**CHAMPION BEAR RESOURCES LTD.**

**Notice of the Annual and Special General Meeting of Shareholders to be held on Monday, October 24. 2024**

The Annual and Special General Meeting of the holders of common shares of Champion Bear Resources Ltd. will be held at 2627 31 Street SW, Calgary, AB, T3E 2N8, on Thursday, October 24, 2024, at 11:00 a.m., Calgary time, to:

1. receive and consider our financial statements for the fiscal year ended December 31, 2023, together with the report of the auditors thereon,
2. fix the number of directors to be elected at the meeting at five (5)
3. elect five (5) directors for the ensuing year,
4. appoint auditors for the ensuing year and to authorize the directors to fix their remuneration as such,
5. to re-approve the Corporation's option plan,
6. to approve the shares for debt transactions, and
7. to transact such other business as may properly come before the meeting or any adjournment or adjournments thereof.

Only shareholders of record at the close of business on September 13, 2024 (the "**Record Date**") are entitled to notice of and to attend the meeting or any adjournment or adjournments thereof and to vote thereat unless after the Record Date a holder of record transfers his or her common shares and the transferee, upon producing properly endorsed certificates evidencing such shares or otherwise establishing that he or she owns such shares, requests, not later than 10 days before the meeting, that the transferee's name be included in the list of shareholders entitled to vote, in which case such transferee shall be entitled to vote such shares at the meeting.

Shareholders may vote in person at the meeting or any adjournment or adjournments thereof, or they may appoint another person (who need not be a shareholder) as their proxy to attend and vote in their place.

**Shareholders unable to be present at the meeting are requested to date and sign the enclosed form of proxy and return it to our President, c/o of the Proxy Department, TSX Trust Company, P.O. Box 721, Agincourt, Ontario M1S 0A1. In order to be valid, proxies must be received by TSX Trust Company not less than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the time of the meeting or any adjournment thereof.**

An information circular – proxy statement of our company relating to the business to be conducted at the meeting accompanies this Notice.

Dated at Calgary, Alberta this 18th day September 2024.

By order of the Board of Directors

(Signed) Richard D. Kantor
Chairman and President

# CHAMPION BEAR RESOURCES LTD.

**Information Circular – Proxy Statement dated October 22, 2024**

**For the Annual and General Meeting of Shareholders to be held on October 24, 2024**

## PROXIES

### Solicitation of Proxies

**This information circular – proxy statement is furnished in connection with the solicitation of proxies by or on behalf of our management** for use at the Annual and Special Meeting of our shareholders (the "**Meeting**") to be held at 2627 31 Street SW, Calgary, Alberta on Thursday, October 24, 2024, at 11:00 a.m., Calgary time, and any adjournment thereof for the purposes set forth in the accompanying Notice of Annual and Special General Meeting. Only shareholders of record on September 13, 2024, are entitled to notice of, and to attend and vote at, the Meeting, unless a shareholder has transferred any shares subsequent to that date and the transferee shareholder, not later than 10 days before the Meeting, establishes ownership of the shares and demands that the transferee's name be included on the list of shareholders.

The instrument appointing a proxy must be in writing and must be executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by a duly authorized officer or attorney of the corporation.

The persons named in the enclosed form of proxy are our officers or directors. **As a shareholder submitting a proxy you have the right to appoint a person (who need not be a shareholder) to represent you at the Meeting other than the person or persons designated in the form of proxy furnished by us. To exercise this right you should insert the name of the desired representative in the blank space provided in the form of proxy and strike out the other names or submit another appropriate proxy.** In order to be effective, the proxy must be deposited to the attention of the Corporation's President c/o the Proxy Department, TSX Trust Company, P.O. Box 721, Agincourt, Ontario M1S 0A1, not less than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof.

### Advice to Beneficial Holders of Common Shares

The information set forth in this section is significant to you if you do not hold your common shares ("**Common Shares**") in your own name. Only proxies deposited by shareholders whose names appear on our records as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in your account statement provided by your broker, then in almost all cases those Common Shares will not be registered in your name on our records. Such Common Shares will likely be registered under the name of your broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co., the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms. Common Shares held by your broker or their nominee can only be voted upon your instructions. Without specific instructions, your broker or their nominee is prohibited from voting your shares.

Applicable regulatory policy requires your broker to seek voting instructions from you in advance of the Meeting. Every broker has its own mailing procedures and provides its own return instructions, which you should carefully follow in order to ensure that your shares are voted at the Meeting. Often, the form of proxy supplied by your broker is identical to the form of proxy provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder how to vote on your behalf. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. or another intermediary. If you receive a voting instruction form from Broadridge Financial Solutions, Inc. or another intermediary it cannot be used as a proxy to vote shares directly at the Meeting as the proxy must be returned (or otherwise reported as provided in the voting instruction form) as described in the voting instruction form well in advance of the Meeting in order to have the shares voted.

Although you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your broker (or agent of the broker), you may attend the Meeting as proxyholder for the registered shareholder and vote Common Shares in that capacity. If you wish to attend the Meeting and indirectly vote your Common Shares as proxyholder for the registered

shareholder, you should enter your own name in the blank space on the form of proxy provided to you and return the same to your broker (or the broker's agent) in accordance with the instructions provided by your broker (or agent), well in advance of the Meeting.

**Revocability of Proxy**

You may revoke your proxy at any time prior to a vote. If you or the person to whom you give your proxy attends personally at the Meeting you or such person may revoke the proxy and you may vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by a duly authorized officer or attorney of the corporation. To be effective the instrument in writing must be deposited to our **President, c/o of the Proxy Department, TSX Trust Company, P.O. Box 721, Agincourt, Ontario M1S 0A1**, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof.

**Persons Making the Solicitation**

This solicitation is made on behalf of our management. We will bear the costs incurred in the preparation and mailing of the form of proxy, notice of Annual and General Meeting and this information circular – proxy statement. In addition to mailing forms of proxy, proxies may be solicited by personal interviews, or by other means of communication, by our directors, officers and employees who will not be remunerated therefor.

**Exercise of Discretion by Proxy**

The Common Shares represented by proxy in favour of management nominees will be voted on any poll at the Meeting. Where you specify a choice with respect to any matter to be acted upon the shares will be voted on any ballot in accordance with the specification so made. **If you do not provide instructions your shares will be voted in favour of the matters to be acted upon as set out herein.** The persons appointed under the form of proxy which we have furnished are conferred with discretionary authority with respect to amendments or variations of those matters specified in the form of proxy and notice of Annual and General Meeting and with respect to any other matters which may properly be brought before the Meeting or any adjournment thereof. At the time of printing this information circular – proxy statement, we know of no such amendment, variation or other matter.

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

We are authorized to issue an unlimited number of Common Shares without nominal or par value which may be issued for such consideration as may be determined by resolution of our board of directors (the "**Board**"). As at September 13, 2024, there were 60,449,798 Common Shares issued and outstanding. As a holder of Common Shares, you are entitled to one vote on a ballot at the Meeting for each Common Share you own. A quorum for the transaction of business at the Meeting is at least a person or persons present in person holding or representing in the aggregate not less than 5% of the Common Shares entitled to be voted at the Meeting. We are also authorized to issue an unlimited number of preferred shares, issuable in series. Each series is issuable upon the terms and conditions as set by our Board at the time of creation, subject to the class priorities. As at September 13, 2024, there were no preferred shares issued and outstanding.

To the knowledge of our directors and officers, as at September 13, 2024, no person or company beneficially owned, or controlled or directed, directly or indirectly, Common Shares carrying more than 10% of the votes attached to all of the issued and outstanding Common Shares.

## MATTERS TO BE ACTED UPON AT THE MEETING

**Fix number of Directors**

Fix number of Directors elected at the meeting to five (5).

**Election of Directors**

Directors will be elected at the Meeting. Frederick Plomp and J. Michael Sweeny are not standing for re-election. It is proposed that our Board will be fixed at five members and each of the following persons will be nominated at the Meeting:

Richard D. Kantor, David R. Haigh, John E. Squarek, Robert R. Dunstan, James A. Kalman

Each director elected will hold office until the next annual meeting, or until his successor is duly elected or appointed, unless his office be earlier vacated.

It is the intention of the management designees, if named as proxy, to vote "FOR" an ordinary resolution in favour of fixing our Board at five members and in favour of the election of the following persons to our Board unless otherwise directed. Management does not contemplate that any of these nominees will be unable to serve as a director. However, if for any reason any of the proposed nominees does not stand for election or is unable to serve as such, **the management designees, if named as proxy, reserve the right to vote for any other nominee in their sole discretion unless you have specified in your proxy that your Common Shares are to be withheld from voting on the election of directors.**

The following information relating to the nominees as directors is based partly on our records and partly on information received by us from the nominees and sets forth the names and province/city and country of residence of all of the persons nominated for election as directors, the periods during which they have served as directors, their principal occupations or employments during the five preceding years and the approximate number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by each of them as of September 13, 2024.

| Name, Province/City and Country of Residence | Director Since | Principal Occupation During the Five Preceding Years | Number of Common Shares Beneficially Owned, Controlled Directly or Indirectly |
|---|---|---|---|
| Richard D. Kantor [(3)]<br>Calgary, Alberta, Canada | April 1987 | Chairman (since December 2004) and President (since April 1987) of the Corporation. | 3,229,332 |
| David R. Haigh, K.C. (1)(2)<br>Calgary, Alberta, Canada | July 1997 | Currently, Independent Arbitrator, previously Partner, Burnet, Duckworth & Palmer LLP (law firm). | 2,170,000 |
| John E. Squarek<br>Calgary, Alberta, Canada | February, 2021 | Professional Engineer, BSc, MBA | 1,400,609 |
| Robert R. Dunstan<br>Calgary, Alberta, Canada | - | Chartered Professional Accountant, retired since May 2021 | Nil |
| James A Kalman<br>Calgary, Alberta, Canada | - | Professional Geologist, BASc, MSc [Geoph] MBA | Nil |

Notes:
(1) Member of the Audit Committee, which committee is required pursuant to the *Business Corporations Act* (Alberta).
(2) Member of the Compensation, Nominating and Corporation Governance Committee.
(3) In addition, Mr. Kantor holds 1,698,698 options ("**Options**") to purchase Common Shares,. Mr. Squarek holds 150,000 Options.
(4) We do not have an Executive Committee.

## Appointment of Auditors

At the Meeting, shareholders will be called upon to confirm the firm of Kenway Mack Slusarchuk Stewart LLP, of Calgary, Alberta, to serve as our auditors until the next annual meeting of our shareholders and to authorize our directors to fix their remuneration as such.

Unless otherwise directed, it is the intention of the management designees, if named as proxy, to vote "FOR" the appointment of Kenway Mack Slusarchuk Stewart LLP, Calgary, Alberta, as auditors of our company, to hold office until the next annual meeting of the shareholders and to authorize the directors of our company to fix their remuneration as such.

The directors of our company unanimously recommend that shareholders vote for the appointment of Kenway Mack Slusarchuk Stewart LLP, Calgary, Alberta, as auditors of our company, at a remuneration to be fixed by the directors of our company.

## Re-Approval of Option Plan

The TSX Venture Exchange ("**TSXV**") requires all listed companies with a 10% rolling option plan to obtain annual shareholder approval of such plan. Shareholders will be asked at the Meeting to vote on a resolution to re-approve, for the ensuing year the

Corporation's rolling option plan (the "**Plan**"). The total number of Common Shares that may be issued pursuant to options outstanding at any time under the Plan shall not exceed 10% of the aggregate number of issued and outstanding Common Shares. The maximum number of Common Shares that may be reserved for issuance to any one person under the Plan is 5% of the Common Shares outstanding at the time of grant. In the event of the termination without cause or resignation or due to permanent disability of an optionee, an optionee may exercise such part of the Option as is exercisable immediately prior to such time within a period of 30 days following such occurrence in the case of an optionee who is engaged in "Investor Relations Activities" and within a period of 90 days following such occurrence in every other case but in no event later than the normal expiry date of the Option and any such Option not fully exercised at the end of such period shall then terminate. In the event of the death of any optionee prior to the expiry of outstanding Options granted to such optionee, the executors or personal representatives of the optionee have the right to exercise any such Option within 180 days of the optionee's death, but in no event later than the normal expiry date of the Option and for not more than the number of Options for which the optionee could have exercised any such Option immediately prior to the optionee's death, and any such Option not fully exercised at the end of such period shall then terminate. All option vesting is set by the Compensation and Corporate Governance Committee of the Board at the time of the award. A copy of the Plan will be available for inspection at the Meeting and will be sent to any shareholder upon request. As at August 28, 2024 60,449,798 Common Shares were outstanding and options to purchase an additional 60,449,798 Common Shares (10% of the Common Shares outstanding) under the Option Plan were outstanding.

At the Meeting, the Shareholders will be asked to consider and, if deemed advisable, approve the following resolutions to approve the Plan:

**RESOLVED AS AN ORDINARY RESOLUTION THAT**:

(a) The Option Plan (the "**Plan**") of Champion Bear Resources Ltd. (the "**Corporation**") be and is hereby approved with such modifications as may be required by the TSX Venture Exchange;

(b) The maximum number of Common Shares (the "**Common Shares**") of the Corporation which may be issued pursuant to options outstanding at any time under the Plan shall be equal to ten percent (10%) of the then issued and outstanding Common Shares of the Corporation from time to time; and

(c) Any officer or director of the Corporation is hereby authorized to do all such acts and execute and file all instruments and documents necessary or desirable to carry out these resolutions, with regulatory authorities and TSX Venture Exchange.

## Approval of Debt for Shares Plan

**RESOLVED AS A SPECIAL RESOLUTION THAT:**

(a) The Company has significant indebtedness with both outside suppliers and related parties ("creditors") and it is deemed in the best interested of the Company and its shareholders to retire such indebtedness. It is proposed that the Company offer common shares to these creditors in exchange for these debts as set out below. Only disinterested shareholders may vote on this resolution.

| Individual or company | Number of Shares | Dollar Amount of Shares | Nature of debt | Invoice details |
|---|---|---|---|---|
| Tomahawk Oil & Gas Ltd. | 8,037,692 | $ 522,450.00 | CEO services | Related party - CEO of company (Richard Kantor) (o/s balance $1,000,000) |
| Richard Kantor | 391,538 | $ 25,450.00 | Office rent | Related party - CEO of company |
| SixWest Inc. | 2,000,000 | $ 130,000.00 | CFO services | Monthly invoices totalling $100,000 + GST = $105,000.00 (o/s balance: $51,360.48) |
| Fred Plomp | 137,253 | $ 8,921.45 | Cutting core, property maintenance and expenses | Director of Champion Bear - paid for expenses incurred by the company |
| David Haigh | 574,646 | $ 37,352.00 | Amounts lent to company | Director of Champion Bear - lent money to cover expenses |
| David Haigh KC Arbitration Inc | 653,846 | $ 42,500.00 | Amount lent to company | Corporation of Director of Champion Bear - lent money to cover expenses |
| John Squarek | 3,000,000 | $ 195,000.00 | Amount lent to company | Director of Champion Bear - lent money to cover expenses |
| | **14,794,976** | **$ 961,673.45** | | |

| | |
|---|---|
| Price per share | $ 0.065 |

(b) Any officer or director of the Corporation is hereby authorized to do all such acts and execute and file all instruments and documents necessary or desirable to carry out these resolutions, with regulatory authorities and TSX Venture Exchange.

In accordance with the policies of the TSXV, the Plan must be approved by the majority of the dis-interested shareholders votes cast at the Meeting on the resolution. It is the intention of the persons named in the enclosed Proxy, in the absence of instructions to the contrary, to vote the Proxy in favour of the ordinary resolution approving the Plan.

## EXECUTIVE COMPENSATION

The following sets forth information concerning the annual and long term compensation for services rendered to Champion Bear for the financial years ended December 31, 2023, 2022 and 2021 and in respect of each of the individuals who were the Named Executive Officers (or "**NEOs**") of Champion Bear during such financial year as determined in accordance with National Instrument 51-102 and the Champion Bear Board of Directors. None of the Named Executive Officers that were also directors of Champion Bear received any compensation for their services as a director.

### Compensation Discussion and Analysis

*Introduction*

The President and Chief Executive Officer of Champion Bear in conjunction with the Compensation, Nominating and Corporate Governance Committee is responsible for making recommendations to the Board with respect to the compensation of the Named Executive Officers. The Board ensures that total compensation paid to all Named Executive Officers is fair and reasonable and consistent with Champion Bear's compensation philosophy.

*What are the objectives of the executive compensation program?*

Compensation plays an important role in achieving short and long-term business objectives that ultimately drive business success in alignment with long-term shareholder goals.

Champion Bear's compensation philosophy is based on three fundamental principles:

- Strong link to business strategy – Champion Bear's short and long-term goals should be reflected in the overall executive compensation program;
- Performance sensitive – compensation should be linked to operating and market performance of Champion Bear and fluctuate with performance; and
- Market relevant – the executive compensation program should provide market competitive pay in terms of value and structure in order to retain existing employees who are performing according to their objectives and to attract new recruits of the highest calibre.

The objectives of the executive compensation program in compensating all Named Executive Officers are:

- to attract and retain highly qualified executive officers with a history of proven success;
- to align the interests of executive officers with shareholders' interests and with the execution of Champion Bear's business strategy;
- to evaluate executive performance on the basis of key financial measurements, which closely correlate to long-term shareholder value such as revenue, net income and relative total shareholder return; and
- to tie compensation directly to those measurements and rewards based on achieving and overachieving predetermined objectives.

*What is the executive compensation program designed to reward?*

The executive compensation program is designed to reward corporate and individual performance.

Corporate performance is generally measured and evaluated by reviewing actual performance versus the corporate objectives approved by the Champion Bear Board of Directors at the commencement of the fiscal year.

*Individual performance is evaluated based on individual expertise, leadership and achievement of personal performance goals and objectives. In addition, the executive compensation program is designed to reward both short term and long term performance.*

*What are the elements of the executive compensation program?*

Champion Bear's executive compensation program consists of three principal components: base salary; annual cash bonus; and long term incentive programs. The aggregate value of these components; and related benefits, is used as a basis for assessing the overall competitiveness of a Named Executive Officer's total compensation package.

*What is the purpose of each element of the executive compensation program and how is the amount (and, where applicable, the formula) of each element determined?*

***Base Salaries and Annual Cash Bonuses***

The base salary is considered the foundation of Champion Bear's executive compensation program. A base salary is intended to provide a fixed level of competitive pay that reflects the executive officer's primary duties and responsibilities. It also provides a foundation upon which incentive opportunities and benefit levels can be established. The Champion Bear Board of Directors considers a number of factors in the determination of base salaries for executive officers, including, generally, Champion Bear's long term interests, financial objectives, and overall performance, and more specifically, leadership ability, level of responsibility, individual performance, years of relevant experience and salaries paid by comparable corporations and entities. Salaries of the Named Executive Officers and all other officers are reviewed annually based upon corporate and personal performance and on individual levels of responsibility.

The annual cash bonus element of the executive compensation program is structured to drive and reward current year results. It is the Champion Bear Board of Directors philosophy that an individual bonus should be tied primarily to that individual's contribution to achieving corporate goals. The granting of annual bonus amounts is at the discretion of Champion Bear's Board of Directors, based upon recommendations from management.

Base salaries and bonuses are determined, in the case of employees, by senior management of Champion Bear and approved by the Champion Bear Board of Directors. Base salaries and bonus levels for Vice-Presidents are established by the Champion Bear Board of Directors in consultation with the President and Chief Executive Officer and the President and Chief Executive Officer's base salary and bonus are established by the Champion Bear Board of Directors.

***Long Term Incentive Plans***

The Champion Bear Board of Directors believes that long term incentive compensation plays an essential role in aligning the interests of executives with the goal of maximizing shareholder value. In addition, the Champion Bear Board of Directors believes long term incentives play a critical role in the attraction and retention of senior executives, particularly in the highly competitive market for junior mining industry executives.

Options are granted by the Champion Bear Board of Directors on the recommendations of senior management. Options are normally awarded by the Champion Bear Board of Directors upon the commencement of employment with Champion Bear based on the level of responsibility within Champion Bear. Additional grants may be made periodically to ensure that the number of Options granted to any particular individual is commensurate with the individual's level of ongoing responsibility within Champion Bear. Previous grants of option-based awards are taken into account when considering new grants of option based awards.

See "Option-Based Awards" for a description of Champion Bear's long-term compensation.

*How does each element of compensation and Champion Bear's decisions about that element fit into the overall compensation objectives and affect decisions about other elements?*

Decisions concerning appropriate salary levels are made, in most respects, wholly independently from decisions concerning other elements of compensation, because the purpose of the base salary is to provide a fixed level of competitive pay that reflects the executive officer's primary duties and responsibilities. It is the Champion Bear Board of Directors view that the decisions concerning the determination of annual bonuses and long term incentives also involve very different factors, and therefore, most decisions in this regard do not take into account the values of the other compensation components. As part of the compensation determination process, the Champion Bear Board of Directors considers the proportion of each component relative to the total compensation amount and may adjust each component as necessary.

**Option-Based Awards**

**Share Option Plan**

We have a share option plan (the "**Option Plan**") pursuant to which the directors, or a committee of directors appointed by our Board, may from time to time, at their discretion, grant to directors, officers, employees and consultants of our company, or any of our subsidiaries, options to purchase Common Shares. The Option Plan limits the number of Common Shares that may be issued upon exercise of options to an aggregate of 6,044,979 Common Shares (10% of those outstanding as at September 13, 2024). Options to purchase 2,348,698 Common Shares are outstanding and 3,696,281 Common Shares are available for future grants.

Options granted pursuant to the Option Plan have a term not exceeding five years and vest as to one third on each of the first, second and third anniversaries of the date of grant unless otherwise determined by our Board, provided that if, at any time, more than 10% of the outstanding Common Shares are reserved for issuance under the Option Plan, options granted pursuant to the Option Plan shall vest over a period of not less than 18 months on a pro rata basis. Options granted to consultants performing investor relations activities must vest in stages over a period of not less than 12 months, with no more than one quarter vesting in any three month period.

The exercise price of the options granted pursuant to the Option Plan is determined by our Board and may not be less than the closing trading price per Common Share on the exchange on which such Common Shares are traded on the last trading date preceding the issuance of a news release in respect of the option grant, the filing of a price reservation form in respect of the option grant or the date of grant, as applicable, on which there was a closing price, less the applicable discount. Subject to certain exceptions set forth in the Option Plan, options are not assignable or transferable otherwise then by will or the laws of descent and distribution.

The number of Common Shares reserved for issuance to any one optionee in a 12 month period shall not exceed 5% of the number of outstanding Common Shares. The aggregate number of Common Shares reserved for issuance to any one consultant in a 12 month period shall not exceed 2% of the number of outstanding Common Shares. The aggregate number of Common Shares reserved for issuance to optionees employed to provide investor relations activities in a 12 month period shall not exceed 2% of the number of outstanding Common Shares. Unless the approval of the disinterested shareholders of our company is obtained (which approval has been obtained), the maximum number of Common Shares reserved for issuance pursuant to options granted to insiders at any time may not exceed 10% of the number of outstanding Common Shares, and, unless the approval of the disinterested shareholders of our company is obtained (which approval has been obtained), the maximum number of shares which may be issued to insiders within a one year period may not exceed 10% of the number of outstanding Common Shares.

In the event of an optionee ceasing to be a service provider to our company due to any cause other than death, the optionee may exercise such part of the option as is exercisable immediately prior to the time the optionee ceased to be a service provider within a period which is the earlier of the normal expiry date of the option and the date prescribed by our Board at the time of grant which shall not be in excess of 90 days (30 days in the event that the optionee was engaged in investor relations activities on behalf of our company) following the date that the optionee ceases to be a service provider. In the event of the death of the optionee, the options vested on the date of death are exercisable by the executors or personal representatives of the optionee within the earlier of the normal expiry date of the options and the date determined by our Board at the time of grant which shall not be more than one year from the date of death.

In addition, pursuant to the Option Plan, we and an optionee may mutually agree that we may pay (subject to any applicable withholding tax) the intrinsic value of all or any of the options exercised to the optionee in consideration for the disposition by the optionee of the right to receive Common Shares pursuant to such options and the termination of such right.

Our Board may, subject to the prior approval of any stock exchange on which the Common Shares are listed, amend or discontinue the Option Plan at any time, provided that no such amendment may alter or impair any option previously granted under the Option Plan without the consent of the optionee.

**Securities Authorized for Issuance Under Equity Compensation Plans**

| The following table sets forth information with respect to the Options granted and outstanding under the Option Plan as at September 13, 2024<br>**Category** | **Number of Common Shares to be Issued Upon Exercise of Outstanding Options** | **Weighted-Average Exercise Price of Outstanding Options** | **Number of Common Shares Remaining Available for Future Issuance Under Option Plan** |
|---|---|---|---|
| Equity compensation plans approved by Shareholders | 2,348,698 | $0.1457 | 3,696,281 |
| Equity compensation plans not approved by Shareholders | Nil | Nil | Nil |
| **Total** | 2,348,698 | 0.1457 | 3,696,281 |

As at September 13, 2024, Champion Bear had 2,348,698 Options outstanding and 3,696,281Options available for future issuance.

***Summary Compensation Table***

The following table sets forth the compensation paid by Champion Bear in the three most recently completed financial years to each of the Named Executive Officers.

| | | | | | **Non-equity incentive plan compensation ($)** | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Name and Principal Position** | **Year** | **Salary ($)** | **Sharebased awards ($)** | **Option-based awards ($)(1)** | **Annual incentive plans(2)** | **Longterm incentive plans** | **Pension value ($)(3)** | **All other compensation ($)(4)** | **Total compen-sation ($)** |
| Richard D. Kantor | 2023 | 88,000 | Nil | Nil | Nil | Nil | Nil | 36,000 | 124,000 |
| Chairman and President | 2022 | 119,000 | Nil | Nil | Nil | Nil | Nil | 36,000 | 233,600 |
| | 2021 | 300,000 | Nil | Nil | Nil | Nil | Nil | 36,000 | 483,488 |
| Jason Hastie (5) | 2023 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Chief Financial Officer | 2022 | 61,546 | Nil | Nil | Nil | Nil | Nil | Nil | 84,471 |
| | 2021 | 100,000 | Nil | Nil | Nil | Nil | Nil | Nil | 142,118 |

Notes:

(1) Refers to Options granted under the Option Plan issued during the year. The fair value of the Options granted is obtained by multiplying the number of Options granted by the value established according to the Black-Sholes valuation model. This value is the same as the fair value established in accordance with generally accepted accounting principles. The key inputs used in the model are a five year term, a nil dividend rate, a risk-free interest rate based on the Government of Canada five year bond rate at the time of grant or issue and minimum volatility based on the Minimum Value Method.

(2) Represents the cash bonus awards paid to the Named Executive Officers.

(3) Champion Bear does not currently have a pension plan.

(4) The value of perquisites and other benefits, securities or property for each Named Executive Officer was not greater than the lesser of $50,000 and 10% of such officer's salary and bonus.

(5) Mr. Hastie was appointed as Chief Financial Officer on February 14, 2019.

## Incentive Plan Awards

*Outstanding Share-Based Awards and Option-Based Awards*

The following table sets forth for each Named Executive Officer all option-based awards and share-based awards outstanding at the end of the year ended December 31, 2023

| | Option-Based Awards | | | | Share-Based Awards | |
|---|---|---|---|---|---|---|
| | **Number of Securities Underlying Unexercised Options (#)** | **Option Exercise Price ($)** | **Option Expiration Date** | **Value of Unexercised In-The-Money Options ($)(2)** | **Number of Unvested Shares ($)** | **Market or Payout Value of Unvested Share-Based Awards ($)** |
| Richard D. Kantor Chairman and President | 588,698 | .12 | March 27, 2025 | Nil | 588,698 | Nil |
| Richard D. Kantor Chairman and President | 1,110,000 | .15 | March 29, 2028 | Nil | 1,110,000 | Nil |
| John E. Squarek | 150,000 | .20 | February 23, 2026 | Nil | 150,000 | Nil |

Notes:

(1) Common Shares underlying unexercised Options.

(2) The value of the unexercised in-the-money Options is nil as the exercise price of the Options was greater than the fair market value of the underlying shares as at December 31, 2023.

(3)

*Incentive Plan Awards – Value Vested or Earned During the Year*

The following table sets forth for each Named Executive Officer, the value of option-based awards and share-based awards which vested during the year ended December 31, 2023and the value of non-equity incentive plan compensation earned during the year ended December 31, 2023.

| **Name** | **Option-Based Awards – Value Vested During the Year(1) ($)** | **Share-Based Awards Value Vested During the Year ($)** | **Non-Equity Incentive Plan Compensation – Value Earned During the Year ($)** |
|---|---|---|---|
| Richard Kantor | Nil | Nil | Nil |

Note:

(1) The indicated value of option-based awards which vested during the financial year ended December 31, 2023 is nil because in all cases at the time of vesting the exercise price was equal to or greater than the market price of the underlying securities.

## Director Compensation

The Champion Bear Board of Directors conducts a yearly review of directors' compensation having regard to current trends in directors' compensation and compensation data for directors of issuers of comparative size to Champion Bear.

*Director Compensation Table*

The following table sets forth the compensation paid by Champion Bear in the most recently completed fiscal year to the directors, other than directors who are also Named Executive Officers.

| Name | Year | Fees Earned ($) | Share-based awards ($) | Option-based awards ($)(1) | Non-equity incentive plan compensation ($) | Pension value ($) | All other compensation ($) | Total ($) |
|---|---|---|---|---|---|---|---|---|
| David R. Haigh | 2023 | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2022 | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2021 | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| John E. Squarek | 2023 | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2022 | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2021 | Nil | Nil | Nil | Nil | Nil | Nil | Nil |

Note:

(1) Refers to Options granted under the Option Plan during the year. The fair value of the Options granted is obtained by multiplying the number of Options granted by the value established according to the Black-Sholes valuation model. This value is the same as the fair value established in accordance with generally accepted accounting principles. The key inputs used in the model are a five year term, a nil dividend rate, a risk-free interest rate based on the Government of Canada five year bond rate at the time of grant or issue and minimum volatility based on the Minimum Value Method.

## Directors' Outstanding Option-Based Awards and Share-Based Awards

The following table sets forth for each director other than directors who are also Named Executive Officers, all option-based awards and share-based awards outstanding at the end of the year ended December 31, 2023

| | Option-Based Awards | | | | Share-Based Awards | |
|---|---|---|---|---|---|---|
| Name | Number of Securities Underlying Unexercised Options (#) | Option Exercise Price ($) | Option Expiration Date | Value of Unexercised In-TheMoney Options ($)(2) | Number of Unvested Shares or Units (#) | Market or Payout Value of Unvested Share-Based Awards ($) |
| David R. Haigh | 366,302 | 0.18 | June 18, 2024 | Nil | Nil | Nil |
| John Squarek | 150,000 | 0.20 | February 23, 2026 | Nil | Nil | Nil |

Notes:

(1) Common Shares underlying unexercised Options.

(2) The value of the unexercised in-the-money Options is nil as the exercise price of the Options was greater than the fair market value of the underlying Common Shares as at December 31, 2023.

## Directors' Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each of director other than directors who are also Named Executive Officers, the value of option-based awards and share-based awards which vested during the year ended December 31, 2023 and the value of nonequity incentive plan compensation earned during the year ended December 31, 2023.

| Name | Option-Based Awards – Value Vested During the Year (1) ($) | Share-Based Awards Value Vested During the Year ($) | Non-equity incentive plan compensation – Value earned during the year ($) |
|---|---|---|---|
| David R. Haigh | Nil | Nil | Nil |
| John E. Squarek | Nil | Nil | Nil |

Note:
(1) The value of the Options that vested in the year is nil as the exercise price of the Options was greater than the fair market value of the underlying shares as at December 31, 2023

## CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 entitled "Disclosure of Corporate Governance Practices" ("**NI 58-101**") requires that if management of an issuer solicits proxies from its securityholders for the purpose of electing directors that certain prescribed disclosure respecting corporate governance matters be included in its management information circular. The TSX Venture Exchange also requires listed companies to provide, on an annual basis, the corporate governance disclosure which is prescribed by NI 58-101.

The prescribed corporate governance disclosure for our company is contained in Form 58-101F2 which is attached to NI 58-101 ("**Form 58-101F2 Disclosure**").

Set out below is a description of our current corporate governance practices, relative to the Form 58-101F2 Disclosure (which is set out below in bold).

**1. Board of Directors**

**(a) Disclose how the board of directors (the board) facilitates its exercise of independent supervision over management, including:**

**(i) the identity of directors that are independent; and**

**(ii) the identity of directors who are not independent, and the basis for that determination.**

Our Board has determined that four of the proposed directors of our company, Messrs. Haigh, Dunstan, Kalman and Squarek are independent. Our Board has determined that one of the proposed members of our Board are not independent. Our Board has determined that Richard D. Kantor is not independent as Mr. Kantor is the President of our company.

**Directorships**

**If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.**

Not applicable.

**2. Orientation and Continuing Education**

**Describe what steps, if any, the board takes to orient new board members, and describe any measures the board takes to provide continuing education for directors.**

Due to the size of our Board, no formal program exists for the orientation of new directors. Upon joining our Board, new directors will be given access to all of the background documents of our company, including all corporate records, by-laws, corporate policies, organization structure and prior board and committee minutes.

No formal continuing education program exists for our directors. As part of continuing education, our Board will receive management presentations with respect to the operations and risks of our business as needed. In addition, the individual directors identify their continuing education needs through a variety of means, including discussions with management and at Board and committee meetings.

**3. Ethical Business Conduct**

**Describe what steps, if any, the board takes to encourage and promote a culture of ethical business conduct.**

Our Board has adopted a Code of Business Conduct and Ethics applicable to our directors, officers and employees. A copy of the Code of Business Conduct and Ethics is available for review on SEDAR at www.sedar.com or on our website at www.championbear.com. In addition, our Audit Committee has adopted a "Whistleblower Program" which provides our employees, management, officers, directors, contractors, consultants and our committee members with the ability to report, on a confidential and anonymous basis, any complaints and concerns regarding accounting, internal auditing controls or auditing matters, including, but not limited to, unethical and unlawful accounting and auditing policies, practices or procedures, fraudulent or misleading financial information and instances of corporate fraud. Our Board believes that providing a forum for such individuals to raise concerns about ethical conduct and treating all complaints with the appropriate level of seriousness fosters a culture of ethical conduct within our company.

**4. Nomination of Directors**

**Disclose what steps, if any, are taken to identify new candidates for board nominations, including:**

**(i) who identifies new candidates; and**

**(ii) the process of identifying new candidates.**

Our Board has appointed a Compensation, Nominating and Corporate Governance Committee that currently consists of Mr. David R. Haigh. Our Board has delegated responsibility to the Compensation, Nominating and Corporate Governance Committee to recommend to our Board suitable candidates as nominees for election or appointment as directors. Due to the small size of our Board, it is anticipated that the committee will canvass all of the members of our Board for their input prior to making a recommendation to our Board. In identifying new candidates for Board nomination, our committee considers, among other things:

(i) the competencies and skills that our Board considers to be necessary for our Board, as a whole, to possess;
(ii) the competencies and skills that our Board considers each existing director to possess;
(iii) the competencies and skills each new nominee will bring to the boardroom; and
(iv) whether or not each new nominee can devote sufficient time and resources to his duties as a member of our Board.

**5. Compensation**

**Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including:**

**(i) who determines compensation; and**

**(ii) the process of determining compensation.**

The Compensation, Nominating and Corporate Governance Committee has, as part of its mandate, the responsibility for reviewing matters relating to the human resource policies and compensation of the directors and the President of our company in the context of the budget and business plan of our company. Our company does not have a Chief Executive Officer. As part of the mandate and responsibility of the committee, the committee is responsible for formulating and making recommendations to our Board in respect of compensation issues relating to directors and the President of our company. During the fiscal year ended December 31, 2020, we did not pay any cash compensation to our non-management directors, nor were our directors paid for attendance at board or committee meetings. The committee reviewed and approved the compensation paid to our President for the fiscal year ended December 31, 2020 set forth under the heading "Executive Compensation". Such base annual compensation was determined upon review of comparative data compiled by our company for a number of comparable companies within the resource industries of competitive salaries paid to executive officers.

**6. Other Board Committees**

**If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.**

Our Board has created a Compensation, Nominating and Corporate Governance Committee which, as part of its mandate, has the responsibility for developing the approach of our company to matters concerning corporate governance and, from time to time, shall review and make recommendations to our Board as to such matters.

**7. Assessments**

**Disclose what steps, if any, that the board takes to satisfy itself that the board, its committees, and its individual directors are performing effectively.**

To date, our Board has satisfied itself that our Board, its committees and individual directors are performing effectively through informal discussions.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than as set forth below, none of our directors, proposed nominees for election as directors, executive officers, employees or former executive officers, directors or employees of us or our subsidiaries, or any associate of any such director, proposed nominee for director, executive officer or employee is, or has been at any time since the beginning of our most recently completed financial year, indebted to us or any of our subsidiaries in respect of any indebtedness that is still outstanding, nor, at any time since the beginning of our most recently completed financial year has any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by us or any of our subsidiaries, other than routine indebtedness.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth below, there were no material interests, direct or indirect, of our directors or executive officers, any shareholder who beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the outstanding Common Shares, or any other Informed Person (as defined in National Instrument 51-102) or any known associate or affiliate of such persons, in any transaction since the commencement of our last completed financial year or in any proposed transaction that has materially affected or would materially affect us or any of our subsidiaries, except as disclosed elsewhere in this information circular – proxy statement.

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

Our management is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer at any time since the beginning of our last financial year, of any proposed nominee for election as a director, or of any associates or affiliates of any of the foregoing persons, in any matter to be acted on at the Meeting other than the election of directors.

## AUDIT COMMITTEE INFORMATION

**Composition of the Audit Committee**

The Audit Committee of our company is comprised of David R. Haigh and John E Squarek. The following table sets out the assessment of the Audit Committee member's independence, financial literacy and relevant educational background and experience supporting such financial literacy. I see it still shows me as a QC. Not true for some time. It changed in 2022 to KC.

I ceased actively practicing law on 1 February 2023.

| Name and Municipality of Residence | Independent | Financially Literate | Relevant Education and Experience |
|---|---|---|---|

| | | | |
|---|---|---|---|
| David R. Haigh, K.C. | Yes | Yes | Mr. Haigh is a graduate of the University of Alberta in honours history and the University of Toronto in law. Mr. Haigh is a graduate of the University of Alberta in honours history and the University of Toronto in law. Mr. Haigh was admitted to the Alberta Bar in 1965 and until early 2023 actively practised in the field of corporate commercial litigation and, more recently, international commercial and investor state arbitration. (He became an inactive member of the Law Society as of 1 February 2023) and ceased practising law at that time . During his career he has routinely reviewed financial statements and accounting practices in addition to preparing and calling numerous expert witnesses from the accounting professions. In addition, his litigation practice has involved him in a wide variety of commercial disputes involving securities law, banking and corporate law and directors' issues. |
| John E Squarek | Yes | Yes | Mr. Squarek is a graduate of the University of Oklahoma with a bachelor's degree in petroleum engineering and the University of Adelaide, South Australia with a MBA. During his career of over 50 years as President and CEO of several publicly listed companies he has routinely reviewed financial statements and accounting practices and served on audit committees. |

**Audit Committee Mandate and Terms of Reference**

The text of the Mandate and Terms of Reference of the Audit Committee is appended as Schedule "A" to this Information Circular – Proxy Statement.

**Pre-Approval of Policies and Procedures**

Under the Mandate and Terms of Reference of the Audit Committee, the Audit Committee is required to review and pre approved any non-audit services to be provided to our company by the external auditors and consider the impact on the independence of such auditors. The Audit Committee may delegate to one or more independent members the authority to pre approved non-audit services, provided that the member report to the Audit Committee at the next scheduled meeting such preapproval and the member comply with such other procedures as may be established by the Audit Committee from time to time.

The Audit Committee has determined that in order to ensure the continued independence of the auditors, only limited non-audit related services would be provided to our company and in such case, only with the prior approval of the Audit Committee.

**External Auditor Service Fees**

The following table sets forth the audit service fees billed by our external auditors for the periods indicated:

| Type of Fees and Fiscal Year Ended | Aggregate Fees Billed | Description of Services |
|---|---|---|
| Audit Fees | | |
| Fiscal Year Ended December 31, 2023 | $36,750 | Audit of financial statements |
| Fiscal Year Ended December 31, 2022 | $42,000 | Audit of financial statements |

**Reliance Upon the Exemption in Section 6.1 of National Instrument 52-110 – *Audit Committees***

We are relying on the "venture issuer" exemption set forth in Section 6.1 of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

## OTHER MATTERS

Our management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Annual and General Meeting. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person voting the proxy.

## ADDITIONAL INFORMATION

Additional financial information regarding our business is contained in our audited financial statements and management's discussion and analysis for the fiscal year ended December 31, 2023

Additional information regarding our business including the materials listed in the preceding paragraph may be found on SEDAR at www.sedar.com. Our securityholders may contact us to request a copy of our financial statements and management's discussion and analysis at:

Champion Bear Resources Ltd.
2005 – 9th Street S.W.
Calgary, Alberta
T2T 3C4

Phone: (403) 229-9522
Fax: (403) 229-9518

**SCHEDULE "A"**

**CHAMPION BEAR RESOURCES LTD.**

**AUDIT COMMITTEE**

**MANDATE AND TERMS OF REFERENCE**

**Role and Objective**

The Audit Committee (the "**Committee**") is a committee of the board of directors (the "**Board**") of Champion Bear Resources Ltd. ("**Champion Bear**" or the "**Corporation**") to which the Board has delegated its responsibility for the oversight of the nature and scope of the annual audit, the oversight of management's reporting on internal accounting standards and practices, the review of financial information, accounting systems and procedures, financial reporting and financial statements and has charged the Committee with the responsibility of recommending, for approval of the Board, the audited financial statements, interim financial statements and other mandatory disclosure releases containing financial information.

The primary objectives of the Committee are as follows:

- to assist directors in meeting their responsibilities (especially for accountability) in respect of the preparation and disclosure of the financial statements of Champion Bear and related matters;
- to provide better communication between directors and external auditors;
- to enhance the external auditor's independence; and
- to increase the credibility and objectivity of financial reports.

**Membership of Committee**

The Committee will be comprised of at least three (3) directors of Champion Bear or such greater number as the Board may determine from time to time and the majority of the members of the Committee shall not be officers or employees of the Corporation or any of its affiliates.

The Board of Directors may from time to time designate one of the members of the Committee to be the Chair of the Committee.

The majority of the members of the Committee must be "financially literate" (as such term is defined in Multilateral Instrument 52-110 – Audit Committees).

**Mandate and Responsibilities of Committee** It

is the responsibility of the Committee to:

Oversee the work of the external auditors, including the resolution of any disagreements between management and the external auditors regarding financial reporting.

Satisfy itself on behalf of the Board with respect to Champion Bear's internal control systems:

- identifying, monitoring and mitigating business risks; and
- ensuring compliance with legal, ethical and regulatory requirements.

Review the annual and interim financial statements of Champion Bear and related management's discussion and analysis ("**MD&A**") prior to their submission to the Board for approval. The process should include but not be limited to:

- reviewing changes in accounting principles and policies, or in their application, which may have a material impact on the current or future years' financial statements;
- reviewing significant accruals, reserves or other estimates;
- reviewing accounting treatment of unusual or non-recurring transactions;
- ascertaining compliance with covenants under loan agreements;
- reviewing disclosure requirements for commitments and contingencies;
- reviewing adjustments raised by the external auditors, whether or not included in the financial statements;
- reviewing unresolved differences between management and the external auditors; and
- obtain explanations of significant variances with comparative reporting periods.

Review the financial statements, prospectuses and other offering documents, MD&A, annual information forms ("**AIF**") and all public disclosure containing audited or unaudited financial information (including, without limitation, annual and interim press releases and any other press releases disclosing earnings or financial results) before release and prior to Board approval. The Committee must be satisfied that adequate procedures are in place for the review of Champion Bear's disclosure of all other financial information and will periodically assess the accuracy of those procedures.

Review and approve the disclosure of audit committee information required to be included in the AIF or the information circular – proxy statement of the Corporation prior to its filing with regulatory authorities.

With respect to the appointment of external auditors by the Board:

- recommend to the Board the external auditors to be nominated;
- recommend to the Board the terms of engagement of the external auditor, including the compensation of the auditors and a confirmation that the external auditors will report directly to the Committee;
- on an annual basis, review and discuss with the external auditors all significant relationships such auditors have with the Corporation to determine the auditors' independence;
- when there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change; and
- review and pre-approve any non-audit services to be provided to Champion Bear or its subsidiaries by the external auditors and consider the impact on the independence of such auditors. The Committee may delegate to one or more independent members the authority to pre-approve non-audit services, provided that the member(s) report to the Committee at the next scheduled meeting such pre-approval and the member(s) comply with such other procedures as may be established by the Committee from time to time.

Review with external auditors (and internal auditor if one is appointed by Champion Bear) their assessment of the internal controls of Champion Bear, their written reports containing recommendations for improvement, and management's response and follow-up to any identified weaknesses. The Committee will also review annually with

the external auditors their plan for their audit and, upon completion of the audit, their reports upon the financial statements of Champion Bear and its subsidiaries.

Review risk management policies and procedures of Champion Bear (i.e. hedging, litigation and insurance).

Establish a procedure for:

- the receipt, retention and treatment of complaints received by Champion Bear regarding accounting, internal accounting controls or auditing matters; and

- the confidential, anonymous submission by employees of Champion Bear of concerns regarding questionable accounting or auditing matters.

Review and approve Champion Bear's hiring policies regarding partners and employees and former partners and employees of the present and former external auditors of Champion Bear.

The Committee has authority to communicate directly with the internal auditors (if any) and the external auditors of the Corporation. The external auditors shall be required to report directly to the Committee. The Committee will also have the authority to investigate any financial activity of Champion Bear. All employees of Champion Bear are to cooperate as requested by the Committee.

The Committee may also retain persons having special expertise and/or obtain independent professional advise to assist in filling their responsibilities at such compensation as established by the Committee and at the expense of Champion Bear without any further approval of the Board.

**Meetings and Administrative Matters**

1. At all meetings of the Committee every question shall be decided by a majority of the votes cast. In case of an equality of votes, the Chairman of the meeting shall be entitled to a second or casting vote.

2. The Chair will preside at all meetings of the Committee, unless the Chair is not present, in which case the members of the Committee that are present will designate from among such members the Chair for purposes of the meeting.

3. A quorum for meetings of the Committee will be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee will be the same as those governing the Board unless otherwise determined by the Committee or the Board.

4. Meetings of the Committee should be scheduled to take place at such times as the Committee considers appropriate. Minutes of all meetings of the Committee will be taken. The Chief Financial Officer will attend meetings of the Committee, unless otherwise excused from all or part of any such meeting by the Chairman.

5. The Committee will meet with the external auditor at such times as the external auditor and the Committee consider appropriate.

6. Agendas, approved by the Chair, will be circulated to Committee members along with background information on a timely basis prior to the Committee meetings.

7. The Committee may invite such officers, directors and employees of the Corporation as it sees fit from time to time to attend at meetings of the Committee and assist in the discussion and consideration of the matters being considered by the Committee.

8. Minutes of the Committee will be recorded and maintained and circulated to directors who are not members of the Committee or otherwise made available at a subsequent meeting of the Board.

9. The Committee may retain persons having special expertise and may obtain independent professional advice to assist in fulfilling its responsibilities at the expense of the Corporation.

10. Any members of the Committee may be removed or replaced at any time by the Board and will cease to be a member of the Committee as soon as such member ceases to be a director. The Board may fill vacancies on the Committee by appointment from among its members. If and whenever a vacancy exists on the Committee, the remaining members may exercise all its powers so long as a quorum remains. Subject to the foregoing, following appointment as a member of the Committee, each member will hold such office until the Committee is reconstituted.

11. Any issues arising from these meetings that bear on the relationship between the Board and management should be communicated to the Chairman of the Board by the Committee Chair.