



SABLE

RESOURCES

Annual & Special Meeting of Shareholders

June 27, 2023

Notice of Meeting

Management Information Circular



SABLE RESOURCES LTD.
900 – 999 West Hastings Street
Vancouver, British Columbia
V6C 2W2 Canada

TSXV | SAE OTCQB | SBLRF

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special general meeting (the "**Meeting**") of the shareholders of Sable Resources Ltd. (the "**Company**") will be held on Tuesday, June 27, 2023 at 1:00 p.m. (Vancouver time). The Meeting will be held at the offices of the Company at Suite 900, 999 West Hastings Street, Vancouver, British Columbia.

The Meeting is called for the following purposes:

1. to receive and consider the financial statements of the Company for the fiscal period ended December 31, 2022, together with the report of the auditors thereon;
2. to elect directors;
3. to appoint auditors and to authorize the directors to fix their remuneration;
4. to consider, and if thought advisable, approve the Company's stock option plan; and
5. to transact such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

Particulars of the foregoing matters are set forth in the accompanying management information circular. The directors of the Company have fixed the close of business on May 23, 2023 as the record date for the determination of the shareholders of the Company entitled to receive notice of the Meeting.

DATED at Vancouver, Canada as of the 31st day of May, 2023.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) "Thomas Obradovich"

Thomas Obradovich, Chair

Shareholders who will not attend the Meeting in person are requested to complete and sign the accompanying form of proxy and return it by mail in the enclosed return envelope or by facsimile or by Internet. To be effective, proxies must be received by the Company's transfer agent, TSX Trust Company, Suite 301, 100 Adelaide Street West, Toronto, Ontario M5H 4H1, Attention: Proxy Department, or by facsimile at 1-416-595-9593 or by Internet prior to 1:00 p.m. (Vancouver time) on Friday, June 23, 2023 or if the Meeting is adjourned, by no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to when any adjournment thereof is to be held, or may be deposited with the Chair of the Meeting at any time prior to the commencement of the Meeting or any adjournment thereof. Non-registered shareholders (beneficial holders) must deliver their completed proxies in accordance with the instructions given by their financial institution or other intermediary that forwarded the form of proxy to them.

**SABLE RESOURCES LTD.
MANAGEMENT INFORMATION CIRCULAR**

SOLICITATION OF PROXIES

This management information circular (the “**Information Circular**”) is furnished in connection with the solicitation by management of Sable Resources Ltd. (the “**Company**”) of proxies to be used at the annual and special meeting of shareholders of the Company (the “**Meeting**”) referred to in the accompanying Notice of Annual and Special Meeting of Shareholders (the “**Notice**”) to be held on June 27, 2023, at the time and place and for the purposes set forth in the Notice. **The solicitation is made by the management of the Company and will be made primarily by mail, but proxies may also be solicited personally or by telephone by regular employees of the Company at nominal cost. The cost of solicitation by management will be borne by the Company. The information contained herein is given as of May 31, 2023, unless indicated otherwise.**

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are directors and/or officers of the Company. **Each shareholder has the right to appoint a person or company, who need not be a shareholder of the Company, other than the persons named in the enclosed form of proxy, to represent such shareholder at the Meeting or any adjournment thereof. Such right may be exercised by inserting such person’s name in the blank space provided and striking out the names of management’s nominees in the enclosed form of proxy or by completing another proper form of proxy. All proxies must be executed by the shareholder or his or her attorney duly authorized in writing or, if the shareholder is a company, by an officer or attorney thereof duly authorized. Proxies must be delivered to TSX Trust Company before 1:00 p.m. (Vancouver time) on Friday, June 23, 2023.**

A shareholder who has given a proxy has the power to revoke it as to any matter on which a vote has not already been cast pursuant to the authority conferred by such proxy and may do so either:

1. not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of holding the Meeting or adjournment thereof at which the proxy is to be used, by delivering another properly executed form of proxy bearing a later date and depositing it as aforesaid;
2. by depositing an instrument in writing revoking the proxy executed by him or her with TSX Trust Company at its offices located at Suite 301, 100 Adelaide Street West, Toronto, Ontario, M5H 4H1 at any time up to and including 1:00 p.m. (Vancouver time) on the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used; or
3. in any other manner permitted by law.

EXERCISE OF DISCRETION BY PROXIES

Shares represented by properly executed proxies in favour of the persons named in the enclosed form of proxy **will be voted or withheld from voting in accordance with the instructions of the securityholder on any ballot that may be called for** and, where the person whose proxy is solicited specifies a choice with respect to the matters identified in the proxy, **the shares will be voted or withheld from voting in accordance with the specifications so made. Where shareholders have properly executed proxies in favour of the persons named in the enclosed form of proxy and have not specified in the form of proxy the manner in which the named proxies are required to vote the shares represented thereby, such shares will be voted in favour of the passing of the matters set forth in the Notice.** The enclosed form of proxy confers discretionary authority with respect to amendments or variations to the matters identified in the Notice and with respect to other matters that may properly come before the Meeting. At the date hereof, management of the Company knows of no such amendments, variations or other matters to come before the Meeting. However,

if any other matters which at present are not known to management of the Company should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Each holder of common shares in the capital of the Company (“**Common Shares**”) of record at the close of business on May 23, 2023 (the “**record date**”) will be entitled to vote at the Meeting or at any adjournment thereof, either in person or by proxy. As of May 31, 2023, the Company had 286,564,898 issued and outstanding Common Shares. Each Common Share carries the right to one vote per share. The outstanding Common Shares are listed on the TSX Venture Exchange (the “**TSXV**”) under the symbol “SAE”.

To the knowledge of the directors and executive officers of the Company as of May 31, 2023, no person beneficially owns, controls or directs, directly or indirectly, 10% or more of the outstanding Common Shares.

NON-REGISTERED HOLDERS AND DELIVERY MATTERS

Only registered Shareholders, or the persons they appoint as their proxies, are permitted to vote at the Meeting.

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary (“**Intermediary**”) holding on your behalf.

If you have received the Company’s form of proxy, you may return it to TSX Trust Company as follows:

By Mail or Hand Delivery:	TSX Trust Company Suite 301 100 Adelaide Street West Toronto, Ontario M5H 4H1
By Fax:	416-595-9593
By Internet:	www.voteproxyonline.com You will need to provide your 12 digit control number (located on the form of proxy accompanying this Circular)

Objecting Beneficial Owners (“**OBOs**”) and other beneficial holders receive a Voting Instruction Form (“**VIF**”) from an Intermediary by way of instruction of their financial institution. Detailed instructions of how to submit your vote will be on the VIF.

In either case, the purpose of this procedure is to permit non-registered holders to direct the voting of the Common Shares they beneficially own. Should a non-registered holder who receives either form of proxy wish to vote at the Meeting in person, the non-registered holder should strike out the persons named in the form of proxy and insert the non-registered holder’s name in the blank space provided. Non-registered holders should carefully follow the instructions of their Intermediary including those regarding when and where the form of proxy or VIF is to be delivered.

The Company is not using the “notice-and-access” provisions of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) in connection with the delivery of the meeting materials in respect of the Meeting. The Company is not sending such meeting materials directly to “non-objecting beneficial owners” in accordance with NI 54-101, and intends to pay for intermediaries to deliver such meeting materials to “objecting beneficial owners” as defined in NI 54-101.

COMPENSATION OF EXECUTIVE OFFICERS

The following table provides a summary of compensation for services rendered in all capacities to the Company for the fiscal years ended December 31, 2022 and 2021 in respect of the individuals who served as (i) the Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”) of the Company during the fiscal year ended December 31, 2022 (the “Named Executive Officers”); and (ii) the directors of the Company for the fiscal year ended December 31, 2022. For the fiscal year ended December 31, 2022, the Named Executive Officers included Ruben Padilla, CEO, Kelso Cartwright, CFO and Luis Arteaga, Vice President, Exploration. The Company had no other executive officers whose total compensation during the fiscal year ended December 31, 2022 exceeded \$150,000. See also “Stock Options and Other Compensation Securities” below.

Table of Compensation Excluding Compensation Securities

Name and Position	Fiscal Year	Salary, Consulting Fee, Retainer or Commission	Bonus	Director Retainer, Committee or Meeting Fees	Value of Perquisites	Value of All Other Compensation ⁽¹⁾	Total Compensation
Ruben Padilla ⁽²⁾ <i>Director, President and CEO</i>	2022	\$229,680	\$57,375	Nil	\$23,201	\$42,000	\$352,256
	2021	\$220,000	\$132,000	Nil	Nil	\$58,000	\$410,000
Tom Obradovich ⁽³⁾ <i>Director and former President and CEO</i>	2022	Nil	Nil	\$50,004	Nil	\$23,400	\$73,404
	2021	Nil	Nil	\$50,000	Nil	\$38,280	\$88,280
Kelso Cartwright ⁽⁴⁾ <i>CFO</i>	2022	\$130,000	\$32,500	Nil	Nil	\$31,500	\$194,000
	2021	\$110,833	\$78,000	Nil	Nil	\$41,760	\$230,593
Luis Arteaga ⁽⁵⁾ <i>Vice President, Exploration</i>	2022	\$200,000	\$50,000	Nil	Nil	\$31,500	\$281,500
	2021	\$175,000	\$120,000	Nil	Nil	\$48,400	\$341,400
Brent Gilchrist ⁽⁶⁾ <i>Director</i>	2022	Nil	Nil	\$37,000	Nil	\$21,000	\$58,000
	2021	Nil	Nil	\$37,000	Nil	\$35,960	\$72,960
Terry Harbort ⁽⁷⁾ <i>Director</i>	2022	\$72,000	Nil	\$7,500	Nil	\$21,000	\$100,500
	2021	\$96,000	Nil	Nil	Nil	\$32,480	\$128,480
Francisco Quiroz ⁽⁸⁾ <i>Director</i>	2022	Nil	Nil	Nil	Nil	\$21,000	\$21,000
	2021	Nil	Nil	Nil	Nil	\$46,400	\$46,400
Jonathan Rubenstein ⁽⁹⁾ <i>Director</i>	2022	Nil	Nil	\$30,000	Nil	\$21,000	\$51,000
	2021	Nil	Nil	\$30,000	Nil	\$32,480	\$62,480
Andres Tinajero ⁽¹⁰⁾ <i>Director</i>	2022	Nil	Nil	\$40,000	Nil	\$22,200	\$62,200
	2021	Nil	Nil	\$40,000	Nil	\$35,960	\$75,960

Notes:

- The “grant date fair value” has been determined by using the Black-Scholes model. The Company has calculated the “grant date fair value” amounts for option values using the Black-Scholes model, a mathematical valuation model that ascribes a value to a stock option based on a number of factors in valuing the option-based awards, including the exercise price of the option, the price of the underlying security on the date the option was granted and assumptions with respect to the volatility of the price of the underlying security and the risk-free rate of return. The grant date fair value of the Options granted in fiscal 2022 was \$0.06 and for the options granted in 2021, \$0.116. Calculating the value of options using this methodology is very different from a simple “in-the-money” value calculation. In fact, options that are out-of-the-money can still have a significant “grant date fair value” based on a Black-Scholes valuation, especially where, as in the case of the Company, the price of the share underlying the option is highly volatile. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation.
- Included in Other Compensation for Ruben Padilla for 2022 and 2021 is \$42,000 and \$58,000 relating to the value of 700,000 and 500,000 options granted in each of 2022 and 2021, respectively calculated as per (1) above.
- Included in Other Compensation for Tom Obradovich for 2022 and 2021 is \$23,400 and \$38,280 relating to the value of 390,000 and 330,000 options granted in 2022 and 2021, respectively, each calculated as per (1) above.
- Included in Other Compensation for Kelso Cartwright for 2022 and 2021 is \$31,500 and \$41,760 relating to the value of 525,000 and 360,000 options granted in 2022 and 2021, respectively, each calculated as per (1) above.
- Included in Other Compensation for Luis Arteaga for 2022 and 2021 is \$31,500 and \$46,400 relating to the value of 525,000 and 400,000 options granted in 2022 and 2021, respectively, each calculated as per (1) above.
- Included in Other Compensation for Brent Gilchrist for 2022 and 2021 is \$21,000 and \$35,960 relating to the value of 350,000 and 310,000 options granted in 2022 and 2021, each calculated as per (1) above.

7. Included in Terry Harbort's compensation are fees for the position of Vice President, Corporate Development, a position he held until September 30, 2022. Including in Other Compensation for 2022 and 2021 is \$21,000 and \$32,480 relating to the value of 350,000 and 280,000 options granted in each of 2022 and 2021, each calculated as per (1) above.
8. Francisco Quiroz was appointed as a director on July 15, 2021. Included in Other Compensation for 2022 and 2021 is \$21,000 and \$46,400 relating to the value of 350,000 and 400,000 options granted in 2022 and 2021 calculated as per (1) above.
9. Included in Other Compensation for Jonathan Rubenstein for 2022 and 2021 is \$21,000 and \$32,480 relating to the value of 350,000 and 280,000 options granted in 2022 and 2021, each calculated as per (1) above.
10. Included Other Compensation for Andres Tinajero for 2022 and 2021 is \$22,200 and \$35,960 relating to the value of 370,000 and 310,000 options granted in 2022 and 2021, each calculated as per (1) above.

Stock Options and Other Compensation Securities

Set forth in the table below is a summary of all compensation securities granted or issued to each Named Executive Officer and directors of the Company during the fiscal year ended December 31, 2022.

Compensation Securities							
Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities, and Percentage of Class	Date of Issue or Grant	Issue, Conversion or Exercise Price	Closing Price of Security or Underlying Security on Date of Grant	Closing Price of Security or Underlying Security at Year End	Expiry Date
Ruben Padilla ⁽¹⁾ <i>Director, President and CEO</i>	Stock options	700,000	Nov25-22	\$0.10	\$0.095	\$0.11	Nov25-27
Tom Obradovich ⁽²⁾ <i>Director</i>	Stock options	390,000	Nov25-22	\$0.10	\$0.095	\$0.11	Nov25-27
Kelso Cartwright ⁽³⁾ <i>CFO</i>	Stock options	525,000	Nov25-22	\$0.10	\$0.095	\$0.11	Nov25-27
Luis Arteaga ⁽⁴⁾ <i>Vice President, Exploration</i>	Stock options	525,000	Nov25-22	\$0.10	\$0.095	\$0.11	Nov25-27
Brent Gilchrist ⁽⁵⁾ <i>Director</i>	Stock options	350,000	Nov25-22	\$0.10	\$0.095	\$0.11	Nov25-27
Terry Harbort ⁽⁶⁾ <i>Director and VP, Corporate Development</i>	Stock options	350,000	Nov25-22	\$0.10	\$0.095	\$0.11	Nov25-27
Francisco Quiroz ⁽⁷⁾ <i>Director</i>	Stock options	350,000	Nov25-22	\$0.10	\$0.095	\$0.11	Nov25-27
Jonathan Rubenstein ⁽⁸⁾ <i>Director</i>	Stock options	350,000	Nov25-22	\$0.10	\$0.095	\$0.11	Nov25-27
Andres Tinajero ⁽⁹⁾ <i>Director</i>	Stock options	370,000	Nov25-22	\$0.10	\$0.095	\$0.11	Nov25-27

Notes:

1. As of December 31, 2022, Mr. Padilla held an aggregate of 3,140,000 stock options.
2. As of December 31, 2022, Mr. Obradovich held an aggregate of 2,610,000 stock options.
3. As of December 31, 2022, Mr. Cartwright held an aggregate of 1,705,000 stock options.
4. As of December 31, 2022, Mr. Arteaga held 2,295,000 stock options.
5. As of December 31, 2022, Mr. Gilchrist held an aggregate of 1,530,000 stock options.
6. As of December 31, 2022, Mr. Harbort held an aggregate of 1,860,000 stock options.
7. As of December 31, 2022, Mr. Quiroz held an aggregate of 400,000 stock options.
8. As of December 31, 2022, Mr. Rubenstein held an aggregate of 1,360,000 stock options.
9. As of December 31, 2022, Mr. Tinajero held an aggregate of 1,450,000 stock options.

Exercise of Compensation Securities by Directors and Named Executive Officers

Set forth below is a summary of all compensation securities exercised by Named Executive Officers and directors of the Company during the fiscal year ended December 31, 2022.

Name and Position	Type of Compensation Security	Number of Underlying Securities Exercised	Exercise Price per Security	Date of Exercise	Closing Price per Security on Date of Exercise	Difference between Exercise Price and Closing Price on Date of Exercise	Total Value on Exercise Date
Ruben Padilla <i>Director, President and CEO</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Tom Obradovich <i>Director</i>	Stock Option	600,000	\$0.15	Apr20-22	\$0.285	\$0.135	\$81,000
Kelso Cartwright <i>CFO</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Brent Gilchrist <i>Director</i>	Stock Option	300,000	\$0.15	Apr21-22	\$0.275	\$0.125	\$37,500
Terry Harbort <i>Director</i>	Stock Option	500,000	\$0.15	Apr25-22	\$0.31	\$0.16	\$80,000
Francisco Quiroz <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Jonathan Rubenstein <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Andres Tinajero <i>Director</i>	Stock Option	500,000	\$0.15	Apr21-22	\$0.275	\$0.125	\$62,500

For further details on the current stock option plan of the Company (the “**Stock Option Plan**”), please refer to “Summary of Stock Option Plan” below.

Named Executive Officer Employment and Consulting Agreements

Ruben Padilla

Ruben Padilla, the Company’s CEO and former Vice President, Exploration, is paid an annual base salary of \$246,000 in accordance with an Employment Agreement entered into between the Company and Mr. Padilla effective March 31, 2020 and amended January 1, 2021, January 17, 2022 and January 1, 2023. Mr. Padilla’s Employment Agreement includes a non-competition clause and provides for a termination payout equal to half the sum of the annual base salary and all earned and unpaid performance bonuses paid to Mr. Padilla in the year immediately preceding termination and in the event of a change of control, a termination payout equal to two times the sum of the annual base salary and all performance bonuses paid to Mr. Padilla in the complete fiscal year prior to the change of control.

Kelso Cartwright

Kelso Cartwright, the Company’s CFO, is paid annual fees of \$139,500 in accordance with a Consulting Agreement entered into between the Company and Mr. Cartwright effective June 17, 2020 and amended June 1, 2021 and January 1, 2023. Mr. Cartwright’s Consulting Agreement provides for a termination payout equal to half the sum of the monthly fees paid and unpaid performance bonuses paid to Mr. Cartwright in the year immediately preceding termination and in the event of a change of control, a termination payout equal to two

times the sum of all monthly fees and all performance bonuses paid to Mr. Cartwright in the complete fiscal year prior to the change of control.

Luis Arteaga

Luis Arteaga, the Company's Vice President Exploration, is paid annual fees of \$214,740 in accordance with a Consulting Agreement entered into between the Company and Consultation Indie Inc., a company owned 100% by Mr. Arteaga, effective November 1, 2021 and amended January 1, 2023. Mr. Arteaga's Consulting Agreement includes a non-competition clause and provides for a termination payout equal to half the sum of the monthly fees paid and unpaid performance bonuses paid to Mr. Arteaga in the year immediately preceding termination and in the event of a change of control, a termination payout equal to two times the sum of the monthly fees and all performance bonuses paid to Mr. Arteaga in the complete fiscal year prior to the change of control.

Other than outlined above, the Company has no other arrangements that provide for payments to its Named Executive Officers.

COMPENSATION DISCUSSION AND ANALYSIS

The Company's approach to executive compensation has been to provide suitable compensation for executives that is internally equitable, externally competitive and reflects individual achievement. The Company attempts to maintain compensation arrangements that will attract and retain highly qualified individuals who are able and capable of carrying out the objectives of the Company.

The Company's compensation arrangements for the Named Executive Officers may, in addition to salary, include compensation in the form of bonuses and, over a longer term, benefits arising from the grant of stock options. Given the stage of development of the Company, compensation of the Named Executive Officers currently emphasizes option awards with a reduced reliance on base salaries and bonuses. This policy may be re-evaluated in the future depending upon the future development of the Company and other factors which may be considered relevant by the board of directors (the "**Board**") from time to time.

The Company's Compensation and Nominating Committee (the "**CGN Committee**") establishes and reviews the Company's overall compensation philosophy and its general compensation policies with respect to executive officers, including the corporate goals and objectives and the annual performance objectives relevant to such officers. The Compensation and Nominating Committee evaluates each officer's performance in light these goals and objectives and, based on its evaluation, determines and makes recommendations to the Board with respect to the salary, bonus, options and other benefits for such officers. In determining compensation matters, the CGN Committee and the Board may consider a number of factors, including the Company's performance, the value of similar incentive awards to officers performing similar functions at comparable companies, the awards given in past years and other factors it considers relevant. The current overall objective of the Company's compensation strategy is to reward management for their efforts, while seeking to conserve cash given current market conditions. With respect to any bonuses or incentive plan grants which may be awarded to executive officers in the future, the Company has not currently set any objective criteria and will instead rely upon any recommendations and discussion at the Board level with respect to the above-noted considerations and any other matters which the Board may consider relevant on a going-forward basis, including the cash position of the Company.

Any existing options held by the Named Executive Officers at the time of subsequent option grants are taken into consideration in determining the quantum or terms of any such subsequent option grants. Options have been granted to directors, management, employees and certain service providers as long-term incentives to align the individual's interests with those of the Company. The size of the option awards is in proportion to the deemed ability of the individual to make an impact on the Company's success. See "Summary of Stock Option Plan" below.

COMPENSATION OF DIRECTORS

The Board is responsible for reviewing the compensation of directors to ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective director. The Board has established a cash compensation program for its non-executive directors with respect to general directors' duties, meeting attendance or for additional service on sub-committees of the Board. Effective October 1, 2020, at the recommendation of the CGN Committee, each director of the Company that is not also an executive officer is paid \$30,000 per year in quarterly installments, with the Chair of the Audit Committee receiving an additional \$10,000 per year and the Chair of the other sub-committees of the Board receiving an additional \$7,000 per year.

In addition to cash compensation, Directors are eligible to participate in the Company's Stock Option Plan. As of December 31, 2022, the Company had an aggregate of 21,785,000 outstanding options, of which 11,950,000 were issued to directors. See "Summary of Stock Option Plan".

Directors may also be compensated for services provided to the Company as consultants or experts on the same basis and at the same rate as would be payable if such services were provided by a third party, arm's length service provider. No such services were provided to the Company by any of its directors during fiscal 2022.

AUDIT COMMITTEE

Multilateral Instrument 52-110 – *Audit Committees* ("MI 52-110") requires the Company to disclose annually in its management information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

Audit Committee Charter

The Company's audit committee is governed by an audit committee charter, the text of which is attached as Schedule "A" to this Information Circular.

Composition of the Audit Committee

The Company's audit committee is comprised of Messrs. Tinajero, Harbort and Rubenstein. Each member of the audit committee is considered to be "independent", as defined in NI 52-110, other than Mr. Harbort who is not considered independent by virtue of his role as an executive officer of the Company. Each member of the audit committee is also considered to be "financially literate" which includes the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues of the Company.

Relevant Education and Experience

Andres Tinajero (Chair)

Mr. Tinajero has over 20 years of business experience, having supported a broad range of industries, including mining, manufacturing and technology. During the same period, he has served as CFO and Vice President of Finance of several medium sized public companies across Canada. He holds a degree in Business Administration and an MBA, and also is a member of the Chartered Professional Accountants Canada, the Certified Practicing Accountants of Australia and he is a Certified member of the Institute of Corporate Directors.

Brent Gilchrist

Mr. Gilchrist is an accomplished finance executive with extensive experience in private and public investments with over 20 years of experience. He is the President of JDS Resources Inc., the JDS Group of Companies' venture capital and private equity arm responsible for investment management, acquisitions, and project financing for

JDS Group of Companies opportunities. Mr. Gilchrist was the President and Co-founder of JDS Silver Inc., the owner, developer and operator of the Silvertip Mine located in Northern British Columbia that was sold to Coeur Mining in November 2017.

Jonathan Rubenstein

Mr. Rubenstein has over 40 years experience in the mining industry having served on numerous junior and senior company boards and through active engagement in the strategic, commercial, governance and government aspects affecting acquisitions, financings, exploration, permitting and development of several world class mining projects. In addition to being directly involved with asset acquisitions, joint venture agreements, and other deals involving governments, regulators, banks, contract negotiation, litigation and arbitration, and regulatory compliance management, he has also played key roles on special committees during M&A transactions that have totaled several billions of dollars in value. Mr. Rubenstein holds a B.A. from Oakland University, Rochester, Michigan, and a LLB from University of British Columbia.

Pre-Approval Policies and Procedures

The audit committee shall pre-approve all audit and non-audit services not prohibited by law to be provided by the independent auditors of the Company.

Audit Fees

The following chart summarizes the aggregate fees billed by the external auditors of the Company for professional services rendered to the Company for audit and non-audit related services for the fiscal years ended December 31, 2022 and 2021:

Type of Work	Fiscal Year Ended December 31, 2022	Fiscal Year Ended December 31, 2021
Audit fees ⁽¹⁾	\$115,000	\$90,000
Audit-related fees ⁽²⁾	Nil	Nil
Tax advisory fees ⁽³⁾	\$60,150	\$54,356
All other fees	Nil	Nil
Total	\$175,150	\$144,356

Notes:

1. Aggregate fees billed for the Company’s annual financial statements and services normally provided by the auditor in connection with the Company’s statutory and regulatory filings.
2. Aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company’s financial statements and are not reported as “Audit fees”, including: assistance with aspects of tax accounting, attest services not required by state or regulation and consultation regarding financial accounting and reporting standards.
3. Aggregate fees billed for tax compliance, advice, planning and assistance with tax for specific transactions.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Set forth below is a summary of securities issued and issuable under all equity compensation plans of the Company as at December 31, 2022. See also “Summary of Stock Option Plan”.

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders	21,785,000	\$0.18	6,851,490
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	21,785,000	\$0.18	6,851,490

SUMMARY OF STOCK OPTION PLAN

At the shareholders meeting held August 17, 2022, shareholders approved the adoption of the Company’s Amended and Restated Stock Option Plan (the “Stock Option Plan”) to comply with the TSXV updated Policy 4.4 – *Security Based Compensation*, effective as at November 24, 2021.

The Stock Option Plan provides for stock option grants to directors, officers and service providers from time to time. Up to such number of Common Shares as is equal to 10% of the aggregate number of issued and outstanding Common Shares from time to time may be reserved for issue upon the exercise of options granted pursuant to the Stock Option Plan.

The Stock Option Plan

The purpose of the Stock Option Plan is to attract, retain and motivate directors, officers, employees and other service providers by providing them with the opportunity, through share options, to acquire a proprietary interest in the Company and benefit from its growth.

The options are non-assignable and may be granted for a term not exceeding five years. Options may be granted under the Stock Option Plan only to directors, officers, employees and other service providers subject to the rules and regulations of applicable regulatory authorities and any Canadian stock exchange upon which the Common Shares may be listed or may trade from time to time. The total number of Common Shares which may be reserved for issuance to any one individual under the Stock Option Plan within any one-year period shall not exceed 5% of the outstanding issue. The maximum number of Common Shares which may be reserved for issuance to insiders under the Stock Option Plan, any other employer stock option plans or options for services, shall be 10% of the Common Shares issued and outstanding at the time of the grant (on a non-diluted basis). The maximum number of options which may be granted to insiders under the Stock Option Plan, together with any other previously established or proposed share compensation arrangements, within any one-year period shall be 10% of the outstanding issue.

The maximum number of stock options which may be granted to any one consultant under the Stock Option Plan, any other employer stock options plans or options for services, within any 12-month period, must not exceed 2% of the Common Shares issued and outstanding at the time of the grant (on a non-diluted basis). The maximum number of stock options which may be granted to any persons performing investor relations services

under the Stock Option Plan, any other employer stock options plans or options for services, within any 12-month period must not exceed, in the aggregate, 2% of the Common Shares issued and outstanding at the time of the grant (on a non-diluted basis).

The exercise price of options issued may not be less than \$0.05 or the “market price” (as defined in the Stock Option Plan) of the Common Shares at the time the option is granted, less any allowable discounts in accordance with the policies of the TSXV. The Stock Option Plan also provides, at the discretion of the board, to grant optionees a right to exercise their stock options on a “net exercise” (“Net Exercise”) basis, whereby the optionee does not make any cash payment to the Company for the exercise of their options and receives on exercise a number of shares equal to the in-the-money value of the Common Shares underlying the options (by reference to the volume weighted average trading price of those shares for the five trading days before exercise). The Net Exercise procedure may not be utilized by persons performing investor relations services.

A copy of the Stock Option Plan is set out in Schedule “B” attached hereto.

At the Meeting, shareholders will be asked to consider, and if deemed advisable, to pass an ordinary resolution in the form set forth in the section entitled “Particulars of Matters to be Acted Upon – Approval of the Amended and Restated Stock Option Plan”.

SUMMARY OF RESTRICTED SHARE UNIT PLAN

Shareholders approved a restricted share unit plan (the “**RSU Plan**”) on July 15, 2021. The purpose of the RSU Plan is to advance the interests of the Company and its subsidiaries by: (i) assisting the Company and its subsidiaries in attracting and retaining individuals with experience and ability; (ii) allowing certain directors, officers, employees and consultants of the Company and its subsidiaries to participate in the long term success of the Company; and (iii) promoting a greater alignment of interests between the employees designated under the RSU Plan (“**RSUP Participants**”) and the shareholders.

The following is a summary of the principal terms of the RSU Plan, which is qualified in its entirety by reference to the full text of the RSU Plan:

- The maximum number of Common Shares made available for issuance from treasury under the RSU Plan, subject to certain adjustments described in the RSU Plan, shall not exceed 5,000,000 Common Shares (representing approximately 2% of the total issued and outstanding Common Shares as of the Record Date on an undiluted basis). The number of Common Shares reserved for issuance from treasury under the RSU Plan and pursuant to all other security-based compensation arrangements of the Company and its subsidiaries shall, in the aggregate, not exceed 10% of the number of Common Shares then issued and outstanding.
- RSUP Participants are designated by the Board, or the CGN Committee if authorized by the Board, to oversee the RSU Plan, at the sole discretion and upon recommendation from the President and/or Chief Executive Officer. Persons providing investor relations activities are not eligible to participate in the RSU Plan. Restricted share units (“**RSUs**”) are granted to RSUP Participants at the discretion of the Board (or the CGN Committee, as applicable).
- The grant of RSUs under the RSU Plan is subject to a number of restrictions including but not limited to:
 - the aggregate number of Common Shares which may be reserved for issuance to “insiders” (as defined in the *Securities Act* (British Columbia)) under the RSU Plan and all other security-based compensation arrangements of the Company and its subsidiaries shall not, in the aggregate, exceed 10% of the issued and outstanding Common Shares, calculated on a non-diluted basis; and
 - during any one-year period, the Company shall not issue to “insiders” (as defined in the *Securities Act* (British Columbia)), under the RSU Plan and all other security-based compensation arrangements of

the Company and its subsidiaries, in the aggregate, a number of Common Shares exceeding 10% of the issued and outstanding Common Shares, calculated on a non-diluted basis.

- Whenever cash or other dividends are paid on Common Shares, additional RSUs will be automatically granted to each RSUP Participant who holds RSUs on the Record Date for such dividends. The number of such RSUs (rounded to the nearest whole RSU) to be credited to such RSUP Participant as of the date on which the dividend is paid on the Common Shares shall be an amount equal to the quotient obtained when (i) the aggregate value of the cash or other dividends that would have been paid to such RSUP Participant if his or her RSUs as of the Record Date for the dividend had been Common Shares, is divided by (ii) the Market Value (as defined in the RSU Plan) of the Common Shares as of the date on which the dividend is paid on the Common Shares. RSUs granted to a RSUP Participant by reason of cash or other dividends paid on Common Shares are subject to the same vesting conditions (time and performance, as applicable) as the RSUs to which they relate.
- Vesting and settlement provisions under the RSU Plan are as follows:
 - Subject to the discretion of the Board (or the CGN Committee, as applicable), RSUs will vest in their entirety over three years (one-third on each of the first, second and third anniversary of the date an RSU is awarded);
 - The RSUs may vest according to time and/or performance vesting conditions. The RSUs that are subject to the time vesting condition shall be deemed to have been 100% satisfied if the RSUP Participant is employed (or engaged for services or appointed to the Board, as applicable) by the Company and/or a subsidiary on the date specified in the Participation Agreement (as defined in the RSU Plan). The RSUs that are subject to the performance vesting condition(s) (as applicable) shall also vest on the date specified in the Participation Agreement, provided that such number of vested RSUs shall be multiplied by the performance percentage determined by the Board (or the CGN Committee, as applicable), all in accordance with the Participation Agreement;
 - Upon a Change of Control (as defined in the RSU Plan), all outstanding RSUs shall vest, irrespective of any performance vesting conditions; and
 - Following the vesting date, the RSUP Participant (or his or her successor), provided that he or she still qualifies as a RSUP Participant on such date, shall be entitled to settle the vested RSUs by selecting to receive (subject to the Board's (or the CGN Committee's) discretion to select the form) a payout with respect to the vested RSUs in the form of (i) Common Shares issued from treasury; (ii) a lump sum payment in cash; or (iii) any combination of the foregoing.
- RSUs will be adjusted to reflect changes affecting the Common Shares as a result of any stock dividend, stock split, combination or exchange of shares, merger, consolidation, recapitalization, amalgamation, plan of arrangement, reorganization, spin off or other distribution (other than normal cash dividends) of the Company's assets to Shareholders or any other change affecting the Common Shares.
- If a RSUP Participant ceases to be an employee or a consultant of the Company as a result of termination for cause, or as a result of a voluntary resignation, all of the RSUP Participant's outstanding RSUs, vested or unvested, will be terminated.
- If a RSUP Participant ceases to be an employee, a director or a consultant of the Company or a subsidiary as a result of death, termination not for cause, termination of services, retirement or Long-Term Disability (as defined in the RSU Plan), the time vesting component of RSUs will be subject to the following considerations:
 - In the event the RSUP Participant is not entitled to a Benefits Extension Period (as defined in the RSU Plan), then the time vesting component of each RSU grant will be *pro-rated* based on the number of days actually worked from the date of grant of such RSUs until the date of death, termination not for

cause, termination of services, retirement or Long-Term Disability, over the number of days in the original vesting schedule in relation to such RSU grant; and

- In the event the RSUP Participant is entitled to a Benefits Extension Period (as defined in the RSU Plan), then the time vesting component of each RSU grant will be *pro-rated* based on the sum of (i) the number of days actually worked from the date of grant up until the date of death, termination not for cause, termination of services, retirement or Long-Term Disability, and (ii) the number of days included in the Benefits Extension Period, over the number of days in the original vesting schedule in relation to such grant.
- If a RSUP Participant ceases to be an employee of the Company or a subsidiary as a result of death, termination not for cause, retirement or Long-Term Disability, the performance vesting component of RSUs will be subject to the following considerations:
 - In the event the RSUP Participant is not entitled to a Benefits Extension Period, then the performance vesting component of each RSU grant will be pro-rated based on the number of days actually worked from the date of grant until the date of death, termination not for cause, termination of services, retirement or Long-Term Disability, over the number of days in the original vesting schedule in relation to such grant; the number of vested RSUs resulting from such *pro-rated* calculation will be multiplied by the performance percentage determined by the Board (or the CGN Committee, as applicable); and
 - In the event the RSUP Participant is entitled to a Benefits Extension Period, then the performance vesting component of each RSU grant will be *pro-rated* based on the sum of (i) the number of days actually worked from the date of grant up until the date of death, termination not for cause, termination of services, retirement or Long-Term Disability, and (ii) the number of days included in the Benefits Extension Period, over the number of days of the original vesting schedule set forth in relation to such grant.
- A voluntary resignation will be considered as retirement if the RSUP Participant is an employee or consultant and has reached normal retirement age under the Company's benefit plans or policies, and if the RSUP Participant is a director and has resigned from the Board or did not stand for re-election as a director, unless the Board (or the CGN Committee, as applicable) decides otherwise at its sole discretion.
- Except as otherwise expressly provided for under the RSU Plan or pursuant to a will or by the laws of descent and distribution, no right or interest of an RSUP Participant is assignable or transferable.
- The Board (or the CGN Committee, as applicable) may from time to time amend, suspend or terminate the RSU Plan in whole or in part or amend the terms of RSUs credited in accordance with the RSU Plan. If any such amendment, suspension or termination will materially or adversely affect the rights of a RSUP Participant with respect to RSUs credited to such RSUP Participant, the written consent of such RSUP Participant to such amendment, suspension or termination shall be obtained. However, a RSUP Participant's written consent to an amendment, suspension or termination materially or adversely affecting his or her rights with respect to any credited RSUs will not be required if such amendment, suspension or termination is required in order to comply with applicable laws, regulations, rules, orders of government or regulatory authorities or the requirements of any stock exchange on which shares of the Company are listed.
- If the Board (or the CGN Committee, as applicable) terminates the RSU Plan, RSUs previously credited to RSUP Participants will remain outstanding and in effect and be settled in due course in accordance with the terms of the RSU Plan.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 of the Canadian Securities Administrators has set out a series of guidelines for effective corporate governance (the “**Guidelines**”). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. National Instrument 58-101 – *Disclosure of Corporate Governance Practice* (“**NI 58-101**”) requires the disclosure by each listed corporation of its approach to corporate governance with reference to the Guidelines as it is recognized that the unique characteristics of individual corporations will result in varying degrees of compliance.

Set out below is a description of the Company’s approach to corporate governance in relation to the Guidelines.

The Board of Directors

NI 58-101 defines an “independent director” as a director who has no direct or indirect material relationship with the Company. A “material relationship” is in turn defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with such member’s independent judgement. The Board is currently comprised of seven members, five of whom are considered “independent directors” within the meaning of NI 58-101.

As at May 31, 2023, Mr. Padilla, who also serves as the Company’s CEO, and Mr. Harbort, who served as an executive officer of the Company within the last three years, are not considered independent directors. Messrs. Gilchrist, Obradovich, Quiroz, Rubenstein and Tinajero are each considered independent directors since they are independent of management and free from any material relationship with the Company. The basis for this determination is that, since the beginning of the fiscal year ended December 31, 2022, none of Messrs. Gilchrist, Obradovich, Quiroz, Rubenstein nor Tinajero has worked for the Company, received material remuneration from the Company or had material contracts with or material interests in the Company which could interfere with his ability to act with a view to the best interests of the Company. The Board believes that it functions independently of management.

During the year ended December 31, 2022, the Board held three Board meetings with all members of the Board in attendance at each meeting. The members of the Audit Committee held four meetings, the members of the CGN Committee held three meetings and the members of the Safety and Environmental, Social and Governance (the “Safety and ESG Committee”) held two meetings, with all members of each committee present at each meeting. For the fiscal year ended December 31, 2022, in-camera meetings of the independent directors were held after each Board meeting and after three of the four Audit Committee meetings.

Directorships

The table below sets out the Company’s directors that currently also serve as directors of other reporting issuers (or equivalent).

Director	Other Reporting Issuer(s)
Brent Gilchrist	None
Terence Harbort	Talisker Resources Ltd.
Tom Obradovich	Conquest Resources Ltd.
Ruben Padilla	Minera Alamos Inc.
Francisco Quiroz	None
Jonathan Rubenstein	None
Andres Tinajero	Caprock Mining Corp.

Orientation and Continuing Education

While the Company currently has no formal orientation and education program for new Board members, sufficient information (such as recent financial statements, proxy solicitation materials, technical reports and various other operating, property and budget reports as well as governance policies) is provided to any new Board member to ensure that new directors are familiarized with the Company's business and the procedures of the Board. In addition, new directors are encouraged to visit and meet with management on a regular basis. The Company also encourages continuing education of its directors and officers where appropriate in order to ensure that they have the necessary skills and knowledge to meet their respective obligations to the Company.

Ethical Business

Given the small size of the Board and stage of development of the Company, the Board has determined that the fiduciary obligations placed on directors pursuant to applicable corporate laws are effective in ensuring ethical business conduct on the part of its directors.

Nomination of Directors

The Company formed a CGN Committee consisting of Messrs. Gilchrist, Obradovich and Rubenstein who are all independent directors. The CGN Committee is responsible for identifying individuals qualified to become new directors and recommending to the Board new director nominees for the next annual meeting of shareholders. 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, show support for the Company's mission and strategic objectives, and a willingness to serve.

While there are no specific criteria for Board membership, the Company attempts to attract and maintain directors with business knowledge and a particular knowledge of mineral exploration and development or other areas (such as finance) which provide knowledge which would assist in guiding the officers of the Company. As such, nominations tend to be the result of recruitment efforts by management of the Company and discussions among the directors prior to the consideration of the Board as a whole.

Compensation

The CGN Committee is responsible for reviewing the compensation paid for executive officers of companies of similar business, size and stage of development and determining an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Company. See also "Compensation Discussion and Analysis".

The CGN Committee also reviews the adequacy and form of compensation of the Company's directors, with a view to ensuring it realistically reflects the responsibilities and risks involved in being a director of the Company.

Assessments

The CGN Committee monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees.

Other Board Committees

In addition to the Audit Committee and the CGN Committee described above, the Company has a Safety and ESG Committee. The Safety and ESG Committee members include Messrs. Obraovich and Quiroz, who are independent directors, and Mr. Padilla, the Company's CEO.

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

Except as otherwise disclosed in this Information Circular, none of the directors or executive officers of the Company, no nominee for election as a director of the Company ("**Nominee**"), none of the persons who have been directors or executive officers of the Company since the commencement of the Company's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter of business to be acted upon at the Meeting, other than the consideration and approval of the Amended Plan for the Company in connection with which the directors and executive officers of the Company may continue to hold stock options and/or may be entitled to receive stock option grants in the future, all in accordance with the terms thereof. See "Particulars of Matters to be Acted Upon – Approval of Amended Plan".

CEASE TRADE ORDERS OR BANKRUPTCIES

No director or officer of the Company:

1. is, as at the date hereof, or has been, within 10 years before the date hereof, a director or executive officer of any company that,
 - a. while that person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation (each, an "**Order**"), for a period of more than 30 consecutive days; or
 - b. was subject to an Order that was issued, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of such Order, that resulted from an event that occurred while that person was acting as director or executive officer of that company;
2. has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
3. is, as at the date hereof, or has been within 10 years before the date hereof, 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, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
4. has been subject to:
 - a. any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian 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 securityholder in deciding whether to vote for a proposed director.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS TO THE COMPANY

No individual who is, or at any time during the most recently completed financial year of the Company was, a director, executive officer, employee or former director, executive officer or employee of the Company, a Nominee, or any of their associates, is indebted to the Company or any subsidiary of the Company as of May 31, 2023 or was so indebted at any time during the last completed fiscal year of the Company, nor have any such individuals been or are they currently indebted to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement provided by the Company or any subsidiary of the Company.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company maintains liability insurance for the directors and officers of the Company. The Company's policy of insurance is currently in effect until March 2, 2024. An annual premium of \$32,585 has been paid by the Company. No portion of the premium is directly paid by any of the directors or officers of the Company. The aggregate insurance coverage under the policy for both directors and officers is limited to \$10,000,000 with a \$50,000 deductible (which is paid by the Company). No claims have been made or paid to date under such policy.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No director, executive officer, shareholder beneficially owning or exercising control or direction over (directly or indirectly) more than 10% of the Common Shares, or Nominee, and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the beginning of the Company's last completed fiscal year or in any proposed transaction which, in either such case, has materially affected or will materially affect the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Financial Statements

The shareholders will receive and consider the audited consolidated financial statements of the Company for the fiscal year ended December 31, 2022 together with the auditor's report thereon.

2. Election of Directors

The Board currently consists of seven directors. At the Meeting, shareholders will be invited to elect seven directors. Each director holds office until the next annual meeting or until his or her successor is duly elected or appointed unless his or her office is earlier vacated in accordance with the Company's by-laws. On any ballot that may be called for in the election of directors, the persons named in the enclosed form of proxy intend to cast the votes to which the Common Shares represented by such proxy are entitled for each of the proposed Nominees whose names are set forth below, unless the shareholder who has given such proxy has directed that the Common Shares be otherwise voted or withheld from voting in respect of the election of any such Nominees. Management does not contemplate that any of the Nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for other Nominees at their discretion.

The following table sets out the name of each of the Nominees, all positions and offices in the Company held by each of them, the principal occupation or employment of each of them for the past five years, the year in which each was first elected a director of the Company and the approximate number of Common Shares that each has advised are beneficially owned or subject to his or her control or direction (directly or indirectly):

Name and Province of Residence	Position	Principal Occupation	Director Since	Number of Common Shares Held or Controlled ⁽¹⁾
Tom Obradovich Ontario, Canada	Chair	Former President and CEO, Sable Resources Ltd. (2016 to February 2020); Director, Conquest Resources Ltd. since October 2020; former Director, Sanatana Resources Inc. (April 2021 to March 2023), Talisker Resources Ltd. (April 2019 to November 2020), Barkerville Gold Mines Ltd. (April 2015 to November 2019) and Dalradian Resources Inc. (May 2011 to September 2018).	2016	4,812,667
Brent Gilchrist ⁽³⁾ British Columbia, Canada	Director	Mr. Gilchrist is an accomplished finance executive with extensive experience in private and public investments. He is the President of JDS Resources Inc., the JDS Group of Companies' venture capital and private equity arm responsible for investment management, acquisitions, and project financing for JDS Group of Companies opportunities. Mr. Gilchrist was the President and Co-founder of JDS Silver Inc., the owner, developer and operator of the Silvertip Mine located in northern British Columbia. Brent managed the sale transaction of JDS Silver to Coeur Mining in November 2017. Mr. Gilchrist is a former director of Talisker Resources Ltd. (April 2019 to February 2023).	2016	6,374,000
Terence Harbort ⁽²⁾ Ontario, Canada	Director and VP, Corporate Development	President and CEO, Talisker Resources Ltd. since April 2019; Co-Founder and Vice President, Exploration, Talisker Exploration Services Inc., a private exploration consulting company since December 2010; former Vice President, Corporate Development of the Company (March 2017 to September 2022); former Director, TDG Gold Corp. (December 2020 to October 2022), Millennial Precious Metals Corp. (April 2021 to May 2023) and IDM Mining Ltd. (October 2017 to March 2019); former Chief Geoscientist, Barkerville Gold Mines Ltd. (September 2015 to November 2019).	2017	5,482,167
Ruben Padilla Arizona, USA	Director, President and CEO	President and CEO of the Company since February 2020; former Vice President, Exploration of the Company from July 2017 to February 2020); Chief Geologist, Talisker Exploration Services Inc., a private exploration consulting company since January 2010; Director, Minera Alamos Inc. since June 2017; former Director, Millennial Precious Metals Corp. (April 2021 to May 2023), Unigold Inc. (September 2015 to October 2020); former Vice President, Exploration, Talisker Resources Ltd. (April 2019 to February 2020).	2020	4,371,667
Francisco Quiroz Sonora, Mexico	Director	Mr. Quiroz is the current President of Sapuchi Minera (since September 2020), a subsidiary of Osisko Development Corp. He has extensive experience in mineral exploration and the mining industry gained through senior positions at BHP Billiton Ltd., Fresnillo Plc, Hochschild	2021	Nil

Name and Province of Residence	Position	Principal Occupation	Director Since	Number of Common Shares Held or Controlled ⁽¹⁾
		Mining Plc among other major and junior companies.		
Jonathan Rubenstein ⁽²⁾⁽³⁾ Vancouver, Canada	Director	Former Director, GR Silver Mining Ltd. (September 2020 to February 2022); former Chair, MAG Silver Corp. (February 2007 to June 2020); former Director, Roxgold Inc. (2012 to 2021), New Oproeru Resources Inc. (2020 to 2021), Eldorado Gold Corporation (2009 to 2018), Dalradian Resources Inc. (2013 to 2018) and Detour Gold Corporation (2009 to 2018).	2020	50,000
Andres Tinajero ⁽²⁾⁽³⁾ Ontario, Canada	Director	Chief Financial Officer, Talisker Resources Ltd. (formerly Eurocontrol Technics Group Inc.) since August 2012; Director, Caprock Mining Corp. since December 2021; former Director, Nutritional High International Inc. (April 2017 to November 2019); and former CFO, Millennial Precious Metals (April 2021 to May 2023) and Barkerville Gold Mines Ltd. (July 2015 to November 2019).	2017	892,500

Notes:

- (1) The information as to Common Shares beneficially owned (directly or indirectly) or over which the Nominees exercise control or direction has been furnished by the respective Nominees individually.
- (2) Member of the Audit Committee of the Company.
- (3) Member of the CGN Committee of the Company.

The management representatives named in the attached form of proxy intend to vote the Common Shares represented by such proxy in favour of the election of the Nominees set forth in this Information Circular unless a shareholder specifies in the proxy that his or her Common Shares are to be withheld from voting in respect of such resolution.

3. Appointment of Auditors

The directors propose to nominate BDO Canada LLP, the present auditors, as the auditors of the Company to hold office until the close of the next annual meeting of shareholders. BDO Canada LLP were first appointed auditors effective December 12, 2017.

In the past, the directors have negotiated with the auditors of the Company on an arm's length basis in determining the fees to be paid to the auditors. Such fees have been based on the complexity of the matters in question and the time incurred by the auditors. The directors believe that the fees negotiated in the past with the auditors of the Company were reasonable and, in the circumstances, would be comparable to fees charged by other auditors providing similar services.

In order to appoint BDO Canada LLP as auditors of the Company to hold office until the close of the next annual meeting, and authorize the directors to fix the remuneration thereof, a majority of the votes cast at the Meeting must be voted in favour thereof.

The management representatives named in the attached form of proxy intend to vote in favour of the appointment of BDO Canada LLP as auditors of the Company and in favour of authorizing the directors to fix the remuneration of the auditors, unless a shareholder specifies in the proxy that his or her Common Shares are to be withheld from voting in respect of the appointment of auditors and the fixing of their remuneration.

4. Approval of Stock Option Plan

The Stock Option Plan was last approved by shareholders at the annual and special meeting of the Company held on August 17, 2022. Options may be granted in respect of authorized and unissued Common Shares, provided that the aggregate number of Common Shares reserved for issuance upon the exercise of all options granted under the Stock Option Plan shall not exceed 10% of the total number of Common Shares issued and outstanding from time to time. Underlying Common Shares in respect of which options are not exercised because the relevant options expire or are cancelled, shall be available for issue upon the exercise of subsequent grants of options. An aggregate of 19,410,000 Common Shares (representing approximately 6.8% of the issued and outstanding Common Shares as of May 31, 2023) are currently reserved for issuance pursuant to options granted under the Stock Option Plan and the Company may grant an additional 9,246,489 options under the Stock Option Plan (representing approximately 3.2% of the issued and outstanding Common Shares as of May 31, 2023). See also “Summary of Stock Option Plan” above.

“BE IT RESOLVED THAT:

1. The Stock Option Plan of the Company as described in, and attached as Schedule “B” to, the Management Information Circular dated May 31, 2023, and the reservation for issuance thereunder of up to 10% of the aggregate number of Common Shares of the Company as are issued and outstanding from time to time, is hereby approved, ratified and confirmed; and
2. Any one or more directors or officers of the Company be and are hereby authorized, for and on behalf of the Company, to execute and deliver all other documents and instruments and do all such acts or things, and making all necessary filings with applicable regulatory bodies and stock exchanges, as such directors or officers may determine to be necessary or disable to carry out the foregoing resolutions.”

The Board has concluded that re-approval of the Stock Option Plan is in the best interest of the Company and its shareholders. Accordingly, the Board recommends that shareholders vote in favour of the Stock Option Plan resolution. **Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote IN FAVOUR OF the approval of the Amended Plan Resolution.**

ADDITIONAL INFORMATION

Financial information is provided in the audited financial statements of the Company for the year ended December 31, 2022 and in the related management discussion and analysis and filed at www.sedar.com.

Additional information relating to the Company is available on SEDAR at www.sedar.com and is available upon request from the Company’s Secretary, Charlotte May at 416-471-3366 or via email at charlotte.may@sableresources.com. To request copies of the Company’s financial statements and management’s discussion and analysis, Shareholders may also contact the Company at its principal office address at 999 West Hastings Street, Suite 900, Vancouver, British Columbia V6C 2W2. Copies of documents will be provided free of charge to security holders of the Company.

APPROVAL

The contents and the sending of this Information Circular have been approved by the directors of the Company.

DATED: May 31, 2023.

(Signed) “Thomas Obradovich”

Thomas Obradovich
Chair

SCHEDULE "A"

SABLE RESOURCES LIMITED

CHARTER OF THE AUDIT COMMITTEE

This Charter has been adopted by the Board in order to comply with the Multilateral Instrument 52-110 and to more properly define the role of the Audit Committee (the "Committee") in the oversight of the financial reporting process of Sable Resources Limited (the "Corporation"). Nothing in this Charter is intended to restrict the ability of the Board or Committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

PART 1

Purpose

The purpose of the Committee is to:

- a) significantly improve the quality of the Corporation's financial reporting;
- b) assist the Board to properly and fully discharge its responsibilities;
- c) provide an avenue of enhanced communication between the Board and external auditors;
- d) enhance the external auditor's independence;
- e) increase the credibility and objectivity of financial reports; and
- f) strengthen the role of the outside members of the Board by facilitating in depth discussions between Members, management and external auditors.

1.1 Definitions

"accounting principles" has the meaning ascribed to it in National Instrument 52-107 – *Acceptable Accounting Principles and Auditing Standards*;

"Affiliate" shall have the meaning ascribed thereto in the Instrument;

"audit services" means the professional services rendered by the Corporation's external auditor for the audit and review of the Corporation's financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements;

"Board" means the board of directors of the Corporation;

"Charter" means this audit committee charter;

"Corporation" means Sable Resources Limited;

"Committee" means the audit committee established by and among certain members of the Board for the purpose of overseeing the accounting and financial reporting processes of the Corporation and audits of the financial statements of the Corporation;

"Control Person" means any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of the Corporation so as to affect materially the control of the Corporation, or

that holds more than 20% of the outstanding voting shares of the Corporation, except where there is evidence showing that the holder of those securities does not materially affect control of the Corporation;

“executive officer” means an individual who is:

- a) a chair of the Corporation;
- b) a vice-chair of the Corporation;
- c) a president of the Corporation;
- d) a vice-president in charge of a principal business unit, division or function including sales, finance or production;
- e) an officer of the Corporation or any of its subsidiary entities who performs a policy-making function in respect of the Corporation; or
- f) any other individual who performs a policy-making function in respect of the Corporation;

“financially literate” has the meaning set forth in Section 1.3;

“immediate family member” means a person’s spouse, parent, child, sibling, mother or father-in-law, son or daughter-in-law, brother or sister-in-law, and anyone (other than an employee of either the person or the person’s immediate family member) who shares the individual’s home;

“independent” has the meaning set forth in Section 1.2;

“Instrument” means Multilateral Instrument 52-110;

“MD&A” has the meaning ascribed to it in the National Instrument;

“Member” means a member of the Committee;

“National Instrument 51-102” means National Instrument 51-102 – *Continuous Disclosure Obligations*;

“non-audit services” means services other than audit services;

1.2 Meaning of Independence

1. A Member is independent if the Member has no direct or indirect material relationship with the Corporation, all as determined in accordance with the Instrument.
2. For the purposes of subsection 1, a material relationship means a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a Member’s independent judgement.

1.3 Meaning of Financial Literacy - For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

PART 2

2.1 Audit Committee – The Board has hereby established the Committee for, among other purposes, compliance with the Instrument.

2.2 Relationship with External Auditors – The Corporation will henceforth require its external auditor to report directly to the Committee and the Members shall ensure that such is the case.

2.3 Committee Responsibilities

1. The Committee shall be responsible for making the following recommendations to the Board:
 - a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation; and
 - b) the compensation of the external auditor.
2. The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting.

This responsibility shall include:

- a) reviewing the audit plan with management and the external auditor;
- b) reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgements of management that may be material to financial reporting;
- c) questioning management and the external auditor regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
- d) reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
- e) reviewing audited annual financial statements, in conjunction with the report of the external auditor, and obtaining an explanation from management of all significant variances between comparative reporting periods;
- f) reviewing the post-audit or management letter, containing the recommendations of the external auditor, and management's response and subsequent follow up to any identified weakness;
- g) reviewing interim unaudited financial statements before release to the public;
- h) reviewing all public disclosure documents containing audited or unaudited financial information before release, including any prospectus, the annual report, the annual information form and management's discussion and analysis;
- i) reviewing any evaluation of internal controls by the external auditor, together with management's response;
- j) reviewing the terms of reference of the internal auditor, if any;
- k) reviewing the reports issued by the internal auditor, if any, and management's response and subsequent follow up to any identified weaknesses; and

- l) reviewing the appointments of the Chief Financial Officer and any key financial executives involved in the financial reporting process, as applicable.
- 3. The Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the issuer's external auditor.
- 4. The Committee shall review the Corporation's financial statements, MD&A and annual and interim earnings press releases before the Corporation publicly discloses this information.
- 5. The Committee shall ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and shall periodically assess the adequacy of those procedures.
- 6. When there is to be a change of auditor, the Committee shall review all issues related to the change, including the information to be included in the notice of change of auditor called for under National Policy 31, and the planned steps for an orderly transition.
- 7. The Committee shall review all reportable events, including disagreements, unresolved issues and consultations, as defined in the National Instrument, on a routine basis, whether or not there is to be a change of auditor.
- 8. The Committee shall, as applicable, establish procedures for:
 - a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and
 - b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.
- 9. The Committee shall establish, periodically review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer.
- 10. The responsibilities outlined in this Charter are not intended to be exhaustive. Members should consider any additional areas which may require oversight when discharging their responsibilities.

2.4 De Minimis Non-Audit Services - The Committee shall satisfy the pre-approval requirement in subsection 2.3(3) if:

- a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Corporation and its subsidiary entities to the issuer's external auditor during the fiscal year in which the services are provided;
- b) the Corporation or the subsidiary entity of the Corporation, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
- c) the services are promptly brought to the attention of the Committee and approved by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee, prior to the completion of the audit.

2.5 Delegation of Pre-Approval Function

- 1. The Committee may delegate to one or more independent Members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection 2.3(3).

2. The pre-approval of non-audit services by any Member to whom authority has been delegated pursuant to subsection 1 must be presented to the Committee at its first scheduled meeting following such pre-approval.

PART 3

3.1 Composition

1. The Committee shall be composed of a minimum of three Members.
2. Every Member shall be a director of the issuer.
3. The majority of Members shall be independent.
4. Every audit committee member shall be financially literate.

PART 4

4.1 Authority – Until the replacement of this Charter, the Committee shall have the authority to:

- a) engage independent counsel and other advisors as it determines necessary to carry out its duties,
- b) set and pay the compensation for any advisors employed by the Committee,
- c) communicate directly with the internal and external auditors; and
- d) recommend the amendment or approval of audited and interim financial statements to the Board.

PART 5

- 5.1 **Disclosure in Information Circular** -- If management of the Corporation solicits proxies from the security holders of the Corporation for the purpose of electing directors to the Board, the Corporation shall include in its management information circular the disclosure required by Form 52-110F2 (*Disclosure by Venture Issuers*). If the Corporation is not required to send a management information circular to its security holders, it must provide the disclosure required by Form 52-110F2 in its annual information form or annual MD&A.

PART 6

6.1 Meetings

1. Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly.
2. Opportunities shall be afforded periodically to the external auditor, the internal auditor, if any, and to members of senior management to meet separately with the Members.
3. Minutes shall be kept of all meetings of the Committee.

Approved: October 24, 2018

SCHEDULE "B"

AMENDED AND RESTATED STOCK OPTION PLAN

1. PURPOSE

The purpose of this stock option plan (the "**Plan**") is to authorize the grant to Eligible Persons (as such term is defined below) of Sable Resources Ltd. (the "**Corporation**") of options to purchase common shares ("**shares**") of the Corporation's capital and thus benefit the Corporation by enabling it to attract, retain and motivate Eligible Persons by providing them with the opportunity, through share options, to acquire an increased proprietary interest in the Corporation.

2. ADMINISTRATION

The Plan shall be administered by the board of directors of the Corporation or a committee established by the board of directors for that purpose (the "**Committee**"). Subject to approval of the granting of options by the board of directors or Committee, as applicable, the Corporation shall grant options under the Plan.

3. SHARES SUBJECT TO PLAN

Subject to adjustment under the provisions of paragraph 13 hereof, the aggregate number of shares of the Corporation which may be issued and sold under the Plan will not exceed such number of shares as is equal to 10% of the aggregate number of shares issued and outstanding from time to time. The total number of shares which may be issued or reserved for issuance to any one individual under the Plan within any one year period shall not exceed 5% of the outstanding issue. The Corporation shall not, upon the exercise of any option, be required to issue or deliver any shares prior to (a) the admission of such shares to listing on any stock exchange on which the Corporation's shares may then be listed, and (b) the completion of such registration or other qualification of such shares under any law, rules or regulation as the Corporation shall determine to be necessary or advisable. If any shares cannot be issued to any optionee for whatever reason, the obligation of the Corporation to issue such shares shall terminate and any option exercise price paid to the Corporation shall be returned to the optionee.

4. LIMITS WITH RESPECT TO INSIDERS

- a. The maximum aggregate number of shares which may be issuable to insiders (as a group) pursuant to all security based compensation, including options issuable under the Plan, shall be 10% of the shares issued and outstanding (on a non-diluted basis) at any point in time, unless the Corporation has obtained the requisite disinterested shareholder approval in accordance with TSX-V policy.
- b. The maximum aggregate number of shares which may be granted to insiders (as a group) pursuant to all security based compensation granted or issued, including options granted or issued under the Plan, within any 12 month period shall be 10% of the outstanding issue, calculated as at the date any security based compensation is granted or issued to any insider, unless the Corporation has obtained the requisite disinterested shareholder approval in accordance with TSX-V policy.

5. ELIGIBILITY

Options shall be granted only to Eligible Persons, any registered savings plan established by an Eligible Person or any corporation wholly-owned by an Eligible Person. The term "**Eligible Person**" means:

- a. a senior officer or director of the Corporation or any of its subsidiaries;

- b. either:
- i. an individual who is considered an employee under the *Income Tax Act* (Canada), as amended (the “**Tax Act**”),
 - ii. an individual who works full-time for the Corporation providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source, or
 - iii. an individual who works for the Corporation on a continuing and regular basis for a minimum amount of time per week (the number of hours should be disclosed in the submission) providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source, any such individual, an “**Employee**”;
- c. an individual employed by a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual (a “**Company**”) which individual is providing management services to the Corporation through such Company, or an individual (together with a Company, a “**Person**”) providing management services directly to the Corporation, which management services are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a Person engaged in Investor Relations Activities (as hereafter defined) (a “**Management Company Employee**”);
- d. an individual (or a company or partnership of which the individual is an employee, shareholder or partner), other than an Employee, Management Company Employee, director or senior officer, who:
- i. provides ongoing consulting services to the Corporation or an Affiliate of the Corporation under a written contract other than services provided in relation to a Distribution (as defined in the policies of the TSX-V);
 - ii. possesses technical, business or management expertise of value to the Corporation or an Affiliate of the Corporation;
 - iii. spends a significant amount of time and attention on the business and affairs of the Corporation or an Affiliate of the Corporation;
 - iv. has a relationship with the Corporation or an Affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation; and
 - v. does not engage in Investor Relations Activities (as hereafter defined) any such individual, a “**Consultant**”;
- e. an individual (or a company or partnership of which the individual is an employee, shareholder or partner), other than an Employee, Management Company Employee, director or senior officer, that falls within the definition of Consultant contained in subsections 5(d)(i) through (iv) which provides Investor Relations Activities (an “**Investor Relations Consultant**”); or
- f. a Person that falls within the definition of Eligible Person contained in any of subsections 5(a), (b) or (d) which provides Investor Relations Activities (an “**Investor Relations Person**”).

For purposes of the foregoing, a Company is an “**Affiliate**” of another Company if: (a) one of them is the subsidiary of the other; or (b) each of them is controlled by the same Person.

The term “**Investor Relations Activities**” means any activities or oral or written communications, by or on behalf of the Corporation or shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:

- a. the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation:
 - i. to promote the sale of products or services of the Corporation, or
 - ii. to raise public awareness of the Corporation,
 - iii. that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;
- b. activities or communications necessary to comply with the requirements of:
 - i. applicable securities laws, policies or regulations,
 - ii. the rules, and regulations of the TSX Venture Exchange (“**TSX-V**”) or the by-laws, rules or other regulatory instruments of any other self regulatory body or exchange having jurisdiction over the Corporation;
 - iii. communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
 - (1) the communication is only through the newspaper, magazine or publication, and
 - (2) the publisher or writer received no commission or other consideration other than for acting in the capacity of publisher or writer; or
- c. activities or communications that may be otherwise specified by the TSX-V.

For stock options to Employees, Consultants, Management Company Employees or Investor Relations Persons, the Corporation and the optionee must each represent that the optionee is a *bona fide* Employee, Consultant, Management Company Employee or Investor Relations Person as the case may be. The terms “insider”, “controlled” and “subsidiary” shall have the meanings ascribed thereto in the *Securities Act* (Ontario) from time to time. Subject to the foregoing, the board of directors or Committee, as applicable, shall have full and final authority to determine the persons who are to be granted options under the Plan and the number of shares subject to each option.

6. LIMITS WITH RESPECT TO CONSULTANTS AND INVESTOR RELATIONS PERSONS

- a. The maximum number of stock options which may be granted to any one Consultant under the Plan, any other employer stock options plans or options for services, within any 12 month period, must not exceed 2% of the shares issued and outstanding at the time of the grant (on a non-diluted basis).
- b. The maximum number of stock options which may be granted to Investor Relations Persons under the Plan, any other employer stock options plans or options for services, within any 12 month period must not exceed, in the aggregate, 2% of the shares issued and outstanding at the time of the grant (on a non-diluted basis).

7. PRICE

The purchase price (the “**Price**”) for the shares of the Corporation under each option shall be determined by the board of directors or Committee, as applicable, on the basis of the market price, where “market price” shall mean the prior trading day closing price of the shares of the Corporation on any stock exchange on which the shares are listed or last trading price on the prior trading day on any dealing network where the shares trade, and where there is no such closing price or trade on the prior trading day, “market price” shall mean the average of the daily high and low board lot trading prices of the shares of the Corporation on any stock exchange on which the shares are listed or dealing network on which the shares of the Corporation trade for the five (5) immediately preceding trading days, provided that in the event the shares are listed on the TSX-V, the Price may be the market price less any discounts from the market price allowed by the TSX-V, subject to a minimum price of \$0.05. In the event the shares are not listed on any exchange and do not trade on any dealing network, the market price will be determined by the board of directors. The approval of disinterested shareholders will be required for any reduction in the Price, or extension of the term, of a previously granted option to an insider of the Corporation.

8. PERIOD OF OPTION AND RIGHTS TO EXERCISE

Subject to the provisions of this paragraph 8 and paragraphs 10, 11 and 18 below, options will be exercisable in whole or in part, and from time to time, during the currency thereof. Options shall not be granted for a term exceeding five years. Subject to paragraph 9 below, the shares to be purchased upon each exercise of any option (the “**optioned shares**”) shall be paid for in full at the time of such exercise. Except as provided in paragraphs 10, 11 and 18 below, no option which is held by a service provider may be exercised unless the optionee is then a service provider for the Corporation.

9. NET EXERCISE RIGHT

Subject to the rules and policies of the TSX-V, and except with respect to options held by Investor Relations Persons, the board of directors may, in its discretion and at any time, determine to grant an optionee the alternative, when entitled to exercise an option, upon such terms and conditions as the board of directors may determine in its discretion, the right (the “**Net Exercise Right**”), in lieu of the right to exercise an option with a cash payment, to exercise such option in whole or in part on a “net exercise” basis without a cash payment, and, in lieu of receiving the shares to which such exercised option relates, to receive the number of shares (the “**option shares**”), disregarding fractions, which is equal to the quotient obtained by dividing:

- a. the product of the number of options being exercised multiplied by the difference between the volume weighted average trading price of the shares listed on the TSX-V (calculated by dividing the total value by the total volume of such securities traded for the five trading days immediately preceding the applicable reference date) (the “**VWAP**”) of the underlying shares and the exercise price of the options; by
- b. the VWAP of the underlying shares on the date of exercise,

and, where the optionee is subject to the Tax Act in respect of the option to the extent permissible, the Corporation shall make the election provided for in subsection 110(1.1) of the Tax Act.

For greater certainty, the number of shares determined by the above formula may be reduced by that amount of tax obligations, being all withholding required under any governing tax law with respect to the payment of any amount with respect to the exercise of an option, applicable to the receipt of the option shares.

If an optionee exercises a Net Exercise Right in connection with an option, it is exercisable only to the extent and on the same conditions that the related option is exercisable under this Plan.

10. CESSATION OF PROVISION OF SERVICES

Subject to paragraph 11 below, if any optionee who is a service provider shall cease to be an Eligible Person of the Corporation for any reason (whether or not for cause) the optionee may, but only within the period of ninety days (unless such period is extended by the board of directors or the Committee, as applicable, to a maximum of one year next succeeding such cessation, and approval is obtained from the stock exchange on which the shares of the Corporation trade where required), or thirty days if the Eligible Person is an Investor Relations Person (unless such period is extended by the board of directors or the Committee, as applicable, to a maximum of one year next succeeding such cessation, and approval is obtained from the stock exchange on which the shares of the Corporation trade where required), next succeeding such cessation and in no event after the expiry date of the optionee's option, exercise the optionee's option unless such period is extended as provided in paragraph 11 below.

11. DEATH OF OPTIONEE

In the event of the death of an optionee during the currency of the optionee's option, the option theretofore granted to the optionee shall be exercisable within, but only within, the period of one year next succeeding the optionee's death. Before expiry of an option under this paragraph 11, the board of directors or Committee, as applicable, shall notify the optionee's representative in writing of such expiry.

12. NON-ASSIGNABILITY AND NON-TRANSFERABILITY OF OPTION

An option granted under the Plan shall be non-assignable and non-transferable by an optionee otherwise than by will or by the laws of descent and distribution, and such option shall be exercisable, during an optionee's lifetime, only by the optionee.

13. ADJUSTMENTS IN SHARES SUBJECT TO PLAN

The aggregate number and kind of shares available under the Plan shall be appropriately adjusted in the event of a reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, rights offering or any other change in the corporate structure or shares of the Corporation. The options granted under the Plan may contain such provisions as the board of directors, or Committee, as applicable, may determine with respect to adjustments to be made in the number and kind of shares covered by such options and in the option price in the event of any such change. If there is a reduction in the exercise price, or extension of the term, of the options of an insider of the Corporation, the Corporation will be required to obtain approval from disinterested shareholders.

14. AMENDMENT AND TERMINATION OF THE PLAN

The board of directors or Committee, as applicable, may at any time amend or terminate the Plan, but where amended, such amendment is subject to regulatory approval.

15. EFFECTIVE DATE OF THE PLAN

The Plan becomes effective on the date of its approval by the shareholders of the Corporation.

16. EVIDENCE OF OPTIONS

Each option granted under the Plan shall be embodied in a written option agreement between the Corporation and the optionee which shall give effect to the provisions of the Plan.

17. EXERCISE OF OPTION

Subject to the provisions of the Plan and the particular option, an option may be exercised from time to time by delivering to the Corporation at its registered office a written notice of exercise specifying the number of

shares with respect to which the option is being exercised and accompanied by payment in cash or certified cheque for the full amount of the purchase price of the shares then being purchased.

Alternatively, subject to the provisions of the Plan, the particular option, and the rules and policies of the TSX-V, an option may be exercised in connection with an optionee's (except for optionees who are Investor Relations Persons) exercise of his or her Net Exercise Right from time to time by delivering to the Corporation at its registered office (i) a written notice specifying that the optionee is exercising his or her Net Exercise Right in respect of a certain number of his or her options, and (ii) the payment of an amount for any tax withholding or remittance obligations of the optionee or the Corporation arising under applicable law and verified by the Corporation to its satisfaction (or by entering into some other arrangement acceptable to the Corporation in its discretion, if any).

Upon receipt of a certificate of an authorized officer directing the issue of shares purchased under the Plan, the transfer agent is authorized and directed to issue and countersign share certificates for the optioned shares or the option shares, as applicable, in the name of such optionee or the optionee's legal personal representative or as may be directed in writing by the optionee's legal personal representative.

18. VESTING RESTRICTIONS

Options issued under the Plan may vest at the discretion of the board of directors or Committee, as applicable, provided that if required by any stock exchange on which the shares of the Corporation trade, options issued to Investor Relations Consultants must vest in stages over not less than 12 months with no more than one-quarter (1/4) of the options vesting in any three month period.

19. NOTICE OF SALE OF ALL OR SUBSTANTIALLY ALL SHARES OR ASSETS

If at any time when an option granted under this Plan remains unexercised with respect to any optioned shares:

- a. the Corporation seeks approval from its shareholders for a transaction which, if completed, would constitute an Acceleration Event; or
- b. a third party makes a bona fide formal offer or proposal to the Corporation or its shareholders which, if accepted, would constitute an Acceleration Event;

the Corporation shall notify the optionee in writing of such transaction, offer or proposal as soon as practicable and, provided that the board of directors or Committee, as applicable, has determined that no adjustment shall be made pursuant to section 12 hereof, (i) the board of directors or Committee, as applicable, may permit the optionee to exercise the option granted under this Plan, as to all or any of the optioned shares in respect of which such option has not previously been exercised (regardless of any vesting restrictions), during the period specified in the notice (but in no event later than the expiry date of the option), so that the optionee may participate in such transaction, offer or proposal; and (ii) the board of directors or Committee, as applicable, may require the acceleration of the time for the exercise of the said option and of the time for the fulfilment of any conditions or restrictions on such exercise.

For these purposes, an Acceleration Event means:

- a. the acquisition by any "offeror" (as defined in National Instrument 62-104) of beneficial ownership of more than 50% of the outstanding voting securities of the Corporation, by means of a take-over bid or otherwise;
- b. any consolidation or merger of the Corporation in which the Corporation is not the continuing or surviving corporation or pursuant to which shares of the Corporation would be converted into cash, securities or other property, other than a merger of the Corporation in which shareholders immediately prior to the merger have the same proportionate ownership of stock of the surviving corporation immediately after the merger;

- c. any sale, lease exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Corporation; or
- d. the approval by the shareholders of the Corporation of any plan of liquidation or dissolution of the Corporation.

20. RIGHTS PRIOR TO EXERCISE

An optionee shall have no rights whatsoever as a shareholder in respect of any of the optioned shares (including any right to receive dividends or other distributions therefrom or thereon) other than in respect of optioned shares in respect of which the optionee shall have exercised the option to purchase hereunder and which the optionee shall have actually taken up and paid for.

21. TAX MATTERS

The Corporation shall have the power and the right to deduct or withhold, or require an optionee to remit to the Corporation, the required amount to satisfy federal, provincial and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of the Plan, including the grant or exercise of any stock option granted under the Plan. With respect to any required withholding, the Corporation shall have the irrevocable right to, and the optionee consents to, the Corporation setting off any amounts required to be withheld, in whole or in part, against amounts otherwise owing by the Corporation to the optionee (whether arising pursuant to the optionee's relationship as a director, officer, employee or consultant of the Corporation or otherwise), or may make such other arrangements that are satisfactory to the optionee and the Corporation. In addition, the Corporation may elect, in its sole discretion, to satisfy the withholding requirement, in whole or in part, by withholding such number of shares issuable upon exercise of the stock options as it determines are required to be sold by the Corporation, as trustee, to satisfy any withholding obligations net of selling costs. The optionee consents to such sale and grants to the Corporation an irrevocable power of attorney to effect the sale of such shares issuable upon exercise of the stock options and acknowledges and agrees that the Corporation does not accept responsibility for the price obtained on the sale of such shares issuable upon exercise of the stock options.

22. GOVERNING LAW

This Plan shall be construed in accordance with and be governed by the laws of the Province of Ontario and shall be deemed to have been made in said Province, and shall be in accordance with all applicable securities laws.

23. EXPIRY OF OPTION

On the expiry date of any option granted under the Plan, and subject to any extension of such expiry date permitted in accordance with the Plan, such option hereby granted shall forthwith expire and terminate and be of no further force or effect whatsoever as to such of the optioned shares in respect of which the option has not been exercised.

