

GRANADA GOLD MINE INC.

3028 Quadra Court
Coquitlam, BC, V3B 5X6
Tel: 819-797-4144 / Fax: 819-279-3821

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the Annual General Meeting (the "**Meeting**") of the shareholders of Granada Gold Mine Inc. (the "**Company**") will be held at 3028 Quadra Court, Coquitlam, BC, on Wednesday, July 13, 2022, at 9:00 a.m. (Pacific time), for the following purposes:

1. To receive the audited financial statements of the Company for its financial year ended June 30, 2021, and the report of the auditors thereon;
2. To set the number of directors of the Company to be elected at three;
3. To elect directors of the Company for the ensuing year;
4. To appoint auditors of the Company for the ensuing year and to authorize the directors to fix their remuneration;
5. To ratify and approve amendments to the Company's Stock Option Plan, as more particularly described in the accompanying Management Information Circular, and to authorize the directors to make modifications thereto in accordance with Stock Option Plan and the policies of the TSX Venture Exchange.
6. To consider any permitted amendment to or variation of any matter identified in this Notice and to transact such other business as may properly come before the Meeting or any adjournment thereof. Management is not currently aware of any other matters that could come before the Meeting.

The details of the matters proposed to be put before the Meeting are set forth in the Information Circular accompanying this Notice, which is supplemental to and expressly made a part of this Notice. Shareholders of record as of the close of business on June 8, 2022 (the "**Record Date**") will be entitled to vote at the Meeting and at any adjournment or adjournments thereof.

It is important that your shares be represented at this Meeting to ensure a quorum. If you cannot be present to vote in person, please ensure that your proxy or, if a company, your representative, is appointed and present to vote on your behalf at the Meeting. Instructions regarding the appointment of a proxy or representative are contained in the Information Circular.

DATED at Coquitlam, BC, this 8th day of June, 2022.

BY ORDER OF THE BOARD

"Frank J. Basa"

Frank J. Basa
President, CEO and Director

COVID-19 NOTICE

Amid ongoing concerns about the coronavirus (COVID-19) outbreak, the Company remains mindful of the wellbeing of our shareholders and their families, our industry partners and other stakeholders as well as the communities in which we operate.

The Company currently intends on holding an in-person shareholder meeting, with the necessary restrictions set forth in the following paragraph. However, as COVID-19 is a rapidly evolving situation, the Company will continue to monitor and review provincial and federal governmental guidance in order to assess and implement measures to reduce the risk of spreading the virus at the Meeting, which may include potentially adjourning or postponing the Meeting. The Company will provide updates to any arrangements in respect of the Meeting by way of news release. Shareholders are encouraged to monitor the Company's website at www.nickelrockresources.com or the Company's SEDAR profile at www.sedar.com, where copies of such news releases, if any, will be posted.

The Company reserves the right to take any additional pre-cautionary measures deemed to be appropriate, necessary or advisable in relation to the Meeting in response to further developments in the COVID-19 outbreak, including:

- (i) holding the Meeting virtually or by providing a webcast of the Meeting;
- (ii) hosting the Meeting solely by means of remote communication;
- (iii) changing the Meeting date and/or changing the means of holding the Meeting;
- (iv) denying access to persons who exhibit cold or flu-like symptoms, or who have, or have been in close contact with someone who has, travelled to/from outside of Canada within the 14 days immediately prior to the Meeting; and
- (v) such other measures as may be recommended by public health authorities in connection with gatherings of persons such as the Meeting.

The Company, in accordance with current public health guidelines, discourages shareholders from physically attending the Meeting, and, in order to ensure as many common shares as possible are represented at the Meeting, strongly encourages registered shareholders to complete the Form of Proxy and return it as soon as possible in accordance with the instructions outlined in the Circular. Shareholders who do not hold their Common Shares in their own name are strongly encouraged to complete the voting instruction forms received from their broker as soon as possible and to follow the instructions set out in the accompanying Information Circular. In addition, only registered shareholders of the Company (the "Registered Shareholders") or their duly appointed proxy holders will be permitted to attend the Meeting. If the situation improves and these restrictions can be lifted, the Company will provide an update as described above.

GRANADA GOLD MINE INC.

3028 Quadra Court
Coquitlam, BC, V3B 5X6
Tel: 819-797-4144 / Fax: 819-762-2306

INFORMATION CIRCULAR

as at June 8, 2022

This information circular (“Information Circular”) is furnished in connection with the solicitation of proxies by the management of GRANADA GOLD MINE INC. (the “Company”) for use at the Annual General Meeting of shareholders of the Company (the “Meeting”) to be held on Wednesday, July 13, 2022 at 9:00 am Pacific time, at the time and place and for the purposes set forth in the accompanying Notice of Annual General Meeting.

Notice of the Meeting was provided to the TSX Venture Exchange (the “TSXV”) and to the securities commissions in each jurisdiction where the Company is a reporting issuer under applicable securities laws.

“Non-Registered Shareholders” means shareholders who do not hold common shares in their own name and “Intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Non-Registered Shareholders.

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

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. The Company has arranged for Intermediaries to forward the meeting materials to Non-Registered Shareholders of the common shares held of record by those Intermediaries and the Company may reimburse the Intermediaries for their reasonable fees and disbursements by them in so doing.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy are directors and officers of the Company (the “Management Designees”). **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company, who need not be a shareholder, other than either of the persons designated in the proxy, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the proxy or by completing and delivering another suitable form of proxy.**

Voting by Proxyholder

The Management Designees named in the proxy will vote or withhold from voting the common shares represented thereby in accordance with the instructions of the shareholder on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your common shares will be voted accordingly. The proxy will confer discretionary authority on the nominees named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,
- (b) any amendment to or variation of any matter identified therein, and
- (c) any other matter that properly comes before the Meeting.

THE COMMON SHARES REPRESENTED BY THE ACCOMPANYING FORM OF PROXY WILL BE VOTED OR WITHHELD FROM VOTING AS DIRECTED BY THE SHAREHOLDER, HOWEVER, IF SUCH A DIRECTION IS NOT MADE IN RESPECT OF ANY MATTER, THIS PROXY WILL BE VOTED AS RECOMMENDED BY MANAGEMENT.

Registered Shareholders

If you are a Registered Shareholder, you may elect to submit a proxy whether or not you are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by:

- (a) completing, dating and signing the enclosed form of proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc., by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail or by hand to the 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1;
- (b) using a touch-tone phone to transmit voting choices to a toll free number. Registered Shareholders must follow the instructions of the voice response system and refer to the enclosed proxy for the toll free number, the holder's account number and the proxy access number; or
- (c) using the internet through the website of the Company's transfer agent at www.computershare.com/ca/proxy. Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the proxy access number;

in all cases ensuring that the proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used. Late proxies may be accepted or rejected by the Chairman of the Meeting in his or her discretion, however, the Chairman is under no obligation to accept or reject any particular late proxy. The Chairman of the Meeting may waive this time limit for receipt of proxies without notice.

Non-Registered Shareholders

The following information is of significant importance to shareholders who do not hold common shares in their own name. Non-Registered Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Company as the registered holders of common shares) or as set out in the following disclosure.

If common shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those common shares will not be registered in the shareholder's name on the records of the Company. Such common shares will more likely be registered under the names of intermediaries. In the United States, the vast majority of such common shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from Non-Registered Shareholders in advance of meetings of shareholders. Every Intermediary has its own mailing procedures and provides its own return instructions to clients. You are encouraged to follow the instructions provided by your Intermediary to provide your voting instructions. Your Intermediary will not vote your common shares without receiving instructions from you.

The form of proxy supplied to you by your broker will be similar to the proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the Intermediary on how to vote your common shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge") in the United States and in Canada. Broadridge mails a Voting Instruction Form ("VIF") in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company's Proxy to represent your common shares at the Meeting. You have the right to appoint a person, who need not be a Non-Registered Shareholder of the Company, other than any of the persons designated in the VIF, to represent your common shares at the Meeting and that person may be you. To exercise this right, insert the name of the desired representative, which may be yourself, in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting and the appointment of any shareholder's representative. If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its

instructions, well in advance of the Meeting in order to have your common shares voted or to have an alternate representative duly appointed to attend the Meeting and vote your common shares at the Meeting.

Non-Objecting and Objecting Beneficial Owners

There are two types of Non-Registered Shareholders. Non-Registered Shareholders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as “NOBOs” or “Non-Objecting Beneficial Owners”. Non-Registered Shareholders who have objected to their Intermediary disclosing the ownership information about themselves to the Company are referred to as “OBOs” or “Objecting Beneficial Owners”. In accordance with National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), the Company has elected to send the meeting materials to the NOBOs utilizing the services of Broadridge. The Company does not intend to pay for Intermediaries to deliver meeting materials to OBOs and, as such, OBOs will not receive proxy-related materials unless the OBO’s Intermediary assumes the delivery costs. Please return your voting instructions as specified in the VIF or form of proxy delivered to you.

Please vote in sufficient time to allow your Intermediary to provide the proxy at least 48 hours (*excluding* Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used.

The Company is not relying on the notice and access delivery procedures outlined in NI 54-101 to distribute copies of the proxy related material in connection with the Meeting.

Notice to Shareholders in the United States

The solicitation of proxies involve securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada, and securities laws of the provinces of Canada. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia), as amended, certain of its directors and its executive officers are residents of Canada and a substantial portion of the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

Revocation of Proxies

A Registered Shareholder of the Company who has given a proxy may revoke the proxy at any time prior to use by:

- (a) depositing an instrument in writing, including another completed proxy, executed by such Registered Shareholder or by his or her attorney authorized in writing or by electronic signature or, if the Registered Shareholder is a corporation, by an officer or attorney thereof properly authorized, either: (i) at the registered and records office of the Company located at 3028 Quadra Court, Coquitlam, British Columbia V3B 5X6, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the holding of the Meeting or any adjournment thereof, (ii) with Computershare Investor Services Inc., Proxy Department, 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the holding of the Meeting or any adjournment thereof, or (iii) with the chairman of the Meeting on the day of the Meeting or any adjournment thereof;
- (b) transmitting, by telephone or electronic means, a revocation that complies with paragraphs (i), (ii) or (iii) above and that is signed by electronic signature, provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of

- such shareholder or by or on behalf of his or her attorney, as the case may be; or
- (c) in any other manner permitted by law including attending the Meeting in person.

A Non-Registered Shareholder who has submitted a form of proxy may revoke it by contacting the Intermediary through which the Non-Registered Shareholder's common shares are held and following the instructions of the Intermediary respecting the revocation of proxies.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

Signing of Proxy

The form of proxy must be signed by the shareholder of the Company or the duly appointed attorney of the shareholder of the Company authorized in writing or, if the shareholder of the Company is a corporation, by a duly authorized officer of such corporation. A form of proxy signed by the person acting as attorney of the shareholder of the Company or in some other representative capacity, including an officer of a corporation which is a shareholder of the Company, should indicate the capacity in which such person is signing and should be accompanied by the appropriate instrument evidencing the qualification and authority to act of such person, unless such instrument has previously been filed with the Company.

A shareholder of the Company or his or her attorney may sign the form of proxy or a power of attorney authorizing the creation of a proxy by electronic signature provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of such shareholder or by or on behalf of his or her attorney, as the case may be.

RECORD DATE, VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Record Date

In accordance with applicable laws, the Board of Directors of the Company has provided notice of and fixed the record date as of June 8, 2022 (the "Record Date") for the purposes of determining shareholders entitled to receive notice of, and to vote at, the Meeting, and has obtained a list of all persons who are Registered Shareholders at the close of business on the Record Date and the number of common shares registered in the name of each Registered Shareholder on that date. Each Registered Shareholder as at the close of business on the Record Date will be entitled to receive notice of the Meeting and will be entitled to one vote at the Meeting for each common share registered in his or her name as it appears on the list.

Description of Share Capital

The Company is authorized to issue an unlimited number of common shares without par value. As at June 8, 2022 the Company had outstanding 150,542,848 fully paid and non-assessable common shares without par value, each common share carrying the right to one vote. The Company has no other classes of voting securities.

Ownership of Securities of the Company

To the knowledge of the directors and executive officers of the Company, no individual person or corporation beneficially owns, or controls or direct, directly or indirectly, common shares carrying 10% or more of the voting rights attached to the common shares of the Company.

VOTES NECESSARY TO PASS RESOLUTIONS

The Articles of the Company provide that at least one person present in person or by proxy, being a shareholder entitled to vote thereat or a duly appointed proxy holder or representative for a shareholder so entitled, constitutes a quorum for the Meeting in respect of holders of the common shares of the Company. If such a quorum is not present in person or by proxy, the Company will reschedule the Meeting.

On a show of hands, every individual who is present and is entitled to vote as a shareholder or as a representative of one or more corporate shareholders, or who is holding a proxy on behalf of a shareholder who is not present at the Meeting, will have one vote, and on a poll every shareholder present in person or

represented by a proxy and every person who is a representative of one or more corporate shareholders, will have one vote for each share registered in his name on the list of shareholders, which is available for inspection during normal business hours at Computershare Investor Services Inc. and will be available at the Meeting.

In order to approve a motion proposed at the Meeting a majority of greater than 50% of the votes cast will be required (an "ordinary resolution") unless the motion requires a special resolution in which case a majority of 66 2/3% of the votes cast will be required (a "special resolution"). If there are more nominees for election as directors than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

Recommendation of the Board

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF ALL RESOLUTIONS.

STATEMENT OF EXECUTIVE COMPENSATION

The following terms have the meanings set out below:

Chief Executive Officer ("*CEO*") means an individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year.

Chief Financial Officer ("*CFO*") means an individual who served as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year.

Named Executive Officers ("*NEOs*") means the following individuals:

(a) a CEO; (b) a CFO; (c) each of the Company's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

Compensation Discussion & Analysis

When determining the compensation of the NEOs, the board of directors ("Board of Directors") considers the resources of the Company and the objectives of attracting, motivating and retaining highly skilled and experienced executive officers. The Board of Directors does not have a formal compensation program with set benchmarks, however, the Board of Directors does have an informal program which seeks to reward an executive officer's current and future expected performance and the achievements of corporate milestones and align the interests of executive officers with the interests of the Company's shareholders.

The compensation awarded to, earned by, paid to or payable to each of the NEOs for the most recently completed financial year is set out under the heading, "*Executive Compensation – Summary Compensation Table*".

Compensation Review Process

The Board of Directors reviews on an annual basis the cash compensation, performance and overall compensation package of each executive officer, including the NEOs.

In establishing levels of remuneration, stock option and bonus grants, the Board of Directors are guided by the following principles:

- compensation is determined on an individual basis by the need to attract and retain talented, qualified and effective executives;
- total compensation is set with reference to the market for similar positions in comparable companies and with reference to the location of employment; and
- the current market and economic environment.

Assessment of Individual Performance

Individual performance in connection with the achievement of corporate milestones and objectives is reviewed by the Board of Directors for all executive officers. While awards are generally tied to performance against quantitative objectives, consideration is also given to an individual's qualitative contribution to the Company. For example, the Board of Directors will evaluate the individual's leadership skills, commitment to the Company's shareholders, innovation and teamwork.

Elements of Executive Compensation

There are two main elements of direct compensation, namely base salary and equity participation through the Company's stock option plan (the "*Stock Option Plan*").

Base Salary

The base fee or salary for each NEO is determined by an assessment by the Board of Directors of such NEOs performance, a consideration of competitive compensation levels in companies similar to the Company and review of the performance of the Company as a whole.

Option Based Awards

In the Company's view, encouraging its executive officers and employees to become shareholders of the Company is the best way to align their interests with those of the Company's shareholders. Equity participation is accomplished through the Stock Option Plan.

The Board of Directors reviews the performance of the Company's management and advisors from time to time, and recommends option based awards as appropriate, taking into consideration factors such as individual performance and the overall performance of the Company.

Summary of Compensation

During the year ended June 30, 2021, the Company had four NEOs, being (i) Frank Basa, President, Chairman and CEO of the Company; (ii) Thomas Devlin, CFO of the Company who passed away October 18, 2020; (iii) Robert Guanzon, who was appointed CFO of the Company on October 23, 2020; and (iv) Ryan Webster, who was appointed CFO of the Company on April 1, 2021.

The following table sets forth a summary of the compensation paid to the Company's NEOs for the fiscal year ended June 30, 2021.

Name and principal position	Year	Salary (\$)	Share based awards (\$)	Option based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Frank J. Basa ⁽²⁾ President, Chairman and CEO	2021	Nil	Nil	Nil	Nil	Nil	Nil	300,000	300,000
	2020	Nil	Nil	Nil	Nil	Nil	Nil	300,000	300,000
	2019	Nil	Nil	Nil	Nil	Nil	Nil	300,000	300,000
Ryan Webster ⁽³⁾ CFO	2021	Nil	Nil	Nil	Nil	Nil	Nil	31,372	31,372
	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Robert Guanzon ⁽⁴⁾⁽⁵⁾ CFO	2021	Nil	Nil	Nil	Nil	Nil	Nil	34,298	34,298
	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Thomas Devlin ⁽⁵⁾ CFO	2021	Nil	Nil	Nil	Nil	Nil	Nil	45,771	45,771
	2020	Nil	Nil	Nil	Nil	Nil	Nil	\$132,327	\$132,327
	2019	Nil	Nil	Nil	Nil	Nil	Nil	\$96,000	\$96,000

Notes:

- (1) Deemed fair value of options granted during the fiscal year ended June 30, 2021, based on the Black-Scholes model. Indicated figure does not represent in-the-money value of options on grant date.

- (2) Compensation paid to Mineral Recovery Management Systems Corp. ("MRMS"). MRMS is beneficially owned by Frank J. Basa and Elaine Basa. Refer to "Termination of Employment, Change in Responsibilities and Employment Contracts" for details.
- (3) Remantra Sheopaul was appointed CFO on April 1, 2022 in place of Ryan Webster who ceased on April 1, 2022
- (4) Ryan Webster was appointed CFO April 1, 2021 in place of Robert Guanzon who ceased to be CFO of the Company.
- (5) Robert Guanzon was appointed CFO of the Company October 23, 2020 after the passing of Thomas Devlin on October 18, 2020.

Incentive Plan Awards

Option-Based Awards and Share-Based Awards

The following table sets out for each Named Executive Officer, the incentive stock options (option-based awards) and share-based awards, outstanding as at the financial year ended June 30, 2021.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Frank J. Basa	200,000	\$0.12	October 4, 2024	\$6,000	Nil	Nil	Nil
	150,000	\$0.30	February 14, 2023	Nil	Nil	Nil	Nil
	150,000 ⁽²⁾	\$0.40	March 24, 2022	Nil	Nil	Nil	Nil
	150,000 ⁽²⁾	\$0.30	January 4, 2022	Nil	Nil	Nil	Nil
Ryan Webster	250,000	\$0.14	March 11, 2026	\$2,500	Nil	Nil	Nil
Robert Guanzon	Nil						

Notes:

- (1) The value of unexercised "in-the-money options" at the financial year-end is the difference between the option exercise price and the market value of the underlying stock on the TSXV on June 30, 2021 (\$0.15).
- (2) Subsequent to year-end and prior to the record date, these options expired.
- (3) As at the date of this information circular, these options have been cancelled.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth for the Named Executive Officers, the value vested during the financial year ended on June 30, 2021, for options awarded under the Company's stock option plan (all option-based awards vest immediately upon date of grant), as well as the value earned under non-equity incentive plans for the same period.

Name	Option-based awards - Value vested during the year ⁽¹⁾ (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Frank J. Basa	\$7,500	Nil	Nil
Ryan Webster	\$5,000	Nil	Nil
Robert Guanzon	n/a	n/a	n/a

Notes:

- (1) Value vested during the year is calculated by subtracting the closing market price of the Company's Common Shares on the date of grant from the exercise price of the option. All options were fully vested on the date of grant.

A. Pension Plan Benefits and Deferred Compensation Plans

There are no pension plan benefits or deferred compensation plans in place for the Named Executive Officers.

B. Termination of Employment, Change in Responsibilities and Employment Contracts

The Company is not party to any compensatory plan, contract or arrangement where a Named Executive Officer is entitled to receive any compensation from the Company in the event of resignation, retirement or any other termination of employment of such persons, change of control of the Company of the Company, or a change in the Named Executive Officer's responsibilities following a change of control, except as disclosed below:

C. Compensation of Directors

Compensation of Directors

The Company does not pay its directors a fee for their services as such, except as disclosed herein in the form of consulting fees or grants of stock options. Directors are entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors, and the Company may, from time to time, grant incentive stock options to purchase common shares to its directors.

The following table sets forth information in respect of all compensation paid to, or earned by, the directors of the Company during the financial year ended June 30, 2021, but excludes compensation paid to Frank Basa in his capacity as a director of the Company as he is a Named Executive Officer whose compensation is disclosed above.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Jacques F. Monette ⁽²⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Dianne Tookenay	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Robert Setter	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:
(1) Value vested during the year is calculated by subtracting the market price of the Company's common shares on the date the option vested, from the exercise price of the option.
(2) Jacques Monette passed away on June 3, 2022

Option-Based and Share-based Awards to Directors

The following table sets out for each director, other than a director who is also a Named Executive Officer, the incentive stock options (option-based awards) and share-based awards, outstanding as at the financial year ended June 30, 2021.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Jacques F. Monette	150,000	\$0.30	February 14, 2023	Nil	Nil	Nil	Nil
	75,000	\$0.40	March 24, 2022	Nil	Nil	Nil	Nil
	75,000	\$0.30	January 4, 2022	Nil	Nil	Nil	Nil
Dianne Tookenay	100,000	\$0.12	October 4, 2024	\$3,000	Nil	Nil	Nil
	150,000	\$0.30	February 14, 2023	Nil	Nil	Nil	Nil
	75,000	\$0.40	March 24, 2022	Nil	Nil	Nil	Nil

Robert Setter ⁽²⁾	100,000	0.12	October 4, 2024	\$3,000	Nil	Nil	Nil
	150,000	\$0.30	February 14, 2023	Nil	Nil	Nil	Nil
	37,500	\$0.40	Mar. 24, 2022	Nil	Nil	Nil	Nil
	25,000	\$0.30	January 4, 2022	Nil	Nil	Nil	Nil
Notes:							
(1) The value of unexercised “in-the-money options” at the financial year-end is the difference between the option exercise price and the market value of the underlying stock on the TSX-V on June 30, 2021 (\$0.15).							

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth for each Director that are not NEOs, the value vested during the financial year ended June 30, 2021, for options awarded under the Company’s stock option plan (all option-based awards vest immediately upon date of grant), as well as the value earned under non-equity incentive plans for the same period.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Jacques F. Monette	\$4,500	Nil	Nil
Dianne Tookenay	\$4,500	Nil	Nil
Robert Setter ⁽¹⁾	\$3,000	Nil	Nil
Notes:			
(1) Value vested during the year is calculated by subtracting the closing market price of the Company’s Common Shares on the date of grant from the exercise price of the option. All options were fully vested on the date of grant.			

D. Management Contracts

The management functions of the Company are substantially performed by the directors and officers of the Company, and not to any substantial degree by any other person with whom the Company has contracted. Refer to “Termination of Employment, Change in Responsibilities and Employment Contracts” above for details of management/consulting contracts with executive officers of the Company.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

The only equity compensation plan which the Company has in place is its Share Option Plan (the “Plan”). The Company maintained a 10% rolling Stock Option Plan, which was approved by the shareholders of the Company on April 20, 2021. The Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Company and, thereby, encourage their continuing association with the Company. The Plan is administered by the directors of the Company. The Plan provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company. The Plan provides that the number of common shares issuable under the Plan, together with all of the Company’s other previously established or proposed share compensation agreements, may not exceed 10% of the total number of issued and outstanding common shares at the date of grant. All current options expire on a date not later than ten years after the issuance of such option.

The following table provides information regarding compensation plans under which securities of the Company are authorized for issuance in effect as at the financial year ended June 30, 2021.

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 (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (c)) (c)
Equity compensation plans approved by securityholders	7,508,625	\$0.215	4,749,157 ⁽¹⁾
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	7,508,625	\$0.215	4,749,157 ⁽¹⁾

Notes:

(1) Calculated based on 10% of the issued and outstanding share capital as at June 30, 2021, of 122,577,826 (12,257,782) less the number of options outstanding of 7,508,625. The stock options are governed by the Company's Share Option Plan.

CORPORATE GOVERNANCE DISCLOSURE

General

Corporate governance relates to the activities of the board of directors of the Company (the “**Board**”), the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Company. The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Company.

National Policy 58-201 - *Corporate Governance Guidelines* (“**NP 58-201**”) establishes corporate governance guidelines, which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. In accordance with National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (“**NI 58-101**”), the Company annually discloses information relating to its system of corporate governance which disclosure is set out below.

Structure and Composition

NP 58-201 provides guidance that the board of directors of every listed company should be constituted with a majority of individuals who qualify as “independent” directors under National Instrument 52-110 (“**NI 52-110**”), which provides that a director is independent if he or she has no direct or indirect “**material relationship**” with the company. “**Material relationship**” is defined as a relationship which could, in the view of the Company's board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment. In addition, Section 5.7 of Policy 3.1 of the TSX-V requires that each listed company must have at least two independent directors, as that term is defined in NI 52-110.

During the financial year ended June 30, 2021, the Board was composed of four directors, namely: Frank J. Basa, Jacques F. Monette, Robert Setter and Dianne Tookenay. Jacques F. Monette and Robert Setter were deemed to be independent. Frank Basa, as President, Chairman and Chief Executive Officer of the Company, is not independent by virtue of being an officer of the Company and receiving management and consulting fees. Dianne Tookenay is not independent by virtue of receiving consulting fees above the limit deemed to be independent under NI 52-110.

The Board is specifically responsible for approving long-term strategic plans and annual operating plans and budgets recommended by management. Board consideration and approval is also required for all material contracts, business transactions and all debt and equity financing proposals. The Board also takes responsibility for identifying the principal risks of the Company's business and for ensuring these risks are effectively monitored and mitigated to the extent reasonably practicable. In keeping with its overall

responsibility for the stewardship of the Company, the Board is responsible for the integrity of the Company's internal control and management information systems and for the Company's policies respecting corporate disclosure and communications.

The Board delegates to management, through the Chief Executive Officer and Chief Financial Officer, responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing the Company's cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans and annual operating plans.

Directorships

As of the date of this Information Circular, certain directors of the Company are also directors and/or officers of other reporting issuers (or equivalent) in a Canadian jurisdiction or a foreign jurisdiction as follows:

Name of Director	Names of Other Reporting Issuers of which the Director is a Director or Officer
Frank J. Basa	Canada Silver Cobalt Works Inc.
Dianne Tookenay	Canada Silver Cobalt Works Inc.
Robert Setter	Fuse Cobalt Inc. Nickel Rock Resources Inc.

Orientation and Continuing Education

The Company does not currently have any formal orientation for new directors and this is considered to be appropriate, given the Company's size and current level of operations. Orientation and education of new directors is carried out through an informal process. New directors are briefed on strategic plans, short, medium and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing company policies and are provided with access to recent, publicly filed documents of the Company, technical reports and internal financial information. The Company also provides technical presentations and/or information to new directors where necessary to ensure that they possess or have access to the technical skills and knowledge necessary for them to meet their obligation as directors.

In addition, the skills and knowledge of the Board of Directors as a whole is such that no formal continuing education process is currently deemed required. The individuals comprising the Board possess varying backgrounds and, collectively, have extensive experience in running and managing public companies. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. Board members have full access to the Company's records. Reference is made to the table under the heading "Election of Directors" for a description of the current principal occupations of the Company's Board.

Ethical Business Conduct

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to shareholders. On February 16, 2007, the Company adopted a formal Code of Conduct, a copy of which is available for viewing through the internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

The Company also adopted an Insider Trading Policy on August 18, 2006, a copy of which is available for viewing on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

The Board itself must comply with the conflict of interest provisions of the *Business Corporations Act* (British Columbia), as well as the relevant securities regulatory instruments and stock exchange policies, in order to

ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

The Board of Directors expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives.

Mandate of the Board

The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia), is to manage or supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company's affairs directly and through its committees (see "Other Board Committees" below). In fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Company's overall business strategies and its annual business plan, reviewing and approving the annual corporate budget and forecast, reviewing and approving significant capital investments outside the approved budget; reviewing major strategic initiatives to ensure that the Company's proposed actions accord with shareholder objectives; reviewing succession planning; assessing management's performance against approved business plans and industry standards; reviewing and approving the reports and other disclosure issued to shareholders; ensuring the effective operation of the Board; and safeguarding shareholders' equity interests through the optimum utilization of the Company's capital resources. Board consideration and approval is also required for all material contracts, business transactions and all debt and equity financing proposals. The Board also takes responsibility for identifying the principal risks of the Company's business and for ensuring these risks are effectively monitored and mitigated to the extent reasonably practicable. At this stage of the Company's development, the Board does not believe it is necessary to adopt a written mandate, as sufficient guidance is found in the applicable corporate and securities legislation and regulatory policies. However, as the Company grows, the Board will move to develop a formal written mandate.

The Board is not, however, involved in the day to day operations of the Company. Such operations are delegated to the Company's management, more specifically the President/Chief Executive Officer and Chief Financial Officer. Specifically, the Board delegates to management responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing the Company's cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans and annual operating plans.

Each member of the Board understands that he is entitled to seek the advice of an independent expert if he reasonably considers it warranted under the circumstances.

Nomination of Directors

Given its current size and stage of development, the Board has not appointed a nominating committee and these functions are currently performed by the Board as a whole. Nominees are generally the result of recruitment efforts by Board members, including both formal and informal discussions among Board members and the President/Chief Executive Officer, and the Board considers the advice and input from all directors regarding, inter alia, the appropriate size of Board, the necessary qualifications and skills of the Board as a whole and of each director individually, and the recommendation of new individuals willing to serve as directors who offer experience and expertise in an area of strategic interest to the Company as well as the ability to devote the time required.

Compensation

The Company does not have a Compensation Committee.

Given its relatively small size the entire Board currently performs the functions of a Compensation Committee of the Company with the responsibility for reviewing the adequacy and form of compensation of executive officers and directors having regard to, among other things, the responsibilities and risks associated with each executive officer's and director's position, the Company's overall performance and shareholder returns.

Meeting Attendance

As Board members reside in many different geographic locations, a director is considered in attendance regardless of whether he or she attends by conference call or in person. Non-independent directors may be asked to attend committee meetings in order to benefit from presentations or discussions.

The majority of the Board's decisions during the year were passed by way of written consent resolutions following informal discussions amongst the directors and management.

Other Board Committees

The current operations of the Company do not support a large Board of Directors and the Board has determined that the current composition of the Board is appropriate for the Company's current stage of development. Given its relative size the entire Board takes responsibility for the overall stewardship of the Company and, accordingly, other than the Audit Committee, the Company does not have any other Board committees.

Assessments

The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual director, but will consider implementing one in the future should circumstances warrant. Based on the Company's current size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The Board plans to continue evaluating its own effectiveness and the effectiveness and contribution of its committees or individuals directors on an ad hoc basis.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 – Audit Committees (NI 52-110) requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee (the "Audit Committee") and its relationship with its independent auditors, as set forth in the following:

Composition of the Audit Committee

The Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee. At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company's Charter, the definition of "financially literate" is 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 presumably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

During the financial year ended June 30, 2021, the Audit Committee consisted of Frank J. Basa, Jacques F. Monette and Robert Setter, with Frank Basa serving as Chair. All members are directors of the Company. Frank Basa is not deemed to be "independent", as defined in NI 52-110, as he is also an officer of the Company. Jacques F. Monette and Robert Setter are deemed to be independent. All members of the Audit Committee are "financially literate" as that term is defined in NI 52-110.

The Audit Committee's Charter

The Company adopted a charter (the "Charter") of the Audit Committee on November 29, 2007, a copy of which may be viewed through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com and forms part of the Management Information Circular filed November 30, 2007. A copy of the Charter was also filed on SEDAR on February 8, 2010. Upon request, a copy of the Charter will promptly be provided free of charge to shareholders of the Company.

Mandate

The primary function of the audit committee (the "Committee") is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements.
- Review and appraise the performance of the Company's external auditors.
- Provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.

Meetings

The Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- (a) Review and update this Charter annually.
- (b) Review the Company's financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

External Auditors

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.
- (b) Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.

- (f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the financial year in which the non-audit services are provided;
 - (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services; and
 - (iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.
- (j) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

Review any related-party transactions.

Relevant Education and Experience

Frank J. Basa, President, Chairman CEO and Director

Mr. Basa has over 34 years global experience in gold mining and development as a professional hydrometallurgical engineer with a focus in milling, gravity concentration, flotation, leaching and refining of precious and base metals. He graduated from McGill University with a B.A. in Engineering in 1983 and has been a member of the Professional Engineers of Ontario since 1987. He is President of Grupo Moje Limited and Mineral Recovery Management Services Corp. and, since March 10, 2011, a director, President and Chief Executive Officer of Canada Silver Cobalt Works Inc. from Sept. 15, 2015 to present.

Matthew Halliday, Proposed Director & Audit Committee Member

Mr. Halliday is a graduate of Dalhousie University (2007) where he majored in Earth Sciences. He then spent the next 13 years in exploration and as a resource geologist with Kirkland Lake Gold, First Cobalt and SGS Geostat. Mr. Halliday is the Vice President of Exploration (since 2019), Director (since 2020) and currently the President and Chief Operating Officer (since 2020) of Canada Silver Cobalt Works Inc. For more than a dozen years Mr. Halliday has focused on resource reporting and modelling while also gaining abundant experience with advanced field exploration including major drill programs in Ontario, Quebec, Newfoundland-Labrador, Nunavut and Alaska. With SGS he also enjoyed success in a business development capacity.

Dianne Tookenay, Director & Proposed Audit Committee Member

Ms. Tookenay is a director of Canada Silver Cobalt Works Inc. since June 15, 2015. Ms. Tookenay holds a Certificate in Mining Law from the Osgoode Hall Law School, York University, a Joint Masters of Public Administration from the University of Manitoba, a Bachelor of Administration from Lakehead University and Native Band Management and Indian Economic Development Diplomas from Confederation College Applied Arts and Technology. Ms. Tookenay's experience, knowledge and deep roots within the First Nation communities will add significant value to Granada's development efforts over the coming years.

Audit Committee Oversight

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

Pre-Approval Policies and Procedures

All services to be performed by the Company's independent auditor must be approved in advance by the Audit Committee. The Audit Committee has considered whether the provision of services other than audit services is compatible with maintaining the auditors' independence and has adopted a policy governing the provision of these services. This policy requires the pre-approval by the Audit Committee of all audit and non-audit services provided by the external auditor, other than any de minimus non-audit services allowed by applicable law or regulation.

Exemption

As a "venture issuer" as defined in NI 52-110, the audit committee of the Company relies on the exemption set forth in section 6.1 of NI 52-110 with respect to Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by McGovern, Hurley, Cunningham LLP, Chartered Accountants, to the Company to ensure auditor independence. Fees

incurred for audit and non-audit services in the last two financial years for audit fees are outlined in the following table:

Nature of Services	Fees Paid to Auditor in Year Ended	
	June 30, 2021	June 30, 2020
Audit Fees ⁽¹⁾	\$48,000	\$56,836
Audit-Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	\$9,400	\$Nil
All Other Fees ⁽⁴⁾	Nil	Nil
Notes:		
(1)	“Audit Fees” include fees necessary to perform the annual audit of the Company’s consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.	
(2)	“Audit-Related Fees” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.	
(3)	“Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.	
(4)	“All Other Fees” include all other non-audit services.	

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

An “informed person” means: (a) a director or executive officer of the Company; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company; (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

To the knowledge of management of the Company, no informed person or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries during the year ended June 30, 2021, or has any interest in any material transaction in the current year other than as set out herein or disclosed below:

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

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting except as disclosed in this Information Circular.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer, employee or former director, executive officer or employee of the Company was indebted to the Company as at the date hereof or at any time during the most recently completed financial year of the Company. None of the proposed nominees for election as a director of the Company, or any associate or affiliate of any director, executive officer or proposed nominee, was indebted to the Company as at the date hereof or at any time during the most recently completed financial year.

The Company has not provided any guarantees, support agreements, letters of credit or other similar arrangement or understanding for any indebtedness of any of the Company's directors, executive officers, proposed nominees for election as a director, or associates or affiliates of any of the foregoing individuals as at the date hereof or at any time during the most recently completed financial year of the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. PRESENTATION OF FINANCIAL STATEMENTS

At the Meeting, the Chairman of the Meeting will present to shareholders the financial statements of the Company for the year ended June 30, 2021, and the auditors' report thereon.

2. ELECTION OF DIRECTORS

(a) Setting Number of Directors

The board of directors of the Company presently consists of three (3) directors. The term of office of each of the present directors expires at the Meeting. Shareholders will be asked at the Meeting to approve an ordinary resolution that the number of directors elected be set at three (3) for the ensuing year, subject to such increase as may be permitted by the articles of the Company and the provisions of the *Business Corporations Act* ((British Columbia).

MANAGEMENT RECOMMENDS THE APPROVAL OF THE RESOLUTION TO SET THE NUMBER OF DIRECTORS OF THE COMPANY AT FOUR. IN ORDER TO BE PASSED, A MAJORITY OF THE VOTES CAST AT THE MEETING IN PERSON OR BY PROXY MUST BE VOTED IN FAVOUR OF THE RESOLUTION. IN THE ABSENCE OF CONTRARY INSTRUCTIONS, THE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY INTEND TO VOTE ANY COMMON SHARES REPRESENTED BY PROXIES HELD BY THEM IN FAVOUR OF THE RESOLUTION SETTING THE NUMBER OF DIRECTORS AT FOUR.

(b) Election of Directors

The term of office of each of the current directors expires at the Meeting. The Company's board of directors proposes to nominate the persons named in the table below for election as directors of the Company. Each director elected will hold office until the next annual general meeting of the Company or until his or her successor is duly elected or appointed, unless the office is earlier vacated in accordance with the Articles of the Company or the *Business Corporations Act* (British Columbia) or he or she becomes disqualified to act as a director.

On January 6, 2014, the Company's board of directors adopted an advance notice policy (the "Advance Notice Policy"), a copy of which may be viewed under the Company's profile on SEDAR at www.sedar.com. The policy provides shareholders, directors and management of the Company with a clear framework for nominating directors. The Advance Notice Policy fixes a deadline by which holders of record of common shares of the Company must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Company for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of shareholders.

The table below sets forth for each management nominee for election as director, (i) their name, (ii) the province or state and country where they reside, (iii) all offices of the Company now held by each of them, including committees on which they serve, (iv) their principal occupations, businesses or employments, (v) the period of time during which each has been a director of the Company, and (vi) the number of common shares of the Company beneficially owned, directly or indirectly, or controlled or directed, as of the date of this Information Circular.

Name, Province or State and Country of Residence, and Current Position with the Company	Occupation, Business or Employment ⁽¹⁾	Director of Company Since	Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised ⁽¹⁾⁽²⁾
Frank J. Basa ^{(3) (5)} Haileybury, Ontario Canada President, Chairman, Chief Executive Officer and Director	President, Chairman & CEO since 2004; Acting CFO from October 2008 to July 2009; Chief Executive Officer & Director, Canada Silver Cobalt Works Inc. Sept. 15'15 to present; President, Grupo Moje Ltd. & Mineral Recovery Management Services Corp.	June 10, 2004	2,609,211 ⁽⁴⁾
Matthew Halliday Ontario, Canada Proposed Director	President, COO & Director of Canada Silver Cobalt Works Inc. & Businessman.	Proposed	Nil
Dianne Tookenay Ontario, Canada Director	Director, Canada Silver Cobalt Works Inc., June 15, 2015 to present; Mineral Development Advisor, Wabun Tribal Council, September 2012 to May 2014; Impact Benefit Agreement Coordinator, Matachewan First Nation, June 2011 to October 2011; Consultation and Accommodation Coordinator, Gull Bay First Nation, September 2010 to October 2010;	April 28, 2017	Nil
Notes:			
<p>(1) The information as to principal occupation, business or employment and common shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years unless otherwise indicated.</p> <p>(2) The number of common shares beneficially owned by the above nominees for directors, directly or indirectly, is based on information furnished by insider reports filed on SEDI and by the nominees themselves.</p> <p>(3) Member of the Company's Audit Committee, of which Frank Basa is the Chair.</p> <p>(4) Of these shares, 554,125 are held directly, 543,687 are held indirectly by Grupo Moje Limited, a private company controlled by Mr. Basa, and 1,511,399 are held indirectly by Mineral Recovery Management Systems Corp., a private company controlled by Mr. Basa and his spouse.</p>			

Frank J. Basa, P. Eng., President, Chairman and CEO

Frank Basa joined the Board in 2004. He has over 34 years global experience in gold mining and development as a professional hydrometallurgical engineer with a focus in milling, gravity concentration, flotation, leaching and refining of precious and base metals. He graduated from McGill University with a B.A. in Engineering in 1983 and has been a member of the Professional Engineers of Ontario since 1987. He is also President of Grupo Moje Ltd. and Mineral Recovery Management Services Corporation and a director, President and Chief Executive Officer since September 15, 2015 of Castle Silver Resources Inc.

Matthew Halliday, Proposed Director

Mr. Halliday is a graduate of Dalhousie University (2007) where he majored in Earth Sciences. He then spent the next 13 years in exploration and as a resource geologist with Kirkland Lake Gold, First Cobalt and SGS Geostat. Mr. Halliday is the Vice President of Exploration (since 2019), Director (since 2020) and currently the President and Chief Operating Officer (since 2020) of Canada Silver Cobalt Works Inc. For more than a dozen years Mr. Halliday has focused on resource reporting and modelling while also gaining abundant experience with advanced field exploration including major drill programs in Ontario, Quebec, Newfoundland-Labrador, Nunavut and Alaska. With SGS he also enjoyed success in a business development capacity.

Dianne Tookenay, Director

Ms. Tookenay is a director of Canada Silver Cobalt Works Inc. since June 15, 2015. Ms. Tookenay holds a Certificate in Mining Law from the Osgoode Hall Law School, York University, a Joint Masters of Public Administration from the University of Manitoba, a Bachelor of Administration from Lakehead University and Native Band Management and Indian Economic Development Diplomas from Confederation College Applied Arts and Technology. Ms. Tookenay's experience, knowledge and deep roots within the First Nation

communities will add significant value to Granada's development efforts over the coming years.

None of the proposed nominees for election as a director of the Company are proposed for election pursuant to any arrangement or understanding between the nominee and any other person or company, except the directors and executive officers of the Company acting solely in such capacity.

Corporate Cease Trade Orders and Bankruptcies

No proposed director (including any personal holding company of a proposed director):

- (a) is, as at the date of this Information Circular, or has been, within the preceding 10 years, a director, chief executive officer or chief financial officer of any company (including the Company) that,
 - (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was subject to an order that was issued after the proposed director ceased to be a director, 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,
- (b) is, as at the date of this Information Circular, or has been, within the preceding 10 years, a 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,
- (c) has, within the 10 years before the date of this 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 proposed director.
- (d) has been subject to:
 - (i) 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
 - (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

MANAGEMENT RECOMMENDS THAT THE SHAREHOLDERS VOTE IN FAVOUR OF THE ABOVE LISTED NOMINEES.

IN ORDER TO BE PASSED, A MAJORITY OF THE VOTES CAST AT THE MEETING IN PERSON OR BY PROXY MUST BE VOTED IN FAVOUR OF THE RESOLUTION. 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 MAY BE VOTED FOR A SUBSTITUTE NOMINEE UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE ELECTION OF DIRECTORS.

3. APPOINTMENT OF AUDITORS

McGovern, Hurley, Cunningham LLP, Chartered Accountants, of 2005 Sheppard Ave. E., Suite 300, Toronto, Ontario M2J 5B4 were appointed auditors of the Company on February 15, 2013. Management proposes that McGovern, Hurley, Cunningham, Chartered Accountants, be appointed auditors of the Company for the ensuing year, until the close of the next annual general meeting of the shareholders, at a remuneration to be fixed by the

directors.

MANAGEMENT RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF THE RE- APPOINTMENT OF MCGOVERN, HURLEY, CUNNINGHAM LLP, CHARTERED ACCOUNTANTS. IN ORDER TO BE PASSED, A MAJORITY OF THE VOTES CAST AT THE MEETING IN PERSON OR BY PROXY MUST BE VOTED IN FAVOUR OF THE RESOLUTION. IN THE ABSENCE OF CONTRARY INSTRUCTIONS, THE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY INTEND TO VOTE ANY COMMON SHARES REPRESENTED BY PROXIES HELD BY THEM IN FAVOUR OF THE RESOLUTION APPOINTING MCGOVNR, HURLEY, CUNNINGHAM, CHARTERED ACCOUNTANTS, AUDITORS OF THE COMPANY FOR THE ENSUING YEAR AT A REMUNERATION TO BE FIXED BY THE DIRECTORS.

4. APPROVAL OF THE COMPANY'S AMENDED STOCK OPTION PLAN

The Company currently has in place a 10% “rolling” stock option plan (the “Current Option Plan”) which was approved by the Shareholders at its April 20, 2021 Annual General Meeting. As at the date of this Circular, the Company was eligible to grant up to 15,054,284 options under the Current Option Plan. As at June 30, 2021, there are 7,508,625 stock options outstanding under the Plan.

On November 24, 2021, the TSX-V made significant policy changes regarding Security Based Compensation. Policy 4.4 – *Incentive Stock Options* governed only Stock Option Plans. The TSX-V has implemented amendments to Policy 4.4, now entitled *Security Based Compensation* (the “Amended Policy”), to cover a variety of Security Based Compensation including Stock Option Plans. In order to comply with the new Policy 4.4, the Company is required to amend its Current Option Plan.

On May 9, 2022 the Board of Directors approved certain amendments to the Current Option Plan to comply with the amended policy. A summary of the amendments made to the Amended Option Plan are outlined below:

1. *Defined Terms* – the Company updated certain terms to comply with definitions utilized in the Amended Policy;
2. *Limitations on Issue* – the Company has amended Section 2.6 to comply with the Amended Policy;
3. *Amendments Requiring Disinterested Shareholder Approval* – the Company has amended Section 2.10 to comply with the Amended Policy;
4. *Manner of Exercise* – the Company has amended Section 4.2 to utilize certain provisions of the Amended Policy;
5. *Housekeeping Amendments* – certain other amendments of a housekeeping nature were made throughout.

The following is a summary of the principal terms of the Amended Option Plan.

The Amended Option Plan provides for the issuance of stock options to acquire at any time up to a maximum of 10% of the issued and outstanding common shares of the Company (subject to standard anti-dilution adjustments). If a stock option expires or otherwise terminates for any reason without having been exercised in full, the number of common shares reserved for issuance under that expired or terminated stock option will again be available for the purposes of the Amended Option Plan. Any stock option outstanding when the Current Option Plan is terminated will remain in effect until it is exercised or it expires.

The Amended Option Plan provides that stock options may be granted to directors, senior officers, employees and consultants of the Company (and any subsidiary of the Company) and management company employees. For the purposes of the Amended Option Plan, the terms “employees”, “consultants” and “management company employees” have the meanings set out in TSX-V Policy 4.4. Under the Amended Option Plan, the Company’s Board of Directors may, from time to time, designate a committee such as a Compensation Committee, for the purposes of administering the Amended Option Plan.

Should the expiry date for an Option fall within a Blackout Period of the Company (as such time period may be determined by the Board of Directors where one or more Optionee may not trade any securities of the Company

because they may be in possession of undisclosed material information pertaining to the Company), or within ten (10) business days following the expiration of a Blackout Period, such expiry date shall, subject to approval of the TSX-V, be automatically extended without any further act or formality to that day which is the tenth (10th) business day after the end of the Blackout Period, such tenth business day to be considered the expiry date for such Option for all purposes under the Amended Option Plan.

The Amended Option Plan provides that it is solely within the discretion of the Board to determine who should receive stock options and in what amounts, subject to the following conditions:

1. options will be non-assignable and non-transferable except that they will be exercisable by the personal representative of the option holder in the event of the option holder's death;
2. options may be exercisable for a maximum of ten years from the date of grant (subject to extension where the expiry date falls within a "Blackout Period", as disclosed above);
3. the aggregate number of options granted to any one option holder (including companies wholly owned by that option holder) in a 12-month period must not exceed 5% of the issued shares of the Company, calculated on the date an option is granted to the option holder;
4. the aggregate number of options granted to any one consultant in a 12-month period must not exceed 2% of the issued shares of the Company, calculated at the date an option is granted to the consultant;
5. the aggregate number of options granted to all option holders retained to provide Investor Relations Activities (as defined in TSX-V Policy 4.4) must not exceed 2% of the issued shares of the Company in any 12-month period, calculated at the date an option is granted to any such option holder and must vest over a period of not less than one year as to 25% every three months;
6. at no time will options be issued which could permit at any time the aggregate number of shares reserved for issuance under stock options granted to insiders (as a group) at any point in time exceeding 10% of the issued shares;
7. at no time will options be issued which could permit at any time the grant to insiders (as a group), within a 12-month period, of an aggregate number of options exceeding 10% of the issued shares calculated at the date an option is granted to any insider;
8. options held by an option holder who is a director, employee, consultant or management company employee will expire 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option) after the option holder ceases to be a director, employee, consultant or management company employee, which time period the Company determines is reasonable;
9. in the event of an option holder's death, the option holder's personal representative may exercise any portion of the option holder's vested outstanding options for a period of one year following the option holder's death;
10. options cannot be granted to directors, employees, consultants or management company employees that are not bona fide directors, employees, consultants or management company employees, as the case may be; and
11. options will be reclassified in the event of any consolidation, subdivision, conversion or exchange of the Company's common shares.

The Company will be required to obtain Disinterested Shareholder Approval if (i) the aggregate number of common shares reserved for issuance under Options granted to Insiders (as a group) exceeds 10% of the issued shares of the Company, (ii) the grant to Insiders (as a group), within a 12 month period, of an aggregate number of Options exceeds 10% of the issued shares of the Company, calculated at the date an Option is granted to any Insider, (iii) the aggregate number of Options granted to any one Optionee (including companies wholly owned by that Optionee), within a 12-month period, exceeds 5% of the issued shares of the Company, calculated on the date an Option is granted to the Optionee, or (iv) any reduction in the Exercise Price of an Option if the Optionee

is an Insider of the Company at the time of the proposed amendment. “Disinterested Shareholder Approval” means approval by a majority of the votes cast by all the Company’s shareholders at a duly constituted shareholders’ meeting, excluding votes attached to common shares beneficially owned by Insiders or their Associates.

The Amended Option Plan provides that other terms and conditions may be attached to a particular stock option, such terms and conditions to be referred to in a schedule attached to the option certificate. Stock options granted to directors, senior officers, employees or consultants vest when granted unless otherwise determined by the Board, on a case-by-case basis. Stock options granted to consultants or employees performing Investor Relations Activities, as such term is defined by the TSX-V, will vest in stages over 12 months with no more than one-quarter of the Options vesting in any three-month period.

In addition, under the Amended Option Plan a stock option will expire immediately in the event an Optionee is dismissed from employment or service for cause, such Optionee’s Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

The price at which an Optionee may purchase a common share upon the exercise of an Option will be as set forth in the option certificate issued in respect of such Option and in any event will not be less than the discounted market price of the Company’s common shares as of the date of the grant of the stock option (the “Award Date”). The market price of the Company’s common shares for a particular Award Date will typically be the closing trading price of the Company’s common shares on the day immediately preceding the Award Date, or otherwise in accordance with the terms of the Amended Option Plan. Discounted market price means the market price less a discount of up to 25% if the market price is \$0.50 or less; up to 20% if the market price is between \$2.00 and \$0.51; and up to 15% if the market price is greater than \$2.00. Where the exercise price of the Option is based on a discounted market price, a four month hold period will apply to all common shares issued under each Option, commencing from the Award Date. A four month hold period will also apply to all common shares issued under any Option granted to a director, officer or Insider (as such term is defined by the TSX-V) of the Company, regardless of whether the Option was granted at market or discounted market price.

In no case will a stock option be exercisable at a price less than the minimum prescribed by the organized trading facility or the applicable regulatory authorities that would apply to the award of the stock option in question.

The Amended Option Plan, as attached hereto as Schedule A, is subject to TSX-V acceptance and approval of shareholders.

Shareholder Approval

Shareholders will be asked at the Meeting to approve, with or without variation, the following resolution:

“BE IT RESOLVED that the Company’s Amended Option Plan, as described in the Company’s Information Circular dated June 8, 2022, be and is hereby ratified and approved, subject to regulatory approval, and that in connection therewith a maximum of 10% of the issued and outstanding common shares at the time of each grant be and are hereby approved for granting as options and that the Board of Directors be and are hereby authorized, without further shareholder approval, to make such changes to the Stock Option Plan as may be required or approved by regulatory authorities.”

MANAGEMENT RECOMMENDS THAT SHAREHOLDERS APPROVE THE COMPANY’S AMENDED OPTION PLAN. IN ORDER TO BE PASSED, A MAJORITY OF THE VOTES CAST AT THE MEETING IN PERSON OR BY PROXY MUST BE VOTED IN FAVOUR OF THE RESOLUTION. IN THE ABSENCE OF CONTRARY INSTRUCTIONS, THE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY INTEND TO VOTE ANY COMMON SHARES REPRESENTED BY PROXIES HELD BY THEM IN FAVOUR OF THE RESOLUTION APPROVING THE AMENDED OPTION PLAN.

OTHER MATTERS WHICH MAY COME BEFORE THE MEETING

As of the date of this Information Circular, management knows of no matters to come before the Meeting other than as set forth in the Notice of Meeting. However, if other matters not known to the management should properly come before the Meeting, the accompanying proxy will be voted on such matters in accordance with

the best judgment of the persons voting the proxy.

ADDITIONAL INFORMATION

Financial information concerning the Company is provided in its comparative financial statements and Management's Discussion and Analysis for the Company's most recently completed financial year ended June 30, 2021, and any interim financial statements of the Company for periods subsequent to June 30, 2021 and related Management's Discussion and Analysis.

The following documents filed with the securities commissions or similar regulatory authorities in British Columbia and Alberta are specifically incorporated by reference into, and form an integral part of this Information Circular:

- (a) the audited financial statements of the Company for the financial year ended June 30, 2021, together with the accompanying report of the auditors thereon and related Management's Discussion and Analysis and any interim financial statements of the Company for periods subsequent to June 30, 2021, and related Management's Discussion and Analysis;
- (b) the Company's Audit Committee Charter;
- (c) the Company's Code of Conduct;
- (d) the Company's Insider Trading Policy;
- (e) Advance Notice Policy;
- (f) Shareholder Rights Plan; and
- (g) Stock Option Plan.

Copies of documents incorporated herein by reference may be obtained by a shareholder upon request without charge from the corporate office of the Company located at 3028 Quadra Court, Coquitlam, BC, V3B 5X6 or by email at tina.whyte1@gmail.com. These documents, as well as additional information relating to the Company and its operations, are also available through the internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

BOARD APPROVAL

The contents of this Information Circular have been approved and its mailing has been authorized by the Board. Dated this 8th day of June, 2022.

BY ORDER OF THE BOARD OF DIRECTORS

"Frank J. Basa"

Frank J. Basa
President, CEO & Director

GRANADA GOLD MINE INC.
(the “Company”)

STOCK OPTION PLAN
Dated for Reference June 8, 2022

ARTICLE 1
PURPOSE AND INTERPRETATION

Purpose

1.1 The purpose of this Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of Common Shares of the Company. It is the intention of the Company that this Plan will at all times be in compliance with TSX Venture Policies and any inconsistencies between this Plan and TSX Venture Policies will be resolved in favour of the latter.

Definitions

1.2 In this Plan

(a) **Affiliate** means a company that is a parent or subsidiary of the Company, or that is controlled by the same entity as the Company;

(b) **Associate** has the meaning set out in the Securities Act;

(c) **Black-out Period** means an interval of time formally imposed by the Company, during which the Company has determined that one or more Participants may not trade any securities of the Company because they may be in possession of undisclosed material information pertaining to the Company, or when in anticipation of the release of quarterly or annual financials, to avoid potential conflicts associated with a company’s insider-trading policy or applicable securities legislation, (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Company or in respect of an Insider, that Insider, is subject);

(d) **Board** means the board of directors of the Company or any committee thereof duly empowered or authorized to grant Options under this Plan;

(e) **Change of Control** includes situations where after giving effect to the contemplated transaction and as a result of such transaction:

(i) any one Person holds a sufficient number of voting shares of the Company or resulting company to affect materially the control of the Company or resulting company, or,

(ii) any combination of Persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, holds in total a sufficient number of voting shares of the Company or its successor to affect materially the control of the Company or its successor,

where such Person or combination of Persons did not previously hold a sufficient number of voting shares to materially affect control of the Company or its successor and, in the absence of evidence to the contrary, any Person or combination of Persons acting in concert by virtue of an agreement, arrangement, commitment or understanding, holding more than 20% of the voting shares of the Company or resulting company is deemed to materially affect control of the Company or resulting company;

(f) **Common Shares** means the common shares without par value in the capital of the Company providing such class is listed on the TSX Venture;

(g) **Company** means GRANADA GOLD MINE INC. and includes, unless the context otherwise requires, all of its Affiliates and successors according to law;

(h) **Consultant** means an individual or Consultant Company, other than an Employee, Officer or Director that:

(i) provides on an ongoing bona fide basis, consulting, technical, managerial or like services to the Company or an Affiliate of the Company, other than services provided in relation to a Distribution;

(ii) provides the services under a written contract between the Company or an Affiliate and the individual or the Consultant Company;

(iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the business and affairs of the Company or an Affiliate of the Company; and

(i) **Consultant Company** means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;

(j) **Directors** means the directors of the Company as may be elected from time to time;

(k) **Discounted Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;

(l) **Disinterested Shareholder Approval** means approval by a majority of the votes cast by all the Company's shareholders at a duly constituted shareholders' meeting, excluding votes attached to Common Shares beneficially owned by Insiders who are Service Providers or their Associates;

(m) **Distribution** has the meaning assigned by the Securities Act, and generally refers to a distribution of securities by the Company from treasury;

(n) **Effective Date** for an Option means the date of grant thereof by the Board;

(o) **Employee** means:

(i) an individual who is considered an employee of the Company or an Affiliate of the Company under the *Income Tax Act* Canada (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);

(ii) an individual who works full-time for the Company or a subsidiary thereof providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or

(iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions need not be made at source;

(p) **Exchange Hold Period** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;

(q) **Exercise Price** means the amount payable per Common Share on the exercise of an Option, as determined in accordance with the terms hereof;

- (r) **Expiry Date** means the day on which an Option lapses as specified in the Option Commitment therefor or in accordance with the terms of this Plan;
- (s) **Insider** means an insider as defined in the TSX Venture Policies or as defined in securities legislation applicable to the Company;
- (t) **Investor Relations Activities** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (u) **Investor Relations Service Provider** includes any Consultant that performs Investor Relations Activities and any Director, Officer, Employee or Management Company Employee whose role and duties primarily consist of Investor Relations Activities;
- (v) **Management Company Employee** means an individual employed by a Company providing management services to the Company which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a Person engaged in Investor Relations Activities;
- (w) **Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (x) **Officer** means a Board appointed officer of the Company;
- (y) **Option** means the right granted to an Optionee by the Company to purchase Common Shares of the Company at a specified price for a specified period of time;
- (z) **Option Commitment** means the notice of grant of an Option delivered by the Company hereunder to a Service Provider and substantially in the form of Schedule A attached hereto;
- (aa) **Optioned Shares** means Common Shares that may be issued in the future to a Service Provider upon the exercise of an Option;
- (bb) **Optionee** means the recipient of an Option hereunder;
- (cc) **Outstanding Shares** means at the relevant time, the number of issued and outstanding Common Shares of the Company from time to time;
- (dd) **Participant** means a Director, Officer, Employee, Management Company Employee, Consultant or Eligible Charitable Organization that is the recipient of an Option granted by the Corporation hereunder;
- (ee) **Person** includes a company, any unincorporated entity, or an individual;
- (ff) **Plan** means this Stock Option Plan, the terms of which are set out herein or as may be amended;
- (gg) **Plan Shares** means the total number of Common Shares which may be reserved for issuance as Optioned Shares under the Plan as provided in §2.2;
- (hh) **Regulatory Approval** means the approval of the TSX Venture and any other securities regulatory authority that has lawful jurisdiction over the Plan and any Options issued hereunder;
- (ii) **Securities Act** means the Securities Act, R.S.B.C. 1996, c. 418, or any successor legislation;
- (jj) **Service Provider** means a Person who is a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Eligible Charitable Organization, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers;

(kk) **Share Compensation Arrangement** means any Option under this Plan but also includes any other stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to a Service Provider;

(ll) **Shareholder Approval** means approval by a majority of the votes cast by eligible shareholders of the Company in accordance with the policies of the TSX Venture Exchange;

(mm) **Take Over Bid** means a take over bid as defined in Multilateral Instrument 62-104 (Take-over Bids and Issuer Bids) or the analogous provisions of securities legislation applicable to the Company;

(nn) **TSX Venture** means the TSX Venture Exchange and any successor thereto; and

(oo) **TSX Venture Policies** means the rules and policies of the TSX Venture as amended from time to time.

Other Words and Phrases

1.3 Words and phrases used in this Plan but which are not defined in the Plan, but are defined in the TSX Venture Policies, will have the meaning assigned to them in the TSX Venture Policies.

Gender

1.4 Words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

ARTICLE 2 STOCK OPTION PLAN

Establishment of Stock Option Plan

2.1 The Plan is hereby established to recognize contributions made by Service Providers and to create an incentive for their continuing assistance to the Company and its Affiliates.

Maximum Plan Shares

2.2 The maximum aggregate number of Plan Shares that may be reserved for issuance under the Plan at any point in time shall be ten percent (10%) of the issued and outstanding Common Shares at the time of the stock option grant, less any Common Shares reserved for issuance under stock options granted under Share Compensation Arrangements other than this Plan, unless this Plan is amended pursuant to the requirements of the TSX Venture Policies.

Eligibility

2.3 Options to purchase Common Shares may be granted hereunder to Service Providers of the Company, or its affiliates, from time to time by the Board. Service Providers that are not individuals will be required to undertake in writing not to effect or permit any transfer of ownership or option of any of its securities, or to issue more of its securities (so as to indirectly transfer the benefits of an Option), as long as such Option remains outstanding, unless the written permission of the TSX Venture and the Company is obtained.

Options Granted Under the Plan

2.4 All Options granted under the Plan will be evidenced by an Option Commitment in the form attached as Schedule A, showing the number of Optioned Shares, the term of the Option, a reference to vesting terms, if any, and the Exercise Price.

2.5 Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of an Option Commitment made hereunder.

Limitations on Issue

2.6 Subject to §2.10, the following restrictions on issuances of Options are applicable under the Plan:

- (a) no one Service Provider can be granted an Option if that Option would result in the total number of Options, together with all other Share Compensation Arrangements granted to such Service Provider in the previous 12 months, exceeding 5% of the Outstanding Shares calculated at the time of grant, unless the Company has obtained Disinterested Shareholder Approval to do so;
- (b) the aggregate number of Options of the Company that may be granted to Insiders (as a group) must not exceed 10% of the Outstanding Shares of the Company within a 12-month period, calculated at the time of grant;
- (c) the aggregate number of Options granted to all Service Providers conducting Investor Relations Activities in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture;

Options granted to any Investor Relations Service Provider must vest over a period of not less than 12-months such that:

- i) no more than 25% of the granted Option vests no sooner than three (3) months after the time of grant;
 - ii) no more than 25% of the granted Option vests no sooner than six (6) months after the time of grant;
 - iii) no more than 25% of the granted Option vests no sooner than nine (9) months after the time of grant; and
 - iv) the remainder of the granted Option vests no sooner than 12-months after the time of grant.
- (d) the aggregate number of Options granted to any one Consultant in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture.

Options Not Exercised

2.7 In the event an Option granted under the Plan expires unexercised or is terminated by reason of dismissal of the Optionee for cause or is otherwise lawfully cancelled prior to exercise of the Option, the Optioned Shares that were issuable thereunder will be returned to the Plan and will be eligible for re-issuance.

Powers of the Board

2.8 The Board will be responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising hereunder. Without limiting the generality of the foregoing, the Board has the power to

- (a) allot Common Shares for issuance in connection with the exercise of Options;

- (b) grant Options hereunder;
- (c) subject to any necessary Regulatory Approval, amend, suspend, terminate or discontinue the Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of the Plan will, without the prior written consent of all Optionees, alter or impair any Option previously granted under the Plan unless the alteration or impairment occurred as a result of a change in the TSX Venture Policies or the Company's tier classification thereunder; and
- (d) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of the Plan so delegated to the same extent as the Board is hereby authorized so to do.

Amendment of the Plan by the Board of Directors

2.9 Subject to the requirements of the TSX Venture Policies and the prior receipt of any necessary Regulatory Approval, the Board may in its absolute discretion, amend or modify the Plan or any Option granted as follows:

- (a) it may make amendments which are of a typographical, grammatical or clerical nature only;
- (b) it may change the vesting provisions of an Option granted hereunder, subject to prior written approval of the TSX Venture, if applicable;
- (c) it may change the termination provision of an Option granted hereunder which does not entail an extension beyond the original Expiry Date of such Option;
- (d) it may make amendments necessary as a result in changes in securities laws applicable to the Company;
- (e) if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSX Venture, it may make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (f) it may make such amendments as reduce, and do not increase, the benefits of this Plan to Service Providers.

Amendments Requiring Disinterested Shareholder Approval

2.10 The Company will be required to obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:

- (a) the Plan, together with all of the Company's other previous Share Compensation Arrangements, could result at any time in:
 - (i) the aggregate number of Common Shares reserved for issuance under Options granted to Insiders (as a group) exceeding 10% of the Outstanding Shares of the Company at any time;
 - (ii) the aggregate number of Optioned Shares of the Company issued to Insiders (as a group) within a 12-month period exceeding 10% of the Outstanding Shares calculated at the time of grant; or,
 - (iii) the aggregate number of Optioned Shares of the Company issued to any one Optionee exceeding 5% of the Outstanding Shares calculated at the time of grant.

(b) any reduction in the Exercise Price or extension to the Expiry Date of an Option previously granted to an Insider if the Optionee is an Insider of the Company at the time of the proposed amendment.

Options Granted Under the Company's Previous Stock Option Plans

2.11 Any option granted pursuant to a stock option plan previously adopted by the Board which is outstanding at the time this Plan comes into effect shall be deemed to have been issued under this Plan and shall, as of the date this Plan comes into effect, be governed by the terms and conditions hereof.

ARTICLE 3 TERMS AND CONDITIONS OF OPTIONS

Exercise Price

3.1 The Exercise Price of an Option will be set by the Board at the time such Option is allocated under the Plan, and cannot be less than the Discounted Market Price.

Term of Option

3.2 An Option can be exercisable for a maximum of 10 years from the Effective Date.

Option Amendment

3.3 Subject to §2.10(b), the Exercise Price of an Option may be amended only if at least six (6) months have elapsed since the later of the date of commencement of the term of the Option, the date the Common Shares commenced trading on the TSX Venture, or the date of the last amendment of the Exercise Price.

3.4 An Option must be outstanding for at least one year before the Company may extend its term, subject to the limits contained in §3.2.

3.5 Any proposed amendment to the terms of an Option must be approved by the TSX Venture prior to the exercise of such Option.

Vesting of Options

3.6 Subject to §3.7, vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under the Plan, in the absence of a vesting schedule being specified at the time of grant, all such Options shall vest immediately. Where applicable, vesting of Options will generally be subject to:

(a) the Service Provider remaining employed by or continuing to provide services to the Company or any of its Affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its Affiliates during the vesting period; or

(b) the Service Provider remaining as a Director of the Company or any of its Affiliates during the vesting period.

Vesting of Options Granted to Consultants Conducting Investor Relations Activities

3.7 Notwithstanding §3.6, Options granted to Participants employed to provide Investor Relations Activities will vest:

- (a) over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or
- (b) such longer vesting period as the Board may determine.

Effect of Take-Over Bid

3.8 If a Take Over Bid is made to the shareholders generally then the Company shall immediately upon receipt of notice of the Take Over Bid, notify each Optionee currently holding an Option of the Take Over Bid, with full particulars thereof whereupon such Option may, notwithstanding §3.6 and §3.7 or any vesting requirements set out in the Option Commitment, be immediately exercised in whole or in part by the Optionee, subject to approval of the TSX Venture for vesting requirements imposed by the TSX Venture Policies.

Acceleration of Vesting on Change of Control

3.9 In the event of a Change of Control occurring, Options granted and outstanding, which are subject to vesting provisions, shall be deemed to have immediately vested upon the occurrence of the Change of Control, except for Options granted to Consultants conducting Investor Relations Activities.

Extension of Options Expiring During Blackout Period

3.10 Should the Expiry Date for an Option fall within a Blackout Period formally imposed by the Company, or within ten (10) Business Days following the expiration of a Blackout Period, such Expiry Date shall, subject to approval of the TSX Venture, be automatically extended without any further act or formality to that day which is the tenth (10th) Business Day after the end of the Blackout Period, such tenth Business Day to be considered the Expiry Date for such Option for all purposes under the Plan. Notwithstanding §2.8, the tenth Business Day period referred to in this §3.10 may not be extended by the Board.

Optionee Ceasing to be Director, Employee or Service Provider

3.11 Options may be exercised after the Service Provider has left his/her employ/office or has been advised by the Company that his/her services are no longer required or his/her service contract has expired, until the term applicable to such Options expires, except as follows:

- (a) in the case of the death of an Optionee, any vested Option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;
- (b) an Option granted to any Service Provider will expire 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option) after the date the Optionee ceases to be employed by or provide services to the Company, and only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company; and
- (c) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

Non Assignable

3.12 Subject to §3.11(a), all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

Adjustment of the Number of Optioned Shares

3.13 The number of Common Shares subject to an Option will be subject to adjustment in the events and in the manner following:

(a) in the event of a subdivision of Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a greater number of Common Shares, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder, in addition to the number of Optioned Shares in respect of which the right to purchase is then being exercised, such additional number of Common Shares as result from the subdivision without an Optionee making any additional payment or giving any other consideration therefor;

(b) in the event of a consolidation of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a lesser number of Common Shares, the Company will thereafter deliver and an Optionee will accept, at the time of purchase of Optioned Shares hereunder, in lieu of the number of Optioned Shares in respect of which the right to purchase is then being exercised, the lesser number of Common Shares as result from the consolidation;

(c) in the event of any change of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder the number of shares of the appropriate class resulting from the said change as an Optionee would have been entitled to receive in respect of the number of Common Shares so purchased had the right to purchase been exercised before such change;

(d) in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Company, a consolidation, merger or amalgamation of the Company with or into any other company or a sale of the property of the Company as or substantially as an entirety at any time while an Option is in effect, an Optionee will thereafter have the right to purchase and receive, in lieu of the Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option, the kind and amount of shares and other securities and property receivable upon such capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale which the holder of a number of Common Shares equal to the number of Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option would have received as a result thereof. The subdivision or consolidation of Common Shares at any time outstanding (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of the Company for the purposes of this §3.13;

(e) an adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this section are cumulative;

(f) the Company will not be required to issue fractional shares in satisfaction of its obligations hereunder. Any fractional interest in a Common Share that would, except for the provisions of this §3.13, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Company; and

(g) if any questions arise at any time with respect to the Exercise Price or number of Optioned Shares deliverable upon exercise of an Option in any of the events set out in this §3.13, such questions will be conclusively determined by the Company's auditors, or, if they decline to so act, any other firm of Chartered Accountants, in Vancouver, British Columbia (or in the city of the Company's principal executive office) that the Company may designate and who will be granted access to all appropriate records and such determination will be binding upon the Company and all Optionees.

**ARTICLE 4
COMMITMENT AND EXERCISE PROCEDURES**

Option Commitment

4.1 Upon grant of an Option hereunder, an authorized officer of the Company will deliver to the Optionee an Option Commitment detailing the terms of such Options and upon such delivery the Optionee will be subject to the Plan and have the right to purchase the Optioned Shares at the Exercise Price set out therein subject to the terms and conditions hereof, including any additional requirements contemplated with respect to the payment of required withholding taxes on behalf of Optionees.

Manner of Exercise

4.2 An Optionee may exercise an Option in whole or in part during the Exercise Period by delivering the required Exercise Notice and one of the following forms of consideration:

- (a) **Cash Exercise** – Consideration may be paid by an Optionee by sending a wire transfer, certified cheque or bank draft payable to the Company in the amount equal to the aggregate Exercise Price of the Optioned Shares then being exercised, plus any required withholding tax amount subject to §4.3; or
- (b) **Cashless Exercise** - Consideration may be paid by an Optionee as follows:
 - i) a brokerage firm loans money to the Optionee in order for the Optionee to exercise Options to acquire the underlying Shares (the “Loan”);
 - ii) the brokerage firm then sells a sufficient number of Shares to cover the Exercise Price of the Options that were exercised by the Optionee in order to repay the Loan;
 - iii) the brokerage firm receives an equivalent number of Shares from the exercise of the Options and the Optionee receives the balance of the Shares or the cash proceeds from the balance of such Shares.

Tax Withholding and Procedures

4.3 Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an Optionee who wishes to exercise an Option must, in addition to following the procedures set out in §4.2 and elsewhere in this Plan, and as a condition of exercise:

- (a) deliver a certified cheque, wire transfer or bank draft payable to the Company for the amount determined by the Company to be the appropriate amount on account of such taxes or related amounts; or
- (b) otherwise ensure, in a manner acceptable to the Company (if at all) in its sole and unfettered discretion, that the amount will be securely funded;

and must in all other respects follow any related procedures and conditions imposed by the Company.

Delivery of Optioned Shares and Hold Periods

4.4 As soon as practicable after receipt of the notice of exercise described in §4.2 and payment in full for the Optioned Shares being acquired, the Company will direct its transfer agent to issue to the Optionee the appropriate number of Optioned Shares. If the Exercise Price is set below the then current market price of the Common Shares on the TSX Venture at the time of grant, or if the Option is exercised by an Insider of the

Company within four months of the grant of such Option, the certificate representing the Optioned Shares or written notice in the case of uncertificated shares will include a legend stipulating that the Optioned Shares issued are subject to a four-month Exchange Hold Period commencing the date of the Option Commitment.

ARTICLE 5 GENERAL

Employment and Services

5.1 Nothing contained in the Plan will confer upon or imply in favour of any Optionee any right with respect to office, employment or provision of services with the Company, or interfere in any way with the right of the Company to lawfully terminate the Optionee's office, employment or service at any time pursuant to the arrangements pertaining to same. Participation in the Plan by an Optionee is voluntary.

No Representation or Warranty

5.2 The Company makes no representation or warranty as to the future market value of Common Shares issued in accordance with the provisions of the Plan or to the effect of the *Income Tax Act* (Canada) or any other taxing statute governing the Options or the Common Shares issuable thereunder or the tax consequences to a Service Provider. Compliance with applicable securities laws as to the disclosure and resale obligations of each Participant is the responsibility of each Participant and not the Company.

Interpretation

5.3 The Plan will be governed and construed in accordance with the laws of the Province of British Columbia.

Effective Date of Plan

5.4 The Plan will become effective on the date final acceptance is received by the TSX Venture Exchange, and will remain effective provided that the Plan, or any amended version thereof, receives Shareholder Approval as required by the TSX Venture Policies.

Amendment of the Plan

5.5 The Board reserves the right, in its absolute discretion, to at any time amend, modify or terminate the Plan with respect to all Common Shares in respect of Options which have not yet been granted hereunder. Any amendment to any provision of the Plan will be subject to any necessary Regulatory Approvals unless the effect of such amendment is intended to reduce (but not to increase) the benefits of this Plan to Service Providers.

**SCHEDULE A TO
STOCK OPTION PLAN**

OPTION COMMITMENT

Notice is hereby given that, effective this ___ day of _____, 20__ (the "Effective Date") **GRANADA GOLD MINE INC.** (the "Company") has granted to _____ (the "Optionee"), an Option to acquire _____ Common Shares ("Optioned Shares") up to 5:00 p.m. Vancouver Time on the ___ day of _____, 20__ (the "Expiry Date") at an Exercise Price of CDN \$_____ per share.

Optioned Shares are to vest immediately.

OR

Optioned Shares will vest *[INSERT VESTING SCHEDULE AND TERMS]*

The Option shall expire _____ days after the Optionee ceases to be employed by or provide services to the Company.

The grant of the Option evidenced hereby is made subject to the terms and conditions of the Plan, which are hereby incorporated herein and form part hereof.

To exercise your Option, deliver a written notice specifying the number of Optioned Shares you wish to acquire, together with a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Exercise Price. A certificate, or written notice in the case of uncertificated shares, for the Optioned Shares so acquired will be issued by the transfer agent as soon as practicable thereafter and may bear a minimum four month non-transferability legend from the date of this Option Commitment, the text of which is as follows. *[Note: A Company may grant stock options without a hold period, provided the exercise price of the options is set at or above the market price of the Company's shares. If a four month hold period is applicable, the following legend must be placed on the certificate or the written notice in the case of uncertificated shares.]*

"WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL 12:00 A.M. (MIDNIGHT) ON *[insert date 4 months from the date of grant]*".

In the event that the Optionee is a resident of the United States, a certificate, or written notice in the case of uncertificated shares, for the Optioned Shares so acquired will bear the following legend:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"). THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (9) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT, (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE 1933 ACT PROVIDED BY RULE 144 OR RULE 144A THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE 1933 ACT OR ANY APPLICABLE STATE LAWS, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE COMPANY AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE COMPANY. DELIVERY OF THIS CERTIFICATE MAY NOT

CONSTITUTE GOOD DELIVERY·IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.”

The Company and the Optionee represent that the Optionee under the terms and conditions of the Plan is a bona fide Service Provider (as defined in the Plan), entitled to receive Options under TSX Venture Policies.

The Optionee also acknowledges and consents to the collection and use of Personal Information (as defined in the Policies of the TSX Venture Exchange) by both the Company and the TSX Venture as more particularly set out in the Acknowledgement - Personal Information in use by the TSX Venture on the date of this Option Commitment.

GRANADA GOLD MINE INC.

Per:

Authorized Signatory

[Insert Name of Optionee]

