

# SUPERIOR MINING INTERNATIONAL CORPORATION

(the “Corporation”)  
#250 – 750 W. Pender Street  
Vancouver, BC, V6C 2T7  
Telephone: (604) 684-6264

## INFORMATION CIRCULAR

as at June 29, 2022

**This Information Circular is furnished in connection with the solicitation of proxies by the management of Superior Mining International Corporation (the “Corporation”) for use at the annual general and special meeting (the “Meeting”) of its shareholders to be held on August 3, 2022 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.**

In this Information Circular, references to the “Corporation”, “we” and “our” refer to Superior Mining International Corporation “Common Shares” means common shares without par value in the capital of the Corporation. “Beneficial 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 Beneficial Shareholders.

### 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 Corporation. The Corporation will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

#### Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the “**Proxy**”) are officers of the Corporation. If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or Corporation other than either of the persons designated in the Proxy, who need not be a shareholder, 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 persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions 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 confers discretionary authority on the persons named therein with respect to:

- (i) each matter or group of matters identified therein for which a choice is not specified,
- (ii) any amendment to or variation of any matter identified therein, and
- (iii) any other matter that properly comes before the Meeting.

**In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.** Management is not currently aware of any other matter that could come before the Meeting.

## 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:

- (i) completing, dating and signing the enclosed form of proxy and returning it to the Corporation's transfer agent, Odyssey Trust Company (“**Odyssey**”) by mail or hand delivery at Odyssey Trust Company, 1230 - 300 5th Avenue SW, Calgary AB, T2P 3C4;
- (ii) using a touch-tone phone to transmit voting choices to the toll free number given in the proxy. Registered Shareholders who choose this option must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll free number, the holder's account number and the proxy access number; or
- (iii) using the internet through the website of Odyssey at <https://login.odysseytrust.com/pxlogin>. Registered Shareholders who choose this option 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.

## Beneficial Shareholders

The following information is of significant importance to shareholders who do not hold Common Shares in their own name. Beneficial 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 Corporation as the registered holders of Common Shares).

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 Corporation. Such Common Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. 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 Beneficial Shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

### *If you are a Beneficial Shareholder:*

You should carefully follow the instructions of your broker or intermediary in order to ensure that your Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the Proxy provided to registered shareholders by the Corporation. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. Most brokers now 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 in lieu of a Proxy provided by the Corporation. The voting instruction form will name the same persons as the Corporation's Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a shareholder of the Corporation), other than the persons designated in the voting instruction form, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the voting instruction form. The completed voting instruction form 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. **If you receive a voting instruction form from Broadridge, you cannot use it to vote Common Shares directly at the Meeting - the voting instruction form must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have the Common Shares voted.**

Although as a Beneficial Shareholder you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your broker, you, or a person designated by you, may attend at the Meeting as proxyholder for your broker and vote your Common Shares in that capacity. If you wish to attend at the Meeting and indirectly vote your Common Shares as proxyholder for your broker, or have a person designated by you do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the voting instruction form provided to you and return the same to your broker in accordance with the instructions provided by such broker, well in advance of the Meeting.

Alternatively, you can request in writing that your broker send you a legal proxy which would enable you, or a person designated by you, to attend at the Meeting and vote your Common Shares.

### **Revocation of Proxies**

In addition to revocation in any other manner permitted by law, a shareholder who has given a proxy may revoke it by:

- (i) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to **Odyssey** at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- (ii) personally attending the Meeting and voting the registered shareholder's Common Shares.

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

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

No director or executive officer of the Corporation, or any person who has held such a position since the beginning of the last completed financial year of the Corporation, nor any nominee for election as a director of the Corporation, 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 other than the election of directors.

### **RECORD DATE AND QUORUM**

The board of directors (the "**Board**") of the Corporation have fixed the record date for the Meeting at the close of business on June 29, 2022 (the "**Record Date**"). Shareholders of the Corporation of record as at the Record Date are entitled to receive notice of the Meeting and to vote those shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date, except to the extent that any such shareholder transfers any shares after the Record Date and the transferee of those shares establishes that the transferee owns the shares and demands, not less than ten days before the Meeting, that the transferee's name be included in the list of shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such shares at the Meeting.

Under the Corporation's current Articles the quorum for the transaction of business at the Meeting consists of two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to vote at the Meeting.

## **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The Corporation is authorized to issue an unlimited number of Common Shares. As of June 29, 2022, there were 56,173,048 Common Shares issued and outstanding, each carrying the right to one vote. Common Shares of the Corporation are listed on the TSX Venture Exchange (the “TSXV”) under the trading symbol “SUI”.

As at June 29, 2022, to the knowledge of the directors and senior officers of the Corporation, and based on the Corporation's review of the records maintained by **Odyssey**, electronic filings with System for Electronic Document Analysis and Retrieval (SEDAR) and insider reports filed with System for Electronic Disclosure by Insiders (SEDI), no person owns, directly or indirectly, or exercises control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Corporation.

## **STATEMENT OF EXECUTIVE COMPENSATION**

For the purpose of this information circular:

“CEO” of the Corporation means an individual who acted as Chief Executive Officer of the Corporation, or acted in a similar capacity, for any part of the most recently completed financial year;

“CFO” of the Corporation means an individual who acted as Chief Financial Officer of the Corporation, or acted in a similar capacity, for any part of the most recently completed financial year;

“Executive Officer” of an entity means an individual who is:

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

“Named Executive Officers or NEOs” means:

- (a) the CEO of the Corporation;
- (b) the CFO of the Corporation;
- (c) each of the Corporation'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;
- (d) any additional individuals for whom disclosure would have been provided under paragraph (i) above except that the individual was not serving as an executive officer of the Corporation, nor in a similar capacity, as at the end of the most recently completed financial year end.

As of July 31, 2021, the Corporation had two “Named Executive Officers”, namely Brent Butler, CEO and Cyrus Driver, CFO.

## Director and Named Executive Officer Compensation

The following table (presented in accordance with National Instrument Form 51-102F6V, is a summary compensation (excluding compensation securities) paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, to the directors and NEOs for each of the Corporation's two most recently completed financial years July 31, 2021 and July 31, 2020.

| Table of compensation excluding compensation securities    |      |                                                     |            |                                |                           |                                      |                         |
|------------------------------------------------------------|------|-----------------------------------------------------|------------|--------------------------------|---------------------------|--------------------------------------|-------------------------|
| Name and position                                          | Year | Salary, consulting fee, retainer or commission (\$) | Bonus (\$) | Committee or meeting fees (\$) | Value of perquisites (\$) | Value of all other compensation (\$) | Total compensation (\$) |
| Brent Butler <sup>(2)</sup><br>President, CEO and Director | 2021 | Nil                                                 | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |
|                                                            | 2020 | Nil                                                 | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |
| Cyrus Driver <sup>(3)</sup> , CFO and Director             | 2021 | 64,200                                              | Nil        | Nil                            | Nil                       | Nil                                  | 64,200                  |
|                                                            | 2020 | 42,700                                              | Nil        | Nil                            | Nil                       | Nil                                  | 42,700                  |
| Johnathan More <sup>(5)</sup> ,<br>Chairman and Director   | 2021 | 63,521                                              | Nil        | Nil                            | Nil                       | Nil                                  | 63,521                  |
|                                                            | 2020 | Nil                                                 | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |
| Robert Dardi <sup>(6)</sup> ,<br>Director                  | 2021 | Nil                                                 | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |
|                                                            | 2020 | Nil                                                 | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |
| Kjeld Thygesen <sup>(4)(6)</sup> ,<br>Former Director      | 2021 | n/a                                                 | n/a        | n/a                            | n/a                       | n/a                                  | n/a                     |
|                                                            | 2020 | Nil                                                 | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |

### Notes:

1. The value of perquisites and benefits, if any, for each Named Executive Officer was less than the lesser of \$50,000 and 10% of the total annual salary and bonus.
2. Mr. Butler was appointed President and CEO on March 21, 2011.
3. Mr. Driver was appointed CFO of the Corporation on January 19, 2000 and held that office until his resignation on March 21, 2011. On June 29, 2012, the Corporation again appointed Mr. Driver as CFO.
4. Mr. Thygesen was appointed a Director of the Corporation on October 14, 2004 and resigned on June 1, 2020.
5. Mr. More was appointed Director on March 19, 2019 and Chairman of the Corporation on December 12, 2019.
6. On June 1, 2020, Robert Dardi was appointed Director of the Corporation following Mr. Thygesen's resignation.

## External Management Companies.

None of the NEOs or directors of the Corporation have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with the Corporation to provide executive management services to the Corporation, directly or indirectly. *(for further information, refer to "Employment, Consulting and Management Agreements" below.*

## Stock Options and Other Compensation Securities

No compensation securities were granted or issued to any NEO and director of the Corporation in the financial year ended July 31, 2021 for services provided or to be provided to the Corporation.

The following table discloses the total amount of compensation securities held by the NEOs and directors as at the Corporation's financial year ended July 31, 2021.

| Name and Position                        | Number of Options | Vesting Provisions |
|------------------------------------------|-------------------|--------------------|
| Brent Butler,<br>CEO and Director        | 400,000           | n/a                |
| Cyrus Driver,<br>CFO and Director        | 750,000           | n/a                |
| Johnathan More,<br>Chairman and Director | 1,044,132         | n/a                |

Notes:

Except as noted above, no compensation securities were re-priced, cancelled and replaced, had their term extended, or otherwise materially modified in the Corporation's financial year ended July 31, 2021.

Other than any vesting restrictions noted above, there are no restrictions or conditions for converting, exercising or exchanging the compensation securities.

### **Exercise of Compensation Securities by NEO's**

No compensation securities were exercised by the NEO's or directors for the year ended July 31, 2021.

### **Stock Option Plans and Other Incentive Plans**

The Corporation is seeking the approval of a new Stock Option Plan (the "Stock Option Plan"). The new Plan essentially contains the same provisions and terms as the Corporation's previous plan with the exception of a few minor changes to conform with the TSXV's new Share Based Compensation Policy. The number of Common Shares reserved for issuance pursuant to the exercise of stock options under the Stock Option Plan, together with any other Security Based Compensation Plan, is equal to 10% of the number of issued and outstanding Common Shares of the Corporation at any given time on a "rolling" basis (the "Stock Option Plan"). The Company has no other Security Based Compensation Plan other than Stock Option Plan.

The Stock Option Plan was established to provide incentive to employees, directors, officers, management companies employees and consultants who provide services to the Corporation. The intention of management in proposing the Stock Option plans was and is to increase the proprietary interest of such persons in the Corporation and thereby aid the Corporation in attracting, retaining and encouraging the continued involvement of such persons with the Corporation. The plan is administered by the Corporation's board who has the authority to grant options to directors, officers, employees and consultants. At the time an option is granted, the board will determine the terms of the option, including the exercise price and any vesting provisions, providing the same are in accordance with the TSXV policies.

Pursuant to the policies of the TSXV, a "rolling" stock option plan must be approved and ratified annually by the Shareholders.

The following information is intended as a brief description of the Stock Option Plan:

1. The maximum aggregate number of Options awarded to Insiders (as a group) under this Plan, together with any other security based compensation plan, shall not exceed 10% of the issued and outstanding Shares of the Corporation at any point in time (unless the Corporation has obtained disinterested shareholder approval).
2. The maximum aggregate number of Options awarded to Insiders (as a group) under this Plan, together with any other security based compensation plan, in any twelve month period shall not exceed 10% of the issued and outstanding Shares of the Corporation at the Award Date (unless the Corporation has obtained disinterested shareholder approval).
3. The maximum aggregate number of Options awarded to any one individual under this Plan, together with any other security based compensation plan, in any twelve month period shall not exceed 5% of the issued and outstanding Shares of the Corporation at the Award Date (unless the Corporation has obtained disinterested shareholder approval).
4. The total number of Options awarded to any one Consultant for the Corporation shall not exceed 2% of the issued and outstanding Shares of the Corporation at the Award Date without consent being obtained from the Exchange.

5. The total number of Options awarded to all persons who perform Investor Relations Activities for the Corporation shall not exceed 2% of the issued and outstanding Shares of the Corporation, in any twelve month period, calculated at the Award Date without consent being obtained from the Exchange. Security based compensation awarded to persons performing Investor Relations Activities is limited to Stock Options.
6. The term of any options granted under the Plan will be fixed by the board of directors at the time such options are granted, provided that options will not be permitted to exceed a term of ten years. Notwithstanding anything to the contrary in the Stock Option Plan, if the date on which an option expires occurs during a trading black-out period imposed by the Corporation, then the expiry date of such option shall be the date (a "Black-Out Option Expiry Date") that is 10 business days following the date of expiry of the trading black-out period. If a new trading black-out is imposed prior to the Black-Out Option Expiry Date, the BlackOut Option Expiry Date shall be the date that is 10 business days following the expiry of the new trading black-out period.
7. The exercise price of any options granted under the Stock Option Plan will be determined by the board of directors, in its sole discretion, but shall not be less than the closing price of the Corporation's common shares on the day preceding the day on which the directors grant such options, less any discount permitted by the TSXV, or such other price as may be required or permitted by the TSXV.
8. The board of directors may, from time to time in its sole discretion, attach restrictions relating to the exercise of an option, including vesting provisions save and except any options granted to all persons performing investor relations activities must include a vesting schedule whereby the options must vest in stages over at least twelve months with not more than one-quarter vesting in any three month period. No vesting period imposed on Options granted to persons performing Investor Relation Activities can be accelerated without the prior written approval of the Exchange.
9. All options are non-assignable and non-transferrable.
10. If the option holder ceases to be a Director, Employee, Management Company Employee or Consultant other than an employee or consultant performing Investor Relation Activities, (as those terms are defined in the Plan) of the Corporation (other than by reason of death or such other provision pursuant to the Plan), then the option granted shall expire on no later than the 90th day following the date that the option holder ceases to be a director of the Corporation, subject to the terms and conditions set out in the Plan. If the option holder ceases to be an Employee, Management Company Employee or Consultant of the Corporation (other than by reason of death or such other provision pursuant to the Plan), then the option granted shall expire on the 30<sup>th</sup> day following the date the option holder ceases to be an Employee, Management Company Employee or Consultant. If the option holder is a Consultant or Employee engaged in performing investor relations activities and ceases to be an Employee or Consultant of the Corporation (other than by reason of death or such other provision pursuant to the Plan), then the option granted shall expire on the day the option holder ceases to be a Consultant or Employee.
11. Options will be reclassified in the event of any consolidation, subdivision, conversion or exchange of the Corporation's common shares in accordance with the terms of the Plan.

A copy of the Stock Option Plan is attached to this Information Circular as Schedule A.

### **Employment, consulting and management agreements**

Except as described below, the Corporation does not have any contracts, agreements, plans or arrangements that provides for payments to a director or NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in an NEO's responsibilities:

## Oversight and Description of Director and Named Executive Officer Compensation

The Board of Directors considers and determines all compensation matters for the NEO's and directors. The objective of the Corporation's compensation arrangements is to compensate the executive officers for their services to the Corporation at a level that is both in line with the Corporation's fiscal resources and competitive with companies at a similar stage of development.

The Corporation compensates its executive officers based on their skill, qualifications, experience level, level of responsibility involved in their position, the existing stage of development of the Corporation, the Corporation's resources, industry practice and regulatory guidelines regarding executive compensation levels.

At this time, the Corporation does not have a formal compensation program with specific performance goals or similar conditions.

Executive compensation is based upon the need to provide a compensation package that will allow the Corporation to attract and retain qualified and experienced executives, balanced with a pay-for-performance philosophy. The stock option plan will continue to be used to provide share-purchase options to executives. The share-purchase options are granted in consideration of the level of responsibility of the executive as well as his or her impact to the longer-term operating performance of the Corporation. In determining the number of options to be granted to the executive officers, the Board takes into account the number of options, if any, previously granted to each executive officer and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the TSX Venture Exchange, and closely align the interests of the executive officers with the interests of the Corporation's shareholders.

## Pension Disclosure

The Corporation does not have any pension or retirement plan which is applicable to the NEOs or directors. The Corporation has not provided compensation, monetary or otherwise, to any person who now or previously has acted as an NEO of the Corporation, in connection with or related to the retirement, termination or resignation of such person, and the Corporation has provided no compensation to any such person as a result of a change of control of the Corporation.

## Securities Authorized For Issuance under Equity Compensation Plans

The following table sets out equity compensation plan information as at the end of the financial year ended July 31, 2021:

### Equity Compensation Plan Information

|                                                                           | Number of securities to be issued upon exercise of outstanding options, warrants and rights | Weighted-average exercise price of outstanding options, warrants and rights | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) |
|---------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| Plan Category                                                             | (a)                                                                                         | (b)                                                                         | (c)                                                                                                                                         |
| Equity compensation plans approved by securityholders - (the Option Plan) | 5,294,132                                                                                   | \$0.29                                                                      | 323,172                                                                                                                                     |
| Equity compensation plans not approved by securityholders                 | N/A                                                                                         | N/A                                                                         | N/A                                                                                                                                         |
| Total                                                                     | 5,294,132                                                                                   | \$0.29                                                                      | 323,172                                                                                                                                     |

## INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

No person who is or at any time during the most recently completed financial year was a director, executive officer or senior officer of the Corporation, no proposed nominee for election as a director of the Corporation, and no associate of any of the foregoing persons has been indebted to the Corporation at any time since the commencement of the Corporation's last completed financial year. No guarantee, support agreement, letter of credit or other similar arrangement or understanding has been provided by the Corporation at any time since the beginning of the most recently completed financial year with respect to any indebtedness of any such person.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as previously disclosed in this Information Circular, to the knowledge of management of the Corporation, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Corporation 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 Corporation or any of its subsidiaries during the most recently completed financial year end, or has any interest in any material transaction in the current year.

The directors and officers of the Corporation have an interest in the resolutions concerning the election of directors and stock options. Otherwise no director or senior officer of the Corporation or any associate of the foregoing has any substantial interest, direct or indirect, by way of beneficial ownership of shares or otherwise in the matters to be acted upon at the Meeting, except for any interest arising from the ownership of shares of the Corporation where the shareholder will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of shares in the capital of the Corporation.

## STATEMENT OF CORPORATE GOVERNANCE

### Corporate Governance

Corporate governance relates to the activities of the Board of Directors (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 Corporation. National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”), the Corporation is required to disclose its corporate governance practices, as summarized below. The Board of Directors will continue to monitor such practices on an ongoing basis and, when necessary, implement such additional practices as it deems appropriate.

### Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A “material relationship” is a relationship which could, in the view of the Corporation’s board of directors, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The Corporation’s Board facilitates its exercise of independent judgement in carrying out its responsibilities by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Corporation’s Board requires management to provide complete and accurate information

with respect to the Corporation's activities and to provide relevant information concerning the industry in which the Corporation operates in order to identify and manage risks. The Corporation's Board is responsible for monitoring the Corporation's officers, who in turn are responsible for the maintenance of internal controls and management information systems.

Currently, the Corporation's board has one independent member, being Robert Dardi. The non-independent members are Brent Butler, CEO, Cyrus Driver, CFO and Johnathan More, Chairman.

### Directorships

The following table sets forth the directors of the Corporation who currently hold directorships in other reporting issuers:

| Name of Director | Other Issuer                                                                                                                                                                                       |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Brent Butler     | Power Metals Corp.<br>Audalia Resources Limited                                                                                                                                                    |
| Cyrus Driver     | Cobra Venture Corporation<br>Noram Ventures Inc.<br>Norra Metals Corp.<br>Power Metals Corp.<br>Serrano Resources Ltd.<br>Starr Peak Mining Ltd.<br>Tesoro Minerals Corp.<br>Wangton Capital Corp. |
| Johnathan More   | Power Metals Corp.<br>Starr Peak Mining Ltd.                                                                                                                                                       |

### Orientation and Continuing Education

Each new director is given an outline of the nature of the Corporation's business, its corporate strategy and current issues within the Corporation. New directors are also required to meet with management of the Corporation to discuss and better understand the Corporation's business and are given the opportunity to meet with counsel to the Corporation to discuss their legal obligations as director of the Corporation.

In addition, management of the Corporation takes steps to ensure that its directors and officers are continually updated as to the latest corporate and securities policies which may affect the directors, officers and committee members of the Corporation as a whole. The Corporation continually reviews the latest securities rules and policies and is on the mailing list of the TSX Venture Exchange (the "TSXV") to receive updates to any of those policies. Any such changes or new requirements are then brought to the attention of the Corporation's directors either by way of director or committee meetings or by direct communications from management to the directors.

### Ethical Business Conduct

The Corporation's Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the board in which the director has an interest have been sufficient to ensure that the board operates independently of management and in the best interests of the Corporation. Further, the Corporation's auditor has full and unrestricted access to the Audit Committee at all times to discuss the audit of the Corporation's financial statements and any related findings as to the integrity of the financial reporting process.

### Nomination of Directors

The Corporation's Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Corporation's Board does not have a nominating committee, and these functions are currently performed by the Corporation's Board as a whole. However, if there is a change in the number of directors required by the Corporation, this policy will be reviewed.

### Compensation

To determine compensation payable, the independent Directors review compensation paid for directors, officers and senior management of companies of similar size and stage of development in the junior mining and exploration industry and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the Directors and senior management while taking into account the financial and other resources of the Corporation. In setting the compensation the independent Directors annually review the performance of the officers, and senior management in light of the Corporation's objectives and consider other factors that may have impacted the success of the Corporation in achieving its objectives.

### Other Board Committees

The Board has no other committees other than the Audit Committee.

### Assessments

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

### Diversity on the Board of Directors and among Executive Officers

The Corporation does not currently have a formal diversity policy in place regarding gender representation on the Board or in executive officer positions. The Corporation believes in retaining the most qualified candidate for any position irrespective of gender, and recruitment efforts will continue to be governed by the principles set forth below.

The Corporation does not discriminate on the basis of race, national or ethnic origin, colour, religion, sex, age or mental or physical disability, or any other prohibited grounds of discrimination set forth in applicable federal or provincial law or guidelines. Directors, officers, contractors, consultants and employees are retained on the basis of their background, skills, relevant experience, education and potential to contribute to the success of the Corporation. In addition, candidates for Board membership are evaluated based upon their independence, qualifications to act as directors and other qualities which the board as a whole feels are appropriate to assist it in operating in an effective manner, with due regard for the benefits of diversity. Taken together, these diverse skills and backgrounds help to create a business environment that encourages a range of perspectives and fosters excellence in corporate governance, including the creation of shareholder value. Candidates for Board membership who are selected for nomination by the Board (or any committee of the Board established for such purpose from time to time) based on the foregoing criteria will be presented to shareholders for consideration without discrimination.

### **Audit Committee Disclosure**

Pursuant to section 224(1) of the *British Columbia Business Corporations Act*, the policies of the TSXV and National Instrument 52-110 *Audit Committees* ("NI 52-110"), the Corporation is required to have an Audit Committee comprised of not less than three directors, a majority of whom are not officers, control persons or

employees of the Corporation or an affiliate of the Corporation. NI 52-110 requires the Corporation, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor. A copy of the Audit Committee Charter is attached to the Information Circular as Schedule "A" for the January 11, 2013 annual and special meeting and filed on www.sedar.com on December 19, 2012.

### Composition of the Audit Committee

The following are the members of the Committee:

|                |                                |                                     |
|----------------|--------------------------------|-------------------------------------|
| Cyrus Driver   | Non-Independent <sup>(1)</sup> | Financially literate <sup>(1)</sup> |
| Robert Dardi   | Independent <sup>(1)</sup>     | Financially literate <sup>(1)</sup> |
| Johnathan More | Non-Independent <sup>(1)</sup> | Financially literate <sup>(1)</sup> |

1. As defined in NI 52-110.

### Relevant Education and Experience

**Cyrus Driver** is a Chartered Accountant, and a retired partner from the firm of Davidson & Company of Vancouver, BC. Prior to March 2002 he was a partner with the accounting firm of Driver Anderson which he co-founded in 1982. Mr. Driver has over 25 years of accounting experience with public companies; and is and has been the Chief Financial Officer and/or director of a number of junior natural resource companies listed on the Exchange. While providing general accounting and tax services to a wide range of clients, he specializes in managing and serving publicly traded companies and members of the brokerage community.

**Robert Dardi** is a graduate of the UBC School of Law and is a senior B.C. lawyer and businessman with over 20 years experience. He practiced with McCarthy Tetrault, First City Financial, and TELUS Corporation. While at TELUS he also held the senior officer position, Vice President and Corporate Secretary. Mr. Dardi specializes in securities law, corporate governance, financing, and mergers and acquisitions. He was Special Projects Consultant to Mr. Jimmy Pattison in 2004 and 2005. He also served on the Board of Directors and the Compensation Committee of Concert Properties. Mr. Dardi was chair of the Board of Trustees of a major pension plan with assets in excess of \$2 billion. Mr. Dardi also founded and currently chairs a private mining company with a focus on the Yukon Territory.

**Johnathan More** has over 25 years of experience in North American and European capital markets focused on natural resource industries. He had a history of achievement from his years with Canaccord Capital. In August 2008, Mr. More retired from Canaccord Capital as an investment advisor to apply his experience and contacts to the public company sector.

### Audit Committee Oversight

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

### Reliance on Certain Exemptions

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

External Auditor Service Fees (By Category)

Aggregate fees paid to the Auditor during the financial years ended July 31, 2021 and 2020 were as follows:

| Financial Year Ended | Audit Fees | Audit Related Fees <sup>1</sup> | Tax Fees <sup>2</sup> | All Other Fees <sup>3</sup> |
|----------------------|------------|---------------------------------|-----------------------|-----------------------------|
| 2021                 | \$14,175   | \$Nil                           | \$Nil                 | \$Nil                       |
| 2020                 | \$13,163   | \$Nil                           | \$Nil                 | \$Nil                       |

**Notes:**

1. Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".
2. Fees charged (or estimated charges) for tax compliance, tax advice and tax planning services.
3. Fees for services other than disclosed in any other column.

**PARTICULARS OF MATTERS TO BE ACTED UPON****A. Financial Statements**

The shareholders will receive and consider the audited financial statements of the Corporation for the fiscal year ended July 31, 2021 together with the auditor's report thereon. A copy of the financial statements is available for review on [www.sedar.com](http://www.sedar.com).

**B. Appointment of Auditor**

Management recommends the re-appointment of Crowe MacKay LLP, Chartered Accountants, of Vancouver, British Columbia, the present auditor, as the auditor of the Corporation to hold office until the close of the next annual meeting of the shareholders.

**Shares represented by proxies in favour of the management nominees will be voted in favour of the appointment of Crowe MacKay LLP, Chartered Accountants, as auditor of the Corporation and authorizing the Board to fix the auditor's remuneration, unless a shareholder has specified in his proxy that his shares are to be withheld from voting on the appointment of auditor.**

**C. Election of Directors**

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *British Columbia Business Corporations Act*, each director elected will hold office until the conclusion of the next annual general meeting of the Corporation.

Management is proposing to fix the number for which positions exist on the Corporation's board at four (4).

The following table sets out the names of management's nominees for election as directors, all major offices and positions with the Corporation and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment for the five preceding years for new director nominees, the period of time during which each has been a director of the Corporation and the number of Common Shares of the Corporation beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the date of this Information Circular.

| Name of Nominee, Current Position with Corporation, Province and Country of Residence                 | Principal Occupation                                                                                                  | Period From Which Nominee Has Been Director | Number of Approximate Voting Securities <sup>(1)</sup> |
|-------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|---------------------------------------------|--------------------------------------------------------|
| <b>Brent Butler</b><br>President; Chief Executive Officer, and Director<br>Joondalup, West Australia  | Professional Geologist. Mr. Butler has served on the board of directors of several companies in Canada and Australia. | July 15, 2011                               | 200,000                                                |
| <b>Cyrus Driver<sup>(2)</sup></b><br>Chief Financial Officer and Director<br>British Columbia, Canada | Chartered Accountant and a retired partner with the firm Davidson & Company                                           | January 26, 2012                            | 4,459,220                                              |
| <b>Johnathan More<sup>(2)</sup></b><br>Director<br>Grand Cayman, Cayman Islands                       | Self-employed Investment Banker                                                                                       | March 19, 2019                              | Nil                                                    |
| <b>Robert Dardi<sup>(2)</sup></b><br>Director<br>British Columbia, Canada                             | Lawyer                                                                                                                | June 1, 2020                                | Nil                                                    |

**Notes:**

1. Voting securities beneficially owned, directly or indirectly, or over which control or direction is exercised.
2. Member of Audit Committee.
3. Member of Compensation Committee.

The Corporation does not have an Executive Committee. The Board has established an Audit Committee, details of which are provided under the heading “Statement of Corporate Governance”.

Management does not contemplate that any of the nominees will be unable to serve as a director. However, if a nominee should be unable to so serve for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. **The persons named in the enclosed form of proxy intend to vote for the election of all of the nominees whose names are set forth above.**

Except as noted below, as at the date of this Information Circular and within the ten years before the date of this Information Circular, no proposed director:

- (a) is or has been a director or executive officer of any Corporation (including the Corporation), that while that person was acting in that capacity:
  - i. was the subject of a cease-trade order or similar order or an order that denied the relevant Corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days;
  - ii. was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the Corporation being the subject of a cease trade or similar order or an order that denied the relevant Corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days;
  - iii. within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has within 10 years before the date of the Information Circular become 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 the assets of the director, officers or shareholders.

#### **D. Adoption of 10% Rolling Stock Option Plan**

The Corporation is seeking the approval of a new Stock Option Plan (the “Stock Option Plan”). The new Plan, the terms of which were substantially summarized above, and a copy of which in its entirety is attached hereto as Schedule “A”, essentially contains the same provisions and terms as the Corporation’s previous plan with

the exception of a few minor changes to conform with the TSXV's new Share Based Compensation Policy. At the Meeting, shareholders will be asked to consider and, if thought fit, pass the following ordinary resolutions:

“BE IT RESOLVED THAT:

- (i) the Corporation's Stock Option Plan be ratified, confirmed and approved, including reserving for issuance under the Stock Option Plan at any time of a maximum of 10% of the issued and outstanding Common Shares of the Corporation;
- (ii) the Corporation is authorized to grant stock options pursuant to and subject to the terms and conditions of the Stock Option Plan to qualified directors, officers, employees and consultants or management company employees of the Corporation, or any affiliate of the Corporation; and
- (iii) any one director or officer of the Corporation, for and on behalf of the Corporation, be and is hereby authorized to execute and deliver all documents and instruments and take all such other actions as may be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents and instruments and the taking of any such actions.”

For further information concerning the Corporation's stock option plan, refer *Statement of Executive Compensation – Stock Option Plans and Other Incentive Plans* above.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

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:

- Audited Annual Financial Statements for the year ended July 31, 2021; and
- Annual Management's Discussion and Analysis for the year ended July 31, 2021.

Copies of the documents incorporated herein by reference may be obtained by a shareholder upon request without charge from the Corporation at [mcgrath@iocorporate.com](mailto:mcgrath@iocorporate.com). These documents are also available through the internet on SEDAR, which can be accessed at [www.sedar.com](http://www.sedar.com).

#### **OTHER MATTERS**

Management of the Corporation is not aware of any other matter to come before the Meeting other than as set forth in the notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

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

**DATED** at Vancouver, British Columbia, June 29, 2022.

**BY ORDER OF THE BOARD**

/s/ “Brent Butler”

**Brent Butler, Chief Executive Officer**

“Schedule A”

# **SUPERIOR MINING INTERNATIONAL CORPORATION**

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2022  
Stock Option Plan

## ARTICLE I DEFINITIONS AND INTERPRETATION

### 1.1 DEFINITIONS

As used herein, unless anything in the subject matter or context is inconsistent therewith, the following terms shall have the meanings set forth below:

**“Administrator”** means such director or other senior officer or employee of the Company as may be designated as Administrator by the Board from time to time;

**“Award Date”** means the date on which the Board grants and announces a particular Option;

**“Board”** means the Board of Directors of the Company;

**“Company”** means Superior Mining International Corporation and any subsidiary thereof, (within the meaning of the Securities Act), as the context may apply;

**“Consultant”** means an individual (or a company wholly owned by the individual) who (i) provides ongoing consulting, technical, management or other services to the Company (excluding services provided in relation to a distribution of the Company’s securities); (ii) possesses technical, business or management expertise of value to the Company; (iii) provides the services under a written contract with the Company; (iv) spends a significant amount of time and attention to the business and affairs of the Company; and (v) has a relationship with the Company that enables the individual to be knowledgeable about the business and affairs of the Company;

**“Director”** means a director or senior officer of the Company;

**“Employee”** means (i) an individual considered an employee under the *Income Tax Act*, Canada (i.e. for whom income tax and other deductions are made by the Company); (ii) an individual who works full-time for the Company providing services normally provided by an employee of the Company but for whom income tax and other deductions are not made by the Company; and (iii) an individual who works for the Company on a continuing and regular basis for a minimum amount of time per week, but for whom income tax and other deductions are not made by the Company;

**“Exchange”** means the TSX Venture Exchange;

**“Exchange Hold Period”** has the meaning ascribed thereto in the Exchange’s policy 1.1, corporate finance manual;

**“Exercise Notice”** means the notice respecting the exercise of an Option, in the form set out as Schedule “B” hereto, duly executed by the Option Holder;

**“Exercise Period”** means the period during which a particular Option may be exercised, being the period from and including the Award Date through to and including the Expiry Date;

**“Exercise Price”** means the price at which an Option may be exercised as determined in accordance with section 3.6;

**“Expiry Date”** means the date determined in accordance with section 3.3 and after which a particular Option cannot be exercised;

**“Insider”** means a Director, a director or senior officer of a company that is an Insider or subsidiary of the Company, or a person that beneficially owns or controls, directly or indirectly, voting shares carrying

more than 10% of the voting rights attached to all outstanding voting shares of the Company or the Company if it has purchased, redeemed or otherwise acquired a security of its own issue, for so long as it continues to hold that security;

**“Investor Relations Activities”** has the meaning ascribed thereto in the Exchange’s corporate finance manual;

**“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;

**“Option”** means an option to acquire Shares, awarded to a Director, Employee, Consultant or Management Company Employee pursuant to the Plan;

**“Option Certificate”** means the certificate, substantially in the form set out as Schedule “A” hereto, evidencing an Option;

**“Option Holder”** means a current or former Director, Employee, Consultant or Management Company Employee who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person;

**“Personal Representative”** means (i) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and (ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder;

**“Plan”** means the Company’s stock option plan as embodied herein and as from time to time amended;

**“Security Based Compensation”** includes any Deferred Share Unit, Performance Share Unit, Restricted Share Unit, Securities for Services, Stock Appreciation Right, Stock Option, Stock Purchase Plan, any security purchase from treasury by a Participant which is financially assisted by the Issuer by any means whatsoever, and any other compensation or incentive mechanism involving the issuance or potential issuance of securities of the Issuer from treasury to a Participant, including securities issued under Part 6 of the TSXV’s Policy 4.4, and for greater certainty, does not include: (a) arrangements which do not involve the issuance from treasury or potential issuance from treasury of securities of the Issuer; (b) arrangements under which Security Based Compensation is settled solely in cash and/or securities purchased on the secondary market; and (c) Shares for Services and Shares for Debt arrangements under the TSXV’s Policy 4.3 – Shares for Debt that have been conditionally accepted by the Exchange prior to November 24, 2021;

**“Security Based Compensation Plan”** includes any Stock Option Plan, DSU Plan, PSU Plan, RSU Plan, SAR Plan, SP Plan and/or any other compensation or incentive mechanism involving the issuance or potential issuance of securities of the Issuer from treasury to a Participant (excluding any Shares for Services arrangement that has been conditionally accepted by the Exchange under Policy 4.3 – Shares for Debt prior to November 24, 2021)

**“Securities Act”** means the *Securities Act* (British Columbia); and

**“Share”** or **“Shares”** means, as the case may be, one or more common shares without par value in the capital of the Company.

## 1.2 *CHOICE OF LAW*

The Plan is established under, and the provisions of the Plan shall be interpreted and construed solely in accordance with, the laws of the Province of British Columbia.

## 1.3 *HEADINGS*

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

# ARTICLE II PURPOSE AND PARTICIPATION

## 2.1 *PURPOSE*

The purpose of the Plan is to provide the Company with a Share-related mechanism to attract, retain and motivate Directors, Employees, Consultants and Management Company Employees, to reward such of those persons by the grant of options under the Plan by the Board from time to time for their contributions toward the long term goals of the Company and to enable and encourage such persons to acquire Shares as long term investments.

## 2.2 *PARTICIPATION*

The Board shall, from time to time, in its sole discretion determine those Directors, Employees, Consultants and Management Company Employees, if any, to whom Options are to be awarded. If the Board elects to award an Option to a Director, the Board shall, in its sole discretion but subject to section 3.2, determine the number of Shares to be acquired on the exercise of such Option. If the Board elects to award an Option to an Employee, Consultant or Management Company Employee, the number of Shares to be acquired on the exercise of such Option shall be determined by the Board in its sole discretion, and in so doing the Board may take into account the following criteria:

- (a) the person's remuneration as at the Award Date in relation to the total remuneration payable by the Company to all of its Employees, Management Company Employees and Consultants as at the Award Date;
- (b) the length of time that the person has provided services to the Company; and
- (c) the nature and quality of work performed by the person.

## 2.3 *NOTIFICATION OF AWARD*

Following the approval by the Board of the awarding of an Option, the Administrator shall notify the Option Holder in writing of the award and shall enclose with such notice the Option Certificate representing the Option so awarded.

## 2.4 *COPY OF PLAN*

Each Option Holder, concurrently with the notice of the award of the Option, shall be provided with a copy of this Plan. A copy of any amendment to the Plan shall be promptly provided by the Administrator to each Option Holder.

## 2.5 *LIMITATION*

This Plan does not give any Option Holder who is a Director the right to serve or continue to serve as a Director, nor does it give any Option Holder who is an Employee, Management Company Employee or Consultant the right to be or to continue to be employed or engaged by the Company.

### ARTICLE III

#### TERMS AND CONDITIONS OF OPTIONS

##### 3.1 *BOARD TO ALLOT SHARES*

The Shares to be issued to Option Holders upon the exercise of Options shall be allotted and authorized for issuance by the Board prior to the exercise thereof. All Options granted to Insiders, or granted at a discount to Market Price, will be subject to a four month hold period (the “Exchange Hold Period”) commencing on the date of grant.

##### 3.2 *NUMBER OF SHARES*

The maximum aggregate number of Shares issuable under the Plan, together with any other Security Based Compensation Plan, shall not exceed 10% of the number of Shares of the Company issued and outstanding as of each Award Date, inclusive of all Shares presently reserved for issuance pursuant to previously granted stock options, unless shareholder approval is obtained in advance in accordance with section 6.5 hereof.

Options that have been cancelled or that have expired without being exercised in full shall continue to be issuable under the Plan.

##### 3.3 *TERM OF OPTION*

Subject to section 3.5, the Expiry Date of an Option shall be the date so fixed by the Board at the time the particular Option is awarded, provided that such date shall not be later than the tenth anniversary of the Award Date of the Option, or such other maximum amount of time as may be allowable under the policies of the Exchange. Notwithstanding anything to the contrary herein, if the date on which an option expires occurs during a trading black-out period imposed by the Company, then the expiry date of such option shall be the date (a “Black-Out Option Expiry Date”) that is 10 business days following the date of expiry of the trading black-out period. If a new trading black-out is imposed prior to the Black-Out Option Expiry Date, the BlackOut Option Expiry Date shall be the date that is 10 business days following the expiry of the new trading black-out period

##### 3.4 *LIMITATIONS*

The maximum aggregate number of Options awarded to Insiders (as a group) under this Plan, together with any other Security Based Compensation Plan, shall not exceed 10% of the issued and outstanding Shares of the Company at any point in time (unless the Company has obtained disinterested shareholder approval).

The maximum aggregate number of Options awarded to Insiders (as a group) under this Plan, together with any other Security Based Compensation Plan, in any twelve month period shall not exceed 10% of the issued and outstanding Shares of the Company at the Award Date (unless the Company has obtained disinterested shareholder approval).

The maximum aggregate number of Options awarded to any one individual, under this Plan, together with any other Security Based Compensation Plan, in any twelve month period shall not exceed 5% of the issued and outstanding Shares of the Company at the Award Date (unless the Company has obtained disinterested shareholder approval).

The maximum aggregate number of Options awarded to any one Consultant for the Company, together with any other Security Based Compensation Plan, in any twelve month period shall not exceed 2% of the issued and outstanding Shares of the Company at the Award Date without consent being obtained from the Exchange.

The total number of Options awarded to all persons who perform Investor Relations Activities for the Company shall not exceed 2% of the issued and outstanding Shares of the Company, in any twelve month period, calculated at the Award Date without consent being obtained from the Exchange. Security based compensation awarded to persons performing Investor Relations Activities is limited to Stock Options.

### 3.5 *TERMINATION OF OPTION*

An Option Holder may exercise an Option in whole or in part at any time or from time to time during the Exercise Period provided that, with respect to the exercise of part of an Option, the Board may at any time and from time to time fix limits, vesting requirements or restrictions in respect of which an Option Holder may exercise part of any Option held by him. Any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of 5:00 p.m. (Vancouver time) on the Expiry Date. The Expiry Date of an Option shall be the earlier of the date so fixed by the Board on the Award Date referred to in section 3.3 above, and the date established, if applicable, in subsections (a) to (c) below.

#### (a) Death

In the event that the Option Holder should die while he or she is still (i) a Director, Employee or Management Company Employee, (other than an Employee performing Investor Relations Activities) the Expiry Date shall be 12 months from the date of death of the Option Holder; or (ii) a Consultant, or an Employee performing Investor Relations Activities, the Expiry Date shall be one month from the date of death of the Option Holder.

#### (b) Ceasing to Hold Office

Unless otherwise determined by the Board of Directors in writing, in the event that the Option Holder holds his or her Option as Director and such Option Holder ceases to be a Director of the Company other than by reason of death, the Expiry Date of the Option shall be the 90th day following the date the Option Holder ceases to be a Director of the Company unless the Option Holder continues to be engaged by the Company as an Employee, Management Company Employee or Consultant, in which case the Expiry Date shall remain unchanged. However, if the Option Holder ceases to be a Director of the Company as a result of:

- (i) ceasing to meet the qualifications set forth in s.114 of the *Business Corporations Act* (British Columbia); or
- (ii) a special resolution having been passed by the members of the Company pursuant to subsection 130(3) of the *Business Corporation Act* (British Columbia),

then the Expiry Date shall be the date the Option Holder ceases to be a Director of the Company.

#### (c) Ceasing to be Employed

Unless otherwise determined by the Board of Directors in writing, in the event that the Option Holder holds his or her Option as an Employee, Management Company Employee or Consultant of the Company (other than an Employee or Consultant performing Investor Relations Activities) and such Option Holder ceases to be an Employee, Management Company Employee or Consultant of the Company other than by reason of death, the Expiry Date of the Option shall be the 30<sup>th</sup> day following the date the Option Holder ceases to be an Employee, Management Company Employee or Consultant of the Company unless the Option Holder ceases to be such as a result of:

- (i) termination for cause; or
- (ii) an order of the British Columbia Securities Commission, the Exchange, or any regulatory body having jurisdiction to so order,

in which case the Expiry Date shall be the date the Option Holder ceases to be an Employee, Management Company Employee or Consultant of the Company.

(d) *Ceasing to Perform Investor Relations Activities*

Notwithstanding the paragraph (c) immediately above, and unless otherwise determined by the Board of Directors in writing, in the event that the Option Holder holds his or her Option as an Employee or Consultant of the Company who provides Investor Relations Activities on behalf of the Company, and such Option Holder ceases to be an Employee or Consultant of the Company other than by reason of death, the Expiry Date shall be the date the Option Holder ceases to be an Employee or Consultant of the Company.

### 3.6 *EXERCISE PRICE*

The Exercise Price shall be that price per Share, as determined by the Board in its sole discretion, and announced as of the Award Date, at which an Option Holder may purchase a Share upon the exercise of an Option, provided that it shall not be less than the closing price of the Company's Shares traded through the facilities of the Exchange (or, if the Shares are no longer listed for trading on the Exchange, then such other exchange or quotation system on which the Shares are listed or quoted for trading) on the day preceding the Award Date, less any discount permitted by the Exchange, or such other price as may be required or permitted by the Exchange.

### 3.7 *ASSIGNMENT OF OPTIONS*

Options may not be assigned or transferred, and all Option Certificates will be so legended, provided however that the Personal Representatives of an Option Holder may, to the extent permitted by section 4.1, exercise the Option within the Exercise Period.

### 3.8 *PAYROLL WITHHOLDING*

Subject to compliance with applicable Exchange rules and policies, if the Company is required under the *Income Tax Act (Canada)* or any other applicable law to make source deductions in respect of employee stock option benefits and to remit to the applicable governmental authority an amount on account of tax on the value of the taxable benefit associated with the issuance of Common Shares on exercise of Options, then the Option Holder shall:

- (a) pay to the Company, in addition to the exercise price for the Options, sufficient cash as is reasonably determined by the Company to be the amount necessary to permit the required tax remittance;
- (b) authorize the Company, on behalf of the Option Holder, to sell in the market on such terms and at such time or times as the Company determines a portion of the Common Shares being issued upon exercise of the Options to realize cash proceeds to be used to satisfy the required tax remittance; or
- (c) make other arrangements acceptable to the Company to fund the required tax remittance.

### 3.9 *ADJUSTMENTS*

If prior to the complete exercise of any Option, the Shares are consolidated, subdivided, converted, exchanged or reclassified or in any way substituted for (collectively the "Event"), the Option, to the extent that it has not been exercised, shall be adjusted by the Board in accordance with such Event in the manner the Board deems appropriate. No fractional Shares shall be issued upon the exercise of the Options and accordingly, if as a result of the Event an Option Holder would become entitled to a fractional share, such Option Holder shall have the right to purchase only the next lowest whole number of shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded. Additionally, no lots of Shares in an amount less than 500 Shares shall be issued upon the

exercise of the Options unless such amount of Shares represents the balance left to be exercised under the Options. Notwithstanding the above, any adjustments other than in connection with share consolidation or share subdivision, to any Options granted under this Plan, together with any other Security Based Compensation Plan, is subject to the prior acceptance of the Exchange including any adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization.

### 3.10 *EXERCISE RESTRICTIONS*

The Board may, at the time an Option is awarded or upon renegotiation of the same, attach restrictions relating to the exercise of the Option, including vesting provisions. Any such restrictions shall be recorded on the applicable Option Certificate.

Notwithstanding the above, Options issued to all persons performing Investor Relations Activities must vest in stages over at least twelve months with not more than one-quarter of the Options vesting in any three month period. No vesting period imposed on Options granted to persons performing Investor Relation Activities can be accelerated without the prior written approval of the Exchange.

### 3.11 *REPRESENTATIONS*

For Options granted to Employees, Consultants or Management Company Employees, the Company will represent that the Option Holder is a bona fide Employee, Consultant or Management Company Employee, as the case may be.

## **ARTICLE IV EXERCISE OF OPTION**

### 4.1 *EXERCISE OF OPTION*

An Option may be exercised only by the Option Holder or his Personal Representative. An Option Holder or his Personal Representative may exercise an Option in whole or in part, subject to any applicable exercise restrictions, at any time or from time to time during the Exercise Period up to 5:00 p.m. (Vancouver time) on the Expiry Date by delivering to the Administrator an Exercise Notice, the applicable Option Certificate and a certified cheque or bank draft payable to the Company in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Option.

### 4.2 *ISSUE OF SHARE CERTIFICATES*

As soon as practicable following the receipt of the Exercise Notice, the Administrator shall cause to be delivered to the Option Holder a certificate for the Shares so purchased. If the number of Shares so purchased is less than the number of Shares subject to the Option Certificate surrendered, the Administrator shall forward a new Option Certificate to the Option Holder concurrently with delivery of the aforesaid share certificate for the balance of the Shares available under the Option.

### 4.3 *CONDITION OF ISSUE*

The issue of Shares by the Company pursuant to the exercise of an Option is subject to this Plan and compliance with the laws, rules and regulations of all regulatory bodies applicable to the issuance and distribution of such Shares and to the listing requirements of any stock exchange or exchanges on which the Shares may be listed. The Option Holder agrees to comply with all such laws, rules and regulations and agrees to furnish to the Company any information, report and/or undertakings required to comply with and to fully cooperate with the Company in complying with such laws, rules and regulations.

### 4.4 *MONITORING OF TRADES*

An Option Holder who performs Investor Relations Activities shall provide written notice to the Board of each of his trades of securities of the Company, within five business days of each trade.

## **ARTICLE V ADMINISTRATION**

### **5.1     ~~ADMINISTRATION~~**

The Plan shall be administered by the Board, or an Administrator on the instructions of the Board or such committee of the Board formed in respect of matters relating to the Plan. The Board or such committee may make, amend and repeal at any time and from time to time such regulations not inconsistent with this Plan as it may deem necessary or advisable for the proper administration and operation of this Plan and such regulations shall form part of this Plan. The Board may delegate to the Administrator or any Director, Employee or officer of the Company such administrative duties and powers as it may see fit.

### **5.2     ~~INTERPRETATION~~**

The interpretation by the Board or its authorized committee of any of the provisions of this Plan and any determination by it pursuant thereto shall be final and conclusive and shall not be subject to any dispute by any Option Holder. No member of the Board or any person acting pursuant to authority delegated by the Board hereunder shall be liable for any action or determination in connection with this Plan made or taken in good faith and each member of the Board and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

## **ARTICLE VI APPROVALS, AMENDMENTS AND TERMINATION**

### **6.1     ~~APPROVALS REQUIRED FOR PLAN~~**

Prior to its implementation by the Company, this Plan is subject to the receipt of approval by the shareholders of the Company at a general meeting and approval of the Exchange.

### **6.2     ~~PROSPECTIVE AMENDMENT~~**

Subject to applicable regulatory approval, including TSXV approval, and shareholder approval, where applicable, the Board may from time to time amend this Plan and the terms and conditions of any Option thereafter to be awarded and, without limiting the generality of the foregoing, may make such amendments for the purpose of meeting any changes in any relevant law, Exchange policy, rule or regulation applicable to this Plan, any Option or the Shares, or for any other purpose which may be permitted by all relevant laws, rules and regulations, provided always that any such amendment shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to such amendment.

### **6.3     ~~RETROACTIVE AMENDMENT~~**

Subject to applicable regulatory approval, including TSXV approval, and shareholder approval, where applicable, the Board may from time to time retroactively amend this Plan and may also, with the consent of the affected Option Holders, retroactively amend the terms and conditions of any Options which have been previously awarded.

### **6.4     ~~EXCHANGE APPROVAL~~**

With the consent of affected Option Holders, the Board may amend the terms of any outstanding Option so as to reduce the number of optioned Shares, increase the Exercise Price, or cancel an Option without Exchange approval. Any other amendment will be subject to receiving prior Exchange approval.

#### 6.5 *SHAREHOLDER APPROVAL*

This Plan must be approved by the Company's shareholders annually, at a duly called meeting of the shareholders. Disinterested shareholder approval (as defined in Exchange policy) will be required for: (i) any reduction in the exercise price of Options granted to Insiders, if the Option Holder is an Insider of the Company at the time of the proposed amendment; (ii) the extension of the term to stock options granted to Insiders at the time of the proposed amendment; and (iii) the situations where the Plan, together with all other outstanding options and Security Based Compensation Plans, could result at any time in:

- (a) the aggregate number of the Company's shares that are issuable pursuant to all Security Based Compensation granted or issued to Insiders (as a group) exceeding 10% of the issued shares of the Company at any point in time;
- (b) the aggregate number of the Company's shares that are issuable pursuant to all Security Based Compensation granted or issued in any 12 month period to Insiders (as a group) exceeding 10% of the issued shares of the Company, calculated as at the date any Security Based Compensation is granted or issued to any Insider;
- (c) the aggregate number of the Company's shares that are issuable pursuant to all Security Based Compensation granted or issued in any 12 month period to any one person (and where permitted under the policies of the TSX, any companies that are wholly owned by that person) exceeding 5% of the issued shares of the Company, calculated as at the date any Security Based Compensation is granted or issued to the person, or
- (d) such other maximum amounts as may allowable under the policies of the Exchange.

#### 6.6 *TERMINATION*

The Board may terminate this Plan at any time provided that such termination shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to the date of such termination and notwithstanding such termination the Company, such Options and such Option Holders shall continue to be governed by the provisions of this Plan.

#### 6.7 *AGREEMENT*

The Company and every person to whom an Option is awarded hereunder shall be bound by and subject to the terms and conditions of this Plan.

**END OF DOCUMENT**

*Schedule A*  
**SUPERIOR MINING INTERNATIONAL CORPORATION**  
**STOCK OPTION PLAN**  
**Option Certificate**

This certificate is issued pursuant to the provisions of the Superior Mining International Corporation (the "Company") Stock Option Plan (the "Plan") and evidences that (*Name of Optionee*) \_\_\_\_\_ is the holder of an option (the "Option") to purchase up to \_\_\_\_\_ (*Number of Shares*) common shares (the "Shares") in the capital stock of the Company at a purchase price of \$ \_\_\_\_\_ per Share. Subject to the provisions of the Plan:

- (a) the Award Date of this Option is \_\_\_\_\_ (*insert date of grant*); and  
(b) the Expiry Date of this Option is \_\_\_\_\_ (*insert date of expiry*).

The right to purchase Shares under the Option will vest in the Holder in increments over the term of the Option as follows:

| Date | Cumulative Number of Shares<br>which may be Purchased |
|------|-------------------------------------------------------|
|      |                                                       |

This Option may be exercised in accordance with its terms at any time and from time to time from and including the Award Date through to and including up to 5:00 p.m. (Vancouver time) on the Expiry Date, by delivering to the Company an Exercise Notice, in the form provided in the Plan, together with this certificate and a certified cheque or bank draft payable to the Company in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which this Option is being exercised.

**IMPORTANT INFORMATION REGARDING  
INCOME TAX WITHHOLDING REQUIREMENTS**

**The Company shall not be obligated to cause the issuance, transfer or delivery of a certificate or certificates representing Optioned Shares to the Optionee, until provision has been made by the Optionee, to the satisfaction of the Company, for the payment of the aggregate exercise price for all Optioned Shares for which the Option shall have been exercised, and for satisfaction of any tax withholding obligations associated with such exercise.**

This certificate and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan. This certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company shall prevail.

By countersigning this Option Certificate:

- (a) the Option Holder acknowledges that the Option Holder has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Certificate;
- (b) The undersigned hereby consents to:
- (i) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6A of the policies of the Exchange attached hereto) pursuant to this Form; and
- (ii) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in the attached Appendix 6A or as otherwise identified by the Exchange, from time to time.

IN WITNESS WHEREOF the parties hereto have executed this Option Certificate as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**Superior Mining International Corporation**

\_\_\_\_\_  
«Name», Option Holder

Per: \_\_\_\_\_  
Authorized Signatory

***Schedule B***  
**EXERCISE NOTICE**

To: The Administrator, Stock Option Plan  
Superior Mining International Corporation (the "Company")

The undersigned hereby irrevocably gives notice, pursuant to the Company's Stock Option Plan (the "Plan"), of the exercise of the Option to acquire and hereby subscribes for (cross out inapplicable item):

- (a) all of the Shares; or
- (b) \_\_\_\_\_ of the Shares, which are the subject of the Option Certificate attached hereto.

Calculation of total Exercise Price:

- (i) number of Shares to be acquired on exercise: \_\_\_\_\_ Shares
- (ii) multiplied by the Exercise Price per Share: \$ \_\_\_\_\_
- TOTAL EXERCISE PRICE, enclosed herewith: \$ \_\_\_\_\_

The undersigned tenders herewith a certified cheque or bank draft in an amount equal to the total Exercise Price of the aforesaid Shares, as calculated above, and directs the Company to issue the share certificate evidencing said Shares in the name of the undersigned to be mailed to the undersigned at the following address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Signature of Option Holder

\_\_\_\_\_  
Name of Option Holder (please print)