

NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

ANNUAL GENERAL MEETING OF SHAREHOLDERS

OF

XAU RESOURCES INC.

to be held on

September 16, 2024

at 11:00 AM (Toronto time)

at 66 Wellington Street West, TD Bank Tower, Suite 4100, Toronto, Ontario M5K 1B7

This Management Information Circular and Proxy Statement is furnished in connection with the solicitation of proxies by the management of XAU Resources Inc. to be voted at the Annual General Meeting to be held on September 16, 2024 at the time and place and for the purposes set out in the accompanying Notice of Annual General Meeting and at any adjournments thereof.

XAU RESOURCES INC.

NOTICE OF ANNUAL GENERAL MEETING OF THE SHAREHOLDERS

TAKE NOTICE THAT an annual general meeting (the “**Meeting**”) of the shareholders of XAU RESOURCES INC. (the “**Corporation**”) will be held at 11:00 AM (Toronto time) on September 16, 2024 at the offices of WeirFoulds LLP, 66 Wellington Street West, TD Bank Tower, Suite 4100, Toronto, Ontario M5K 1B7, for the following purposes:

1. to receive the financial statements of the Corporation as at and for the year ended October 31, 2023, together with the report of the auditors thereon;
2. to elect the board of directors of the Corporation to serve until the next annual meeting of the shareholders or until their successors are duly elected or appointed;
3. to appoint the auditors of the Corporation for the ensuing year and to authorize the directors of the Corporation to determine the remuneration to be paid to the auditors;
4. to consider and, if deemed advisable, to pass, with or without variation, a resolution of shareholders of the Corporation, in accordance with the requirements of the TSX Venture Exchange, confirming and approving the stock option plan of the Corporation; and
5. to transact such other business as may properly come before the Meeting.

Information relating to matters to be acted upon by the shareholders at the Meeting is set forth in the accompanying Management Information Circular.

Only shareholders of record as at the close of business on August 12, 2024 (the “**Record Date**”) are entitled to receive notice of the Meeting.

SHAREHOLDERS ARE ENCOURAGED TO VOTE BY PROXY IN ADVANCE OF THE MEETING BY DATING, SIGNING AND RETURNING THE ACCOMPANYING INSTRUMENT OF PROXY in accordance with the instructions set forth in the accompanying Management Information Circular and Instrument of Proxy. An Instrument of Proxy will not be valid unless it is deposited with the Corporate Secretary of the Corporation, c/o TSX Trust Company, 100 Adelaide Street West, Suite 301, Toronto Ontario, M5H 4H1, in the enclosed self-addressed envelope, or by facsimile to 416-595-9593 or by email at tsxtrustproxyvoting@tmx.com, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time of the Meeting, or any adjournment thereof. A person appointed as proxy holder need not be a shareholder of the Corporation.

If you are a Beneficial Shareholder of the Corporation and received these materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan, or other similar self-administered savings or investment plan registered under the Income Tax Act (Canada), or a nominee of any of the foregoing that holds your security on your behalf (the “**Intermediary**”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

SHAREHOLDERS ARE CAUTIONED THAT THE USE OF THE MAIL TO TRANSMIT PROXIES IS AT EACH SHAREHOLDER’S RISK.

DATED this 12th day of August, 2024.

BY ORDER OF THE BOARD OF DIRECTORS

“Gary Bay”

GARY BAY, CHIEF EXECUTIVE OFFICER AND A DIRECTOR

XAU RESOURCES INC.

MANAGEMENT INFORMATION CIRCULAR

(Unless otherwise stated, information contained herein is given as of August 12, 2024)

GENERAL PROXY MATTERS

This Management Information Circular is furnished in connection with the solicitation of proxies by the management of XAU Resources Inc. (the “**Corporation**”) for use at the Annual General Meeting of the holders (the “**Shareholders**”) of common shares (“**Common Shares**”) of the Corporation to be held at 11:00 AM (Toronto time) on September 16, 2024 (the “**Meeting**”), for the purposes set forth in the Notice of Annual General Meeting (the “**Notice**”) accompanying this Management Information Circular. Solicitation of proxies will be primarily by mail, but may also be undertaken by way of telephone, facsimile or oral communication by the directors, officers and regular employees of the Corporation, at no additional compensation. Costs associated with the solicitation of proxies will be borne by the Corporation. Only a registered holder of Common Shares as recorded in the securities register of the Corporation (a “**Registered Shareholder**”), or the persons they appoint as their proxyholders, are permitted to vote at the Meeting.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are directors and/or officers of the Corporation. **Each Registered Shareholder has the right to appoint a person or company, who need not be a shareholder of the Corporation, 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 Registered 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. The completed proxy should be delivered to: c/o TSX Trust Company, 100 Adelaide Street West, Suite 301, Toronto Ontario, M5H 4H1, or by facsimile to 416-595-9593 or by email at tsxtrustproxyvoting@tmx.com, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the time set for the Meeting or any adjournment thereof.**

A Registered 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 office denoted herein at any time up to and including 4:00 p.m. (Toronto 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

Common 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 Common Shares will be voted or withheld from voting in accordance with the specifications so made. Where Registered 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 Common Shares represented thereby, such Common Shares will be voted in favour of the passing of the matters set forth in the Notice of Meeting.** The enclosed form of proxy confers discretionary authority with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters that may properly come before the Meeting. At the date hereof, management of the Corporation 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 Corporation should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.

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

Except as disclosed in this Management Information Circular, none of the directors or executive officers of the Corporation at any time since the beginning of the Corporation's last financial year, nor any proposed nominee for election as a director of the Corporation, nor any 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 to be acted on, other than the election of directors or the appointment of auditors.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Voting Shares and Record Date

The authorized share capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of preferred shares. The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting is August 12, 2024 (the "**Record Date**"). As at the Record Date, there were 12,611,500 Common Shares and no preferred shares issued and outstanding as fully paid and non-assessable.

Common Shares

The holders of Common Shares are entitled to notice of and to vote at all Annual General Meetings of Shareholders and are entitled to one vote per Common Share. The holders of Common Shares are entitled, upon dissolution, to receive the remaining property of the Corporation.

Principal Holders of Common Shares

To the knowledge of the directors and officers of the Corporation, the only persons as at the date hereof who, beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the Common Shares, are as follows:

Name	Type of Ownership	Number and Class of securities owned, controlled or directed	Percentage of Class
Peter Hambro ⁽¹⁾	Direct and Indirect	2,509,689 Common Shares ⁽²⁾	19.90%
Jay Hambro	Direct	1,438,311 Common Shares	11.40%
Pavel Maslovskiy ⁽³⁾	Direct	1,332,000 Common Shares	10.56%

Notes:

- (1) Peter Hambro is a director of the Corporation.
- (2) 1,177,689 Common Shares are held through Catopriam Ltd. Mr. Hambro has a beneficial ownership interest in Catopriam Ltd.
- (3) Pavel Maslovskiy is a former director of the Corporation.

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 beneficial (non-registered) Shareholder (a "**Beneficial Shareholder**"), and the Corporation 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**") (such as a bank, trust company or securities broker) holding on your behalf.

If you have received the Corporation's form of proxy, you may return it to TSX Trust Company: (i) by mail at: Attention: Corporate Secretary of the Corporation, c/o TSX Trust Company, 100 Adelaide Street West, Suite 301, Toronto Ontario, M5H 4H1, in the enclosed self-addressed envelope, or by facsimile to 416-595-9593 or by email at tsxtrustproxyvoting@tmx.com.

"Objecting beneficial owners" (as defined in NI 54-101) 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 Beneficial Shareholders to direct the voting of the Common Shares they beneficially own. Should a Beneficial Shareholder who receives either form of proxy wish to vote at the Meeting in person, the Beneficial Shareholder should strike out the persons named in the form of proxy and insert the Beneficial Shareholder's name in the blank space provided. Beneficial Shareholders 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 Corporation is not using the "notice-and-access" provisions of NI 54-101 in connection with the delivery of the meeting materials in respect of the Meeting. The Corporation is sending such meeting materials directly to "non-objecting beneficial owners" in accordance with NI 54-101, and does not intend to pay for intermediaries to deliver such meeting materials to "objecting beneficial owners" as defined in NI 54-101.

STATEMENT OF EXECUTIVE COMPENSATION - VENTURE ISSUERS

The following information, dated as of October 31, 2023, is provided in accordance with Form 51-102F6V - *Statement of Executive Compensation - Venture Issuers*, for the financial year ended October 31, 2023 and October 31, 2022.

General

The purpose of the following is to provide information about the Corporation's philosophy, objectives and processes regarding compensation of the Corporation's directors and for the following executive officers of the Corporation (referred to herein as "**Named Executive Officers**"):

- (a) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;

- (c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Corporation, and was not acting in a similar capacity, at the end of that financial year.

The Named Executive Officers of the Corporation during the last completed fiscal year of the Corporation commencing November 1, 2022 and ending on October 31, 2023 (“**Fiscal 2023**”) and for the fiscal year of the Corporation commencing on November 1, 2021 and ending on October 31, 2022 (“**Fiscal 2022**”) were Gairat Gary Bay, President, Chief Executive Officer and a director of the Corporation, and Andrey Maruta, Chief Financial Officer and Corporate Secretary of the Corporation. There were no other Named Executive Officers during Fiscal 2022 or Fiscal 2023.

Gairat Gary Bay, Peter Hambro, Alexey Maslovskiy, Dr. Nataliya Hearn, Dan Hrushewsky and Danièle Spethmann (June 14, 2022 to present) served as directors of the Corporation during Fiscal 2022 and Fiscal 2023. Alexey Maslovskiy resigned as a director of the Corporation on March 30, 2022.

The description of the Corporation’s compensation philosophy and objectives and the elements of such compensation during Fiscal 2022 and Fiscal 2023 are set forth below.

Director and Named Executive Officer Compensation

Director and Named Executive Officer Compensation, Excluding Stock Options and Other Compensation Securities

The following table sets forth information concerning the total compensation (other than the compensation disclosed in the following section hereof) paid during Fiscal 2022 and Fiscal 2023 to all persons who were Named Executive Officers or directors during the past two fiscal years.

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES

Name and Position	Fiscal Year Ended October 31	Salary, Consulting Fee, Retainer or Commission ⁽¹⁾ (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all Other Compensation (\$)	Total Compensation ⁽¹⁾ (\$)
Gairat Gary Bay President, Chief Executive Officer and Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Andrey Maruta Chief Financial Officer and Corporate Secretary	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Peter Hambro Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil

Name and Position	Fiscal Year Ended October 31	Salary, Consulting Fee, Retainer or Commission ⁽¹⁾ (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all Other Compensation (\$)	Total Compensation ⁽¹⁾ (\$)
Alexey Maslovskiy Director ⁽²⁾	2022	Nil	Nil	Nil	Nil	Nil	Nil
Dr. Nataliya Hearn Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Dan Hrushewsky Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Danièle Spethmann Director ⁽³⁾	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Alexey Maslovskiy resigned as director of the Corporation on March 30, 2022.
(2) Danièle Spethmann was appointed as director of the Corporation on June 14, 2022.

Stock Options and Other Compensation Securities

The following table sets forth details for all stock options granted or issued to each of the Named Executive Officers and directors in Fiscal 2023.

No stock options or other compensation securities were exercised during Fiscal 2023.

COMPENSATION SECURITIES

Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class ⁽¹⁾	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
Gairat Gary Bay ⁽²⁾ President, Chief Executive Officer and Director	Option	60,000	June 20, 2022	0.25	0.055	0.12	June 20, 2027
Andrey Maruta ⁽³⁾ Chief Financial Officer and Corporate Secretary	Option	50,000	June 20, 2022	0.25	0.055	0.12	June 20, 2027
Peter Hambro ⁽⁴⁾ Director	Option	60,000	June 20, 2022	0.25	0.055	0.12	June 20, 2027
Dr. Nataliya Hearn ⁽⁵⁾ Director	Option	60,000	June 20, 2022	0.25	0.055	0.12	June 20, 2027
Dan Hrushewsky ⁽⁶⁾ Director	Option	60,000	June 20, 2022	0.25	0.055	0.12	June 20, 2027

Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class ⁽¹⁾	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
Danièle Spethmann ⁽⁷⁾ Director	Option	60,000	June 20, 2022	0.25	0.055	0.12	June 20, 2027

Notes:

- (1) Each outstanding option is exercisable to acquire one Common Share.
- (2) Gairat Gary Bay held an aggregate of 138,437 options on October 31, 2022.
- (3) Andrey Maruta held an aggregate of 50,000 options on October 31, 2022.
- (4) Peter Hambro held an aggregate of 342,374 options on October 31, 2022.
- (5) Dr. Nataliya Hearn held an aggregate of 78,925 options on October 31, 2022.
- (6) Dan Hrushewsky held an aggregate of 78,925 options on October 31, 2022.
- (7) Danièle Spethmann held an aggregate of 60,000 options on October 31, 2022.

Stock Option Plans and Other Incentive Plans

The Corporation has established a stock option plan (the “**Stock Option Plan**”) to provide an incentive to the directors, officers, employees, consultants and other personnel of the Corporation to achieve the longer-term objectives of the Corporation, to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation and to attract to and retain in the employ of the Corporation, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

The Corporation does not issue stock options outside of the Stock Option Plan and has no other plan for the grant of stock appreciation rights, deferred share units or restricted stock units and any other incentive plan or portion of a plan under which awards are granted.

The following is a summary of the material terms of the Stock Option Plan:

- The number of Common Shares to be reserved and authorized for issuance pursuant to options granted under the Stock Option Plan shall not exceed ten percent (10%) of the total number of issued and outstanding shares in the Corporation.
- The exercise price for options granted under the Stock Option Plan will not be less than the market price of the Corporation’s Common Shares at the time of the grant, less applicable discounts permitted by the policies of the TSX Venture Exchange.
- Options will be exercisable for a term of up to ten years, subject to earlier termination in the event of the optionee’s death, bankruptcy or the cessation of the optionee’s services to the Corporation.
- Options granted under the Stock Option Plan are non-assignable.

Employment, Consulting and Management Agreements

There are no management functions of the Corporation that are to any substantial degree performed by a person or Corporation other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Corporation. The Corporation has retained an outside consultant to assist with the preparation of its financial statements.

Oversight and Description of Directors and Named Executive Officers Compensation

Compensation of Directors and Named Executive Officers

No compensation in the form of a salary, consulting fee, retainer, commission, bonus, committee fee, or meeting fee has been paid to or earned by any director or Named Executive Officer for the period from incorporation to the date hereof.

Pension Disclosure

The Corporation has no pension or other benefit plans currently in place.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the securities of the Corporation that are authorized for issuance under the equity compensation plans as at date hereof.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by securityholders	1,222,222	\$0.15	38,928
Equity compensation plans not approved by securityholders ⁽¹⁾	Nil	Nil	Nil

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors and officers of the Corporation, any proposed management nominee for election as a director of the Corporation or any associate of any director, officer or proposed management nominee is or has been indebted to the Corporation at any time during the last completed financial year.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except disclosed herein, no informed persons of the Corporation (as defined in National Instrument 51-102), nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any Transaction which, in either case, has or will materially affect the Corporation and none of such persons has any material interest in any transaction proposed to be undertaken by the Corporation that will materially affect the Corporation.

CORPORATE GOVERNANCE

Please see the attached Schedule "A" for information on the Corporation's Corporate Governance (Form 58-101F2).

AUDIT COMMITTEE

Audit Committee Charter

The Charter of the Corporation's Audit Committee is attached to this Management Information Circular as Schedule "B".

Composition of the Audit Committee

The following are the members of the Audit Committee:

Peter Hambro	-	Independent*; Financially Literate*
Dr. Nataliya Hearn	-	Independent*; Financially Literate*
Dan Hrushewsky	-	Independent*; Financially Literate*

* As defined by Multilateral Instrument 52-110 – Audit Committees (“MI 52-110”).

Education and Experience

Peter Hambro – Mr. Hambro has more than 25 years of experience in the operational and financial management of mining and processing operations in precious and non-precious metals. Mr. Hambro is the Co-Founder of Petropavlovsk plc, a London-based gold mining company with operations in Russia, serving as its Chairman from 1994 until June 2017. Mr. Hambro was appointed President of Petropavlovsk plc with effect from 29th June 2018 and also as Senior adviser to the Board. Mr. Hambro also previously served as a director of IRC Ltd. a company that mines and produces iron ore concentrate in Russia. He is a founding director of the Corporation.

Dr. Nataliya Hearn – Dr. Hearn has obtained significant managerial experience and entrepreneurship in both public and private companies operating in precious and non-precious metals industries since 1999. Currently, Dr. Hearn is President of Link-Tech Inc., a company that supplies the necessary material for remote rehabilitation of underground pipes, since April 2015; and Director of Bio Life Sciences Inc. (Symbol: BLFE OTCPK), since December 2020. Previously, Dr. Hearn was CEO of American Rare Earths and Materials (Symbol: AREM -- NASDAQ –OTCB) 2010-2012; CEO, Founder, and Director of Element 21 Sports (Symbol: EGLF -- NASDAQ –OTCB) 2002-2010; and Director of Mag Industries (Symbol: MAA.V -- TXS.V) 1999-2016.

Dan Hrushewsky – Mr. Hrushewsky provides both managerial and practical experience in mining project equity and debt finance, mining project evaluation and acquisition, and mine development studies with finance and mining companies. Mr. Hrushewsky is currently CEO of EcoJEX, and Vice President of JEX Technologies Inc., a heap leach pressure leaching mining services company. Mr. Hrushewsky was President and CEO, and Executive Vice President, of Butte Blackjack Operating LLC and Blackjack Silver Corp. from October 2020 to June 2023, developing the past producing Anaconda Copper mine in Butte Montana. Mr. Hrushewsky was the Executive Vice President of Bunker Hill Mining Corp., a mining company developing the past producing Bunker Hill Mine in Kellogg, Idaho, between August 2017 and August 2018. Mr. Hrushewsky was a Senior Gold Equity Mining Analyst at Jennings Capital Inc./Northland Capital Partners from June 2011 to December 2013. From December 2013 to July 2017, Mr. Hrushewsky was a self-employed consultant working with the following mining-related businesses: Bunker Hill Mining Corp., Oxygen Capital Corporation, Aureus Mining Inc., Petropavlovsk plc, Teranga Gold Corporation, and Whittle Consulting.

Audit Committee Oversight

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

Reliance on Certain Exemptions

At no time since the commencement of the Corporation’s most recently completed financial year has the Corporation relied on the exemption in Section 2.4 of MI 52-110 (De Minimis Non-Audit Services), or an exemption from MI 52-110, in whole or in part, granted under Part 8 of Multilateral Instrument 52-110.

Pre-Approval Policies and Procedures

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

External Auditor Service Fees (by Category)

The aggregate fees billed by the Corporation's external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees
2023	\$17,500	Nil	\$4,500	Nil
2022	\$14,000	\$5,000	\$12,075	Nil

Notes:

- (1) Represents fees paid for professional services rendered by the auditors for the audit of the Corporation's annual financial statements and services provided in connection with statutory and regulatory filings.
- (2) Represents fees incurred in connection with the International Financial Reporting Standard compliance.
- (3) Represents fees incurred for professional services rendered by the Corporation's external auditor for tax compliance, tax advice, and tax planning.

Exemption

The Corporation is relying on the exemption provided in Section 6.1 of MI 52-110 and, as such, the Corporation is exempt from Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of MI 52-110.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Financial Statements

The financial statements of the Corporation for the Corporation's financial year ended October 31, 2023 which financial statements accompanying this Management Information Circular, will be placed before the Shareholders at the Meeting.

2. Election of Directors

The term of office of each of the present directors expires at the Meeting. Management of the Corporation proposes to nominate the persons named below for election as directors of the Corporation at the Meeting, each to serve until the next annual meeting of the Shareholders of the Corporation, unless his or her office is earlier vacated.

The following information concerning the proposed nominees has been furnished by each of them:

Name, Residence and Present Office Held	Principal Occupation or Employment	Director Since	Number of Common Shares Beneficially Owned or Controlled ⁽¹⁾ and [percentage] of total issued and outstanding
Gairat Gary Bay Toronto, Canada <i>President, Chief Executive Officer and Director</i>	Chief Executive Officer of WBD Gold Inc., a privately-owned, Guyana-based mineral and mining exploration company	June 2018	370,000 [2.93%]
Peter Hambro⁽²⁾ London, United Kingdom <i>Director</i>	Chairman and majority shareholder of Peter Hambro Ltd, a London based investment house, specializing in mining and	June 2018	2,509,689 ⁽³⁾ [19.90%]

Name, Residence and Present Office Held	Principal Occupation or Employment	Director Since	Number of Common Shares Beneficially Owned or Controlled ⁽¹⁾ and [percentage] of total issued and outstanding
	private equity participation since 1990. For 25 years Mr. Hambro was Chairman of London LSE premium listed Petropavlovsk plc, which produces c. 500,000 ounces of gold from mines in the Russian far east.		
Dr. Nataliya Hearn⁽²⁾ Toronto, Canada <i>Director</i>	President of Link-Tech Inc., a company that supplies the necessary material for remote rehabilitation of underground pipes.	June 2018	100,000 [0.79%]
Dan Hrushewsky⁽²⁾ Toronto, Canada <i>Director</i>	Chief Executive Officer of EcoJEX, Vice President of JEX Technologies Inc..	June 2018	100,000 [0.79%]
Danièle Spethmann, P.Geo Toronto, Canada <i>Director</i>	Retired CEO, Founder and Director of Kirkland Lake Discoveries Corp.	June 2022	Nil [0.00%]

Notes:

- (1) The information as to the number of Common Shares beneficially owned, not being within the knowledge of the Corporation, has been furnished by the respective nominees. These figures do not include any securities that are convertible into or exercisable for Common Shares.
- (2) Member of the Audit Committee.
- (3) 1,177,689 Common Shares are held through Catopriam Ltd. Mr. Hambro has a beneficial ownership interest in Catopriam Ltd.

The term of office of each director will be from the date of the annual meeting of the shareholders of the Corporation at which he is elected until the next annual meeting of the shareholders of the Corporation, or until his successor is elected or appointed.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF THE ABOVE-NAMED NOMINEES, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER, OR ITS SHARES IN RESPECT THEREOF ARE TO BE VOTED AGAINST. Management has no reason to believe that any of the nominees will be unable to serve as a director but, **IF A NOMINEE IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE REMAINING NOMINEES AND MAY BE VOTED FOR A SUBSTITUTE NOMINEE UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER, OR ITS SHARES ARE TO BE VOTED AGAINST SUCH ELECTION OF DIRECTORS.**

The *Canada Business Corporations Act* (“CBCA”) specifies that shareholders must be given a choice in the form of proxy sent to shareholders to either vote “for” or “against” the election of each candidate to the Board in any uncontested election of directors (where the number of nominees equals the number of positions to be filled (as distinguished from “for” or “withhold”). Subject to certain exceptions, the amendments to the CBCA require that each director in an uncontested election must receive more votes “for” than “against” cast at the annual meeting to be elected. Currently, the number of nominees for election to the Board of the Corporation is equal to the number of positions to be filled. In the event there are additional candidates nominated for election to the Board, any “against” votes will be deemed to be “withhold” votes. As of the date hereof, the management of the Corporation does not expect the election of directors to be contested.

If an incumbent director is not elected by a majority of “for” votes at the meeting, he or she will be permitted to continue in office until the earlier of (a) the 90th day after the date of the election; and (b) the day on which their successor is appointed or elected. In limited circumstances, the elected directors may also re-appoint the incumbent director even though he or she did not receive majority support in the most recent election. Specifically, the amendments to the CBCA will allow re-appointment in two circumstances:

- (a) where it is required to satisfy the CBCA’s Canadian residency requirement; or
- (b) where it is required to satisfy the CBCA’s requirement that at least two directors of a public company not also be officers or employees of the corporation or its affiliates.

Corporate Cease Trade Orders or Bankruptcies

Except as disclosed herein, to the knowledge of the Corporation, no proposed director is, as at the date of the Management Information Circular, or has been, within 10 years before the date of the Management Information Circular, a director, chief executive officer (“CEO”) or chief financial officer (“CFO”) of any company (including the Corporation) that:

- (i) was the subject, while the proposed director was acting in the capacity as director, CEO or CFO of such company, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or
- (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director, proposed director or executive officer of the Corporation, and no shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation:

- (a) is, as at the date of this Management Information Circular, or has been within the 10 years before the date of this Management Information Circular, a director or executive officer of any company (including the Corporation) 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
- (b) has, within 10 years before the date of this Management Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

On April 8, 2021, a Cease Trade Order (the “CTO”) was issued by the Ontario Securities Commission as a result of the Corporation’s failure to file its interim financial statements, management’s discussion and analysis, and certificate of the foregoing filings for the period ended January 31, 2021 as required by Ontario securities legislation. On April 13, 2021, the TSX Venture Exchange suspended trading of the Corporation’s securities as a result of the CTO. The Corporation subsequently made the requisite filings, the CTO was revoked, and the Exchange reinstated trading on June 4, 2021.

Penalties or Sanctions

To the knowledge of the Corporation, no director, proposed director or executive officer of the Corporation, and no shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

3. Appointment of Auditors

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass a resolution approving the appointment of RSM Canada LLP as auditor of the Corporation and authorizing the directors of the Corporation to determine the remuneration to be paid to the auditor. RSM Canada LLP has been the auditor of the Corporation since 2018.

Unless instructed otherwise, the management designees in the accompanying Instrument of Proxy intend to vote “FOR” the resolution.

4. Approval of the Stock Option Plan

Pursuant to the policies of the TSX Venture Exchange, the Corporation is required to obtain shareholder approval of the Stock Option Plan each year because the Stock Option Plan is a “rolling” option plan whereby the maximum number of Common Shares that may be reserved for issuance and which can be purchased upon the exercise of all options granted under the Stock Option Plan is fixed at 10% of the outstanding Common Shares from time to time.

The following is a summary of the key provisions of the Stock Option Plan.

Purpose

The purpose of the Stock Option Plan is to provide the Corporation with a share-related mechanism to attract, retain and motivate qualified directors, employees and consultants, to reward such of those directors, employees and consultants as may be granted Options under the Stock Option Plan by the Board from time to time for their contributions toward the long term goals and success of the Corporation and to enable and encourage such directors, employees and consultants to acquire Common Shares as long term investments and proprietary interests in the Corporation.

Eligibility

The Stock Option Plan provides for the grant of non-transferable options for the purchase of Common Shares (“**Options**”) to eligible participants. Under the Stock Option Plan, eligible participants include the directors, officers, and employees of the Corporation, and any person or company engaged to provide ongoing management or consulting services for the Corporation (or any employee of such person or company). Subject to the provisions of the Stock Option Plan, the Board has the authority to select those persons to whom Options will be granted, the number of Common Shares subject to Options which may be granted and the price at which Common Shares may be purchased pursuant to the exercise of Options.

Price

The exercise price of any Option may not be less than the Discounted Market Price (as defined in section 1.2 of Policy 1.1 – *Interpretation* in the Corporate Finance Manual of the TSX Venture Exchange). Each Option, unless sooner terminated pursuant to the provisions of the Stock Option Plan, will expire on a date so fixed by the Board at the time of the grant, provided that such date will be no later than the tenth anniversary of the date the Option is granted.

Vesting

Subject to applicable securities laws, the Board may attach other terms and conditions to the grant of a particular Option, including providing that a portion or portions of an Option vest after certain periods of time or upon the

occurrence of certain events, or expire after certain periods of time or upon the occurrence of certain events. Options granted to persons engaged in Investor Relations Activities as defined in section 1.2 of Policy 1.1 – *Interpretation* in the Corporate Finance Manual of the TSX Venture Exchange) shall vest in stages over a period of 12 months from the Grant Date with no more than ¼ of any such Options granted vesting in any three-month period.

Term

The maximum term of any Option is 10 years from the Grant Date of such Option. An Option may be exercised during the term of the Option only in accordance with the vesting schedule, if any, determined by the Board at the time of the grant of the Option. In the event the Corporation proposes to amalgamate, merge or consolidate with any other corporation (other than a wholly-owned subsidiary) or to liquidate, dissolve or wind-up, or in the event an offer to purchase or repurchase the Common Shares of the Corporation or any part thereof shall be made to all or substantially all holders of Common Shares of the Corporation, the Corporation shall have the right, upon written notice thereof to each Option holder holding Options under the Stock Option Plan, to permit the exercise of all such Options within the 20 day period next following the date of such notice and to determine that upon the expiration of such 20 day period, all rights of the Option holder to such Options or to exercise same (to the extent not theretofore exercised) shall *ipso facto* terminate and cease to have further force or effect whatsoever

Termination

The Expiry Date of an Option will be the earlier of the date so fixed by the Board at the time the Option is granted and the date established, if applicable, in subsections (a) to (e) below:

(a) Death of Option Holder

In the event that the Option Holder should die while he or she is still a Director (if he or she holds his or her Option as a Director), an Employee (if he or she holds his or her Option as an Employee) or a Consultant (if he or she holds his or her Option as a Consultant), the Expiry Date will be the first anniversary of the Option Holder's date of death.

(b) Ceasing to Hold Office

In the event that the Option Holder holds his or her Option as a Director of the Corporation and such Option Holder ceases to be a Director of the Corporation, the Expiry Date of the Option will not exceed the first anniversary following the date the Option Holder ceases to be a Director of the Corporation unless the Option Holder ceases to be a Director of the Corporation as a result of:

- (i) ceasing to meet the qualifications of a director set forth in the CBCA; or
- (ii) an ordinary resolution having been passed by the shareholders of the Corporation pursuant to the CBCA; or
- (iii) an order made by any Regulatory Authority having jurisdiction to so order,

in which case the Expiry Date will be the date the Option Holder ceases to be a Director of the Corporation.

(c) Ceasing to be an Employee or Consultant

In the event that the Option Holder holds his or her Option as an Employee or Consultant of the Corporation and such Option Holder ceases to be an Employee or Consultant of the Corporation other than by reason of death, the Expiry Date of the Option will not exceed the first anniversary following the Termination Date unless the Option Holder ceases to be:

- (i) an Employee of the Corporation as a result of termination for Cause; or

- (ii) an Employee or Consultant of the Corporation as a result of an order made by any Regulatory Authority having jurisdiction to so order,

in which case the Expiry Date will be the Termination Date.

(d) Ceasing to be a Consultant Providing Investor Relations Activities

Notwithstanding subsections (a), (b) and (c) above, in the event that the Option Holder holds his or her Option as a Person engaged to provide Investor Relations Activities and such Option Holder ceases to be so engaged other than by reason of death, the Expiry Date of the Option will not exceed the 30th day following the Termination Date unless the Option Holder ceases to be so engaged as a result of:

- (i) termination for Cause; or
- (ii) an order made by any Regulatory Authority having jurisdiction to so order,

in which case the Expiry Date will be the Termination Date.

(e) Bankruptcy

In the event that an Option Holder commits an act of bankruptcy or any proceeding is commenced against the Option Holder under the Bankruptcy and Insolvency Act (Canada) or other applicable bankruptcy or insolvency legislation in force at the time of such bankruptcy or insolvency and such proceeding remains undismissed for a period of thirty (30) days, no Option held by such Option Holder may be exercised following the date on which such Option Holder commits such act of bankruptcy or such proceeding remains undismissed, as the case may be.

Limitations

In no case will the issuance of Common Shares upon the due exercise of Options granted under the Stock Option Plan, or in any proposed or previously existing Share Compensation Arrangement, result in (in each case, as determined on the Grant Date):

- (a) the number of Common Shares reserved for issuance pursuant to stock options granted to Insiders exceeding 10% of the Corporation's issued and outstanding Common Shares;
- (b) the grant to Insiders, within any twelve-month period, of Options reserving for issuance a number of Common Shares exceeding in the aggregate 10% of the Corporation's issued and outstanding Common Shares;
- (c) the grant to any one individual, within any twelve-month period (unless the Corporation has obtained Disinterested Shareholder Approval), Options reserving for issuance a number of Common Shares exceeding in the aggregate 5% of the Corporation's issued and outstanding Common Shares;
- (d) the grant to all Persons engaged by the Corporation to provide Investor Relations Activities, within any twelve-month period, of Options reserving for issuance a number of Common Shares exceeding in the aggregate 2% of the Corporation's issued and outstanding Common Shares; or
- (e) the grant to any one Consultant, in any twelve-month period, of Options reserving for issuance a number of Common Shares exceeding in the aggregate 2% of the Corporation's issued and outstanding Common Shares.

Approval

At the Meeting, shareholders of the Corporation will be asked to consider and, if deemed advisable, to pass, with or without variation, a resolution (the "**Stock Option Plan Resolution**") confirming and approving the Stock Option Plan. The full text of the Stock Option Plan Resolution is set out below.

“BE IT RESOLVED THAT:

1. the stock option plan of the Corporation dated June 29, 2021 be, and the same hereby is, confirmed and approved as the Stock Option Plan of the Corporation; and
2. any one or more of the directors or officers of the Corporation is authorized and directed, upon the Board resolving to give effect to this resolution, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to the resolution.”

In order to be passed, the Stock Option Plan Resolution requires the approval of a majority of the votes cast thereon by shareholders of the Corporation present in person or represented by proxy at the Meeting. The directors of the Corporation unanimously recommend that shareholders vote in favour of the Stock Option Plan Resolution. **The persons named in the form of proxy accompanying this Management Information Circular intend to vote “FOR” the Stock Option Plan Resolution, unless the shareholder of the Corporation who has given such proxy has directed that the Common Shares represented by such proxy be voted against the Stock Option Plan Resolution.**

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available through the internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR+) which can be accessed at www.sedarplus.com. Financial information on the Corporation is provided in the financial statements and management discussion and analysis of the Corporation which can also be accessed at www.sedarplus.com or which may be obtained upon request from the Corporation at its registered office located at TD Bank Tower, 66 Wellington Street West, Suite 4100, Toronto, Ontario, M5K 1B7.

SCHEDULE “A”**XAU RESOURCES INC.****CORPORATE GOVERNANCE POLICY****CORPORATE GOVERNANCE DISCLOSURE (FORM 58-101F2)**

The Board and senior management of the Corporation consider good corporate governance to be central to the effective operation of the Corporation and are committed to maintaining a high standard of corporate governance.

The Board has assumed the responsibility for the development of certain governance practices and mechanisms. Responsibilities with respect to corporate governance practices include: (i) establishing and reviewing member characteristics for the Board; (ii) evaluating, identifying and recommending nominees to the Board; (iii) monitoring and reviewing the education and development of members of the Board; (iv) recommending directors to serve as committee members and chairs; (v) reviewing and developing corporate governance guidelines, policies and procedures for the Board; (vi) establishing and implementing evaluation processes for the Board, committees and chairs; (vii) establishing procedures for the engagement of independent counsel by a director; (viii) reviewing disclosure by the Corporation; and (ix) reviewing and evaluating the Board’s charter and efficiency.

The Board and the Corporation are devoting attention and resources to reviewing the Corporation’s corporate governance practices and ensuring that the Corporation’s system of corporate governance meets applicable legal requirements. The Board created the charter of the Audit Committee.

The Board consists of three directors who have significant experience in, and an understanding of the role and responsibilities of acting as a director.

Directorships

The Board currently consists of five directors, all of whom are proposed for election at the Meeting. The Board has concluded that four of the five directors are independent. Gairat Gary Bay is not considered to be independent by virtue of his executive positions with the Corporation.

The following current and proposed directors of the Corporation presently serve as directors of other reporting issuers as follows: Dr. Natalya Hern, Director of Bio Life Sciences Inc. (OTC Pink sheets reporting issuer).

The Board and committees hold regularly scheduled meetings with a view to facilitating regular open and candid discussion among the directors, including an entitlement for the directors to hold in camera sessions without management present at the meetings of the Board, as deemed necessary, which ensures that adequate structures and processes are in place to permit the Board to function independently of management.

Orientation and Continuing Education

The Corporation also provides directors with continuous opportunities to increase their knowledge and understanding of the Corporation’s business. Briefings on strategic issues are conducted regularly, and typically include reviews of the competitive environment, the Corporation’s performance relative to its peers, and any other developments that could materially affect the Corporation’s business.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Corporation’s governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director’s participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the Board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction.

The Board has considered the adoption of the following corporate governance policies with respect to maintaining the highest standards of integrity and ethical behaviour in the conduct of its business: (i) Whistleblower Policy (ii) Code of Conduct Policy; (iii) Insider Trading and Blackout Policy; and (iv) Corporate Disclosure Policy and Practices.

Nomination of Directors

The Board is responsible for identifying new candidates for Board nomination.

Compensation

The Board is responsible for determining the compensation of the directors and executive officers. The Board uses market data for comparable industry sectors in order to set compensation levels.

Other Board Committees

The Corporation has no committees other than the Audit Committee.

Board Assessments

The Board has not implemented a formal process for assessing its effectiveness or the effectiveness of individual members or committees. Due to the Corporation's size, its stage of development and the limited number of directors, the Board considers a formal assessment process to be unnecessary at this time. The Board continues to evaluate its own effectiveness on an ad hoc basis.

Retirement and Term Limits

The Corporation has not adopted term limits for the directors on the Board, nor is there a mandatory retirement age. No such limits have been adopted in order to maintain a balance between ensuring fresh ideas and viewpoints are available to the Board while simultaneously not losing the benefits of experience and continuity contributed by longer serving directors on the Board.

Diversity and Inclusion

The Corporation has not adopted a written policy relating to the identification and nomination of directors or members of senior management that are women, Indigenous peoples (First Nations, Inuit and Metis), persons with disabilities or members of visible minorities (collectively, "**Designated Groups**"). The Board generally identifies, evaluates and recommends candidates to become members of the Board or members of senior management with the goal of creating a Board and members of the senior management team that, as a whole, consists of individuals with various and relevant career experience, industry knowledge and experience, and financial and other specialized expertise. The composition of the Board and senior management is primarily a question of experience and expertise brought by each individual. The Board, when searching for candidates, also takes diversity into account. Although the Board does not have a formal diversity policy, it considers diversity in its broadest sense when evaluating candidates, including persons diverse in gender, ethnicity, experience, and background. The Board considers all factors it deems relevant in the process of identifying, evaluating, and recommending candidates for the Board and senior management and does not have a formal requirement to consider the level of representation of individuals from Designated Groups. The Board does not have specific targets in respect of appointing women to the Board and in respect of executive officer appointments. Of the Corporation's current directors, two (40%) are women. No directors or senior management identify as being a visible minority, an Indigenous person or a disabled person.

SCHEDULE “B”

XAU RESOURCES INC.

AUDIT COMMITTEE CHARTER

CONSTITUTION AND PURPOSE

The audit committee (the “**Committee**”) has been established by resolution of the board of directors (the “**Board**”) of XAU Resources Inc. (the “**Company**”) for the purpose of assisting the Board in fulfilling its oversight responsibilities in relation to the accounting and financial reporting processes of the Company, audits of the financial statements of the Company, review of the Company’s systems of internal controls and in relation to risk management matters including:

- (a) the review of the annual and interim financial statements of the Company;
- (b) the integrity and quality of the Company’s financial reporting and systems of internal control, and financial risk management;
- (c) the Company’s compliance with legal and regulatory requirements;
- (d) the qualifications, independence, engagement, compensation and performance of the Company’s external auditors (the “**Company’s Auditors**”); and
- (e) the exercise of the responsibilities and duties set out in this charter (the “**Charter**”).

COMPOSITION

The members of the Committee shall be appointed by the Board from amongst the directors of the Company (the “**Directors**”) and shall be comprised of not less than three members. A majority of the members of the Committee shall be “independent”, as that term is defined in National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”).

All members of the Committee shall be “financially literate”, as such term is defined in NI 52-110 or shall acquire within a reasonable time following appointment to the Committee, the ability to read and understand a set of financial statements that present the 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 Company’s financial statements.

Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed or ceases to be a member of the Board. The Board shall fill vacancies in the Committee by appointment from among the members of the Board. If a vacancy exists on the Committee, the remaining members shall exercise all its powers so long as a quorum remains in office. The Board shall appoint a chair for the Committee from its members (the “**Chair**”). If the Chair of the Committee is not present at any meeting of the Committee, one of the other members of the Committee who is present at the meeting shall be chosen by the Committee to preside at the meeting.

No Director who serves as board member of any other company shall be eligible to serve as a member of the Committee unless the Board has determined that such simultaneous service would not impair the ability of such member to effectively serve on the Committee. Determinations as to whether a particular Director satisfies the requirements for membership on the Committee shall be made by the corporate governance committee of the Board. No member of the Committee shall receive from the Company or any of its affiliates any compensation other than the fees to which he or she is entitled as a Director of the Company or a member of a committee of the Board. Such fees may be paid in cash and/or shares, options or other in-kind consideration ordinarily available to Directors.

MEETING PROTOCOLS

The Committee shall meet at least once every quarter and shall meet at such other times during each year as the Chair of the Committee deems appropriate. The Chair of the Committee, any member of the Committee, the Company's Auditors, the Chairman of the Board, the Chief Executive Officer ("CEO") or the Chief Financial Officer ("CFO") may call a meeting of the Committee by notifying the Company's corporate secretary, who will notify the members of the Committee. A majority of members of the Committee shall constitute a quorum.

At least five days' notice of any meeting of the Committee shall be given in writing to each member of the Committee by any means of transmitted or recorded communication that produces a written copy, including by email. Notice may be waived or shortened with the consent of all the members of the Committee. Attendance by a member at a meeting notwithstanding any failure to give notice in accordance with this Charter shall be deemed to constitute waiver of notice of such meeting by such member. Notice of each meeting of the Committee shall also be given to the Chairman of the Board, the CEO, and CFO of the Company, and the Company's Auditors.

The Chairman of the Board, the CEO and CFO of the Company, if invited by the Chair of the Committee, attend and speak at meetings of the Committee. Other Board members shall also, if invited by the Chair of the Committee, have the right of attendance. A representative of the Company's Auditors shall have the right to attend and speak at any meeting of the Committee, and may attend if invited by the Chair of the Committee, in either case at the expense of the Company.

The Committee may also invite any other officers or employees of the Company, legal counsel, the Company's financial advisors and any other persons to attend meetings and give presentations with respect to their area of responsibility, as considered necessary by the Committee.

At least quarterly, representatives of the Company's Auditors shall meet the Committee without any of the executive Directors or other members of management in attendance, except by invitation of the Committee.

The Committee shall at each meeting appoint one of its members or any other attendee to be the secretary of the Committee.

Every question at a Committee meeting shall, if necessary, be decided by a majority of the votes cast.

Subject to any statutory or regulatory requirements or the articles and by-laws of the Company, the Committee shall fix its own procedures at meetings, maintain minutes or other records of its proceedings in sufficient detail to convey the substance of all discussions held and report to the Board at the next meeting of the Board. The minutes of the Committee's meetings shall be tabled at the next meeting of the Board.

The Committee shall prepare a report to shareholders or others, concerning the Committee's activities in the discharge of its responsibilities, when and as required by the by-laws of the Company or applicable laws or regulations.

The Chair of the Committee shall be available at the annual general meeting of the Company to respond to any shareholder questions on the activities and responsibilities of the Committee.

AUTHORITY

The Committee is authorized by the Board to:

- (a) investigate any matter within its Charter;
- (b) have direct communication with the Company's Auditors;
- (c) seek any information it requires from any employee of the Company; and

- (d) retain, at its discretion, outside legal, accounting or other advisors, at the expense of the Company, to obtain advice and assistance in respect of any matters relating to its duties, responsibilities and powers as provided for or imposed by this Charter or otherwise by law or the by-laws of the Company.

ROLES & RESPONSIBILITIES

The Committee shall have the roles and responsibilities set out below, as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these roles and responsibilities, the Committee shall perform the duties required of an audit committee by any exchange upon which securities of the Company are traded, or any governmental or regulatory body exercising authority over the Company.

A. Review of Accounting and Financial Reporting Matters

1. Review the Company's interim and annual financial statements and management's discussion & analysis of operations (the "MD&A"); annual information forms and earnings press releases prior to their public disclosure and Board approval, where required, and ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements.
2. Following such review with management and the Company's Auditors, recommend to the Board whether to approve the annual or interim financial statements and MD&A and any other filings with the securities commissions.
3. Monitor in discussion with the Company's Auditors the integrity of the financial statements of the Company before submission to the Board, focusing particularly on:
 - (a) significant accounting policies and practices and any changes in such accounting policies and practices;
 - (b) major judgment areas including significant estimates and key assumptions;
 - (c) significant adjustments resulting from the audit;
 - (d) the going concern assumption;
 - (e) compliance with accounting standards including the effects on the financial statements of alternative methods within generally accepted accounting principles;
 - (f) the Company's Auditors' judgment about the quality, not just the acceptability, of the accounting principles applied in the Company's financial reporting;
 - (g) compliance with stock exchange and legal requirements;
 - (h) the extent to which the financial statements are affected by any unusual transactions;
 - (i) significant off-balance sheet and contingent asset and liabilities and the related disclosures;
 - (j) significant interim review audit findings during the year, including the status of previous audit recommendations; and
 - (k) all related party transactions with the required disclosures in the financial statements.

4. On at least an annual basis, review with the Company's legal counsel and management, all legal and regulatory matters and litigation, claims or contingencies, including tax assessments, that could have a material effect upon the financial position of the Company, and the manner in which these matters may be, or have been, disclosed in the financial statements.

B. Relationship with the Company's Auditors

1. Consider and make recommendations to the Board, for it to put to the shareholders for their approval in a general or special meeting, in relation to the appointment, re-appointment and removal of the Company's Auditors and to approve the compensation and terms of engagement of the Company's Auditors for the annual audit, interim reviews and any other audit related services.
2. Require the Company's Auditors to report directly to the Committee.
3. Discuss with the Company's Auditors, before an audit commences, the nature and scope of the audit, and other relevant matters.
4. Review and monitor the independence, objectivity and performance of the Company's Auditors and the effectiveness of the audit process taking into consideration relevant professional and regulatory requirements.
5. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Company.
6. Discuss problems and reservations arising from an audit, and any matters the Company's Auditors may wish to discuss (in the absence of management where necessary).
7. Review the Company's Auditors' management letter and management's response.
8. Develop and implement a pre-approval policy on the engagement of the Company's Auditors to supply non-audit services to the Company and its subsidiaries, taking into account relevant ethical guidance regarding the provision of non-audit services by the Company's Auditors and the preservation of their independence.
9. Consider the major findings of the Company's Auditors and management's response, including the resolution of disagreements between management and the Company's Auditors regarding financial reporting.

C. Review of Disclosure Controls & Procedures ("DC&P") and Internal Controls Over Financial Reporting ("ICFR")

1. Monitor and review the Company's disclosure policy on an annual basis.
2. In conjunction with each fiscal year end, review management's assessment of the design and effectiveness of Company's DC&P including any control deficiencies identified and the related remediation plans for any significant or material deficiencies.
3. In conjunction with each fiscal year end, review management's assessment of the design and effectiveness of the Company's ICFR including any control deficiencies identified and the related remediation plans for any significant or material deficiencies.
4. Review and discuss any fraud or alleged fraud involving management or other employees who have a role in the Company's ICFR and the related corrective and disciplinary action to be taken.

5. Discuss with management any significant changes in the ICFR that are disclosed, or considered for disclosure, in the MD&A, on a quarterly basis.
6. Review and discuss with the CEO and the CFO the procedures undertaken in connection with CEO and CFO certifications for the annual and interim filings with the securities commissions.
7. Review the adequacy of internal controls and procedures related to any corporate transactions in which directors or officers of the Company have a personal interest, including the expense accounts of senior officers of the Company and officers' use of corporate assets.

D. Review of the Company's Financing and Insurance

1. Review the adequacy of the Company's insurance policies.
2. Review all major financings of the Company and its subsidiaries and annually review the Company's financing plans and strategies.

E. Financial Risk Management

1. Review with the CEO and CFO and the Company's Auditors their assessment of the significant financial risks and exposures of the Company and discuss with management the steps which the Company has taken to monitor and control such exposures.
2. Review current and expected future compliance with covenants under any financing agreements.
3. Review any other significant financial exposures including such things as tax audits, government audits or any other activities that expose the Company to the risk of a material financial loss.
4. Report the results of such reviews to the Board for the purpose of assisting the Board in identifying the principal business risks associated with the businesses of the Company.

F. Establishment of Procedures for the Receipt and Treatment of Complaints regarding Accounting, Internal Accounting Controls, or Auditing Matters

1. Establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters;
 - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
 - (c) the investigation of such matters with appropriate follow-up action.

G. Corporate Governance

1. The Committee may, if requested:
 - (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to insurance, accounting, management reporting and risk management; and

- (b) review with management and the external auditor their assessment of the significant financial risks and exposures of the Company and discuss with management the steps which the Company has taken to monitor and control such exposures.

H. Complaints and Employee Submissions

1. The Committee shall establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

COMMITTEE EFFECTIVENESS PROCEDURES

The Committee shall review its Charter on an annual basis, or more often as required, to ensure that they remain adequate and relevant, and incorporate any material changes in statutory and regulatory requirements and the Company's business environment.

The procedures outlined in this Charter are meant to serve as guidelines, and the Committee may adopt such different or additional procedures as it deems necessary from time to time.

In setting the agenda for a meeting, the Chair of the Committee shall encourage the Committee members, management, the Company's Auditors and other members of the Board to provide input in order to address emerging issues.

Prior to the beginning of a fiscal year, the Committee shall submit an annual planner for the meetings to be held during the upcoming fiscal year, for review and approval by the Board to ensure compliance with the requirements of the Committee's Charter.

Any written material provided to the Committee shall be appropriately balanced (i.e. relevant and concise) and shall be distributed at least five business days in advance of the respective meeting to allow Committee members sufficient time to review and understand the information.

The Committee shall conduct an annual self-assessment of its performance and this charter, and shall make recommendations to the Board with respect thereto.

Members of the Committee shall be provided with appropriate and timely training to enhance their understanding of auditing, accounting, regulatory and industry issues applicable to the Company.

New Committee members shall be provided with an orientation program to educate them on the Company, their responsibilities and the Company's financial reporting and accounting practices.

ADOPTION AND EFFECTIVENESS

This Charter was first adopted on the 21st day of November, 2018