



**Suite 1630, 1177 West Hastings Street
Vancouver, British Columbia
Canada V6E 2K3**

**NOTICE OF 2021 ANNUAL GENERAL MEETING OF SHAREHOLDERS AND
MANAGEMENT INFORMATION CIRCULAR**

DATED: September 24, 2021

NOTICE OF 2021 ANNUAL GENERAL MEETING OF SOMBRERO RESOURCES INC.

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Meeting**”) of the shareholders (the “**Shareholders**”) of Sombrero Resources Inc. (the “**Company**” or “**Sombrero**”) will be held, **Wednesday, November 3, 2021, 10:00 a.m. (Pacific Time)** at Suite 1630, 1177 West Hastings Street, Vancouver, British Columbia Canada V6E 2K3. The purpose of the Meeting is to consider and take action on the following matters:

1. receive the audited financial statements of the Company for the year ended December 31, 2020 together and the auditor’s report thereon;
2. elect directors for the ensuing year;
3. appoint Deloitte LLP as the Company’s auditors for the ensuing year and authorize the directors to set the auditors’ remuneration; and
4. to transact any other business that may properly come before the Meeting.

The Management Information Circular (“**Circular**”) dated September 24, 2021, provides additional information relating to the matters to be addressed at the Meeting and forms part of this Notice.

In light of the on-going COVID-19 pandemic, you are encouraged to vote on the above items by submitting the enclosed Form of Proxy (the “**Proxy**”), rather than attend the Meeting in person. Should you intend to attend the Meeting in person and in order to facilitate planning, please pre-register with the Company at least 48 hours before the Meeting by sending an email to: info@sombreroresources.com . A Proxy has been provided in this package, together with the Circular which forms part of this Notice. Please refer to the Proxy for instructions on completing the Proxy. To be effective, the Proxy must be completed, dated, signed and returned within the time limits and in accordance with the instructions set out in the Proxy.

The directors have fixed September 24, 2021, as the record date for determining the Shareholders entitled to receive notice of and vote at the Meeting. If you were a Shareholder as of September 24, 2021, you are entitled to vote at the Meeting. If you are unable to attend the Meeting, you are encouraged to read, complete, date, sign and return the enclosed Proxy or Voting Instruction Form (“**VIF**”) in the manner specified on the form, no later than 10:00 a.m. (Pacific Time) on November 1, 2021.

Please refer to the section “*Voting Information*” in the Circular for details on how to vote at the Meeting. Sombrero strongly encourages Shareholders to vote in advance using their Proxy or VIF as described in the Circular.

DATED at Vancouver, British Columbia this 24th day of September, 2021.

ON BEHALF OF THE BOARD OF DIRECTORS

“Ivan Bebek”

Ivan Bebek
President & Chief Executive Officer

SOMBRERO RESOURCES INC.
MANAGEMENT INFORMATION CIRCULAR

This Management Information Circular (the “Circular”) is furnished in connection with the solicitation of proxies by the management of Sombrero Resources Inc. (the “Company” or “Sombrero”) for use at the annual general meeting (the “Meeting”) of its shareholders to be held on November 3, 2021, at the time and place and for the purposes set forth in the accompanying notice of the Meeting.

Date of Information, Currency and References

Information in this Circular is provided as at September 24, 2021, except as otherwise indicated. All currency amounts expressed herein, unless otherwise indicated, are expressed as Canadian dollars. In this Circular, “you” and “your”, refer to shareholders of the Company (the “Shareholders”) and “we”, “us” or “our”, or “Sombrero” refer to the Company. References to the Company in this Circular include the Company’s subsidiaries unless the context requires otherwise.

GENERAL PROXY AND VOTING INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally, by telephone, e-mail, internet, facsimile or other means of communication by regular officers, employees and agents of the Company. We have arranged for Intermediaries (as defined herein) to forward the meeting materials to beneficial owners of common shares in the capital of the Company (“Common Shares”) held as of record by those Intermediaries (as defined below) and we may reimburse the Intermediaries for their reasonable fees and disbursements in that regard.

Record Date

The record date for the Meeting is September 24, 2021.

Appointment of Proxyholder

A proxy is an instrument used to designate persons who will vote on behalf of a Shareholder in accordance with the instructions given by the Shareholder in the proxy. The proxy nominees named in the enclosed form of proxy are officers and/or directors of the Company. **A Shareholder has the right to appoint a person other than the persons named in the enclosed form of proxy to attend and act on such Shareholder’s behalf at the Meeting. To exercise this right, the Shareholder may either insert the name of such other person or company in the blank space provided in the enclosed form of proxy or complete and submit another form of proxy acceptable to the Company.** A proxyholder does not have to be a Shareholder.

Unless specifically directed in a proxy to withhold the Common Shares represented by the proxy from a ballot or show of hands, the persons named as proxyholders in such proxy shall vote the Common Shares represented by the Form of Proxy (the “Proxy”) on each ballot or show of hands. Where a choice with respect to any matter to be acted upon has been specified in a proxy, the Common Shares will be voted in accordance with the specifications so made.

In the absence of any instructions on the form of proxy or if such instructions are unclear, the persons named in the enclosed form of proxy will vote the Common Shares represented by the form of proxy FOR each matter identified on the form of proxy, in each case as more particularly described elsewhere in this Circular.

A proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the person or company appointed proxyholder thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. If amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other matter of business is properly brought before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote in accordance with their best judgement on such matter of business. At the time of the printing of this Circular, management knows of no such amendment, variation or other matter which may be presented at the Meeting.

Proxy Voting – Registered Shareholders

A person or company whose name appears on the books and records of the Company is a “registered shareholder”. A registered Shareholder may vote their Common Shares at the Meeting either in person or by proxy. Only registered Shareholders and proxyholders are permitted to vote at the Meeting.

Please review the enclosed form of proxy carefully for additional information and resources for assistance. **To be effective, a proxy must be received by Computershare (as defined below) no later than 10:00 a.m. (Pacific Time) two days (excluding Saturdays, Sundays, and statutory holidays) before the Meeting.**

Voting Instructions for Registered Shareholders:

Registered Shareholders may wish to vote by proxy whether or not they 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. (“**Computershare**”), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to the 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9; or
- (b) telephone or internet, as instructed in the enclosed Proxy, not later than 10:00 a.m. (Pacific Time) on November 1, 2021; or
- (c) completing, dating and signing the enclosed form of proxy and returning it to the registered office of the Company at 595 Burrard Street, P.O. Box 49314, Suite 2600, Three Bentall Centre, Vancouver, British Columbia V7X 1L3.

Proxy Voting – Non-Registered or Beneficial Shareholders

A “non-registered” shareholder or a “beneficial shareholder” is a person or company whose shares of the Company are not registered directly in their name but instead are registered in the name of a brokerage firm, bank or trust company through which the shares were purchased or with who the shares were deposited. More particularly, a person is not a registered shareholder in respect of shares which are held on behalf of that person (the “**Beneficial Shareholder**”) but which are registered either: (a) in the name of an intermediary (an “**Intermediary**”) that the Beneficial Shareholder deals with in respect of the shares, or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant.

There are two kinds of Beneficial Shareholders – those who object to their names being made known to the issuers of securities which they own (“**OBOs**” for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (“**NOBOs**” for Non-Objecting Beneficial Owners).

Voting Instructions for Beneficial Shareholders:

- NOBOs will receive the Notice of Meeting, this Circular, a Proxy and a Voting Instruction Form (a “**VIF**”, and together with the Notice of Meeting, the Circular and form of proxy, the “**Meeting Materials**”) as requested directly from Computershare. NOBOs should complete and return their voting instructions in accordance with the VIF provided by Computershare.
- The Company does not intend to pay for intermediaries to forward to OBOs under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* the proxy-related materials and Form 54-101F7 *Request for Voting Instructions Made by Intermediary*, and in the case of an OBO, the OBO will not receive the materials unless the OBO’s intermediary assumes the cost of delivery. OBOs may receive the Meeting Materials from their broker or from another Intermediary, provided that their respective

Intermediary has assumed the cost of forwarding such Meeting Materials to them. OBOs should complete and return their voting instructions in accordance with the VIF provided to them.

A Beneficial Shareholder cannot use the VIF provided to vote directly at the Meeting. Should a Beneficial Shareholder wish to attend and vote at the Meeting in person, the Beneficial Shareholder must insert his or her name (or the name of such other person as the Beneficial Shareholder wishes to attend and vote on his or her behalf) in the blank space provided for that purpose on the VIF and return the completed VIF in accordance with the instructions provided well in advance of the Meeting.

Only registered shareholders have the right to revoke a Proxy. Beneficial Shareholders of shares who wish to change their vote must, in sufficient time in advance of the Meeting, arrange for their respective Intermediaries to change their vote and, if necessary, revoke their Proxy in accordance with the revocation procedures set out in this Circular.

Revocation of Proxies – Registered Shareholders

A registered Shareholder may revoke a proxy by delivering an instrument in writing executed by the Shareholder or the Shareholder's attorney authorized in writing or, where the Shareholder is a company, by a duly authorized officer or attorney thereof, at any time up to and including the last business day before the day set for the holding of the Meeting to:

- (i) the registered office of the Company at 595 Burrard Street, P.O. Box 49314, Suite 2600, Three Bentall Centre, Vancouver, British Columbia V7X 1L3; or
- (ii) the Chair of the Meeting on the day of the Meeting before any vote in respect of which the Proxy is to be used shall have been taken.

Revocation of Proxies – Non-Registered or Beneficial Shareholders

Beneficial Shareholders who wish to change their vote must, in sufficient time in advance of the Meeting, arrange for their respective Intermediaries to change their vote and, if necessary, revoke their proxy in accordance with the revocation procedures set out above.

Notice to Shareholders in the United States

The solicitation of proxies involves securities of an issuer located in Canada and is being effected and disclosed in accordance with the corporate laws of 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. 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), certain of its directors and executive officers are residents of Canada and a substantial portion of its assets and 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.

Voting Securities and Principal Holders of Voting Securities

The Company's authorized capital consists of an unlimited number of Common Shares without par value. As at September 24, 2021, Sombrero had **112,340,434** issued and outstanding, fully paid and non-assessable Common Shares, each carrying the right to one vote.

To the knowledge of the directors (each, a “**Director**”) and executive officers (each, an “**Officer**”) of the Company, no persons or companies beneficially own, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares as at September 24, 2021.

Interest of Certain Persons or Companies in Matters to be Acted Upon

Other than the election of Directors, no (a) person who has been a Director or Officer of the Company at any time since the beginning of the Company’s most recently completed financial year, (b) nominee; or (c) associate or affiliate of a person in (a) or (b), has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

OTHER MATTERS

The Company’s board of Directors (the “**Board**”) is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this Circular.

BUSINESS OF THE MEETING

Financial Statements

The audited annual financial statements and Management’s Discussion and Analysis (“**MD&A**”) of the Company for the year ended December 31, 2020 are available upon request from the Company or they can be found on SEDAR at www.sedar.com or on the Company’s website at www.sombbreroresources.com. The audited annual consolidated financial statements for the years ended December 31, 2020 and 2019 and the report of the auditors thereon will be placed before the Meeting for discussion but there is no vote connected with such presentation.

Election of Directors

The Directors are elected at each annual general meeting of the Shareholders and hold office until the next annual general meeting of the Shareholders or until their successors are appointed unless the Director’s office is earlier vacated. The Board presently consists of six Directors, and it is intended that six Directors be elected for the ensuing year. Management does not contemplate that any of the nominees will be unable to serve as a director.

The following persons have consented to be nominated for election at the Meeting as management’s nominees: Shawn Wallace (Chair), Ivan James Bebek, Steve Cook, Gordon J. Fretwell, Jeffrey R. Mason and Antonio Arribas.

At the Meeting, the Company will ask shareholders to vote for the election of the six nominees proposed by management as directors. For further information please see the section entitled “*Director Information*” in this Circular.

The persons named in the enclosed form of proxy, if not expressly directed to the contrary, intend to vote FOR the election of the nominees.

Appointment of Auditors

At the Meeting, shareholders will be asked to appoint Deloitte LLP, as auditor of the Company for the ensuing year and to authorize the directors to fix their remuneration.

During the years ended December 31, 2020 and 2019, the following fees were billed to the Company by its auditors:

	Year ended December 31, 2020	Year ended December 31, 2019⁽¹⁾
Audit Fees⁽²⁾	\$45,500	-
Audit Related Fees	-	-
All Other Fees	Nil	-
Total	\$45,500	-

Notes:

- (1) The Company was formed in 2020.
- (2) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits. These include "out-of-pocket" costs (including reimbursed costs, technology and support charges or administrative charges) incurred in connection with providing the professional services. There were no non-audit fees.

The persons named in the enclosed form of proxy, if not expressly directed to the contrary, intend to vote FOR Deloitte LLP as auditors for the ensuing year, which vote includes the authorization for the directors to fix their remuneration.

DIRECTOR INFORMATION

Advance Notice Provisions

The Company's articles contain an advance notice requirement for director nominations (the "**Advance Notice Provisions**"). Nominations of persons for election to the Board may be made at any annual meeting of Shareholders, or at any special meeting of Shareholders (but only if the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting): (i) by or at the direction of the Board or an authorized officer of the Company, including pursuant to a notice of meeting; (ii) by or at the direction or request of one or more Shareholders pursuant to a proposal made in accordance with the provisions of the *Business Corporations Act* (British Columbia) or a requisition of Shareholders made in accordance with the provisions of that Act; or (iii) by any person (a "**Nominating Shareholder**") (A) who, at the close of business on the date of the giving of the notice provided for in the Advance Notice Provisions and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and (B) who complies with the notice procedures set forth in the Advance Notice Provisions. The Advance Notice Provisions fix a deadline by which Shareholders must submit nominations to the Company prior to any annual or special meeting of Shareholders and sets forth the minimum information that a Shareholder must include in the notice to the Company for the notice to be in proper written form. A copy of the Company's articles has been filed under the Company's profile at www.sedar.com. As of the date of this Circular, the Company has not received notice of any additional director nominations in connection with the Meeting nor is any expected.

Nominees

The Board and the Company's Nomination & Governance Committee (the "**N&G Committee**") have determined that each of the six nominees proposed to serve as directors possesses the necessary skill and qualifications to collectively comprise a highly effective board.

The following section provides biographical information about each nominee, including the nominees' equity ownership in the Company.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

As at the date hereof, no director is, or within ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including Sombrero) that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Other than as described below, no director or executive officer of Sombrero, or a shareholder holding a sufficient number of securities of Sombrero to affect materially control of Sombrero, (i) is, or within ten years prior to the date hereof has been, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (ii) has, within ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or executive officer of Sombrero, or a shareholder holding a sufficient number of securities of Sombrero to affect materially the control of Sombrero, 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 investor in making an investment decision.

Gordon Fretwell was a director of TSX-V listed Lignol Energy Corporation (“**Lignol**”) from January 2007 to May 2015. On August 22, 2014, The Bowra Group Inc. became the Receiver-Manager in respect of the assets, undertakings and property of Lignol subject to a general security agreement provided to Difference Capital Corporation. Subsequently, The Bowra Group Inc. was appointed Receiver-Manager pursuant to a Court Order in the Supreme Court of British Columbia on August 29, 2014.

Jeffery Mason was a director and interim officer from 2015-2017 of the online shoe retailer Shoes.com Technologies Inc., a private BC company along with certain affiliated and associated companies, Due in part to an increasing competitive online landscape for retailers, the Shoes Private Companies became insolvent and was placed into receivership in February 2017.

Mr. Mason was a director of Red Eagle Mining Corporation (“**Red Eagle Mining**”), a TSX listed company, from 2010-2018. In 2018, the secured lenders demanded repayment of a secured credit facility, and a planned restructuring was unsuccessful.

Nominee Profiles

Profiles of the nominees are set out below. Information concerning each nominee is based upon information furnished by such nominee.

Name, Province/ State of Residence	Office held with Company and Principal Occupation for Five Preceding Years ⁽¹⁾	Date appointed Director	Number of Common Shares owned (percentage ownership)
Ivan James Bebek British Columbia, Canada	<p><i>President, Chief Executive Officer and Director</i></p> <ul style="list-style-type: none"> • Chair & Director of Fury Gold Mines Ltd. (“Fury Gold”)⁽⁵⁾ (October 2020-Present) • Executive Chairman of Fury Gold⁽⁵⁾ (June 2016-October 2020) • Director of Fury Gold⁽⁵⁾ (November 2009 - October 2020) • Co-Chairman of Torq Resources Inc. (“Torq”)⁽⁶⁾ (March 2017-November 2020) • Director of Torq ⁽⁶⁾ (May 2011-Present) • Director of Tier One Silver Inc. (“Tier One”)⁽⁷⁾ (July 2020-Present) • Co-Chair of Tier One⁽⁷⁾ (January 2021-Present) • Chair of Tier One⁽⁷⁾ (October 2020-December 2020) 	July 23, 2020	5,109,000 (4.55%)
Shawn Wallace British Columbia, Canada	<p><i>Chair and Director</i></p> <ul style="list-style-type: none"> • President, CEO & Director of Fury Gold ⁽⁵⁾ (May 2013-October 2020) 	July 23, 2020	3,237,633 (2.88%)

Name, Province/ State of Residence	Office held with Company and Principal Occupation for Five Preceding Years ⁽¹⁾	Date appointed Director	Number of Common Shares owned (percentage ownership)
	<ul style="list-style-type: none"> • President & CEO of Tier One⁽⁷⁾ (October 2020-December 2020) • Director of Tier One⁽⁷⁾ (July 2020-Present) • Co-Chair of Tier One⁽⁷⁾ (January 2021-Present) • Director of Torq⁽⁶⁾ (May 2011-Present) • Interim CEO of Torq⁽⁶⁾ (June 2013-March 2017) • Co-Chairman of Torq⁽⁶⁾ (March 2017-November 2020) • Executive Chair of Torq⁽⁶⁾ (November 2020-Present) • Director of Galiano Gold Inc.⁽⁸⁾ (February 2010-Present) 		
Steve Cook ⁽²⁾⁽³⁾⁽⁴⁾ <i>British Columbia, Canada</i>	<p><i>Director</i></p> <ul style="list-style-type: none"> • Director of Fury Gold⁽⁵⁾ (October 2013–Present) • Director of Tier One⁽⁷⁾ (October 2020–Present) • Director of LaSalle Exploration Corp. (August 2018-June 2021)⁽⁹⁾ • Director of Torq⁽⁶⁾ (August 2011–Present) • Retired tax partner at law firm of Thorsteinssons LLP (January 1988-2021) • Principal at SM Cook Legal Services Law Corporation (April 2006–Present) 	October 9, 2020	1,117,824 ⁽²⁸⁾ (1.00%)
Gordon J. Fretwell ⁽²⁾⁽³⁾⁽⁴⁾ <i>British Columbia, Canada</i>	<p><i>Director</i></p> <ul style="list-style-type: none"> • Lead Director of Fury Gold⁽⁵⁾ (June 2019–October 2020) • Director of Fury Gold⁽⁵⁾ (October 2013-June 2019) • Barrister and Solicitor of Gordon J. Fretwell Law Corporation (March 1991–Present) • Director of Galiano Gold Inc.⁽⁸⁾ (February 2004–Present) • Secretary of Canada Rare Earth Corporation⁽¹⁰⁾ (June 2009-May 2021) • Director of Canada Rare Earth Corporation⁽¹⁰⁾ (December 2015–Present) • Secretary of Oracle Energy Corp.⁽¹¹⁾ (October 2014–Present) • Secretary of Sokoman Minerals Corp.⁽¹²⁾ (August 2008–Present) • Secretary of Meritus Minerals Ltd.⁽¹³⁾ (August 2009–Present) • Secretary of Quadro Resources Corp.⁽¹⁴⁾ (June 2017–Present) • Secretary of Benton Resources Inc.⁽¹⁵⁾ (November 2011–Present) • Secretary of Bell Copper Corporation⁽¹⁶⁾ (June 2001-July 2020) • Secretary of Silver Valley Metals Corp. (formerly, OrganiMax Nutrient Corp.)⁽¹⁷⁾ (March 2005–Present) • Director & Secretary of Quartz Mountain Resources⁽¹⁸⁾ (January 2003-February 2017) • Director of Northern Dynasty Minerals Ltd. ⁽¹⁹⁾ (June 2004-February 2016) • Director of Marimaca Copper Corp.⁽²¹⁾ (January 2009–November 2018) • Director of RE Royalties Ltd.⁽²²⁾ (February 2019–Present) • Director and Secretary of Pucara Gold Ltd.⁽³⁰⁾ (September 2020–Present) • Secretary of White Metal Resources Corp.⁽³¹⁾ (June 2014–Present) 	October 9, 2020	211,684 (0.19%)
Jeffrey R. Mason ⁽²⁾⁽³⁾⁽⁴⁾ <i>British Columbia, Canada</i>	<p><i>Director</i></p> <ul style="list-style-type: none"> • Lead Independent Director of Fury Gold⁽⁵⁾ (March 2021–Present) • Director of Fury Gold⁽⁵⁾ (February 2019-March 2021) 	October 9, 2020	1,060,000 (0.94%)

Name, Province/ State of Residence	Office held with Company and Principal Occupation for Five Preceding Years ⁽¹⁾	Date appointed Director	Number of Common Shares owned (percentage ownership)
	<ul style="list-style-type: none"> • Director of Torq⁽⁶⁾ (September 2017-Present) • Director of Tier One⁽⁷⁾ (October 2020-Present) • Director of Great Panther Mining Limited⁽²⁰⁾ (May 2014-June 2017) • Director of Great Panther Mining Limited⁽²⁰⁾ (June 2018-April 2020) • Chair of the Board of Great Panther Mining Limited⁽²⁰⁾ (July 2019-April 2020) • Interim CEO and President of Great Panther Mining Limited⁽²⁰⁾ (October 2019-April 2020) • Director of Amarc Resources Ltd.⁽²³⁾ (April 2003-April 2018) • Director of Red Eagle Mining Corporation⁽²⁴⁾ (January 2010-June 2018) • Director of Red Eagle Exploration Limited⁽²⁵⁾ (October 2015-April 2018) • Director of Libero Copper & Gold Corporation⁽²⁶⁾ (August 2008-November 2018) • Director of Hut 8 Mining Corp.⁽²⁷⁾ (March 2018-August 2018) • Chair of the Board and Director of Wildpack Beverage Inc.⁽²⁹⁾ (August 2019-Present) 		
Antonio Arribas <i>Texas, United States</i>	<p><i>Director</i></p> <ul style="list-style-type: none"> • Director of Fury Gold⁽⁵⁾ (August 2015–October 2020) • Director of Tier One⁽⁷⁾ (October 2020-Present) • Professor at the University of Texas at El Paso (September 2019-Present) • Professor at the Graduate School of Mineral Resource Sciences of Akita University, Japan (April 2016-August 2019) • Technical Advisor of Kin-Gin Exploration Pty Ltd.⁽³²⁾ (September 2020-Present) 	October 9, 2020	26,100 (0.02%)

Notes:

- (1) The information as to principal occupation has been furnished by each director and/or officer individually.
- (2) Member of the Audit Committee.
- (3) Member of the Nomination & Governance Committee.
- (4) Member of the Compensation Committee.
- (5) Fury Gold (formerly, Auryn Resources Inc.) is a Canadian-project-focused exploration and development company.
- (6) Torq is a junior mineral exploration company focused on exploration for mineral deposits in Chile.
- (7) Tier One is a junior mineral exploration company focused on exploration for mineral deposits in Peru.
- (8) Galiano Gold Inc. (formerly Asanko Gold Inc.) is a precious metals producer in Ghana.
- (9) LaSalle Exploration Corp. is a Canadian exploration company focused on the exploration and expansion of gold and base metal resources in Ontario and Québec.
- (10) Canada Rare Earth Corp. is a development stage company that engages in the development and exploration of rare-earth mineral properties.
- (11) Oracle Energy Corp. is a junior oil and gas development company focusing on the acquisition, exploration, evaluation, and development of oil and gas properties in North America.
- (12) Sokoman Minerals Corp. is a Newfoundland and Labrador based junior mineral exploration company focused on exploration for mineral deposits in the province of Newfoundland and Labrador.
- (13) Meritus Minerals Ltd. is a junior natural resources company focused on acquiring, exploring and developing mineral resource properties in Australia and Mongolia with a commodity focus on gold and base-metals.
- (14) Quadro Resources Ltd. is an exploration company, which engages in the acquisition, exploration and development of mineral properties and evaluation assets.
- (15) Benton Resources Inc is a development stage company focusing on acquisition, exploration, and development of mineral properties.
- (16) Bell Copper Corp is a Canada-based company which is engaged in the acquisition and exploration of mineral property interests in North America.
- (17) Silver Valley Metals (formerly, OrganiMax Nutrient Corp) is an exploration-stage company that engages in the business of acquisition, exploration, and development of mineral properties in Canada and Mexico.
- (18) Quartz Mountain Resources Ltd. is a Canada-based company engaged in the acquisition, exploration and evaluation of mineral property interests.
- (19) Northern Dynasty Minerals Ltd. engages in the exploration of mineral properties in the United States.
- (20) Great Panther Mining Limited is a precious metals mining and exploration company focusing on the Americas.

- (21) Marimaca Copper Corp. (formerly, Coro Mining Corp) is a Canada-based TSX listed copper company.
- (22) RE Royalties Ltd. (formerly, Baetis Ventures Ltd.) is a Canada-based TSX Venture listed renewable energy finance company.
- (23) Amarc Resources Ltd. is a Canada-based TSX Venture listed mineral exploration and development company.
- (24) Red Eagle Mining Corporation was a Canada-based TSX listed development-stage company, which was placed in receivership in November 2018.
- (25) Red Eagle Exploration Limited was a Canada-based TSX Venture listed precious metals exploration and development company which delisted and amalgamated with Red Eagle Mining Corporation in April 2018.
- (26) Libero Copper & Gold Corporation (formerly, Libero Copper Corporation) is a Canada-based TSX Venture listed mineral exploration company.
- (27) Hut 8 Mining Corp. (formerly, Oriana Resources Corporation) is a Canada-based TSX listed cryptocurrency mining company.
- (28) 935,324 of these Common Shares are held by SM Cook Legal Services Law Corporation, a company over which Mr. Cook has control and direction.
- (29) Wildpack Beverage Inc. is a Canada-based TSX Venture listed company which offers co-packing, sleeving, warehousing, and third-party logistics services.
- (30) Pucara Gold Ltd. is a Canada-based TSX Venture listed exploration company focused on the discovery and advancement of economic precious metals deposits in Peru.
- (31) White Metal Resources Corp. is a Canada-based TSX Venture listed junior exploration company exploring in Canada and southern Africa.
- (32) Kin-Gin Exploration Pty Ltd. is an Australia-based private junior exploration company focused on projects in Japan

The term of office of each of the Company's directors expires at the Company's next annual general meeting of Sombrero shareholders at which directors are elected for the upcoming year or when his successor is duly elected, or earlier in accordance with the articles of the Company.

Meeting Attendance

The following table sets forth the record of attendance of each Board member to each of the Board and committee meetings for the year ended December 31, 2020 (the Company was spun-off from Fury Gold on October 9, 2020):

Director	Board of Directors	Audit	Compensation	Nomination & Governance
Ivan Bebek	2/2	N/A	N/A	N/A
Shawn Wallace	2/2	N/A	N/A	N/A
Steve Cook	2/2	1/1	N/A ⁽¹⁾	N/A ⁽²⁾
Gordon J. Fretwell	2/2	1/1	N/A ⁽¹⁾	N/A ⁽²⁾
Antonio Arribas	2/2	N/A	N/A	N/A
Jeffrey R. Mason	2/2	1/1	N/A ⁽¹⁾	N/A ⁽²⁾

Notes:

- (1) there were no Compensation Committee meetings held in 2020.
- (2) there were no Nomination & Governance Committee meetings held in 2020.

EXECUTIVE COMPENSATION

Named Executive Officer

In this section "Named Executive Officer" ("**NEO**") means the Chief Executive Officer ("**CEO**"), the Chief Financial Officer ("**CFO**") and each of the three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed fiscal year and whose total salary and bonus exceeds \$150,000 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an officer of the Company at the end of the most recently completed financial year.

Ivan Bebek, CEO, Stacy Rowa, CFO (on leave during 2020, now former CFO) and Elizabeth Senez, interim CFO (now CFO) are each a NEO of the Company for purposes of the following disclosure.

Compensation Discussion and Analysis

The Company has established a compensation committee of the Board (the "**Compensation Committee**") whose function is to assist the Board in carrying out its responsibilities relating to executive and director compensation,

including reviewing and recommending director compensation, overseeing the Company's base compensation structure and equity-based compensation programs, recommending compensation of the Company's officers and employees, and evaluating the performance of officers generally and in light of annual goals and objectives. Upon the Company's adoption of a share option plan, the Compensation Committee will also be responsible for recommending the granting of stock options of the Company ("**Options**") in such amounts and upon such terms as may be recommended by the Compensation Committee and approved by the Board from time to time.

The Board assumes responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of the Company although the Compensation Committee guides it into this role. The Company's Compensation Committee receives independent competitive market information on compensation levels for executives.

Prior to appointing members to the Compensation Committee, the Board assesses the Company's compensation plans and programs for its executive officers to ensure alignment with the Company's business plan and to evaluate the potential risks associated with those plans and programs. The Board has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Company. The Board considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

Philosophy and Objectives

The Company's senior management compensation program is designed to ensure that the level and form of compensation achieves certain objectives, including:

- (a) attracting and retaining talented, qualified and effective executives;
- (b) motivating the short and long-term performance of these executives; and
- (c) better aligning their interests with those of the Company's shareholders.

In compensating its senior management, the Company employs a combination of base salary and bonus compensation. Upon the Company adopting a share option plan, the Company will also compensate its senior management through equity participation.

Base Salary

In the Board's view, paying base salaries or fees competitive in the markets in which the Company operates will be a first step to attracting and retaining talented, qualified and effective executives. Competitive salary information on comparable companies within the industry is compiled from a variety of sources, including surveys conducted by independent consultants and national and international publications. Comparable companies included but were not limited to: Xanadu Mines Limited, Marimaca Copper Corp., Titan Mining Corporation and Liberty Gold Corp. The Company's peer group was determined by identifying mining issuers listed on the TSX with comparable market capitalizations, as the Company plans to apply to list its Common Shares on a Canadian stock exchange in late 2021 and has initiated this process. This process is contingent upon confirming access to either of the Company's projects, which is predicated on community access agreements which are being pursued.

Bonus Incentive Compensation

The Company's objective is to achieve certain strategic objectives and milestones. The Board will consider executive bonus compensation dependent upon the Company meeting those strategic objectives and milestones and sufficient cash resources being available for the granting of bonuses. The Board approves executive bonus compensation dependent upon compensation levels based on recommendations of the Compensation Committee. Amounts recommended by the Compensation Committee are entirely discretionary. Such recommendations are generally based on information provided by issuers that are similar in size and scope to the Company's operations.

Equity Participation

During the fiscal year ended December 31, 2020, no option-based awards were granted or outstanding.

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Accordingly, the Company intends to adopt a share option plan in connection with its proposed listing of Common Shares on a Canadian stock exchange.

Given the evolving nature of the Company's business as a mineral exploration and development company, the Board continues to review and redesign the overall compensation plan for senior management so as to continue to address the objectives identified above.

Risks and Hedging of Personal Securities

The Compensation Committee has assessed the Company's compensation policies and practices to ensure alignment with the Company's business plan and to evaluate the potential risks associated with those policies and practices. The Compensation Committee has concluded that given the nature of the Company's business and the role of the Compensation Committee in overseeing the Company's executive compensation practices, the compensation policies and practices do not serve to encourage any NEO or individual at a principal business unit or division to take inappropriate or excessive risks, and no risks were identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

There is a restriction on NEOs or directors regarding the purchase of financial instruments including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. For the year ended December 31, 2020, no NEO or director, directly or indirectly, employed a strategy to hedge or offset a decrease in market value of equity securities granted as compensation or held.

Composition of the Compensation Committee

The Compensation Committee consists of Jeffrey Mason, Steve Cook and Gordon J. Fretwell (Chairperson). All members of the Compensation Committee are independent in accordance with applicable securities laws. None of the members of the Compensation Committee were, during the most recently completed financial year of the Company, an officer or employee of the Company or any of its subsidiaries.

Mr. Mason is a Chartered Professional Accountant (“CPA”) with many years of experience in auditing, accounting, mining and service on audit committees and holds an Institute of Corporate Directors designation (“ICD.D”). Mr. Cook is a former tax lawyer with many years of financial experience and service on audit committees. Mr. Fretwell holds a Bachelor of Commerce (“B.Comm.”) degree and graduated from the University of British Columbia in 1979 with his Bachelor of Law degree. Formerly a partner in a large Vancouver law firm, Mr. Fretwell has, since 1991, been a self-employed solicitor (Gordon J. Fretwell Law Corporation) in Vancouver, practicing primarily in the areas of corporate and securities law.

Summary Compensation Table

The compensation earned by the NEOs during the Company's most recently completed fiscal year ended December 31, 2020 is set out below and expressed in Canadian dollars unless otherwise noted. There were no option-based awards, share-based awards, long-term incentive plans or pension value payments paid to NEOs during these periods.

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	All other compensation (\$)	Total compensation (\$)
Ivan Bebek ⁽¹⁾ CEO and Director	2020	39,236 ⁽³⁾	Nil	Nil	Nil	Nil	39,236
Elizabeth Senez ⁽²⁾ CFO (interim)	2020	17,936	Nil	Nil	Nil	Nil	17,936

Notes:

(1) Ivan Bebek was appointed as a director on July 23, 2020, and was appointed President and CEO of the Company on October 9, 2020.

- (2) Elizabeth Senez was appointed CFO initially on an interim basis which became permanent in 2021.
- (3) None of Ivan Bebek's compensation relate to his services as a director.

Incentive Plan Awards

No share-based awards or option-based awards have been granted to any of the NEOs of the Company during the Company's most recently completed fiscal year ended December 31, 2020.

Pension Plan Benefits

Sombrero does not have defined benefit or defined contribution plans.

Termination and Change of Control Benefits

Except as follows, the Company has not entered into any contracts, agreements, plans or arrangements that provide payments to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in an NEO's responsibilities.

Ivan Bebek

Mr. Ivan Bebek serves as President and CEO of the Company. Pursuant to an executive employment agreement dated February 3, 2021, Mr. Bebek is entitled to a base salary, which is \$175,000 for the 2021 fiscal year, and will be entitled to participate in the Company's share option plan and in the Company's group benefit plan(s), as the Company makes available. The Company may terminate Mr. Bebek without just cause by providing one year's notice of termination (or in the Company's sole discretion, base salary and benefits continuation in lieu of notice), plus an additional one months' notice of termination per each completed year of service, up to a maximum of six additional months, for a total of 18 months' notice of termination (or in the Company's sole discretion, base salary and benefits continuation in lieu thereof).

In the event Mr. Bebek resigns or is terminated without just cause or due to the occurrence of disability within 24 months after a change in control, the Company shall provide Mr. Bebek with the below immediately following the termination (the "**Date of Termination**"):

- (i) Mr. Bebek's annual salary and all accrued vacation pay earned by him to the Date of Termination;
- (ii) an amount equal to two times Mr. Bebek's base salary and annual bonus;
- (iii) a bonus for the year of termination prorated to the Date of Termination based on the terms of any incentive plans;
- (iv) if Mr. Bebek holds any entitlements which are subject to vesting terms, all such securities will be deemed to be vested and available for immediate exercise;
- (v) job relocation counselling services of a firm chosen by Mr. Bebek, at a cost to the Company not to exceed \$5,000; and
- (vi) the Company shall continue at its cost the benefits then in effect for Mr. Bebek until the earlier of 24-months from the Date of Termination or Mr. Bebek obtaining comparable benefits through other employment, provided that if the Company is insolvent or cannot continue to provide such benefits, Mr. Bebek is entitled to receive a lump sum payment sufficient to permit the purchase of equivalent benefits for the 24-month period after the Date of Termination.

Elizabeth Senez

Elizabeth Senez served as interim CFO in 2020 and is now CFO of the Company. Pursuant to an executive employment agreement with effective Date September 2, 2021, Ms. Senez is entitled to a base salary, which is \$100,000, and will be

entitled to participate in the Company's share option plan and in the Company's group benefit plan(s), as the Company makes available. The Company may terminate Ms. Senez without just cause by providing one year's notice of termination (or in the Company's sole discretion, base salary and benefits continuation in lieu of notice).

In the event Ms. Senez resigns or is terminated without just cause or due to the occurrence of disability within 6 months after a change in control, the Company shall provide Ms. Senez with one year's severance, immediate vesting of all options and continuation of benefit for up to 24 months.

If Mr. Bebek's or Ms. Senez's employment had been in effect as of December 31, 2020 and a triggering event took place on the last business day of the Company's most recently completed financial year, the following gross payments would have become payable:

NEO	Gross termination benefit (\$)	Gross change of control benefit (\$)
Ivan Bebek	187,000	379,000
Elizabeth Senez	112,000	229,000

Director Compensation

The following table sets out all amounts of compensation provided to each director who was not a NEO of the Company during the Company's most recently completed fiscal year ended December 31, 2020:

Name	Fees Earned (\$)	Share- based Awards (\$)	Option- based awards (\$)	Non-equity incentive plan compensation (\$)	Pension Value (\$)	All other compensation (\$)	Total compensation (\$)
Shawn Wallace ⁽¹⁾	13,452	Nil	Nil	Nil	Nil	Nil	13,452
Steve Cook ⁽²⁾	3,363	Nil	Nil	Nil	Nil	Nil	3,363
Gordon J. Fretwell ⁽³⁾	3,363	Nil	Nil	Nil	Nil	Nil	3,363
Jeffrey R. Mason ⁽⁴⁾	3,363	Nil	Nil	Nil	Nil	Nil	3,363
Antonio Arribas ⁽⁵⁾	3,363	Nil	Nil	Nil	Nil	Nil	3,363

Notes:

- (1) Shawn Wallace was appointed as a director on July 23, 2020 and was appointed Chair of the Board on October 9, 2020.
- (2) Steve Cook was appointed as a director on October 9, 2020.
- (3) Gordon Fretwell was appointed as a director on October 9, 2020.
- (4) Jeffrey Mason was appointed as a director on October 9, 2020.
- (5) Antonio Arribas was appointed as a director on October 9, 2020.

Share-Based Awards, Option-Based Awards and Non-Equity Incentive Plan Compensation

No share-based awards, option-based awards and non-equity incentive plan compensation have been granted to any of the directors of the Company during the Company's most recently completed fiscal year ended December 31, 2020.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

As at September 24, 2021, the Company has no compensation plans under which equity securities of the Company are authorized for issuance. The Company intends to adopt a share option plan in connection with its proposed listing of Common Shares on a Canadian stock exchange.

CORPORATE GOVERNANCE

Board of Directors

National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) sets out the standard for director independence. Under NI 52-110, a director is independent if he or she has no direct or indirect material relationship with Sombrero. A material relationship is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment. NI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship with Sombrero. Applying the definition set out in NI 52-110, the following members of the Board are independent: Messrs. Mason, Cook, Fretwell and Arribas. The non-independent directors are Ivan Bebek, as he serves as President and Chief Executive Officer of the Company, and Shawn Wallace, Chair of the Company, and Executive Chair of Torq Resources Inc., a public company listed on the TSX Venture Exchange, which has the same management, administration and shares office space with the Company, and of which Mr. Bebek is also a Director and a member of the Compensation Committee. Therefore, a majority of the directors of the Board are independent.

The Board of Directors as a whole has responsibility for developing Sombrero’s approach to: (i) financial reporting and internal controls; (ii) issues relating to compensation of directors, officers and employees; (iii) corporate governance issues and matters relating to nomination of directors; and (iv) administration of timely and accurate disclosure, confidentiality and insider trading policy, certain of which responsibilities are delegated to Sombrero’s Audit Committee. For further information, please see the section entitled “*Audit Committee*” in this Circular.

The Board is responsible for approving long-term strategic plans and annual operating plans and budgets recommended by management. The Board’s consideration and approval is also required for material contracts and business transactions, and all debt and equity financing transactions. The Board delegates to management responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on Sombrero’s business in the ordinary course, managing Sombrero’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.

The independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. However, where deemed necessary by the independent directors, the independent directors hold in-camera sessions exclusive of non-independent directors and members of management, which process facilitates open and candid discussion amongst the independent directors. The Board also encourages independent directors to bring up and discuss any issues or concerns and the Board is advised of and addresses any such issues or concerns raised thereby. The Board believes that adequate structures and processes are in place to facilitate the functioning of the Board with a sufficient level of independence from the Company’s management. The Board is satisfied with the integrity of the Company’s internal control and financial management information systems.

Other Directorships

Certain of the directors of Sombrero are also directors of other issuers that are “reporting issuers” as that term is defined in and for the purposes of securities legislation, which positions are summarized as follows:

Name of Director	Other Reporting Issuers	Market	Position	From	To
Ivan James Bebek	Torq Resources Inc.	TSXV, OTCQX	Director Co-Chairman	May 20, 2011 March 2, 2017	Present November 24, 2020
	Tier One Silver Inc.	TSXV, OTCQB	Director Chair Co-Chair	July 23, 2020 October 9, 2020 January 1, 2021	Present December 31, 2020 Present
	Fury Gold Mines Limited	TSX, NYSE.AM	Director Executive Chair Chair	November 2, 2009 June 16, 2016 October 9, 2020	Present October 8, 2020 Present

Name of Director	Other Reporting Issuers	Market	Position	From	To
Shawn Wallace	Torq Resources Inc.	TSXV, OTCQX	Director Co-Chairman Executive Chair	May 20, 2011 March 2, 2017 November 24, 2020	Present November 24, 2020 Present
	Tier One Silver Inc.	TSXV, OTCQB	Director President & CEO Co-Chair	July 23, 2020 October 9, 2020 January 1, 2021	Present December 31, 2020 Present
	Galiano Gold Inc.	TSX, NYSE.AM	Director	February 26, 2010	Present
Steve Cook	Torq Resources Inc.	TSXV, OTCQX	Director	August 12, 2011	Present
	Tier One Silver Inc.	TSXV, OTCQB	Director	October 9, 2020	Present
	Fury Gold Mines Limited	TSX, NYSE.AM	Director	October 28, 2013	Present
Gordon J. Fretwell	Galiano Gold Inc.	TSX, NYSE.AM	Director	February 24, 2004	Present
	Canada Rare Earth Corporation	TSX	Director	December 16, 2009	Present
	RE Royalties Ltd.	TSXV	Director	February 28, 2019	Present
	Pucara Gold Ltd.	TSXV	Director & Secretary	September 30, 2020	Present
Jeffrey R. Mason	Torq Resources Inc.	TSXV, OTCQX	Director	September 12, 2017	Present
	Fury Gold Mines Limited	TSX, NYSE.AM	Director Lead Independent Director	February 7, 2019 March 16, 2021	March 16, 2021 Present
	Tier One Silver Inc.	TSXV, OTCQB	Director	October 9, 2020	Present
	Wildpack Beverage Inc.	TSXV	Chair of the Board and Director	August 2019	Present
Antonio Arribas	Tier One Silver Inc.	TSXV, OTCQB	Director	October 9, 2020	Present

Position Descriptions

Shawn Wallace is the Chair of the Board. The Chair of the Board will primarily be responsible for ensuring that the Board is functioning properly and that it is meeting its obligations and responsibilities to Sombrero under the BCBCA. The responsibilities of the chairperson of the Audit Committee are set out in the Audit Committee charter which is mandated by the Board. The Board has not adopted position descriptions and position descriptions and responsibilities will be determined as necessary and from time to time for each position.

Orientation and Continuing Education

Sombrero has not yet developed an official orientation or training program for new directors, and this has not, to date, been necessary as the directors of Sombrero are also directors, or former directors, of Fury Gold and are familiar with Sombrero's projects and the role of a director of a publicly listed mineral resource company. However, going forward,

new directors will be provided the opportunity to become familiar with Sombrero by meeting with the other directors and with officers and employees. Orientation activities will be tailored to the particular needs and experience of each director and the overall needs of the Board. Potential candidates will be provided with relevant background materials including on-public information under a confidentiality agreement.

The Board encourages each of the directors to stay current on developing corporate governance requirements through continuous improvement and education. Directors are routinely provided information and publications on developing regulatory issues.

Ethical Business Conduct

The Board has adopted a Code of Business Conduct and Ethics (the "**Code**"), which is contained in the Company's corporate governance material, a copy of which is available for viewing on the Company's website at <https://www.sombreroresources.com/>. The Board and its committees have established high standards of business ethics and conduct contained in the Code, and it is their responsibility to oversee compliance with the Code. The Board has implemented an annual procedure whereby directors, officers and employees of the Company sign off on, and certify that they have read and understand the Company's Code and that they are unaware of any violation thereof. Any change in or waiver of any provision of the Code shall require approval of the applicable committee of the Board, and shall be publicly disclosed in the time period and manner as required by law or regulation.

The Board also notes that the fiduciary duties placed on individual directors by the Company's governing corporate policies and the common law, and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the Board in which the director has an interest helps to ensure the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The Board has formed the N&G Committee comprised of Messrs. Mason, Cook and Fretwell (Chairperson), all of whom are independent, for the purpose of identifying new candidates for election to the Board. The N&G Committee prepares a shortlist of potential candidates through discussion with respected financial, legal and commercial institutions and interviews the interested candidates. The key criteria include the following: (i) professional background and related qualifications; (ii) industry experience and relevant professional relationships; (iii) other board appointments; (iv) professional standing and reputation in the investment and mining communities; (v) membership of industry committees and (vi) particular technical or financial background depending on the mix of experience on the Board at that time.

The Board reviews the recommendations of the N&G Committee and makes the final determination about director nominations and appointments. Where appropriate, independent consultants are engaged to identify possible new candidates for the Board.

Board Mandate

The Board has not adopted a written mandate however it is required to monitor the management of the business and affairs of Sombrero and to act with a view to the best interests of Sombrero. The Board will oversee the development, adoption and implementation of Sombrero's strategies and plans.

Other Board and Non-Board Committees

In addition to the Audit Committee, the Compensation Committee and the N&G Committee, the Board has established a management committee the Health, Safety, Environment, Communities & Technical Committee (referred to as the "**HSEC & Technical Committee**"), which is comprised of two directors, Mr. Arribas and Mr. Mason, together with Michael Henrichsen, Chief Geologist, David Smithson, Senior Vice President Exploration, and Christian Rios, Senior Vice President Operations Peru. The function of the HSEC & Technical Committee is to monitor and review the technical, community, environmental, health and safety policies, principles, practices and processes, corporate social responsibility practices, and monitor and review current and future regulatory issues relating to sustainable development, environmental, health and safety, and corporate social responsibility matters. Other than the HSEC &

Technical Committee, all committee members are Board members. A description of the authority, responsibilities, duties and function of the Audit Committee and Compensation Committee can be found below.

Director Evaluation

To supplement Board succession planning and its efforts to ensure Board renewal, the N&G Committee carries out an annual assessment of the Board members and the various committees in order to assess the overall effectiveness of the Board.

The evaluation process assists the Board in:

- assessing its overall performance and measuring the contributions made by the Board as a whole and by each committee;
- evaluating the mechanisms in place for the Board and each committee to operate effectively and make decisions in the best interests of the Company;
- improving the overall performance of the Board by assisting individual directors to build on their strengths;
- identifying gaps in skills and educational opportunities for the Board and individual directors in the coming year; and
- developing the Board's succession plan and recruitment efforts.

The N&G Committee annually reviews the adequacy of the evaluation process and recommends any changes to the Board for approval. Each director completes certain surveys regarding the effectiveness of the Board and each committee of the Board of which each director is a member, including their processes and their relationship with management, and provides suggestions for improvement. This self-assessment also assists the N&G Committee in determining the financial literacy of each director and topics for continuing education.

Director Term Limits

The Company has not adopted term limits or other mechanisms to force Board renewal. Given the normal process of annual elections of individual directors by the shareholders of the Company and the fact that individual directors also undertake annual director assessments, the Board has determined that term limits or a mandatory retirement is not essential. Directors who have served on the Board for an extended period of time are in a unique position to provide valuable insight into the operations and future of the Company based on their experience with a perspective on the Company's history, performance and objectives. From time to time, Board renewal is facilitated by introducing new director appointments to the Board with fresh perspectives to facilitate a balance between Board refreshment and continuity.

Representation of Women on the Board and Senior Management

The Company adopted a formal Board and Senior Management Diversity Policy on May 14, 2021, which outlines the Company's commitment to be diverse for which diversity includes, but is not limited to, business experience, geography, age, gender and ethnicity and aboriginal status. In particular, the Board is currently canvassing opportunities to include women directors and more female executive officers. The directors ascribe to the view that diversity helps to broaden perspectives by promoting the inclusion of different viewpoints and ideas, mitigates against group think and ensures that the Company has the opportunity to benefit from all available talent. The promotion of a diverse board of directors and senior management makes prudent business sense and makes for better corporate governance. The implementation of the policy is monitored by the N&G Committee and the N&G Committee measures the effectiveness of the policy through Board evaluation.

The Board presently has no women on its board of six (0%). However, the Company aspires to attain and thereafter maintain a Board composition in which at least one member is a woman. The Board presently has one woman executive officer (25%) with Elizabeth Senez, FCA (Institute of Chartered Accountants, England and Wales) as CFO. The Board and the Company have not adopted any targets regarding women in executive officer positions.

Compensation Committee

The Compensation Committee consists of Jeffrey Mason, Steve Cook and Gordon J. Fretwell (Chairperson).

One of the functions of the Compensation Committee is to consider the terms of employment of the Chief Executive Officer, Chief Financial Officer and other executive officers, and general compensation policy, as well as the policy for granting awards under the Company's share option plan.

All members of the Compensation Committee are independent in accordance with applicable securities laws. None of the members of the Compensation Committee were, during the most recently completed financial year of the Company, an officer or employee of the Company or any of its subsidiaries.

The Compensation Committee recommends compensation for the directors and executive officers of the Company. For further information, please see the section entitled "*Executive Compensation*" in this Circular.

Compensation Committee's functions include the annual review of compensation paid to the Company's executive officers and directors, the review of the performance of the Company's executive officers and the task of making recommendations on compensation to the Board.

The Compensation Committee also periodically considers the grant of Options. Options will be granted to the executive officers and directors and certain other service providers taking into account competitive compensation factors and the belief that Options help align the interests of executive officers, directors and service providers with the interests of shareholders.

Audit Committee

Audit Committee Charter

The Audit Committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding of corporate assets, reliability of information, and compliance with laws. The Board has adopted an Audit Committee Charter, substantially in the form attached to this Circular as Schedule "A", mandating the role of the Audit Committee in supporting the Board in meeting its responsibilities to its shareholders.

Audit Committee Members

The Audit Committee was constituted on October 23, 2020, by resolution of the Board. As of the date of this Circular, the members of the Audit Committee are Messrs. Mason (Chair), Cook and Fretwell, each of whom is "independent" and "financially literate" for the purposes of NI 52-110.

Relevant Education and Experience

All of the Audit Committee members are experienced business professionals with experience in financial matters; each has a broad understanding of accounting principles used to prepare financial statements and varied experience as to general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavour. In addition, each of the members of the Audit Committee has knowledge of the role of an audit committee in the realm of reporting companies. Set out below is a description of the education and experience of each member of the Audit Committee that is relevant to the performance of her or his responsibilities as an audit committee member.

Jeffrey R. Mason	Mr. Mason is a CPA with many years of experience in auditing, accounting, mining and service on audit committees and holds an ICD.D.
Steve Cook	Mr. Cook is a former tax lawyer with many years of financial experience and service on audit committees.
Gordon Fretwell	Mr. Fretwell holds a B.Comm. degree and graduated from the University of British Columbia in 1979 with his Bachelor of Law degree. Formerly a partner in a large Vancouver law firm, Mr. Fretwell has, since 1991, been a self-employed solicitor (Gordon J. Fretwell Law Corporation) in Vancouver, practicing primarily in the areas of corporate and securities law.

Each member of the Audit Committee has:

- an understanding of the accounting principles used by the Company to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising individuals engaged in such activities; and
- an understanding of internal controls and procedures for financial reporting.

Pre-Approved Policies and Procedures for Non-Audit Services

The Audit Committee Charter requires that management seek approval from the Audit Committee of all non-audit services to be provided to Sombrero or any of its subsidiaries by Sombrero's external auditor, prior to engaging the external auditor to perform those non-audit services.

OTHER INFORMATION

Indebtedness of Directors and Officers

No Directors, Officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as of the end of the most recently completed financial year or as at the date of this Circular.

Auditor

The auditor of the Company is Deloitte LLP, Chartered Professional Accountants ("**Deloitte**") of Vancouver, British Columbia, which was appointed on August 28, 2020. Deloitte provided an independent auditors' report on the consolidated financial statements of the Company for the years ended December 31, 2020 and 2019. Deloitte is independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

Management Contracts

There are no management functions of the Company which are to any substantial degree performed by a person or company other than the Directors or Officers of the Company.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Since the Company's incorporation, and other than disclosed in the Auryn Resources management information circular in connection with the spin-out of the Company in late 2020 which can be found at www.sedar.com, no director, executive officer, or shareholder who beneficially owns, or controls or directs, directly or indirectly, more than 10% of

the outstanding Common Shares, or any known associates or affiliates of such persons, has or has had any material interest, direct or indirect, in any transaction or in any proposed transaction that has materially affected or is reasonably expected to materially affect Sombrero.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Financial information is provided in the Company's comparative financial statements and management discussion and analysis for the year ended December 31, 2020. The Company will provide to any person or company, upon request to the Corporate Secretary of the Company at Sombrero Metals Inc., Suite 1630, 1177 West Hastings Street, Vancouver, British Columbia Canada V6E 2K3, Telephone: 778-729-0618, one copy of the comparative financial statements of the Company filed with the applicable securities regulatory authorities for the Company's two most recently completed financial years in respect to which such financial statements have been issued, together with the report of the auditor, related management's discussion and analysis and any interim financial statements of the Company filed with the applicable securities regulatory authorities subsequent to the filing of the annual financial statements.

Copies of the above documents will be provided free of charge to security holders of the Company. The Company may require payment of a reasonable charge from any person or company who is not a security holder of the Company, who requests a copy of any such document. The foregoing documents are also available on SEDAR at www.sedar.com.

DIRECTORS' APPROVAL

The contents of this Circular and its distribution to Shareholders have been approved by the Board.

DATED at Vancouver, British Columbia, September 24, 2021.

BY ORDER OF THE BOARD

"Ivan Bebek"

Ivan Bebek
President & Chief Executive Officer

SCHEDULE A – AUDIT COMMITTEE CHARTER

1. PURPOSE AND PRIMARY RESPONSIBILITY

1.1 This charter (the “**Charter**”) sets out the Audit Committee’s purpose, composition, member qualification, member appointment and removal, responsibilities, operations, manner of reporting to the Board of Directors (the “**Board**”) of Sombrero Resources Inc. (the “**Company**”), annual evaluation and compliance with this charter.

1.2 The primary responsibility of the Audit Committee is that of oversight of the financial reporting process on behalf of the Board. This includes oversight responsibility for financial reporting and continuous disclosure, oversight of external audit activities, oversight of financial risk and financial management control, and oversight responsibility for compliance with tax and securities laws and regulations as well as whistle blowing procedures. The Audit Committee is also responsible for the other matters as set out in this charter and/or such other matters as may be directed by the Board from time to time. The Audit Committee should exercise continuous oversight of developments in these areas.

2. MEMBERSHIP

2.1 Each member of the Audit Committee must be an independent director of the Company as defined in sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) and must also satisfy the independence requirements of each exchange on which the Company’s shares are listed.

2.2 The Audit Committee will consist of at least three members, all of whom shall be financially literate, provided that an Audit Committee member who is not financially literate may be appointed to the Audit Committee if such member becomes financially literate within a reasonable period of time following his or her appointment. Upon graduating to a more senior stock exchange, if required under the rules or policies of such exchange, the Audit Committee will consist of at least three members, all of whom shall meet the experience and financial literacy requirements of such exchange and of NI 52- 110.

2.3 The members of the Audit Committee will be appointed annually (and from time to time thereafter to fill vacancies on the Audit Committee) by the Board. An Audit Committee member may be removed or replaced at any time at the discretion of the Board and will cease to be a member of the Audit Committee on ceasing to be an independent director.

2.4 The Chair of the Audit Committee will be appointed by the Board.

3. AUTHORITY

3.1 In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:

- (a) engage, set and pay the compensation for independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities, and any such consultants or professional advisors so retained by the Audit Committee will report directly to the Audit Committee;
- (b) communicate directly with management and any internal auditor, and with the external auditor without management involvement; and
- (c) incur ordinary administrative expenses that are necessary or appropriate in carrying out its duties, which expenses will be paid for by the Company.

3.2 In order to give effect to the authority of the Audit Committee set forth in Section 3.1, the Company will fund the Audit Committee in amounts determined by the Audit Committee as required to enable the Audit Committee to:

- (a) discharge its responsibilities as outlined in this Charter, and
- (b) pay compensation to any advisors engaged by the Audit Committee.

4. DUTIES AND RESPONSIBILITIES

4.1 The duties and responsibilities of the Audit Committee include:

- (a) recommending to the Board the external auditor to be nominated by the Board;
- (b) recommending to the Board the compensation of the external auditor to be paid by the Company in connection with (i) preparing and issuing the audit report on the Company's financial statements, and (ii) performing other audit, review or attestation services;
- (c) reviewing the external auditor's annual audit plan, fee schedule and any related services proposals (including meeting with the external auditor to discuss any deviations from or changes to the original audit plan, as well as to ensure that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditor or the reporting of their findings to the Audit Committee);
- (d) overseeing the work of the external auditor;
- (e) ensuring that the external auditor is independent by:
 - (i) receiving a report annually from the external auditors with respect to their independence, such report to include disclosure of all engagements (and fees related thereto) for non-audit services provided to Company; and
 - (ii) requiring the independent auditor to provide to the Company annually formal written statements delineating all relationships between the auditor and the Company, consistent with applicable CPAB and PCAOB requirements, and actively engage with the independent auditor regarding ensuring independence of auditor.
- (f) ensuring that the external auditor is in good standing with the Canadian Public Accountability Board and, if the Company is listed on a U.S. Exchange or is otherwise subject to the reporting requirements of the Exchange Act, the U.S. Public Company Accounting Oversight Board, by receiving, at least annually, a report by the external auditor on the audit firm's internal quality control processes and procedures, such report to include any material issues raised by the most recent internal quality control review, or peer review, of the firm, or any governmental or professional authorities of the firm within the preceding five years, and any steps taken to deal with such issues;
- (g) ensuring that the external auditor meets the rotation requirements for partners and staff assigned to the Company's annual audit by receiving a report annually from the external auditors setting out the status of each professional with respect to the appropriate regulatory rotation requirements and plans to transition new partners and staff onto the audit engagement as various audit team members' rotation periods expire;
- (h) reviewing and discussing with management and the external auditor the annual audited and quarterly unaudited financial statements and related Management Discussion and Analysis ("MD&A"), including the appropriateness of the Company's accounting policies, disclosures (including material transactions with related parties), reserves, key estimates and judgements (including changes or variations thereto) and obtaining reasonable assurance that the financial statements are presented fairly in accordance with IFRS and the MD&A is in compliance with appropriate regulatory requirements;

- (i) reviewing and discussing with management and the external auditor major issues regarding accounting principles and financial statement presentation including any significant changes in the selection or application of accounting principles to be observed in the preparation of the financial statements of the Company and its subsidiaries;
- (j) reviewing and discussing with management and the external auditor the external auditor's written communications to the Audit Committee in accordance with generally accepted auditing standards and other applicable regulatory requirements arising from the annual audit and quarterly review engagements;
- (k) reviewing and discussing with management and the external auditor all earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies prior to such information being disclosed;
- (l) reviewing the external auditor's report to the shareholders on the Company's annual financial statements;
- (m) reporting on and recommending to the Board the approval of the annual financial statements and the external auditor's report on those financial statements, the quarterly unaudited financial statements, and the related MD&A and press releases for such financial statements, prior to the dissemination of these documents to shareholders, regulators, analysts and the public;
- (n) satisfying itself on a regular basis through reports from management and related reports, if any, from the external auditors, that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements that such information is fairly presented;
- (o) overseeing the adequacy of the Company's system of internal accounting controls and obtaining from management and the external auditor summaries and recommendations for improvement of such internal controls and processes, together with reviewing management's remediation of identified weaknesses;
- (p) reviewing with management and the external auditors the integrity of disclosure controls and internal controls over financial reporting;
- (q) reviewing and monitoring the processes in place to identify and manage the principal risks that could impact the financial reporting of the Company and assessing, as part of its internal controls responsibility, the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board;
- (r) satisfying itself that management has developed and implemented a system to ensure that the Company meets its continuous disclosure obligations through the receipt of regular reports from management and the Company's legal advisors on the functioning of the disclosure compliance system, (including any significant instances of non-compliance with such system) in order to satisfy itself that such system may be reasonably relied upon;
- (s) resolving disputes between management and the external auditor regarding financial reporting;
- (t) establishing procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Company from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practises relating thereto; and

- (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- (u) reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;
- (v) pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor (the Chair of the Audit Committee has the authority to preapprove in between regularly scheduled Audit Committee meetings any non-audit service of less than \$50,000, however such approval will be presented to the Audit Committee at the next scheduled meeting for formal approval);
- (w) overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities;
- (x) establishing procedures for:
 - (i) reviewing the adequacy of the Company's insurance coverage, including the Directors' and Officers' insurance coverage;
 - (ii) reviewing activities, organizational structure, and qualifications of the Chief Financial Officer ("CFO") and the staff in the financial reporting area and ensuring that matters related to succession planning within the Company are raised for consideration at the Board;
 - (iii) obtaining reasonable assurance as to the integrity of the Chief Executive Officer ("CEO") and other senior management and that the CEO and other senior management strive to create a culture of integrity throughout the Company;
 - (iv) reviewing fraud prevention policies and programs, and monitoring their implementation;
 - (v) reviewing regular reports from management and others (e.g., external auditors, legal counsel) with respect to the Company's compliance with laws and regulations having a material impact on the financial statements including:
 - (A) Tax and financial reporting laws and regulations;
 - (B) Legal withholding requirements;
 - (C) Environmental protection laws and regulations;
 - (D) Other laws and regulations which expose directors to liability; and

4.2 A regular part of Audit Committee meetings involves the appropriate orientation of new members as well as the continuous education of all members. Items to be discussed include specific business issues as well as new accounting and securities legislation that may impact the organization. The Chair of the Audit Committee will regularly canvass the Audit Committee members for continuous education needs and in conjunction with the Board education program, arrange for such education to be provided to the Audit Committee on a timely basis.

4.3 On an annual basis the Audit Committee shall review and assess the adequacy of this charter taking into account all applicable legislative and regulatory requirements as well as any best practice guidelines recommended by regulators or stock exchanges with whom the Company has a reporting relationship and, if appropriate, recommend changes to the Audit Committee charter to the Board for its approval.

5. MEETINGS

5.1 The quorum for a meeting of the Audit Committee is a majority of the members of the Audit Committee.

5.2 The Chair of the Audit Committee shall be responsible for leadership of the Audit Committee, including scheduling and presiding over meetings, preparing agendas, overseeing the preparation of briefing documents to circulate during the meetings as well as pre-meeting materials, and making regular reports to the Board. The Chair of the Audit Committee will also maintain regular liaison with the CEO, CFO, and the lead external audit partner.

5.3 The Audit Committee will meet as often as required to discharge its duties and responsibilities under this Charter, which meetings will be held at least quarterly.

5.4 The Audit Committee will meet in camera separately with each of the CEO and the CFO of the Company at least annually to review the financial affairs of the Company.

5.5 The Audit Committee will meet with the external auditor of the Company in camera at least once each year, at such time(s) as it deems appropriate, to review the external auditor's examination and report.

5.6 The external auditor must be given reasonable notice of, and has the right to appear before and to be heard at, each meeting of the Audit Committee.

5.7 Each of the Chair of the Audit Committee, members of the Audit Committee, Chair of the Board, external auditor, CEO, CFO or secretary shall be entitled to request that the Chair of the Audit Committee call a meeting which shall be held within 48 hours of receipt of such request to consider any matter that such individual believes should be brought to the attention of the Board or the shareholders.

6. REPORTS

6.1 The Audit Committee will report, at least annually, to the Board regarding the Audit Committee's examinations and recommendations.

6.2 The Audit Committee will report its activities to the Board to be incorporated as a part of the minutes of the Board meeting at which those activities are reported.

7. MINUTES

7.1 The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

8. ANNUAL PERFORMANCE EVALUATION

8.1 The Board will conduct an annual performance evaluation of the Audit Committee, taking into account the Charter, to determine the effectiveness of the Committee.