE CHARTER**

1. MANDATE

The primary mandate of the audit committee (the “Committee”) of the board of directors (the “Board”) of the Company is to assist the Board in overseeing the Company’s financial reporting and disclosure. This oversight includes:

- a) reviewing the financial statements and financial disclosure that is provided to shareholders and disseminated to the public;
- b) reviewing the systems of internal controls to ensure integrity in the financial reporting of the Company; and
- c) monitoring the independence and performance of the Company’s external auditors and reporting directly to the Board on the work of the external auditors.

2. COMPOSITION AND ORGANIZATION OF THE COMMITTEE

- a) The Committee shall be comprised of at least three directors.
- b) The majority of the Committee members must be independent. A member of the Committee is independent if the member has no direct or indirect material relationship with an issuer. A material relationship means a relationship, which could, in the view of the issuer’s board of directors, reasonably interfere with the exercise of a member’s independent judgment.
- c) Every Committee member must be financially literate. Financial literacy is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer’s financial statements.
- d) The members of the Committee shall be appointed for one-year terms by the Board at its first meeting following the annual shareholders’ meeting. Members may serve for any number of consecutive terms.
- e) Unless the Board shall have appointed a chair of the Committee (the “Chair”), the members of the Committee shall elect a Chair, who may serve as such for any number of consecutive terms.
- f) The Board may at any time remove or replace any member of the Committee and may fill any vacancy of the Committee.

3. MEETINGS

- a) The Audit Committee will meet at least twice per year.
- b) The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to communicate with each other.

- c) The Audit Committee Chair will set the agenda for each meeting, after consulting with management and the external auditor. Agenda materials such as draft financial statements must be circulated to Audit Committee members for members to have a reasonable time to review the materials prior to the meeting.

#### 4. RESPONSIBILITIES AND DUTIES OF THE COMMITTEE

The Audit Committee will perform the following duties:

##### *External Auditor*

- a) Select, evaluate and recommend to the Board, for shareholder approval, the external auditor to examine the Company's accounts, controls and financial statements, and verify the independence of such auditors;
- b) Evaluate, prior to the annual audit by external auditors, the scope and general extent of their review, including their engagement letter, and the compensation to be paid to the external auditors and recommend such payment to the Board;
- c) Obtain written confirmation from the external auditor that it is objective and independent within the meaning of the Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of Chartered Accountants to which it belongs;
- d) Review annually the performance of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company;
- e) Recommend to the Board, if necessary, the replacement of the external auditor;
- f) Meet at least annually with the external auditors, independent of management, and report to the Board on such meetings;
- g) Pre-approve all audit and audit-related services and any non-audit services to be provided to the Company by the external auditor and the fees related thereto;

##### *Financial Statements and Financial Information*

- a) Review and discuss with management and the external auditor the annual audited financial statements of the Company and recommend their approval by the Board;
- b) Review and discuss with management, the quarterly financial statements and recommend their approval by the Board;
- c) Review and recommend to the Board for approval the financial content of the annual report;
- d) Review the process for the certification of financial statements by the Chief Executive Officer and Chief Financial Officer;
- e) Review the Company's management discussion and analysis, annual and interim earnings or financial disclosure press releases, and audit committee reports before the Company publicly discloses this information;
- f) Review annually with external auditors, the Company's accounting principles and the reasonableness of managements judgments and estimates as applied in its financial reporting;

- g) Review and consider any significant reports and recommendations issued by the external auditor, together with management's response, and the extent to which recommendations made by the external auditors have been implemented;

*Risk Management, Internal Controls and Information Systems*

- a) Review with the external auditors and with management, the general policies and procedures used by the Company with respect to internal accounting and financial controls;
- b) Review adequacy of security of information, information systems and recovery plans;
- c) Review management plans regarding any changes in accounting practices or policies and the financial impact thereof;
- d) Review with the external auditors and, if necessary, legal counsel, any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the financial statements;
- e) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management;
- f) Discuss with management and the external auditor correspondence with regulators, employee complaints, or published reports that raise material issues regarding the Company's financial statements or disclosure;
- g) Assisting management to identify the Company's principal business risks;
- h) Review the Company's insurance, including directors' and officers' coverage, and provide recommendations to the Board;

*Other*

- a) Review and update this Charter annually;
- b) Review Company loans to employees/consultants;
- c) Review any related party transactions; and
- d) Conduct special reviews and/or other assignments from time to time as requested by the Board.

5. PROCESS FOR HANDLING COMPLAINTS REGARDING FINANCIAL MATTERS

- a) The Audit Committee shall establish a procedure for the receipt, retention and follow-up of complaints received by the Company regarding accounting, internal controls, financial reporting, or auditing matters.
- b) The Audit Committee shall ensure that any procedure for receiving complaints regarding accounting, internal controls, financial reporting, or auditing matters will allow the confidential and anonymous submission of concerns by employees.

## 6. REPORTING

The Audit Committee will report to the Board on:

- a) The external auditor's independence;
- b) The performance of the external auditor and the Audit Committee's recommendations;
- c) Regarding the reappointment or termination of the external auditor;
- d) The adequacy of the Company's internal controls and disclosure controls;
- e) The Audit Committee's review of the annual and interim financial statements;
- f) The Audit Committee's review of the annual and interim management discussion and analysis;
- g) The Company's compliance with legal and regulatory matters to the extent they affect the financial statements of the Company; and
- h) All other material matters dealt with by the Audit Committee.

## 7. AUTHORITY OF THE COMMITTEE

- a) The Audit Committee will have the resources and authority appropriate to discharge its duties and responsibilities. The Audit Committee may at any time retain outside financial, legal or other advisors at the expense of the Company without approval of management.
- b) The external auditor will report directly to the Audit Committee.

Appendix B

**OMNIBUS EQUITY INCENTIVE PLAN**  
(attached)

**Archon Minerals Limited**  
**OMNIBUS EQUITY INCENTIVE PLAN**

Effective as of August 1, 2023

**Part 1. INTERPRETATION**

- 1.1 **Defined Terms.** For the purposes of this Plan, the following terms shall have the following meanings:
- (a) **“Affiliate”** shall have the meaning ascribed to it in Policy 1.1 of the Manual.
  - (b) **“Applicable Laws”** means all applicable rules, regulations, policies, notices, rulings, orders and legislation of any kind whatsoever of any government, regulatory authority or stock exchange having jurisdiction over either the Issuer or the Participant.
  - (c) **“Associate”** shall have the meaning ascribed to it in Policy 1.1 of the Manual.
  - (d) **“Award”** means any Option, Share Unit, DSU or SAR granted under this Plan.
  - (e) **“Blackout Period”** means a period of time during which the Participants are prohibited by the Issuer from exercising or settling their Awards due to the bona fide existence of undisclosed material information, and which period expires upon the general disclosure of the undisclosed material information.
  - (f) **“Board”** means the board of directors of the Issuer or any committee thereof duly empowered or authorized to grant Awards under this Plan.
  - (g) **“Business Day”** means any day which is not a Saturday, Sunday or a day on which the Issuer’s bank is closed for business.
  - (h) **“Capital Alteration Adjustment”** means the adjustments set out in section 9.1.
  - (i) **“Cash Equivalent”** means the amount of cash to be paid in lieu of issuing one Share, such amount being the closing price of Shares on the Trading Day immediately before the date of settlement or value determination.
  - (j) **“Change of Control”** means the occurrence of any one or more of the following events:
    - (i) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Issuer which results in Shareholders holding, directly or indirectly, less than 50% of the outstanding voting securities of the successor corporation after completion of the transaction;
    - (ii) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of all or substantially all of the assets of the Issuer and/or any of its subsidiaries to any other Person, other than disposition to a wholly-owned subsidiary in the course of a reorganization of the assets of the Issuer and its subsidiaries;
    - (iii) a resolution is adopted to windup, dissolve or liquidate the Issuer;
    - (iv) an acquisition by any Person or group of Persons acting jointly or in concert of beneficial ownership of more than 50% of the Shares; or
    - (v) the Board adopts a resolution to the effect that a Change of Control (as defined herein) has occurred or is imminent.

- (k) “**Corporate Entity**”, unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.
- (l) “**Consultant**” has the meaning ascribed to it in Policy 4.4 of the Manual.
- (m) “**Director**” has the meaning ascribed to it in Policy 4.4 of the Manual.
- (n) “**Discounted Market Price**” shall have the meaning ascribed to it in Policy 1.1 of the Manual.
- (o) “**Distribution**” means the sale of securities from the treasury of the Issuer, the sale of securities by a purchaser who acquired securities under an exemption from the Prospectus requirements of applicable Securities Laws, other than in accordance with the applicable Resale Restrictions, or the sale of securities by a Control Person (as that term is defined under Exchange policies) other than in accordance with the applicable Resale Restrictions.
- (p) “**Eligible Person**” means a Director, Officer, Employee, Management Company Employee or Consultant of the Issuer.
- (q) “**Employee**” has the meaning ascribed to it in Policy 4.4 of the Manual.
- (r) “**Exchange**” means the TSX Venture Exchange.
- (s) “**Exchange Hold Period**” has the meaning ascribed to it in Policy 1.1 of the Manual
- (t) “**Fair Market Value**” means the fair market value of a Share on a particular date, which is to be determined as follows:
  - (i) If the Shares are listed on the Exchange, the Shares’ fair market value shall be the closing price of the last Trading Day.
  - (ii) If there is no established market for the Shares on the date in question, the Shares’ fair market value will be determined in good faith by Board.
- (u) “**Insider**” shall have the meaning ascribed to it in Policy 1.1 of the Manual.
- (v) “**Investor Relations Activities**” has the meaning ascribed to it in Policy 1.1 of the Manual.
- (w) “**Investor Relations Service Provider**” has the meaning ascribed to it in Policy 4.4 of the Manual.
- (x) “**Issuer**” means Archon Minerals Limited and includes, unless the context otherwise requires, all of its subsidiaries, Affiliates and successors according to law.
- (y) “**Management Company Employees**” has the meaning ascribed to it in Policy 4.4 of the Manual.
- (z) “**Manual**” means the Exchange’s Corporate Finance Manual
- (aa) “**Market Price**” shall have the meaning ascribed to it in Policy 1.1 of the Manual.
- (bb) “**Non-Executive Director**” means a Director who is not also an Officer or Employee.
- (cc) “**Officer**” has the meaning ascribed to it in Policy 1.1 of the Manual.
- (dd) “**Option**” means a right granted by the Issuer to an Eligible Person to purchase Shares in accordance with this Plan.
- (ee) “**Participant**” means an Eligible Person to whom an Award has been granted.

- (ff) “**PSU**” or “**Performance Share Unit**” means an Award entitling the Participant to receive Shares, their Cash Equivalent or a combination of both, upon meeting certain conditions which usually includes Performance Conditions.
- (gg) “**Person**” means a Corporate Entity or individual.
- (hh) “**Plan**” means this omnibus equity incentive plan.
- (ii) “**Prospectus**” means a disclosure document required to be prepared in connection with a public offering of securities and which complies with the form and content requirements of a prospectus as described in applicable Securities Laws.
- (jj) “**Resale Restrictions**” means restrictions on the ability to trade securities, including restrictions imposed under applicable Securities Laws such as hold periods, notice requirements and any restrictions under applicable escrow or pooling agreements.
- (kk) “**RSU**” or “**Restricted Share Unit**” means an Award entitling the Participant to receive Shares, their Cash Equivalent or a combination of both, upon meeting certain conditions which usually includes the Participant fulfilling a period of continuous employment with the Issuer.
- (ll) “**SAR**” or “**Stock Appreciation Right**” has the meaning ascribed to it in Policy 4.4 of the Manual.
- (mm) “**Securities for Services**” has the meaning ascribed to it in Policy 4.4 of the Manual.
- (nn) “**Security Based Compensation Plan**” includes any plan regarding the Issuer’s Option, Share Unit, SAR, Securities for Services, Share Purchase Plan and/or any other compensation or incentive mechanism involving the issuance or potential issuance of securities of the Issuer from treasury to an Eligible Person.
- (oo) “**Securities Laws**” means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to the Issuer.
- (pp) “**Shareholders**” means the Issuer’s shareholders.
- (qq) “**Share Purchase Plan**” has the meaning ascribed to it in Policy 4.4 of the Manual.
- (rr) “**Share Unit**” means a RSU or PSU, as applicable.
- (ss) “**Shares**” means the common shares without par value in the capital of the Issuer.
- (tt) “**Termination Date**” means the date on which a Participant ceases to be an Eligible Person.
- (uu) “**Trading Day**” means any day on which the Exchange is open for trading.
- (vv) “**VWAP**” means the volume-weighted average trading price of the Shares on the Exchange, calculated by dividing the total value by the total volume of the Shares traded for the five trading days immediately preceding the exercise of the subject Option, provided that the Exchange may exclude internal crosses and certain other special terms trades from the calculation.

1.2 **Number and Gender.** This Plan is to be read with all changes in gender or number as required by the context.

- 1.3 **Headings.** The headings in this Plan are for convenience of reference only and do not affect the interpretation of this Plan.
- 1.4 **Governing Law.** This Plan, any amendment, addendum or supplement hereto, and all other documents relating hereto will be governed by and construed in accordance with the laws of British Columbia. The parties hereto irrevocably attorn and submit to the exclusive jurisdiction of the courts of British Columbia with respect to any dispute related to or arising from this Plan.
- 1.5 **Statutes.** Unless otherwise stated, any reference to a statute includes and is a reference to such statute and to the regulations made pursuant to it, with all amendments thereto and in force from time to time, and to any statute or regulations that may be passed which supplement or supersede such statute or such regulations.

## **Part 2. GENERAL PARTICIPATION REQUIREMENTS**

- 2.1 **Eligibility.** The Board may grant Awards only to those who are Eligible Persons at the time of grant, except for DSUs, which can be granted only to those who are Non-Employee Directors at the time of grant. Investor Relations Service Providers can only be granted Options.
- 2.2 **Award Agreements.** Each Award under this Plan must be evidenced by an Award Agreement, which will be subject to the applicable provisions of this Plan. Any Director or Officer of the Issuer is authorized and empowered to execute and deliver an Award Agreement on behalf of the Issuer.
- 2.3 **Non-Transferable and No Change of Control.** Any Award granted hereunder shall not be assignable or transferable, except by will or the laws of descent and distribution to the legal representatives, heirs or administrators of the Participant after death. Any Corporate Entity to be granted an Award, other than a Consultant Company, must agree not to effect or permit any transfer of ownership or option of such Corporate Entity's securities, nor to issue further shares of any class in the Corporate Entity to any other individual or entity as long as the Award remains outstanding, except with the Exchange's prior written consent.
- 2.4 **Representation by Issuer.** The Issuer and the Participant shall, for any Award granted to an Employee, Consultant or Management Company Employee, jointly represent to the Exchange that such Participant is a bona fide Employee, Consultant or Management Company Employee, as the case may be.

## **Part 3. AWARD LIMITATIONS**

- 3.1 **Maximum Number of Shares.** The maximum number of Shares that may be reserved for issuance pursuant to the exercise or settlement of Awards is 10,883,352 Shares.
- 3.2 **Return to Pool.** Any Award that has been settled in cash (except for Options exercised using the "net exercise" or "cashless exercise" method), cancelled, terminated, surrendered, forfeited or expired without being exercised, and pursuant to which no securities have been issued, will continue to be issuable under this Plan.

3.3 **Limitations for Certain Eligible Persons.** In any 12-month period, the number of Shares which may be reserved for issuance pursuant to all Awards granted to:

- (a) *Insiders as a group* shall not exceed **10%** of the total issued and outstanding Shares (on a non-diluted basis) on the grant date of the Award, unless disinterested shareholder approval is obtained;
- (b) *any one Person* shall not exceed **5%** of the total issued and outstanding Shares (on a non-diluted basis) on the grant date of the Award, unless disinterested shareholder approval is obtained;
- (c) *any one Consultant* shall not exceed **2%** of the total issued and outstanding Shares (on a non-diluted basis) on the grant date of the Award; and
- (d) *Investor Relations Service Providers, in aggregate*, shall not exceed **2%** of the total issued and outstanding shares of the Issuer (on a non-diluted basis) as at the date of grant of the most recent Option to be granted to an Investor Relations Service Provider.

In addition, at any point in time, the number of Shares which may be reserved for issuance pursuant to all Awards granted to:

- (e) *Insiders as a group* shall not exceed **10%** of the total issued and outstanding Shares (on a non-diluted basis) on the grant date of the Award, unless disinterested shareholder approval is obtained.

#### **Part 4. STOCK OPTIONS**

4.1 **Term of Options.** The Board shall set the expiry date for any Option to be granted, provided that the term must not be more than 10 years in any case.

4.2 **Exercise Price.** The Board shall determine each Option's exercise price, subject to the following:

- (a) the exercise price shall not be less than the Discounted Market Price, provided that if a news release was not disseminated to announce the grant and the exercise price of an Option, the Discounted Market Price is the last closing price of the Shares before the grant date of the Option less the applicable discount;
- (b) if the Shares had been suspended or halted just before the grant date, the exercise price shall not be set until the Exchange has determined that a satisfactory market has been established, which at minimum must be at least 10 Trading Days from the date on which trading in the Issuer's securities resumes;
- (c) if the Option is granted within 90 days of a Distribution by a Prospectus, the minimum exercise price per Share shall be the greater of the Discounted Market Price and the per Share price paid by the public investors for Shares acquired under the Distribution; and
- (d) in all other cases, the exercise price shall be determined in accordance with the rules and regulations of the applicable Securities Laws and regulatory bodies.

4.3 **Vesting of Options.** The Board may establish a vesting period for each Option, but the Options in a grant to an Investor Relations Service Provider must vest in stages over 12 months with no more than one-quarter of the Options vesting in any three-month period.

- 4.4 **Acceleration of Unvested Options.** In the event of a takeover bid or a change of control (as defined by Exchange policies at such time), the Board may in its discretion determine that all outstanding Options, except for those Options granted to Investor Relations Service Providers for which the prior written approval of the Exchange must be obtained, will immediately vest and if not immediately exercised, such Options will be terminated on the tender date for the takeover bid or on the date that the change of control will be completed.
- 4.5 **Manner of Exercise.** A Participant who wishes to exercise his Option, in its entirety or any portion thereof, must execute and deliver the notice of exercise contained in his Option agreement, and furnish payment in accordance with the instructions in such Option agreement.
- 4.6 **Net Exercise and Cash Exercise.** Subject to the prior approval of the Board, a Participant may elect to exercise an Option by performing:
- (a) a “net exercise” procedure in which the Issuer issues to the Participant (which shall not include any Investor Relations Service Provider) that number of Shares equal to the result determined by dividing (i) the product of the number of Options being exercised multiplied by the difference between the VWAP of the underlying Shares and the exercise price of the subject Options by (ii) the VWAP of the underlying Shares; or
  - (b) a broker assisted “cashless exercise” in which the Issuer delivers a copy of irrevocable instructions to a broker engaged for such purposes by the Issuer to sell the Shares otherwise deliverable upon the exercise of the Options and to deliver promptly to the Issuer an amount equal to the exercise price and all applicable required withholding obligations as determined by the Issuer against delivery of the Shares to settle the applicable trade.

Participants wishing to perform either the “net exercise” or the “cashless exercise” procedure, set forth above, must deliver to the Issuer (i) a written notice of exercise specifying that the Participant has elected to effect such a cashless exercise of such Option, the method of cashless exercise, and the number of Options to be exercised and (ii) the payment of an amount for any tax withholding or remittance obligations of the Participant or the Issuer arising under applicable law and verified by the Issuer to its satisfaction (or by entering into some other arrangement acceptable to the Issuer in its discretion, if any). Such Participant must also comply with any applicable withholding obligations set out in this Plan, along with such other procedures and policies as the Issuer may prescribe or determine to be necessary or advisable from time to time.

In the event of a “net exercise” or “cashless exercise”, the number of Options exercised, surrendered or converted, and not the number of Shares actually issued by the Issuer, must be included in calculating the limits set forth in sections 3.1, 3.3 and 10.8 of this Plan.

- 4.7 **Option Amendment.** Any amendment to the following terms must be approved by the Exchange prior to the exercise of such Options:
- (a) *Exercise Price.* The exercise price of an Option may be amended only if at least six (6) months have elapsed since the later of:
    - (i) the date of grant; or
    - (ii) the date of the last amendment of the exercise price.
  - (b) *Term.* An Option must be outstanding for at least one year before the Issuer may extend its term. The term of an Option cannot be extended so that the effective term of the Option

exceeds 10 years in total. Any extension of the length of the term of the Option is treated as a grant of a new Option, which must comply with pricing and other requirements of this Plan.

#### **Part 5. SHARE UNITS**

- 5.1 **Term of Share Unit.** The Board shall set the expiry date for any Share Unit to be granted, provided that the term must not be more than 3 years or such other period as may be required to avoid the Share Unit being deemed a “salary deferral arrangement” as defined in section 248(1) of the *Income Tax Act* (Canada).
- 5.2 **Vesting of Share Units.** For each Share Unit being granted, the Board shall establish a vesting schedule which must be no earlier than one year after the Share Unit’s date of grant.
- 5.3 **Performance Conditions.** In addition to the vesting schedule, the Board may set conditions (“Performance Conditions”) for each Share Unit which must be met before the Share Unit can be settled. Such Performance Conditions may include achieving business metrics such as a target stock price or target earnings per share, and the Performance Condition may specify that the Participant earns more Share Units if the actual results exceed the target business metric. Performance Conditions need not be uniform amongst Participants. If a Performance Condition requires an objective being met by a certain date, the Share Unit shall be cancelled and nullified if such Performance Condition is not met by the specified date.
- 5.4 **Settlement of Share Units.** Provided a Share Unit has vested and all Performance Conditions (if any) for such Share Unit have been met, the Issuer shall settle the Share Unit by issuing the Participant, in the Issuer’s sole discretion over which choice, one of the following:
- (a) one Share;
  - (b) Cash Equivalent of one Share; or
  - (c) combination of Shares and Cash Equivalent, provided that more than one Share Unit is being settled and the Issuer is designating a portion of the aggregated Share Units to be settled with Shares.

Unless specified otherwise in the Share Unit agreement, the settlement date shall be the third Business Day after the date on which all vesting and applicable Performance Conditions have been satisfied.

#### **Part 6. DEFERRED SHARE UNITS**

- 6.1 **Grant of DSUs.** From time to time, the Board may allow Non-Executive Directors to have their director fees, in part or in whole, satisfied with DSUs instead of cash. On such occasion, the Board shall provide the Participant with a DSU agreement which specifies the maximum amount of director fees that may be satisfied with DSUs, and contains a form whereby the Participant can elect the amount of fees to be satisfied with DSUs. The date of grant for a DSU shall be the date on which the Participant completes and executes the applicable DSU agreement.
- 6.2 **Term of DSUs.** The Board shall set the expiry date for any DSU to be granted, provided that the term must not be more than one year after the Participant’s Termination Date.

- 6.3 **Vesting.** DSUs shall not vest until one year after its issuance.
- 6.4 **Settlement of DSUs.** The Issuer shall settle a vested DSU by issuing the Participant, in the Issuer's sole discretion over which choice, one of the following:
- (a) one Share;
  - (b) Cash Equivalent of one Share; or
  - (c) combination of Shares and Cash Equivalent, provided that more than one DSU is being settled and the Issuer is designating a portion of the aggregated DSUs to be settled with Shares.

Unless specified otherwise in the DSU agreement, the settlement date shall be the third Business Day after the Participant's Termination Date.

### **Part 7. STOCK APPRECIATION RIGHTS**

- 7.1 **Term of SARs.** The Board shall set the expiry date for any SAR to be granted, provided that the term must be a time period which will not result in the SAR being deemed a "salary deferral arrangement" as such term is defined in section 248(1) of the *Income Tax Act* (Canada).
- 7.2 **Vesting.** SARs shall not vest until one year after its issuance.
- 7.3 **Exercise of SARs.** Upon exercise of a SAR, the Participant will receive an amount in cash equal to the Fair Market Value of one Share on the date of exercise, minus the grant price of the SAR which must not be less its Fair Market Value on the date of grant. At the Board's discretion, payment of a SAR exercise may be made in cash, in Shares of equivalent value, or some combination thereof.

### **Part 8. DIVIDEND EQUIVALENTS**

- 8.1 **Issuance of Dividend Equivalents.** If the Issuer declares a cash dividend on its Shares, the Board may in its discretion provide each Participant holding Share Units and/or DSUs with dividend equivalents in the form of additional Share Units and DSUs. Such dividend equivalents shall be computed by:
- (a) multiplying the amount of the dividend per Share by the aggregate number of Share Units and DSUs held by the Participant on the record date for the payment of such dividend (the "Dividend Payment Date"); and
  - (b) dividing the amount calculated per subsection (a) above by the Market Price on the Dividend Payment Date, or the first Business Day immediately after if the Dividend Payment Date is not a Trading Day.

Any additional Share Units credited to a Participant's account as a dividend equivalent shall be subject to the same terms and conditions (including vesting and Performance Conditions) as the Share Units from which the dividend equivalents arise. In the event that the Participant's applicable Share Units do not vest, all dividend equivalents associated with such Share Units will be forfeited by the Participant.

- 8.2 **Cash Settlement.** If the issuance of dividend equivalents will cause the Issuer to exceed the permissible number of Awards that can be granted under this Plan, including those contained in section 3.1 or 3.3, the Issuer shall pay out in cash such portion of the dividend equivalents as is necessary to comply with this Plan's limits on the number of Awards that can be granted at a particular time.
- 8.3 **No Obligation.** Nothing in this Part 8 should be construed as imposing an obligation on the Board to provide dividend equivalents to a Participant.

## **Part 9. ADJUSTMENTS**

- 9.1 **Adjustment for Termination.** Notwithstanding any other provision in this Plan, if a Participant ceases to be an Eligible Person, the term of the Participant's outstanding Awards, if any, shall be adjusted as follows:
- (a) *Termination For Cause.* If the Issuer terminates the Participant's employment, engagement or directorship for cause, such Participant's outstanding Awards shall be immediately forfeited and cancelled without further act or compensation, and any and all rights of such Participant with respect to and arising from this Plan shall terminate as of the Termination Date without regard to any period of reasonable notice or any salary continuance, unless otherwise determined by the Board.
  - (b) *Termination Without Cause or Resignation.* If the Issuer terminates the Participant's employment, engagement or directorship for any reason other than for cause, or if the Participant resigns from the Issuer, such Participant's outstanding Awards must expire on the earlier of (i) 30 days after the Termination Date, and (ii) the original expiry date of such Awards.
  - (c) *Death.* If a Participant dies, such Participant's outstanding Awards must expire on the earlier of (i) 12 months after death, and (ii) the original expiry date of such Awards. Any heir, personal representative or administrator of the Participant's estate must make any claim to the Participant's outstanding Awards within 12 months of the Participant's death.
  - (d) *Disability.* If a Participant ceases to be an Eligible Person due to Disability, such Participant's outstanding Awards must expire on the earlier of (i) 12 months after the Termination Date, and (ii) the original expiry date of such Awards.
- 9.2 **Adjustment for Capital Alterations.**
- (a) If the Board deems it advisable and equitable in the circumstances, the Board shall, subject to the prior acceptance of the Exchange except in the case of a share consolidation or split, in its sole and absolute discretion make proportional adjustments and/or substitutions to:
    - (i) the number and kind of Shares or other securities or property to be reserved or allotted for issuance for any outstanding Awards, or
    - (ii) the exercise price for the Shares issuable for any outstanding Awards,following a change in the outstanding Shares by reason of any share consolidation or split, reclassification or other capital reorganization, or a stock dividend, arrangement, amalgamation, merger or combination, or any other change to, event affecting, exchange of or

corporate change or transaction affecting the Shares, including, without limitation, a sale of all or substantially all of the Issuer's assets. Such adjustments shall be made, to the extent possible, proportionately and with a view to preserving the rights of the Participants.

- 9.3 **Adjustment for Blackout Period.** Notwithstanding any other provision in this Plan, if the expiry date of an Award falls within a Blackout Period, such expiry date will be postponed to a date which is 10 Business Days after the expiry of the Blackout Period, provided:
- (a) the Issuer has formally imposed the Blackout Period; and
  - (b) neither the Participant nor the Issuer is subject to a cease trade order (or similar order under Securities Laws) with respect to the Issuer's securities.
- 9.4 **Adjustments Upon Change of Control.** Notwithstanding any other provision of the Plan and subject to prior Exchange approval, in the event of a potential or actual Change of Control, the Board may in its sole discretion:
- (a) accelerate, conditionally or otherwise, the vesting date of any Award;
  - (b) permit the conditional redemption or exercise of any Award;
  - (c) terminate any Award after the successful completion of a Change of Control, provided that such Award was granted before the Change of Control;
  - (d) otherwise amend or modify the terms of any Awards.
- 9.5 **Uncompleted Change of Control.** In the event that the Board has taken action under section 9.4 and the Change of Control does not occur, the Board may in its sole discretion reverse or nullify its actions taken under section 9.4. For greater certainty, such reversal or nullification of actions include cancelling Shares or Share Units, reinstating Awards and nullifying agreements.
- 9.6 **No Fractional Shares.** If a fractional Share is issuable upon the exercise or settlement of an Award or as a result of a Capital Alteration Adjustment, such fractional Share shall be rounded up or down to the nearest whole number at the Board's sole discretion and without compensation to the Participant for such rounding off.

## Part 10. ADMINISTRATION AND COMPLIANCE

- 10.1 **Administration of Plan.** This Plan will be administered by the Board, who has the sole and complete authority to make and implement all decisions relating to this Plan and any Award granted hereunder, subject to regulatory approval including Exchange acceptance.
- 10.2 **Determination Binding.** Except as may be otherwise set forth in any written employment agreement, Award Agreement or other written agreement between the Issuer and the Participant, any decision made or action taken by the Board is final, conclusive and binding on the affected parties.
- 10.3 **Amend or Terminate Plan.** The Board may amend, suspend or terminate this Plan or any portion at any time in accordance with applicable Securities Laws, subject to any required regulatory or shareholder approval, but no such amendment, suspension or termination shall alter or impair an Award or a right previously granted to a Participant without the consent of such Participant. If this Plan is terminated, the provisions of this Plan and any administration guidelines, rules and regulations

adopted by the Board and in force prior to the termination of this Plan, shall continue in effect during such time as the Award or rights previously granted to Participants remain outstanding.

- 10.4 **Applicable Laws.** This Plan, the grant and exercise of Awards hereunder and the Issuer's obligation to issue and deliver Shares upon exercise or settlement of Awards, shall be subject to all applicable Securities Laws and all applicable federal, state, provincial and foreign laws, the rules and regulations of any stock exchange on which the Shares are listed for trading and to such approvals by any regulatory or governmental agency as may, in the opinion of Issuer's counsel, be required. The Issuer shall not be obliged to issue, deliver or sell Shares in violation of such laws, rules and regulations or any condition of such approvals aforementioned.
- 10.5 **No Registration.** No Award shall be granted and no Share shall be issued or delivered upon exercise or settlement of an Award where such grant, issue or delivery would require registration (under the securities laws of any foreign jurisdiction) of this Plan, any Award or any Share. Any purported grant of Award or issue or delivery of Share in violation of this provision shall be void.
- 10.6 **Resale Restrictions.** The Shares issued to Participants upon exercise of Options may be subject to Resale Restrictions under applicable Securities Laws, and the Board shall ensure that all matters pertaining to the Options and the Shares issued thereunder shall be made in compliance with applicable Securities Laws, including but not limited to the placing of legends on Shares. If any of the conditions stated in the definition of Exchange Hold Period is met, the Option certificate and any share certificates issued pursuant to the exercise of such Option (before the expiry of the Exchange Hold Period) must be legended with the prescribed legend set out in Policy 3.2 of the Manual.
- 10.7 **Tax Compliance.**
- (a) The Issuer is authorized to perform any act required to ensure that the Participant and the Issuer is in compliance with all Applicable Laws relating to tax which is payable in connection with the grant, exercise or settlement of an Award, including but not limited to the following:
    - (i) deduct or withhold amounts from a Participant's remuneration or from a cash settlement;
    - (ii) withhold Share Units or DSUs during settlement;
    - (iii) sell some of the Shares that were to be issued to the Participant, and remit the proceeds to the appropriate tax authority;
    - (iv) require Participants to deliver undertakings or indemnities in favour of the Issuer with respect to the payment of taxes.
  - (b) If the Issuer decides, for tax compliance purposes, to sell Shares that were to be issued to a Participant in a settlement, such Participant is deemed to have consented to such sale and to have granted the Issuer an irrevocable power of attorney to effect the sale. The Issuer shall have sole discretion over the timing and manner of sale, and shall not be obliged to seek or obtain a minimum price. All selling costs will be borne by the Participant and shall be deducted from the gross proceeds. The Issuer will not be liable for any loss whatsoever arising out of such sale of the Shares, including any loss relating to the pricing, manner or timing of the sale or any delay in transferring any Shares to a Participant or otherwise.
  - (c) Notwithstanding the foregoing, the Issuer assumes no responsibility for any taxes owing by the Participant.

**10.8 Disinterested Shareholder Approval:**

- (a) If any provision of this Plan requires “disinterested shareholder approval”, the grant, issue or amendment must be approved by majority of the votes cast by Shareholders at the Shareholder meeting, excluding votes attached to Shares beneficially owned by:
  - (i)
    - (A) the Persons that hold or will hold the Award in question; or
    - (B) Insiders to whom Award may be granted under the Security Based Compensation Plan;
  - (ii) Associates and Affiliates of the Persons referenced in subsection (i)(A) or (i)(B) above, as the case may be.
- (b) Except as otherwise provided in Part 6 of Policy 4.4 in the Manual, the Issuer must obtain disinterested shareholder approval for:
  - (i) a Security Based Compensation Plan, if such plan, together with all of the Issuer’s other previously established and outstanding Security Based Compensation Plans and grants or issuances of Awards (excluding grants or issuances under Part 6), could result at any time in:
    - (A) the aggregate number of Shares that are issuable pursuant to all Awards granted or issued to Insiders (as a group) exceeding 10% of issued and outstanding Shares at any point in time;
    - (B) the aggregate number of Shares that are issuable pursuant to all Awards granted or issued in any 12-month period to Insiders (as a group) exceeding 10% of the issued and outstanding Shares, calculated as at the date any Award is granted or issued to any Insider; or
    - (C) the aggregate number of Shares that are issuable pursuant to all Awards granted or issued in any 12-month period to any one Eligible Person exceeding 5% of the issued and outstanding Shares, calculated as at the date any Award is granted or issued to the Eligible Person;
  - (ii) any individual Award grant or issue that would result in any of the limits set forth in section 10.8(b)(i) being exceeded;
  - (iii) any amendment to Options held by Insiders that would have the effect of decreasing the exercise price or extending the exercise term of such Options;
  - (iv) any amendment to an Award that results in a benefit to an Insider, and for further clarity, “amendment” includes the cancellation of an Award and the re-issuance of the same or similar Award to the same Person within a year.
- (c) If the Issuer proposes to grant stock options which are exercisable into a class of non-voting or subordinate voting securities, the holders of that class of securities must be given full voting rights on a resolution that requires disinterested shareholder approval with respect to a proposed stock option plan, grant or amendment.

## Part 11. MISCELLANEOUS

- 11.1 **Superseding Plan.** This Plan supersedes and replaces any previous Securities Based Compensation Plan of the Issuer. Any Award granted by the Issuer before the effective date of this Plan shall remain a valid and binding obligation of the Issuer, but governed by this Plan.
- 11.2 **No Rights as Shareholder.** Nothing contained in this Plan nor in any Option granted hereunder shall be deemed to give any Participant any interest or title in or to any Shares or any right as a shareholder of the Issuer or any other legal or equitable right against the Issuer whatsoever, other than as set out in this Plan and upon exercise of any Option.
- 11.3 **No Right to Employment or Office.** Nothing contained in the Plan will confer upon or imply in favour of any Participant any right with respect to office, employment or provision of services with the Issuer, or interfere in any way with the right of the Issuer to lawfully terminate the Participant's office, employment or service at any time pursuant to the arrangements pertaining to same.
- 11.4 **Exclusion from Severance Allowance, Retirement Allowance or Termination Settlement.** The loss or limitation of any right or interest provided by this Plan shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Participant.
- 11.5 **No Representation or Warranty.** The Issuer makes no representation or warranty as to the future market value of Shares issued in accordance with the provisions of the Plan or to the tax consequences to a Participant in connection with the grant or exercise of an Award. Compliance with Securities Laws as to the disclosure and resale obligations of each Participant is the responsibility of such Participant and not the Issuer.
- 11.6 **Other Arrangements.** Nothing contained herein shall prevent the Board from adopting other or additional compensation arrangements, subject to any required approval.
- 11.7 **Paramountcy of Plan.** Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of any Award agreement between the Issuer and a Participant. In the event of any discrepancy between this Plan and an Award agreement, the provisions of this Plan shall govern.