



**Annual & Special Meeting of Shareholders**

**September 5, 2024**

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**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 Thursday, September 5, 2024 at 10:00 a.m. (Vancouver time). The Meeting will be held at Suite 2200, 885 West Georgia 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, 2023, together with the report of the auditors thereon;
2. to fix the number of directors to be elected at the Meeting at five;
3. to elect directors;
4. to appoint auditors and to authorize the directors to fix their remuneration;
5. to consider, and if thought advisable, approve the Company's stock option plan; and
6. 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 August 6, 2024 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 9<sup>th</sup> day of August, 2024.

BY ORDER OF THE BOARD OF DIRECTORS

*(Signed) "Ruben Padilla"*

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Ruben Padilla, Director and CEO

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 10:00 a.m. (Vancouver time) on Tuesday, September 3, 2024 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**

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**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 September 5, 2024, 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 August 9, 2024, 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 10:00 a.m. (Vancouver time) on Tuesday, September 3, 2024.**

**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 10:00 a.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 August 6, 2024 (the “**record date**”) will be entitled to vote at the Meeting or at any adjournment thereof, either in person or by proxy. As of August 9, 2024, the Company had 287,064,898 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 August 9, 2024, 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:

<b>By Mail or Hand Delivery:</b>	TSX Trust Company Suite 301 100 Adelaide Street West Toronto, Ontario M5H 4H1
<b>By Fax:</b>	416-595-9593
<b>By Internet:</b>	<a href="http://www.voteproxyonline.com">www.voteproxyonline.com</a>  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, 2023 and 2022 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, 2023 (the “Named Executive Officers”); and (ii) the directors of the Company for the fiscal year ended December 31, 2023. For the fiscal year ended December 31, 2023, 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, 2023 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 <sup>(1)</sup>	Total Compensation
Ruben Padilla <sup>(2)</sup> <i>Director, President and CEO</i>	2023	\$246,000	\$29,520	Nil	\$32,639	\$48,500	\$356,659
	2022	\$229,680	\$57,375	Nil	\$23,201	\$42,000	\$352,256
Tom Obradovich <sup>(3)</sup> <i>Director and former President and CEO</i>	2023	Nil	Nil	\$50,000	Nil	\$15,725	\$65,725
	2022	Nil	Nil	\$50,004	Nil	\$23,400	\$73,404
Kelso Cartwright <sup>(4)</sup> <i>CFO</i>	2023	\$153,000	\$21,600	Nil	Nil	\$40,650	\$215,250
	2022	\$130,000	\$32,500	Nil	Nil	\$31,500	\$194,000
Luis Arteaga <sup>(5)</sup> <i>Vice President, Exploration</i>	2023	\$214,500	\$25,750	Nil	Nil	\$40,650	\$280,890
	2022	\$200,000	\$50,000	Nil	Nil	\$31,500	\$281,500
Brent Gilchrist <sup>(6)</sup> <i>Director</i>	2023	Nil	Nil	\$37,000	Nil	\$13,875	\$50,875
	2022	Nil	Nil	\$37,000	Nil	\$21,000	\$58,000
Terry Harbort <sup>(7)</sup> <i>Director</i>	2023	Nil	Nil	\$30,000	Nil	\$13,875	\$43,875
	2022	\$72,000	Nil	\$7,500	Nil	\$21,000	\$100,500
Francisco Quiroz <sup>(8)</sup> <i>Director</i>	2023	Nil	Nil	Nil	Nil	\$13,875	\$13,875
	2022	Nil	Nil	Nil	Nil	\$21,000	\$21,000
Jonathan Rubenstein <sup>(9)</sup> <i>Director</i>	2023	Nil	Nil	\$30,000	Nil	\$13,875	\$43,875
	2022	Nil	Nil	\$30,000	Nil	\$21,000	\$51,000
Andres Tinajero <sup>(10)</sup> <i>Director</i>	2023	Nil	Nil	\$40,000	Nil	\$13,875	\$53,875
	2022	Nil	Nil	\$40,000	Nil	\$22,200	\$62,200

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 2023 was \$0.037 and for the options granted in 2022, \$0.06. 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 2023 and 2022 is \$48,000 and \$42,000 relating to the value of 500,000 options granted in each of 2023 and 2022, respectively and calculated as per (1) above and 500,000 RSUs granted in 2023, valued at the closing price of the Company’s shares on the date of issuance, being \$0.06 on December 19, 2023.
- Included in Other Compensation for Tom Obradovich for 2023 and 2022 is \$15,725 and \$23,400 relating to the value of 425,000 and 390,000 options granted in 2023 and 2022, respectively, each calculated as per (1) above.
- Included in Other Compensation for Kelso Cartwright for 2023 and 2022 is \$40,650 and \$31,500 relating to the value of 450,000 and 525,000 options granted in 2023 and 2022, respectively, and calculated as per (1) above and 400,000 RSUs granted in 2023, valued at the closing price of the Company’s shares on the date of issuance, being \$0.06 on December 19, 2023.

5. Included in Other Compensation for Luis Arteaga for 2023 and 2022 is \$40,650 and \$31,500 relating to the value of 450,000 and 525,000 options granted in 2023 and 2022, respectively, and calculated as per (1) above and 400,000 RSUs granted in 2023, valued at the closing price of the Company's shares on the date of issuance, being \$0.06 on December 19, 2023.
6. Included in Other Compensation for Brent Gilchrist for 2023 and 2022 is \$13,875 and \$21,000 relating to the value of 375,000 and 350,000 options granted in 2023 and 2022, each calculated as per (1) above.
7. Included in Terry Harbort's compensation for 2022 are fees for the position of Vice President, Corporate Development, a position he held until September 30, 2022. Including in Other Compensation for 2023 and 2022 is \$13,875 and \$21,000 relating to the value of 375,000 and 350,000 options granted in each of 2023 and 2022, each calculated as per (1) above.
8. Included in Other Compensation for Francisco Quiroz for 2023 and 2022 is \$13,875 and \$21,000 relating to the value of 375,000 and 350,000 options granted in 2023 and 2022 calculated as per (1) above.
9. Included in Other Compensation for Jonathan Rubenstein for 2023 and 2022 is \$13,875 and \$21,000 relating to the value of 375,000 and 350,000 options granted in 2023 and 2022, each calculated as per (1) above.
10. Included Other Compensation for Andres Tinajero for 2023 and 2022 is \$13,875 and \$22,200 relating to the value of 375,000 and 370,000 options granted in 2023 and 2022, 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, 2023.

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 <sup>(1)</sup> <i>Director, President and CEO</i>	Stock options	500,000	Dec 19-23	\$0.07	\$0.06	\$0.05	Dec 19-28
Tom Obradovich <sup>(2)</sup> <i>Director</i>	Stock options	425,000	Dec 19-23	\$0.07	\$0.06	\$0.05	Dec 19-28
Kelso Cartwright <sup>(3)</sup> <i>CFO</i>	Stock options	450,000	Dec 19-23	\$0.07	\$0.06	\$0.05	Dec 19-28
Luis Arteaga <sup>(4)</sup> <i>Vice President, Exploration</i>	Stock options	450,000	Dec 19-23	\$0.07	\$0.06	\$0.05	Dec 19-28
Brent Gilchrist <sup>(5)</sup> <i>Director</i>	Stock options	375,000	Dec 19-23	\$0.07	\$0.06	\$0.05	Dec 19-28
Terry Harbort <sup>(6)</sup> <i>Director and VP, Corporate Development</i>	Stock options	375,000	Dec 19-23	\$0.07	\$0.06	\$0.05	Dec 19-28
Francisco Quiroz <sup>(7)</sup> <i>Director</i>	Stock options	375,000	Dec 19-23	\$0.07	\$0.06	\$0.05	Dec 19-28
Jonathan Rubenstein <sup>(8)</sup> <i>Director</i>	Stock options	375,000	Dec 19-23	\$0.07	\$0.06	\$0.05	Dec 19-28
Andres Tinajero <sup>(9)</sup> <i>Director</i>	Stock options	375,000	Dec 19-23	\$0.07	\$0.06	\$0.05	Dec 19-28

Notes:

1. As of December 31, 2023, Mr. Padilla held an aggregate of 3,240,000 stock options.
2. As of December 31, 2023, Mr. Obradovich held an aggregate of 2,435,000 stock options.
3. As of December 31, 2023, Mr. Cartwright held an aggregate of 2,155,000 stock options.
4. As of December 31, 2023, Mr. Arteaga held 2,395,000 stock options.
5. As of December 31, 2023, Mr. Gilchrist held an aggregate of 1,705,000 stock options.
6. As of December 31, 2023, Mr. Harbort held an aggregate of 1,635,000 stock options.
7. As of December 31, 2023, Mr. Quiroz held an aggregate of 1,125,000 stock options.
8. As of December 31, 2023, Mr. Rubenstein held an aggregate of 1,735,000 stock options.
9. As of December 31, 2023, Mr. Tinajero held an aggregate of 1,625,000 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, 2023.

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>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Kelso Cartwright <i>CFO</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Brent Gilchrist <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Terry Harbort <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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>	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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 \$180,000 in accordance with a Consulting Agreement entered into between the Company and Mr. Cartwright effective June 17, 2020 and amended June 1, 2021, January 1, 2023 and September 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 \$214,500 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 "**CN 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 CN 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 CN 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 Stock Option Plan. As of December 31, 2023, the Company had an aggregate of 22,210,000 outstanding options, of which 10,260,000 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 2023.

## AUDIT COMMITTEE

National Instrument 52-110 – *Audit Committees* ("**NI 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 a 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 currently 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 former 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. See also "*Particulars of Matters to be Acted Upon – Election of Directors*".

### **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 an LL.B. from the 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, 2023 and 2022:

<b>Type of Work</b>	<b>Fiscal Year Ended December 31, 2023</b>	<b>Fiscal Year Ended December 31, 2022</b>
Audit fees <sup>(1)</sup>	\$130,000	\$115,000
Audit-related fees <sup>(2)</sup>	\$12,000	Nil
Tax advisory fees <sup>(3)</sup>	Nil	\$60,150
All other fees	Nil	Nil
<b>Total</b>	<b>\$152,000</b>	<b>\$175,150</b>

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, 2023. 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	22,210,000 (Options) <sup>(1)</sup> 1,300,000 (RSUs) <sup>(2)</sup>	\$0.15	5,146,490
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>Total</b>	<b>23,510,000</b>	<b>\$0.15</b>	<b>5,146,490</b>

**Notes:**

- (1) The Stock Option Plan is a “rolling” stock option plan whereby the maximum number of Common Shares that may be reserved for issuance pursuant to the Stock Option Plan (and all other share-based compensation arrangements of the Company) will not exceed 10% of the issued and outstanding Common Shares at the time of the stock option grant.
- (2) Under the RSU Plan, the maximum number of Common Shares that may be reserved for issuance pursuant to the RSU Plan (and all other share-based compensation arrangements of the Company) is up to 10% of the number of issued and outstanding Common Shares at the time of the RSU grant.

### SUMMARY OF STOCK OPTION PLAN

At the shareholders meeting held August 17, 2022, shareholders initially approved the adoption of the Stock Option Plan to comply with the TSXV’s updated Policy 4.4 – *Security Based Compensation*. The Stock Option Plan was also approved at the shareholders meeting held on June 27, 2023.

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.

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 CN 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 CN 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 CN 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 CN 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 CN 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 CN 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 CN 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 CN 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 CN 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 August 9, 2024, 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, 2023, 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, 2023, 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 CN Committee held two meetings with all members of each committee present at the meeting. There were no meetings of the Safety and Environmental, Social and Governance Committee in the fiscal year ended December 31, 2023. For the fiscal year ended December 31, 2023, in camera meetings of the independent directors were held after each meeting of the Board and the Audit Committee.

### **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 CN Committee consisting of Messrs. Gilchrist, Obradovich and Rubenstein who are all independent directors. The CN 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 CN 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 CN 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 CN 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 CN Committee described above, the Company has a Safety and ESG Committee. The Safety and ESG Committee members include Messrs. Obradovich and Quiroz, who are independent directors, and Mr. Padilla, the Company's CEO.

See also "*Particulars of Matters to be Acted Upon – Election of Directors*".

## **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 Stock Option Plan*”.

## **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 August 9, 2024 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, 2025. An annual premium of \$27,400 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, 2023 together with the auditor’s report thereon.

### **2. FIXING THE NUMBER OF DIRECTORS**

At the Meeting, Shareholders will be asked to elect five directors. Accordingly, Shareholders will be asked to consider and, if deemed advisable, to approve an ordinary resolution, in substantially the form set out below, fixing the number of directors. To be effective, the resolution fixing the number of directors requires the

affirmative vote of not less than a majority of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

**“BE IT RESOLVED, AS AN ORDINARY RESOLUTION, that the number of directors to be elected at the Meeting to hold office for the ensuing year or otherwise as authorized by the Shareholders of the Company be and is hereby fixed at five.”**

The Board recommends that Shareholders vote in favour of the resolution fixing the number of directors. Unless authority to do so is withheld, the persons named in the form of proxy intend to vote FOR the resolution fixing the number of directors. **Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote IN FAVOUR OF the resolution fixing the number of directors.**

### **3. ELECTION OF DIRECTORS**

The Board currently consists of seven directors. At the Meeting, shareholders will be invited to elect five 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 or proposed to be 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).

**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.**

<b>Name and Province of Residence</b>	<b>Position</b>	<b>Principal Occupation</b>	<b>Director Since</b>	<b>Number of Common Shares Held or Controlled <sup>(1)</sup></b>
Mary Little <sup>(2)</sup> <sup>(3)</sup> Santiago, Chile	Nominee	Geological Consultant; Director, Capella Minerals Ltd. since May 2018, Tinka Resources Ltd. since March 2016, Pure Energy Minerals Ltd. since March 2015 and Sandstorm Gold Royalties Ltd. since June 2014.	Nominee	Nil
Ruben Padilla <sup>(4)</sup> 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

Name and Province of Residence	Position	Principal Occupation	Director Since	Number of Common Shares Held or Controlled <sup>(1)</sup>
Andrés Pérez <sup>(3)</sup> Chihuahua, Mexico	Nominee	Founder Partner and Chairman, Molina, Hanff & Pérez-Howlet SC since 2006.	Nominee	Nil
Francisco Quiroz <sup>(2)(4*)</sup> Sonora, Mexico	Director	President, 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 Mining Plc among other major and junior companies.	2021	Nil
Robert Shaw <sup>(2)(3*)(4)</sup> British Columbia, Canada	Nominee	Founder, Montero Minerals Ltd., a private company focused on gold and copper exploration in Colombia since June 2021; Director, Fortune Bay Corp. since October 2020; former CEO and Director, Colorado Resources Ltd. (February 2018 to June 2019); former President, Western Canada Greenfields Group, a private mineral exploration company focused on British Columbia's golden triangle (March 2016 to January 2018).	Nominee	450,167

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 each of the respective Nominees.
  - (2) Proposed member of the Audit Committee. Each proposed member of the Audit Committee is considered to be “independent” and “financially literate” as defined in NI 52-110.
  - (3) Proposed member of the CN Committee.
  - (4) Proposed member of the Safety and ESG Committee.
- \* Chair.

The following are brief profiles of each Nominee.

*Mary Little – Proposed Director*

Mary Little has over 25 years of experience in the exploration and evaluation of epithermal precious metals deposits, porphyry and sediment-hosted mineral environments, including 15 years based in Latin America. Mary was the founding CEO of Mirasol Resources Ltd., a precious metals exploration company focused in Latin America, where she led Mirasol's growth as a prospect generator and its corporate development activities from 2003 to 2014. Prior to this, she held exploration and leadership positions such as business development manager and country manager for major mining companies, including Cyprus Amax, WMC Ltd. and Newmont Exploration. Mary serves as a board member of Capella Minerals Ltd., Pure Energy Minerals Limited, Sandstorm Gold Royalties Ltd. and Tinka Resources Limited, and on the Council of the Society of Economic Geologists. She holds a Master of Science degree in Earth Sciences from the University of California and an MBA from the University of Colorado.

*Andrés Pérez – Proposed Director*

Andres Perez has over 18 years of experience as a lawyer specializing in mining law in Mexico. He is the founding Partner and Chairman of Molina, Hanff & Pérez-Howlet, SC, a law firm specializing in mining law since 2006 and former Director of Contracts and Procedures with the Office of the Attorney General of the Republic of Mexico and Advisor to the Chief Official of the Officer of the Attorney General of the Republic of Mexico. He holds a Masters degree in Public Administration and Public Policies from the Monterrey Institute of Technology and Higher Education, Mexico, a Masters in Administration from the University of Chihuahua, Mexico and a Law Degree from the University of Chihuahua, Mexico. In addition to his legal practice, Andrés has served on City Council of the City of Chihuahua as President of the Finance and Planning Commission and as Deputy counselor

of the State Electoral Institute of Chihuahua and he was a Substitute of Federal Congressional LVIII Legislature and as an Advisor of the Chihuahua State Government.

*Francisco (Barry) Quiroz – Director*

Barry Quiroz is the President of Sapuchi Minera, a subsidiary of Osisko Development Corp. Barry has extensive experience within the exploration and mining industry and held several senior management positions with BHP, BHP-Billiton, Hochschild, and Fresnillo Plc. He has worked as Country Manager and Vice President Exploration on a variety of programs and projects in North, Central and South America, Australia, China, and Mongolia. Barry has overseen the design, management, and executions of numerous explorations programs with expertise in the structuring and implementation of successful exploration strategies, project assessment, and management of exploration teams in a wide variety of cultures. He was responsible for the gold and silver discovery at Cieneguita, Mexico and through his work at Escondida, Chile he was instrumental for the Porphyry Copper deposits discovered at the Escondida district. Barry Quiroz obtained a BSc in Geology from the Universidad Autonoma de Chihuahua in Mexico and a MSc degree in the field of Economic Geology from the University of Arizona in Tucson, Arizona.

*Ruben Padilla – Director, President and CEO*

Ruben Padilla has over 35 years' experience in mineral exploration and a member of exploration teams that have discovered over 47 M ounces of gold on the discoveries of the Colosa and Gramalote deposits in Colombia, and the Lynx deposit in the Windfall camp in Quebec. He proposed for first time the exploration concept that led to the discovery of the La Escondida East Cu-Mo-Au deposit in Chile. Prior to joining Sable, Ruben spent several years building on a solid track record that included nine years as an independent consultant, seven years with Anglo Gold Ashanti as Country Manager, Peru and Colombia and Chief Geologist for South America, 13 years with BHP as Senior Geologist in Mexico, Chile and Peru, and two years as assistant of the global VP of exploration based on San Francisco, three years exploration geologist in Fresnillo, Mexico and three years as underground geologist in San Eulalia, Mexico. Ruben is the founder and chief geologist for Talisker Exploration Services Inc., a private consulting company to the mining industry. Ruben holds a PhD from the University of Arizona. Ruben is a director of Minera Alamos Inc.

*Robert Shaw – Proposed Director*

Robert Shaw holds a Master of Science in Economic Geology from the University of Alberta (1990) and has accumulated over 35 years of mineral exploration experience throughout the Americas. With Gold Star Resources/Cambior Inc., he worked with the generative and development teams at Omai (Guyana) and Gros Rosebel (Suriname). He was a founding member and Exploration Manager with Metallica Resources Inc. (Cerro San Pedro, Mexico; Gramalote, Colombia; Mara Rosa, Brasil; El Morro-La Fortuna, Chile). In Perú he was co-founder of Compañía Minera Phosphex, responsible for re-discovery of the giant Mantaro phosphate deposits (Sprott Resource Corp.-Stonegate Agricom). With AngloGold Ashanti he served as Chief Geologist, Colombia and Consultant for the Americas, and was a formulative member of the generative team which identified and advanced numerous projects including Gramalote, La Colosa and La Quebradona, which presently contain drill indicated resources exceeding 40 million ounces of gold. He also served as Editor and lead author for a major Springer Nature volume (2019) describing the geology, tectonics and metallogeny of the northern Andean region. Most recently, Robert has served as co-founder and director of the Western Canada Greenfields Group and Montero Minerals Ltd., private companies dedicated to generative greenfields exploration throughout North and South America.

## **Corporate Cease Trade Orders, Penalties or Bankruptcies**

### *Cease Trade Orders*

No proposed director of the Company (including any personal holding company of a director) is, or within the ten years prior to the date of this Information Circular has been:

- (a) a director, chief executive officer, or, chief financial officer of any company, including the Company, that while that person was acting in that capacity, was the subject of a cease trade order or similar order, including a management cease trade order whether or not that person was named in such order, or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- (b) a director, chief executive officer, or, chief financial officer of any company, including the Company, that was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days that was issued after that person ceased to be a director, chief executive officer or chief financial officer of the company and which resulted from an event that occurred while that person was acting in the capacity of director, chief executive officer or chief financial officer of the company; or
- (c) director or executive officer of any company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

*Individual Bankruptcies*

No proposed director of the Company has, within the ten years prior to the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been 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 that individual.

*Penalties and Sanctions*

No proposed director of the Company has, within the past 10 years been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a directors of the Company.

**Directorships**

The following Nominees hold directorships in other reporting issuers as set out below:

<b>Director Nominee</b>	<b>Other Reporting Issuer(s)</b>
Mary Little	Capella Minerals Ltd., Pure Energy Minerals Limited, Sandstorm Gold Royalties Ltd. and Tinka Resources Ltd.
Andrés Pérez	None
Francisco Quiroz	None
Ruben Padilla	Minera Alamos Inc.
Robert Shaw	Fortune Bay Corp.

**4. 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 June 27, 2023. 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 19,610,000 Common Shares (representing approximately 6.8% of the issued and outstanding Common Shares as of August 9, 2024) are currently reserved for issuance pursuant to options granted under the Stock Option Plan and the Company may grant an additional 7,796,489 options under the Stock Option Plan (representing approximately 2.7% of the issued and outstanding Common Shares as of August 9, 2024). See also “*Summary of Stock Option Plan*” above.

**“BE IT RESOLVED THAT:**

1. The Stock Option Plan of the Company as described in the Information Circular dated August 9, 2024, 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 Stock Option Plan.**

#### **ADDITIONAL INFORMATION**

Financial information is provided in the audited financial statements of the Company for the year ended December 31, 2023 and in the related management discussion and analysis and filed at [www.sedarplus.ca](http://www.sedarplus.ca).

Additional information relating to the Company is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and is available upon request from the Company’s Secretary, Charlotte May at 416-471-3366 or via email at [charlotte.may@sableresources.com](mailto: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:** August 9, 2024.

*(Signed) "Ruben Padilla"*

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Ruben Padilla  
Director and CEO



## 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

