

## **PEGASUS RESOURCES INC.**

700-838 W Hastings Street  
Vancouver, BC  
V6C 0A6

### **INFORMATION CIRCULAR**

as of May 14, 2024 (unless otherwise noted)

### **MANAGEMENT SOLICITATION OF PROXIES**

This Information Circular is furnished to you in connection with the solicitation of proxies by management of Pegasus Resources Inc. (“we”, “us”, the “Company” or “Pegasus”) for use at the Annual General Meeting (the “Meeting”) of shareholders of the Company to be held on Tuesday June 18, 2024 at 10:00 a.m. at the 700-838 W Hastings Street, Vancouver, BC V6C 0A6 and at any adjournment of the Meeting. The Company will conduct its solicitation by mail and our officers, directors and employees may, without receiving special compensation, contact shareholders by telephone, electronic means or other personal contact. We will not specifically engage employees or soliciting agents to solicit proxies. We do not reimburse shareholders, nominees or agents (including brokers holding shares on behalf of clients) for their costs of obtaining authorization from their principals to sign forms of proxy. We will pay the expenses of this solicitation.

### **APPOINTMENT OF PROXY HOLDER**

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

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

### **VOTING BY PROXY**

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

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

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

## RETURN OF PROXY

You must deliver the completed form of proxy to the office of the Company’s registrar and transfer agent, Endeavor Trust Corporation by fax, e-mail or by hand FACSIMILE (604) 559-8908, EMAIL proxy@endeavortrust.com BY HAND Suite 702 – 777 Hornby Street, Vancouver, B.C. V6Z 1S4 or to the Company’s head office at the address listed on the cover page of this Information Circular, not less than 48 hours (excluding Saturdays, Sundays, and holidays) before the scheduled time of the Meeting or any adjournment.

## ADVICE TO NON-REGISTERED SHAREHOLDERS

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

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

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

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

In either case, the purpose of this procedure is to permit non-registered holders to direct the voting of the Shares which they beneficially own. **Should a non-registered holder who receives a VIF wish to attend the Meeting or have someone else attend on his/her behalf, the non-registered holder may request (in writing) to the Company or its Nominee, as applicable, without expense to the non-registered holder, that the non-registered holder or his/her nominee be appointed as proxyholder and have the right to attend and vote at the Meeting.** Non-registered holders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.

## REVOCATION OF PROXY

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

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

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

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

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

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

## VOTING SHARES AND PRINCIPAL SHAREHOLDERS

The Company is authorized to issue an unlimited number of common shares without par value, of which 21,433,601 common shares are issued and outstanding as of May 14, 2024. There is only one class of shares.

Persons who are registered shareholders at the close of business on May 14, 2024 will be entitled to receive notice of, attend, and vote at the Meeting. On a show of hands, every shareholder and proxy holder will have one vote and, on a poll, every shareholder present in person or represented by proxy will have one vote for each share. In order to approve a motion proposed at the Meeting, a majority of at least 50% plus one vote of the votes cast will be required to pass an ordinary resolution, and a majority of at least 2/3 of the votes cast will be required to pass a special resolution.

To the knowledge of our directors and executive officers, there are no persons or companies that beneficially own, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of all voting rights as of May 14, 2024.

## ELECTION OF DIRECTORS

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

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

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

Name, Province or State and Country of Residence and Present Office Held	Periods Served as Director	Number of Shares Beneficially Owned, Directly or Indirectly, or over which Control or Direction is Exercised <sup>(1)</sup>	Principal Occupation and, if Not Previously Elected, Principal Occupation during the Past Five Years
<b>Christian Timmins</b> <sup>(2)</sup> CEO, President, Director Alberta, Canada	Since May 25, 2022	549,800	CEO, and President of the Company
<b>Dave Bissoondatt</b> Director, CFO British Columbia, Canada	Since December 19, 2011	67,000	Corporate Secretary Rockland Resources Ltd. and ; CFO and Director of the Company
<b>Noah Komavli</b> <sup>(2)</sup> Director Ontario, Canada	Since July 14, 2023	652,000	Supply chain management with Loblaws Companies Limited, DHL Supply Chain and DSV Solutions Canada
<b>Derrick Strickland</b> <sup>(2)</sup> Director British Columbia, Canada	Since January 29, 2024	20,000	Consulting Professional Geologist, Director of ZTEST Electronics

Notes:

(1) As at May 14, 2024.

(2) Member of the Audit Committee

Other than as set out below, no proposed director of the Company is or has been, within the past 10 years, a director, chief executive officer or chief financial officer of any company that, while the person was acting in that capacity:

- (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

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

In May 2015, Dave Bissoondatt was a director of Victory Mountain Ventures Ltd. (“Victory”), Victory was subject to a cease trade order of the BCSC and a cease trade order of the ASC (in August 2015) for failure to file the required continuous disclosure documents for the financial year ended December 31, 2014. The cease trade orders remain in effect.

In October 2014, Dave Bissoondatt was a director of Vega Mining Inc. (“Vega”), Vega was subject to a cease trade order of the BCSC and a cease trade order of the ASC (in March 2015) for failure to file the required continuous disclosure documents for the financial year ended May 31, 2014. The cease trade orders remain in effect.

No proposed director of the Company has, within the past 10 years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

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

No proposed director of the Company is or has been, within the past 10 years, a director or executive officer of any company that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

## EXECUTIVE COMPENSATION

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

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

- (a) the Company’s chief executive officer (“**CEO**”);
- (b) the Company’s chief financial officer (“**CFO**”);
- (c) each of the Company’s most highly compensated executive officers, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for the May 31, 2023 year end; and
- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact the individual was neither an executive officer, nor acting in a similar capacity at May 31, 2023.

## Director and Named Executive Officer Compensation, excluding Compensation Securities

The following table provides a summary of compensation paid or accrued, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company or its subsidiaries of the Company to each Named Executive Office and director of the Company during the Company's two most recent financial years ended May 31, 2023 and May 31, 2022.

Table of compensation excluding compensation securities							
Name and position	Year <sup>(1)</sup>	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Dave Bissoondatt <sup>(2)</sup> Director, CFO	2023	42,000	Nil	Nil	Nil	7,406	49,406
	2022	31,500	Nil	Nil	Nil	Nil	31,500
Christian Timmins <sup>(3)</sup> President, CEO, Director	2023	80,000	Nil	Nil	Nil	Nil	80,000
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Lorne McCarthy <sup>(4)</sup> Former Director	2023	30,000	Nil	Nil	Nil	Nil	30,000
	2022	7,500	Nil	Nil	Nil	Nil	7,500
Charles Desjardins <sup>(5)</sup> Former Director, CEO, President	2023	40,000	Nil	Nil	Nil	7,406	47,406
	2022	Nil	Nil	Nil	Nil	1,148	1,148

Notes:

(1) Financial year ended May 31

(2) Mr. Bissoondatt was appointed a director of the Company on December 19, 2011 and CFO of the Company on February 3, 2023. **Mr. Bissoondatt's compensation reflects payments made to him directly and to a company controlled by him.**

(3) Mr. Timmins was appointed a director and President of the Company on May 25, 2022 and CEO on February 3, 2023.

(4) Mr. McCarthy was appointed a director of the Company on March 11, 2022 and resigned as a director on February 1, 2024.

(5) Mr. Desjardins was appointed a director, President and CEO of the Company on August 14, 2002, interim CFO on May 28, 2019 and resigned as President on May 25, 2022 and resigned as a director, CEO and CFO on February 3, 2023.

## Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued during the most recently completed financial year ended May 31, 2023 to each Named Executive Officer and director for services provided or to be provided, directly or indirectly, to the Company or its subsidiaries.

Compensation Securities
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Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
<b>Dave Bissoondatt</b> Director, CFO	Stock Options <sup>(1)</sup>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Chris Timmins</b> Director, President, CEO	Stock Options	N/A	N/A	N/A	N/A	N/A	N/A
<b>Lorne McCarthy</b> Former Director	Stock Options <sup>(2)</sup>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Charles Desjardins</b> Former Director, CEO, President	Stock Options	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) As at May 31, 2023, a company controlled by Mr. Bissoondatt, held 20,000 stock options exercisable at \$0.50 until August 28, 2025.
- (2) As at May 31, 2023, Mr. McCarthy held 5,000 stock options exercisable at \$0.50 until August 28, 2025. Subsequent to financial year end, Mr. McCarthy's resignation as a director on February 1, 2024 has accelerated the expiry date of such options to May 1, 2024.

### Exercise of Compensation Securities by Directors and NEOs

No director or NEO exercised any stock options during the financial year ending May 31, 2023.

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

### Employment, Consulting and Management agreements

Other than disclosed below, there are no consulting contracts between the Company and the NEOs and directors.

Effective March 1, 2022 the Company entered into (i) a consulting agreement with Dave Bissoondatt under which he receives compensation of \$1,500 per month plus GST and (ii) effective August 1, 2021 a consulting agreement with Point A Pierre Capital Ltd., a company controlled by Dave Bissoondatt, for \$1,000 per month plus GST, which was subsequently increased to \$4,000 per month plus GST effective February 1, 2023.

There are no compensatory plans, contracts or arrangements between the Company and any NEO, where the NEO is entitled to receive more than \$50,000 from the Company, including periodic payments or installments, in the event of:

- (a) the resignation, retirement or any other termination of employment of the NEO's employment with the Company;
- (b) a change of control of the Company; or
- (c) a change of the NEO's responsibilities following a change in control.

## **Oversight and Description of Director and Named Executive Officer Compensation**

The Board as a whole has the responsibility of determining the compensation for the NEOs and the directors.

The Company's compensation objectives include the following:

- to assist the Company in attracting and retaining highly-qualified individuals;
- to create a sense of ownership in the Company among directors, officers, consultants and employees and to align their interests with those of the shareholders; and
- to ensure that the Company compensation program is competitive as well as financially affordable.

The Company's compensation program is designed to provide competitive levels of compensation. The Company recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive's level of responsibility. In general, the Company's NEOs and directors may receive compensation that is comprised of three components:

- salary, wages or contractor payments;
- stock option grants; and/or
- bonuses.

The objective and reason for this system of compensation is to allow the Company to remain competitive compared to its peers in attracting experienced personnel. The base salary of a NEO is intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration.

The base salary review of each NEO takes into consideration the current competitive market conditions, experience, proven or expected performance, and the particular skills of the NEOs. Base salary is not evaluated against a formal "peer group". The Company's Compensation Committee relies on the general experience of its members in setting base salary amounts.

Stock option grants are designed to reward the NEOs and directors for success on a similar basis as the shareholders of the Company, although the level of reward provided by a particular stock option grant is dependent upon the volatile stock market.

Any bonuses paid to the NEOs and directors are allocated on an individual basis related to the review by the Board of the work planned during the year and the work achieved during the year, including work related to administration, financing, shareholder relations and overall performance. The bonuses are paid to reward work done above the base level of expectations set by the base salary, wages or contractor payments.

## **Pension Arrangements**

The Company does not have any pension arrangements in place for the NEOs and directors.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

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

The following table sets out equity compensation plan information as at the end of the financial year ended May 31, 2023.

Plan Category	Number of securities to be issued upon exercise of outstanding options <sup>(1)</sup>	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) <sup>(2)</sup>
(a)	(b)	(c)	
Equity compensation plans <b>approved</b> by securityholders	837,500	\$0.52	335,934
Equity compensation plans <b>not approved</b> by securityholders	Nil	N/A	N/A
Total	837,500	\$0.52	335,934

Notes:

- (1) Assuming outstanding options are fully vested. The Company last received shareholder approval for its equity compensation plan at its last annual general meeting of shareholders held on February 21, 2023.
- (2) Excluding the number of shares issuable on exercise of the outstanding options shown in the second column.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

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

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

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

An "informed person" means:

- (a) a director or executive officer of the Company;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;

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

## **AUDIT COMMITTEE**

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

### **Audit Committee Charter**

The Audit Committee Charter was adopted by the Company’s Audit Committee and the Board of Directors. The full text of the Company’s Audit Committee Charter is attached as Appendix “A” to the Company’s Information Circular dated February 18, 2020 which was filed on SEDAR (now SEDAR+) on March 30, 2020 and can be viewed under the Company’s profile at [www.sedarplus.ca](http://www.sedarplus.ca).

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

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

<b>Name of Member</b>	<b>Independent<sup>(1)</sup></b>	<b>Financially Literate<sup>(1)</sup></b>
Christian Timmins	Not independent	Yes
Derrick Strickland	Independent	Yes
Noah Komavli	Independent	Yes

Notes:

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

### **Relevant Education and Experience of Audit Committee Members**

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

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

4. an understanding of internal controls and procedures for financial reporting, are as follows:

**Christian Timmins** - Mr. Timmins brings a wealth of experience having honed his skills in operations consultation, project planning, team building, and company collaboration through his work with top companies such as Tourmaline Oil, FMC, and IPS Canada. He is known for his thorough research in the mining and exploration sectors and is a seasoned investor in the capital markets.

**Derrick Strickland** - Mr. Strickland, PGeo, MBA, has over 35 years of involvement in all aspects of the exploration industry, actively working as a geological and corporate adviser. Mr. Strickland has been self-employed for over 23 years. He is an experienced leader, founder, director, chief executive officer and vice-president to over 20 publicly traded companies. His work over the last three decades has been on six continents, specializing in remote locations, instituting quality assurance programs, provision of on-the-ground geological technical execution and know-how, and expertise for both private and publicly traded resource companies. He has extensive practice in the areas of corporate governance, current regulatory regimes, compliance and disclosure matters (National Instrument 43-101). Mr. Strickland's international exposure encompasses a range of commodities, including base metals, gold, uranium, diamonds, potash and copper in numerous deposit types and settings, with an eye to other specialty minerals and unique opportunities. Mr. Strickland's extensive network and industry engagement has seen him elected as a past director of both the Prospectors & Developers Association of Canada (PDAC) and the Association for Mineral Exploration B.C. (AME).

**Noah Komavli** – Mr. Komavli, B.A.Sc., EIT, graduated from the University of Toronto in Industrial Engineering and is currently “Engineer-in-Training” status. Mr. Komavli's expertise lies in supply chain management, optimizing operational efficiency and process improvement. This experience was garnered through work in supply chain at Loblaws Companies Limited, DHL Supply Chain and DSV Solutions Canada. Complementing a breadth of operational excellence, Mr. Komavli also worked as a reporting and analytics lead in the Credit and Collections industry with CRM Canada Inc., prior to its takeover by Information Services Corp. Beyond his professional endeavours, Mr. Komavli has a deep interest in precious metals and mining, particularly in exploration and development-focused companies. He has invested in the mining sector for numerous years, gaining firsthand knowledge of its opportunities and challenges. Mr. Komavli is passionate about programming, having co-founded and developed a startup software company.

#### ***Audit Committee Oversight***

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

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

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 (which exempts all non-audit services provided by the Company's auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Company, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the

Audit Committee prior to the completion of that year's audit), the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), the exemption in subsection 6.1.1(5) (*Events Outside of Control of Member*), the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*) or an exemption from NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of NI 52-110.

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

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

### ***External Auditor Service Fees (By Category)***

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

<b>Financial Year Ending</b>	<b>Audit Fees</b>	<b>Audit-Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
May 31, 2023	\$52,624	\$Nil	\$Nil	\$Nil
May 31, 2022	\$46,000	\$Nil	\$Nil	\$Nil

Notes:

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

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

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

## **CORPORATE GOVERNANCE**

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

### **Board of Directors**

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

financial community and the integrity of the Company's internal control and management information systems.

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

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

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

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

The Board considers that Noah Komavli and Derrick Strickland are "independent" in that they are independent and free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the director's ability to act with the best interests of the Company, other than interests and relationships arising from shareholdings. The Board considers that Dave Bissoondatt CFO of the Company and Chris Timmins CEO and President of the Company, are not independent because they are members of management.

### **Directorships**

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

<b>Name of Director</b>	<b>Other reporting issuer (or equivalent in a foreign jurisdiction)</b>
Derrick Strickland	ZTEST Electronics (ZTE)

### **Orientation and Continuing Education**

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

### **Ethical Business Conduct**

The Company has not, to date, adopted a formal written Code of Ethical Business Conduct. The current limited size of the Company's operations, and the small number of officers and employees allow the Board to monitor, on an ongoing basis, the activities of management and to ensure that the highest standard of ethical conduct is maintained. The Board is aware of the recommendation in National Policy 58-201 *Corporate Governance Guidelines* to adopt a written code of business conduct and ethics and is reviewing different standards that may be appropriate for the Company to adopt.

To date, the Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company. Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. A director must disclose to the Board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The disclosure must be evidenced in writing by being included in the consent resolutions or minutes of the meeting that approved the transaction or in a written disclosure delivered to the Company's records office. Unless the director properly discloses his interest and has the transaction properly approved, he may be liable to account to the Company for any profit he makes as a result of the transaction, unless the court finds that the transaction was fair and reasonable to the Company. Once the appropriate disclosure has been made by the interested director, the transaction must be approved by the directors or by the shareholders by special resolution. An interested director would not be entitled to vote at meetings of directors which evoke any such conflict.

### **Nomination of Directors**

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees to fill vacancies and for the next annual meeting the shareholders. The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, shown support for the Company's mission and strategic objectives and a willingness to serve.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, this policy may be reviewed in the future depending on the circumstances of the Company.

### **Compensation**

The Board periodically reviews the compensation paid to directors, management and other employees based on such factors as time commitment and level of responsibility, comparative fees paid by other companies in the industry in North America and the Company's current position as an exploration company with limited operating revenue.

The Board does not have a compensation committee, and these functions are currently

performed by the Board as a whole. However, this policy may be reviewed in the future depending on the circumstances of the Company.

### **Other Board Committees**

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

### **Assessments**

The Board conducts periodic assessments of its members including individual assessments to determine if the Board, its committee and the individual directors are performing efficiently. Based on the Company's size, stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. As the activities of the Company develop, it will consider the establishment of more formal evaluation procedures, including more quantitative measures of performance.

## **APPOINTMENT OF AUDITOR**

Unless otherwise instructed, the proxies given in this solicitation will be voted for the re-appointment of Crowe Mackay LLP, Chartered Professional Accountants, of Vancouver, British Columbia, as our auditor to hold office until the next annual general meeting. Crowe Mackay LLP, Chartered Professional Accountants has been the Company's auditors since August 2022. We propose that the Board of Directors be authorized to fix the remuneration to be paid to the auditor.

**Unless otherwise instructed, the proxies solicited by management will be voted for the appointment of Crowe Mackay LLP, Chartered Professional Accountants, as the Company's auditor.**

## **MANAGEMENT CONTRACTS**

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

## **PARTICULARS OF MATTERS TO BE ACTED ON**

### **Stock Option Plan**

In accordance with Policy 4.4 *Security Based Compensation* of the TSXV ("Policy 4.4"), "Rolling Up to 10% Plans" must receive shareholder approval yearly. The Company is therefore seeking shareholder approval of the Company's Stock Option Plan, which reserves a maximum of 10% of the issued shares of the Company at the time of any stock option grant. The purpose of the Stock Option Plan is to provide incentive to employees, directors, officers and consultants who provide services to the Company and to reduce the cash compensation the Company would otherwise have to pay.

The Stock Option Plan complies with the current policies of the TSXV under Policy 4.4. Under the Stock Option Plan, a maximum of 10% of the issued and outstanding shares of the Company are proposed to be reserved at any time for issuance on the exercise of stock options. As the number of shares reserved for issuance under the Stock Option Plan increases with the issue of additional shares of the Company, the Stock Option Plan is considered to be a "rolling up to 10%" stock option plan.

Management is seeking shareholder approval for the Stock Option Plan in accordance with and subject to the rules and policies of the TSXV. The Company last received shareholder approval for its Stock Option Plan at its annual general meeting of shareholders held on February 21, 2023.

*Terms of the Stock Option Plan*

The Stock Option Plan provides that the Company's Board of Directors may from time to time, in its discretion, and in accordance with the TSXV's requirements, grant to directors, officers, employees, management company employees and consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance does not exceed 10% of the common shares of the Company at the time of the stock option grant. Further, unless authorized by disinterested shareholder approval, the Stock Option Plan may not result in the issuance to "Insiders" (as defined in TSXV Policy 1.1 *Interpretation*), at any time, of a number of common shares exceeding 10% of the Company's issued and outstanding common shares, calculated on the date the option is granted, or the issuance to holders, within a one year period, of a number of common shares exceeding 10% of the common shares issued and outstanding, calculated on the date the option is granted. Individual stock option grants must comply with the terms of the Stock Option Plan and the policies of the TSXV as they relate to the minimum exercise price, hold periods and filing requirements.

The Stock Option Plan provides that:

- (a) options will be non-assignable and non-transferable except that they will be exercisable by the personal representative of the option holder in the event of the option holder's death, if exercised within one year of the optionee's death;
- (b) options may be exercisable for a maximum of 10 years from the date of grant;
- (c) options under the Stock Option Plan (plus any other security based compensation of the Company) to acquire no more than 5% of the issued shares of the Company may be granted to any one individual in any 12 month period;
- (d) options under the Stock Option Plan (plus any other security based compensation of the Company) to acquire no more than 2% of the issued shares of the Company may be granted to any one consultant in any 12 month period;
- (e) options under the Stock Option Plan (plus any other security based compensation of the Company) to acquire no more than 2% of the issued shares of the Company may be granted to all persons (in aggregate) conducting "Investor Relations Activities" (as defined in TSXV Policy 1.1), in any 12 month period;
- (f) disinterested shareholder approval must be obtained for any reduction in the exercise price, or extension of the term, if the optionee is an Insider of the Company;
- (g) for stock options granted to employees, consultants or Management Company Employees (as defined in Policy 4.4), the Company and the optionee represent that the optionee is a bona fide employee, consultant or Management Company Employee, as the case may be;
- (h) for stock options granted to any optionee who is a director, employee, consultant or Management Company Employee, the option must expire within a reasonable period following the date optionee ceases to be in that role (as set out in more detail below);

- (i) the exercise price of an option granted under the Stock Option Plan shall not be less than the “Discounted Market Price” (as defined in TSXV Policy 1.1) at the time of granting the option. Options may not be granted which are exercisable at an exercise price that is less than a price permitted by the TSXV. An exercise price cannot be established until options are allocated to a particular optionee;
- (j) options granted to persons engaged in Investor Relations Activities will vest in stages over a minimum period of 12 months with no more than one-quarter of the options vesting in any three month period, or as otherwise prescribed by Policy 4.4. These vesting parameters may not be accelerated without prior TSXV approval; and
- (k) upon the exercise of an option, an optionee shall pay to the Company the exercise price of the option, in cash or by certified cheque, unless the optionee is utilizing the cashless exercise feature, described below.

As permitted under Policy 4.4, the Company has added a cashless exercise feature to its Stock Option Plan. The Company may have an arrangement with a brokerage firm pursuant to which the brokerage firm will loan money to an option holder to purchase common shares underlying the options. The brokerage firm then sells a sufficient number of common shares to cover the exercise price of the options in order to repay the loan made to the option holder. The brokerage firm receives an equivalent number of common shares from the exercise of the options and the option holder then receives the balance of the common shares or the cash proceeds from the balance of such common shares.

If an optionee is a director of the Company and ceases to be director for any reason other than death, such optionee shall have the right to exercise any options not exercised prior to such termination within a reasonable period of time after the date of termination, as set out in the optionee’s option certificate, such reasonable period not to exceed one year after termination. However, if the optionee ceases to be a director as a result of: (i) ceasing to meet the qualifications set forth in the *Business Corporations Act* (British Columbia); (ii) his or her removal as a director pursuant to the *Business Corporations Act* (British Columbia); or (iii) an order made by any regulatory authority having jurisdiction to so order; the expiry date shall be the date the optionee ceases to be a director of the Company.

If an optionee is an officer, employee, Management Company Employee or consultant and ceases to be an officer, employee, Management Company Employee or consultant for any reason other than death, such optionee shall have the right to exercise any options not exercised prior to such termination within a reasonable period of time after the date of termination, as set out in the optionee’s option certificate, such reasonable period not to exceed one year after termination. However, if the optionee ceases to be: (i) an officer or employee as a result of termination for cause; (ii) a Management Company Employee of a as a result of termination for cause; or (iii) an officer, employee, Management Company Employee or consultant as a result of an order made by any regulatory authority having jurisdiction to so order; the expiry date shall be the date the optionee ceases to be a officer, employee, Management Company Employee or consultant of the Company, as the case may be.

If a director, officer, consultant, employee, or Management Company Employee dies prior to the expiry of their options, their legal representatives may, within the lesser of one year from the date of the optionee’s death or the expiry date of the particular options, exercise options granted to the optionee under the Stock Option Plan which remain outstanding.

All existing and outstanding stock options previously granted will continue under the Stock Option Plan.

### *Recommendation and Resolution*

Our directors believe that the Stock Option Plan is in the Company's best interests and recommend that the shareholders approve the Stock Option Plan. Accordingly, the shareholders will be asked to consider and, if thought fit, pass the following ordinary resolution:

"Resolved as an ordinary resolution that, subject to TSX Venture Exchange (the "TSXV") approval:

1. The Company adopt a 2024 Stock Option Plan (the "**Plan**"), including the reserving for issuance under the Plan at any time of a maximum of 10% of the issued common shares of the Company;
2. The Company is authorized to grant stock options under the Plan, in accordance with its terms;
3. The Company is authorized to prepare such disclosure documents and make such submissions and filings as the Company may be required to make with the TSXV to obtain TSXV acceptance of the Plan; and
4. Authority is granted to the Board of Directors of the Company to make such amendments to the Plan as are required by the TSXV to obtain TSXV acceptance of the Plan."

### **Recommendation of the Company's Directors**

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

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

## **ADDITIONAL INFORMATION**

Additional information about the Company is located on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Financial information is provided in the Company's comparative financial statements and Management's Discussion and Analysis for its most recently completed financial year ended May 31, 2023. Shareholders may contact the Company to request copies of the financial statements and Management's Discussion and Analysis by writing to Dave Bissoondatt at the address below or by e-mail at [dave.bissoondatt@hotmail.ca](mailto:dave.bissoondatt@hotmail.ca).

**PEGASUS RESOURCES INC.**  
700-838 W Hastings Street  
Vancouver, BC V6C 0A6

## **OTHER MATERIAL FACTS**

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

DATED at Vancouver, British Columbia, on the 14<sup>th</sup> day of May, 2024.

BY ORDER OF THE BOARD

**PEGASUS RESOURCES INC.**

(signed) "*Christian Timmins*"

Christian Timmins  
Chief Executive Officer