



Western Exploration
A Legacy of Gold Discovery

**NOTICE OF MEETING AND
MANAGEMENT INFORMATION CIRCULAR**

For the Annual General and Special Meeting of Shareholders

To be held on

June 13, 2024

At 11:00 a.m. (Vancouver time)

Dated May 1, 2024

WESTERN EXPLORATION INC.

121 Woodland Avenue, Suite 140
Reno, Nevada
89523

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting (the "**Meeting**") of the shareholders ("**Shareholders**") of Western Exploration Inc. (the "**Corporation**") will be held at the offices of the Corporation located at 121 Woodland Avenue, Suite 140, Reno, Nevada, 89523, United States of America at 11:00 a.m. (Vancouver time) on June 13, 2024. In addition, the Corporation is also providing Shareholders with the option to dial-in and listen (but not vote) at the Meeting by conference call using the following meeting information:

- **Telephone:** 1- (833) 780- 1773 (Toll Free) or 1 825-257-5468 (Toll)
- **Phone Conference ID:** 227-413-614
- **Meeting Link:**
https://teams.microsoft.com/l/meetup-join/19%3ameeting_MTg4MGVhM2ItOGFiNi00NjklTllyTgtMDhiOGY1YTg2YWZl%40thread.v2/0?context=%7b%22Tid%22%3a%22ba4f8da5-5a46-4117-bb0f-12bd54df5c93%22%2c%22Oid%22%3a%228c7a1bc7-1ab0-453b-a96d-8c1f03c4c852%22%7d
- **Meeting Number:** 220 234 740 801
- **Meeting Password:** nX83x4

The Meeting will be held for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for the financial years ended December 31, 2023, together with the report of the auditor thereon;
2. to set the number of directors at six for the ensuing year;
3. to elect directors of the Corporation for the ensuing year;
4. to appoint the auditor of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix the remuneration of the auditor;
5. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution of Shareholders, in accordance with the requirements of the TSX Venture Exchange, confirming and approving the omnibus equity incentive plan of the Corporation; and
6. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

Particulars of the foregoing matters are set forth in the management information circular dated May 1, 2024 (the "**Circular**"). Please review the Circular carefully and in full prior to voting in relation to the matters set out above as the Circular has been prepared to help you make an informed decision on such matters. The Corporation has elected to use the notice-and-access provisions under National Instrument 51-102 – *Continuous Disclosure Obligations* and National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* for the Meeting. The Circular and other relevant materials are available online at <https://docs.tsxtrust.com/2364> and on SEDAR+ (www.sedarplus.ca) under the Corporation's issuer profile.

The directors of the Corporation have fixed the close of business on April 24, 2024 as the record date (the "**Record Date**") for the determination of Shareholders entitled to receive notice of, and to vote at, the Meeting. Only Shareholders whose names have been entered in the register of shareholders as of the close of business on the Record Date will be entitled to receive notice of, and to vote at, the Meeting.

Shareholders are entitled to vote at the Meeting either in person or by proxy, as described in the Circular under the heading "*General Proxy Information*". Only registered Shareholders of the Corporation, or the persons they appoint as their proxies, are entitled to attend and vote at the Meeting. For information with respect to Shareholders who own their variable voting shares through an intermediary, see "*General Proxy Information – Non-Registered Shareholders*" in the Circular.

Whether or not you are able to attend the Meeting in person, you are encouraged to provide voting instructions on the enclosed form of proxy as soon as possible. To be included at the Meeting, your completed and executed form of proxy must be received by TSX Trust Company by mail at 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1, by facsimile at (416) 595-9593 or by the internet at www.voteproxyonline.com and entering your 12 digit control number, no later than 11:00 a.m. (Vancouver time) on June 11, 2024 (or no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to any reconvened Meeting in the event of an adjournment of the Meeting) or deposited with the Chairman of the Meeting prior to the commencement of the Meeting or any adjournment thereof. Voting instructions may also be provided by internet by following the instructions on the form of proxy.

DATED this 2nd day of May, 2024.

BY ORDER OF THE BOARD

(signed) "Darcy Marud"

Director and Chief Executive Officer

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MANAGEMENT INFORMATION CIRCULAR

This management information circular (the "**Circular**") is furnished in connection with the solicitation of proxies by the management of Western Exploration Inc. (the "**Corporation**") for use at the annual general and special meeting (the "**Meeting**") of the shareholders of the Corporation (the "**Shareholders**") to be held at the offices of the Corporation located at 121 Woodland Avenue, Suite 140, Reno, Nevada, 89523, United States of America at 11:00 a.m. (Vancouver time) on June 13, 2024, and at all adjournments thereof for the purposes set forth in the notice of meeting (the "**Notice of Meeting**"). In addition, the Corporation is also providing Shareholders with the option to dial-in and listen (but not vote) at the Meeting by using the following meeting information:

- **Telephone:** 1-(833) 780- 1773 (Toll Free) or 1-825-257-5468 (Toll)
- **Phone Conference ID:** 227-413-614
- **Meeting Link:**
https://teams.microsoft.com/l/meetup-join/19%3ameeting_MTg4MGVhM2ItOGFiNi00NjklTllyTgtMDhiOGY1YTg2YWZl%40thread.v2/0?context=%7b%22Tid%22%3a%22ba4f8da5-5a46-4117-bb0f-12bd54df5c93%22%2c%22Oid%22%3a%228c7a1bc7-1ab0-453b-a96d-8c1f03c4c852%22%7d
- **Meeting Number:** 220 234 740 801
- **Meeting Password:** nX83x4

GENERAL PROXY INFORMATION

Solicitation of Proxies

The enclosed proxy is being solicited by the management of the Corporation. The solicitation of proxies will be made primarily by mail and may be supplemented by telephone or other personal contact by the directors, officers and employees of the Corporation. Directors, officers and employees of the Corporation will not receive any extra compensation for such activities. The Corporation may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from Shareholders in favour of the matters set forth in the Notice of Meeting. The Corporation may pay brokers or other persons holding variable voting shares of the Corporation ("**Variable Voting Shares**") in their own names, or in the names of nominees, for their reasonable expenses for sending forms of proxy and this Circular to beneficial owners of Variable Voting Shares and obtaining proxies therefrom. The cost of any such solicitation will be borne by the Corporation.

No person is authorized to give any information or to make any representation other than those contained in this Circular and, if given or made, such information or representation should not be relied upon as having been authorized by the Corporation. The delivery of this Circular shall not, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date hereof.

Voting

Voting at the Meeting will be by a show of hands unless a poll is required or requested. Subject to the triggering of the Voting Reduction (as defined herein), each Shareholder and proxyholder is entitled to one vote for each Variable Voting Share in the capital of the Corporation held or represented, respectively. To approve a motion proposed at the Meeting, a majority of greater than 50% of the votes cast will be required (an "**ordinary resolution**") unless the motion requires a "**special resolution**", in which case a majority of 66 2/3% of the votes cast will be required. An ordinary resolution is required to pass the resolutions for the matters scheduled to be acted upon at the Meeting.

Appointment of Proxies

A registered Shareholder of the Corporation may vote in person at the Meeting or may appoint another person to represent such Shareholder as proxy and to vote the Variable Voting Shares of such Shareholder at the Meeting. In order to appoint another person as proxy, such Shareholder must complete, execute and deliver the form of proxy accompanying this Circular, or another proper form of proxy, in the manner specified in the Notice of Meeting.

The persons named in the form of proxy accompanying this Circular are officers and/or directors of the Corporation. A Shareholder of the Corporation has the right to appoint a person or company (who need not be a shareholder of the Corporation), other than the persons designated in the form of proxy, to represent such Shareholder at the Meeting and at any adjournment or postponement thereof. Such right may be exercised by either striking out the names of the persons designated in the form of proxy and inserting the name of the person to be appointed in the blank space provided in the form of proxy, or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to TSX Trust Company at 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1 by facsimile at (416) 595-9593 or by internet at www.voteproxyonline.com and entering your 12 digit control number no later than 11:00 a.m. (Vancouver time) on June 11, 2024 (or no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to any reconvened Meeting in the event of an adjournment of the Meeting) or depositing the completed and executed form of proxy with the Chair of the Meeting prior to the commencement of the Meeting or any adjournment thereof. Voting instructions may also be provided by internet by following the instructions on the form of proxy.

Revocation of Proxies

A registered Shareholder of the Corporation who has given a proxy may revoke the proxy at any time prior to use by: (a) depositing an instrument in writing, including another completed form of proxy, executed by such registered Shareholder or by his or her attorney who is authorized by a document that is executed in writing or by electronic signature or, if the registered shareholder is a corporation, by an authorized officer or attorney thereof, or transmitting, by mail or electronic means, a revocation signed, subject to the *Business Corporations Act* (British Columbia) (the "BCBCA"), by electronic signature, to (i) the registered office of the Corporation, located at 121 Woodland Avenue, Suite 140, Reno, Nevada, 89523, United States of America at any time up to and including the last business day preceding the day of the Meeting, or any adjournment or postponement thereof, or (ii) with the Chair of the Meeting on the day of the Meeting or any adjournment or postponement thereof; or (b) in any other manner permitted by law.

If you are a Non-Registered Shareholder (as defined herein), please contact your intermediary for instructions on how to revoke your voting instructions.

Exercise of Discretion by Proxies

The Variable Voting Shares represented by an appropriate form of proxy will be voted or withheld from voting on any ballot that may be called for at the Meeting, or at any adjournment thereof, in accordance with the instructions of the shareholder of the Corporation contained on the form of proxy and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Variable Voting Shares will be voted accordingly. **In the absence of instructions, such Variable Voting Shares will be voted in favour of each of the matters described in the Notice of Meeting.**

The enclosed form of proxy, when properly completed and signed, confers discretionary authority upon the persons named therein to vote on any amendments to or variations of the matters described in the Notice of Meeting and on other matters, if any, which may properly be brought before the Meeting or any adjournment thereof. At the date hereof, management of the Corporation knows of no such amendments or variations or other matters to be brought before the Meeting. However, if any other matter which is not now known to management of the Corporation should properly be brought before the Meeting, or any adjournment thereof, the Variable Voting Shares represented by such proxy will be voted on such matter in accordance with the judgment of the person named as proxy thereon.

Signing of Proxy

The form of proxy must be signed by the Shareholder of the Corporation or the duly appointed attorney thereof authorized in writing or, if the Shareholder of the Corporation is a corporation, by an authorized officer of such corporation. A form of proxy signed by the person acting as attorney of the Shareholder of the Corporation or in some other representative capacity, including an officer of a corporation which is a Shareholder of the Corporation, should indicate the capacity in which such person is signing. A Shareholder of the Corporation or his or her attorney may sign the form of proxy or a power of attorney authorizing the creation of a proxy by electronic signature provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of such Shareholder or by or on behalf of his or her attorney, as the case may be.

Non-Registered Shareholders

Only registered Shareholders, or the persons they appoint as their proxy, are entitled to attend and vote at the Meeting. The Variable Voting Shares of a non-registered shareholder (a "**Non-Registered Shareholder**") who beneficially owns Variable Voting Shares will generally be registered in the name of either:

- (a) an intermediary (an "**Intermediary**") with whom the Non-Registered Shareholder deals in respect of the Variable Voting Shares (including, among others, banks, trust companies, securities dealers or brokers, trustees or administrators of a self-administered registered retirement savings plan, registered retirement income fund, registered education savings plan and similar plans); or
- (b) a clearing agency (such as CDS Clearing and Depository Services Inc. or The Depository Trust Company) of which the Intermediary is a participant.

With respect to Non-Registered Shareholders, in accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice of Meeting and the accompanying form of proxy (collectively, the "**Meeting Materials**") directly to Non-Registered Shareholders unless the Non-Registered Shareholders have waived the right to receive them. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will be given either:

- (a) a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the voting instruction form to validly constitute a form of proxy, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or
- (b) a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Variable Voting Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with TSX Trust Company 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Variable Voting Shares they beneficially own. Should a Non-Registered Shareholder who receives either a voting instruction form or a form of proxy wish to attend the Meeting and vote in person (or have another person attend and

vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the names of the persons named in the form of proxy and insert the Non-Registered Shareholder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the directions indicated on the form. **Non-Registered Shareholders should carefully follow the instructions of their Intermediaries and their service companies, including those instructions regarding when and where the voting instruction form or the form of proxy is to be delivered.**

A Non-Registered Shareholder who has submitted a voting instruction form or form of proxy may revoke it by contacting the Intermediary through which the Variable Voting Shares of such Non-Registered Shareholder are held and following the instructions of the Intermediary respecting the revocation of proxies.

NOTICE-AND-ACCESS RULES

The Corporation has elected to use the notice-and-access provisions under National Instrument 51-102 – *Continuous Disclosure Obligations* ("NI 51-102") and National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101", and together with NI 51-102, the "Notice-and-Access Rules") for the Meeting. The Notice-and-Access Rules are a set of rules developed by the Canadian Securities Administrators that allows issuers to post electronic versions of proxy-related materials online, via the System for Electronic Document Analysis and Retrieval + ("SEDAR+") and one other website, rather than mailing paper copies of such materials to Shareholders. Instead of receiving this Circular, Shareholders will receive a Notice of Meeting with the proxy or voting instruction form, as the case may be, along with instructions on how to access the Meeting materials online. The Corporation will send the Notice of Meeting and proxy form directly to registered Shareholders and NOBOs. The Corporation will pay for Intermediaries to deliver the Notice of Meeting, voting instruction form and other Meeting materials requested by OBOs. This Circular and other relevant materials are available online at <https://docs.tsxtrust.com/2364> or on SEDAR+ (www.sedarplus.ca) under the Corporation's issuer profile. The Corporation will not be using stratification as it relates to Notice-and-Access.

If you would like to receive a paper copy of the current Meeting Materials by mail or have any questions about the Notice-and-Access Rules, please contact TSX Trust Company, the Corporation's registrar and transfer agent by phone at 1-866-600-5869 or by email at tsxtis@tmx.com. In order to receive a paper copy of the Circular and Meeting Materials prior to the Meeting, please submit your request by May 30, 2024.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Outstanding Voting Securities of the Corporation

The directors of the Corporation have fixed the close of business on April 24, 2024 as the record date (the "**Record Date**") for the determination of Shareholders entitled to receive notice of, and to vote at, the Meeting.

Effective October 27, 2022, the Corporation amended its articles to change the identifying name of its class of "Common Shares" to "Variable Voting Shares" (the "**Share Nomenclature Change**"). Following the Share Nomenclature Change, the authorized share capital of the Corporation consists of an unlimited number of Variable Voting Shares. As of the Record Date, there are 43,797,246 Variable Voting Shares issued and outstanding.

Subject to the triggering of the Voting Reduction, each Variable Voting Share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting. All holders of Variable Voting Shares as of the close of business on the Record Date are entitled to attend the Meeting in person and vote or may appoint another person to represent such Shareholder as proxy and to vote the Variable Voting Shares of such Shareholder at the Meeting, provided a completed and executed proxy shall have been delivered to the Corporation's transfer agent, TSX Trust Company, within the time specified in the attached Notice of Meeting, to have a proxy attend and vote the Variable Voting Shares in accordance with the Shareholder's instructions.

Variable Voting Share Structure

The Corporation is considered a "foreign private issuer" ("**FPI**") under both the *U.S. Securities Act of 1933* and *The U.S. Securities Exchange Act of 1934*, as amended, which allows the Corporation to avoid the additional costs associated with registration requirements in the United States and permits less restrictive capital raising for the Corporation outside the United States. In order to preserve its status as a FPI, the Corporation's shareholders previously approved certain amendments to the Corporation's articles on December 15, 2021, which resulted in, among other things, limiting the aggregate voting power of common shares or other voting share capital of the Corporation held of record by residents of the United States ("**U.S. Shareholders**") in certain circumstances (the "**Voting Reduction**").

Pursuant to the Voting Reduction, if at any time, more than 50% of the aggregate voting power of all of the issued and outstanding Variable Voting Shares and other voting share capital of the Corporation is held of record by U.S. Shareholders, then such Variable Voting Shares held of record by U.S. Shareholders shall be deemed a separate series of Variable Voting Shares (the "**Restricted Voting Shares**"), which vote together with the Variable Voting Shares as a single class on all matters, and the vote attached to each Restricted Voting Share held of record by U.S. Shareholders shall be reduced proportionately such that no more than 50% of the aggregate votes attached to the all of the issued and outstanding Variable Voting Shares and other voting share capital of the Corporation are held of record by U.S. Shareholders. For greater certainty, if the aggregate voting power of all of the issued and outstanding Variable Voting Shares and other voting share capital of the Corporation held of record by U.S. Shareholders is less than 50%, the voting rights of all holders of Variable Voting Shares (including U.S. Shareholders) will be equal to one vote per Variable Voting Share at all meetings of Shareholders.

A "**U.S. Shareholder**" is a person residing in the United States. While this includes a U.S. citizen who resides in the United States, it also includes a person who has permanent resident status (commonly called a "green card" holder). Other individuals without permanent resident status may also be residents of the U.S. For such individuals without permanent resident status, the Corporation also considers the following factors to establish residency in the United States for purposes of the "U.S. Shareholder" determination: tax residency, mailing address and physical presence. With respect to entities, entities should use their principal place of business for this determination.

Reduced Voting Power of U.S. Shareholders at the Meeting

As at the Record Date, approximately 25,956,177 Variable Voting Shares are held by U.S. Shareholders, representing approximately 59.3% of the aggregate voting power of all of the issued and outstanding Variable Voting Shares, and (ii) approximately 17,841,069 Variable Voting Shares are held by Canadian residents or residents of other international jurisdictions other than the United States (collectively, the "**Non-U.S. Shareholders**"), representing approximately 40.7% of the aggregate voting power of all of the issued and outstanding Variable Voting Shares. Therefore, in order to preserve its status as a FPI, the Voting Reduction has the effect of proportionally reducing the voting power attached to each Variable Voting Share held by a U.S. Shareholder to 0.6873 of one vote. In other words, a holder 100 Variable Voting Shares has 68.73 votes at the Meeting. This results in the aggregate voting power of all outstanding Variable Voting Shares held by such U.S. Shareholders will be reduced from 25,956,177 votes to 17,839,681, being less than 50% of the votes held by all Non-U.S. Shareholders.

Administration of Voting Reduction at the Meeting

For the purpose of administering the Voting Reduction at the Meeting, each Shareholder shall be required to provide a declaration as to its status as a U.S. Shareholder or Non-U.S. Shareholder (the "**U.S. Shareholder Declaration**"). The form of proxy, voting instruction form and declaration of beneficial ownership (which declaration of ownership is to be completed, if required, as per the instructions set out therein and returned to TSX Trust Company within the timelines applicable to the return of a form of proxy or voting instruction form as set out above) accompanying this Circular, allow each Shareholder to make such U.S. Shareholder Declaration. In addition, Shareholders attending the Meeting in person will be required to make such U.S. Shareholder Declaration when they arrive at the Meeting.

In making such U.S. Shareholder Declaration in your form of proxy or voting instruction form, as applicable, Shareholders will also be asked to confirm whether they hold Variable Voting Shares for the account or benefit of any person who is a resident of the United States. To the extent that any Shareholder holds Variable Voting Shares for the account of benefit of a resident of the United States, such Shareholder will also be asked to confirm the number of

Variable Voting Shares that are held for the account or benefit of any person that is a resident of the United States and the number of Variable Voting Shares that are held for the account or benefit of any person that is not a resident of the United States.

If a declaration of beneficial ownership is required, based on the U.S. Shareholder Declaration, but is not provided, or if the Corporation determines that the declaration of beneficial ownership form was incorrectly completed, the Variable Voting Shares will be deemed to be held for the account or benefit of a person that is a U.S. Shareholder.

Principal Holders of Variable Voting Shares

Other than as described below, to the knowledge of the directors and executive officers of the Corporation, as of the date hereof, no person or company beneficially owns, controls or directs, directly or indirectly, voting securities of the Corporation carrying 10% or more of the voting rights attached to all outstanding Variable Voting Shares.

Shareholder	Number of Variable Voting Shares ⁽¹⁾	Percentage of Issued and Outstanding Variable Voting Shares
Agnico Eagle Mines Limited	6,299,335	14.4%
Golkonda LLC	19,969,391	45.6%

Notes:

- (1) The information as to Variable Voting Shares beneficially owned, controlled or directed, not being within the knowledge of the Corporation, has been obtained by the Corporation from publicly disclosed information and/or furnished by the Shareholder listed above.

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

Other than as set forth herein, management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or an executive officer of the Corporation at any time since the beginning of the Corporation's last financial year, any person who is a proposed nominee for election as a director of the Corporation, or of any associate or affiliate of any such persons, in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No person who is, or at any time during the most recently completed financial year was, a director or executive officer of the Corporation, no person proposed to be nominated for election as a director of the Corporation, nor any associate of any such director, executive officer or proposed nominee, is, or at any time since the beginning of the most recently completed financial year of the Corporation has been, indebted to the Corporation or any of its subsidiaries, or indebted to another entity, where such indebtedness is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries, pursuant to a security purchase program of the Corporation or otherwise.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no informed person (as that term is defined in NI 51-102) of the Corporation, no person proposed to be nominated for election as a director of the Corporation, nor any associate or affiliate of any of them, has or has had any material interest, direct or indirect, in any transaction or in any proposed transaction which has materially affected or is reasonably expected to materially affect the Corporation or any of its subsidiaries since the commencement of the Corporation's most recently completed financial year.

BUSINESS OF THE MEETING

Receipt of Financial Statements

The Corporation's audited financial statements and related management's discussion and analysis for the years ended December 31, 2023 and 2022 are available upon request from the Corporation and are also available on SEDAR+ (www.sedarplus.ca) under the Corporation's issuer profile. The Corporation's audited financial statements for the years ended December 31, 2023 and 2022 and the report of the auditor thereon will be placed before Shareholders at the Meeting, but no Shareholder vote is required in connection therewith.

Number of Directors

Management proposes that the number of directors on the Corporation's board of directors (the "**Board**") be set at six for the ensuing year.

At the Meeting, Shareholders will be asked to approve an ordinary resolution to set the number of directors elected for the ensuing year at six, subject to such increases as may be permitted by the articles of the Corporation and the provisions of the BCBCA.

The persons named in the form of proxy accompanying this Circular intend to vote FOR the approval of the resolution setting the number of directors for the ensuing year at six, unless the Shareholder who has given such proxy has directed that the Variable Voting Shares represented by such proxy be withheld from voting in respect of the approval of the resolution setting the number of directors.

Election of Directors

At the Meeting, Shareholders will be asked to elect six directors for the ensuing year. Each director elected will hold office until the close of the first annual meeting of the Shareholders following his or her election unless his or her office is earlier vacated in accordance with the articles of the Corporation or the BCBCA.

The persons named in the form of proxy accompanying this Circular intend to vote FOR the election of each of the nominees whose names are set forth below, unless the Shareholder who has given such proxy has directed that the Variable Voting Shares represented by such proxy be withheld from voting in respect of the election of each such nominee. Management of the Corporation does not contemplate that any of the nominees will be unable to serve as a director of the Corporation for the ensuing year, however, if that should occur for any reason at or prior to the Meeting or any adjournment thereof, the persons named in the form of proxy accompanying this Circular have the right to vote for the election of the remaining nominees and may vote for the election of a substitute nominee in their discretion.

Director Nominees

The following table sets forth certain information regarding each person proposed to be nominated for election as a director, including their name, position, province or state and country of residence, principal occupation, business or employment during the last five years, the date on which they became a director of the Corporation and the approximate number of Variable Voting Shares beneficially owned or controlled, directly or indirectly, by them as of the Record Date:

Name, Position, Province or State and Country of Residence ⁽¹⁾	Position(s) and Office(s) with the Corporation	Principal Occupation, Business or Employment	Date Became Director	Variable Voting Shares Owned or Controlled or Directed ⁽¹⁾
Darcy Marud <i>Nevada, United States of America</i>	Director and Chief Executive Officer	Executive Vice President, Yamana Gold Inc.; and Chief Executive Officer, Western Exploration LLC	December 22, 2021	226,544 ⁽²⁾

Name, Position, Province or State and Country of Residence⁽¹⁾	Position(s) and Office(s) with the Corporation	Principal Occupation, Business or Employment	Date Became Director	Variable Voting Shares Owned or Controlled or Directed⁽¹⁾
Marceau Schlumberger <i>New York, United States of America</i>	Director and Board Chairman	Founder and Managing Partner, Coral Reef Capital	December 22, 2021	657,890
John Rogers <i>New York, United States of America</i>	Director	General Counsel, The Ambassador Theater Group; and Partner, Pepper Hamilton LLP	December 22, 2021	Nil
Brian Kennedy <i>Nevada, United States of America</i>	Lead Director	Former Chairman, Argonaut Gold Inc.; and President and Chief Executive Officer, Meridian Gold Inc.	December 22, 2021	Nil
Gerard Munera <i>Connecticut, United States of America</i>	Director	Managing Director, Synergex Group	December 22, 2021	323,464 ⁽³⁾
Nicolas Schlumberger <i>Beijing, China</i>	Director	Former Chairman and Legal Representative, Dynabond Powertech Services Ltd.	December 22, 2021	107,249

Notes:

- (1) Information as to the ownership of securities has been derived from publicly available information through the System for Electronic Disclosure by Insiders (SEDI) at www.sedi.ca.
- (2) Includes 211,544 Variable Voting Shares held by The Marud Rivas Family Trust, an entity controlled by Mr. Marud.
- (3) Includes 261,964 Variable Voting Shares held by Synergex Group LLC, an entity controlled by Mr. Munera.

As a group, the current and proposed directors beneficially own, control or direct, directly or indirectly, 1,315,147 Variable Voting Shares, representing approximately 3.0 % of the issued and outstanding Variable Voting Shares as of the date hereof on a basic, non-diluted basis.

Biographies

Darcy Marud (Director and Chief Executive Officer)

Mr. Marud is a Professional Geologist with more than 30 years of precious metals exploration experience in the Americas and is an active member of the Association of Professional Geoscientists of Ontario and a graduate of the University of Saskatchewan with a BSc Honors in Geology (1985). Mr. Marud is the CEO of Western LLC, and has been in that role since December 2017. Previously he was Senior VP Exploration at Yamana Gold from 2007 to 2013 and Executive Vice President - Enterprise Strategy from 2014 until his departure from Yamana in September 2017. Prior to Yamana Gold Mr. Marud held senior roles in exploration with Homestake Mining Company, FMC Gold Corp and Meridian Gold Inc. During his career, Mr. Marud has been involved in the discovery and subsequent development of significant precious metals deposits including: El Peñón, Chile; Mercedes, Mexico and Pilar and Corpo Sul (Chapada) in Brazil. Mr. Marud currently serves as a director of Independence Gold Corp (IGO: TSXV), Astra Exploration (ASTR: TSXV) and Almadex Minerals (DEX:TSXV) and is the Chair of the audit committee for Independence and a member of the audit committee and compensation committee for Almadex.

Marceau Schlumberger (Director and Board Chairman)

Mr. Schlumberger founded Coral Reef Capital in 2008 and is responsible for the firm's management. He serves on the investment committees of CRC Resources Fund II LP and CRC Energy Fund LP. Prior to Coral Reef Capital, he was a Principal at Columbus Nova from 2003-2008 focusing on sourcing and managing private equity and credit investment opportunities. From 1998-2003, Mr. Schlumberger was an Associate at Triumph Capital, a growth private equity firm with over USD \$950 million of funds under management. Mr. Schlumberger currently serves on the board of directors of Shawnee Oil Company, Krewe Energy, Rawhide Mining, Western Exploration, and ROC Service Company. Mr. Schlumberger received a BA from Yale University and an MBA from The Wharton School.

John Rogers (Director)

Mr. Rogers is a U.S. corporate attorney with over 24 years of experience. He is presently the General Counsel and Business Development Director (North America) for the Ambassador Theatre Group. He has been serving as a legal and strategic advisor to Coral Reef Capital since its first portfolio investment. He was previously a partner with the law firms Pepper Hamilton LLP and Herrick, Feinstein LLP. Mr. Rogers earned his juris doctorate at St. John's University School of Law and a Bachelor of Arts degree in English from the University at Albany, State University of New York.

Brian Kennedy (Lead Director)

Mr. Kennedy was previously chairman of Argonaut Gold Inc., a Canadian public company, between 2007 and 2015. He has served as president and CEO of Argonaut LLC, a private equity group, since 2007. He further served as chairman and a director of Meridian Gold Inc., a publicly-held mining company, until 2007, after having served as its president and CEO from 1996 to 2006. He also served as president and chief operating officer and director of publicly-held FMC Gold Company from 1987 to 1996. Mr. Kennedy was a trustee of the Nevada Museum of Art. Mr. Kennedy is a trustee of the Kennedy Foundation. Mr. Kennedy is a graduate of the U.S. Naval Academy and holds an MBA degree from Harvard University. Mr. Kennedy was elected as a director of NVE, SPPC and NPC in February 2007.

Gerard Munera (Director)

Drawing upon some 50 years of experience in business and finance, Mr. Munera is widely regarded for his ability to lead companies to continued success. Since the 1960s, Mr. Munera has enjoyed a variety of positions in Latin America, the United States, France, Belgium, and England. He began his career upon graduating in 1956 from the French premiere Ecole Polytechnique in Paris, and then went on to receive a CE degree from Ecole des Ponts et Chaussees, also in Paris. Within two short decades, he rose to the position of president and chief executive officer with Howmet Aluminum Corporation in Greenwich, and then to corporate vice president of nuclear fuels and electrothermal industries with Pechiney. He relocated to Belgium in 1984 as chief executive officer of Union Miniere. He recently celebrated 20 years as the managing director of the Synergex Group, a diversified company with investments in securities, mining and high tech. Mr. Munera serves on the Board of Directors for Arcadia Inc. and has also served as a member of the board of directors with Nevsun Resources Ltd., and as a chairman with Dynamic Materials Corporation., Inc.

Nicolas Schlumberger (Director)

Mr. Schlumberger has been active in international finance (New York, Tokyo, and Paris) for 42 years. Since 2000, he has been a serial entrepreneur, a founder of SICAT (France, Bet-silicium carbide for catalysis) and of Hi Tech Ventures (China, terrestrial broadcasting, wireless services), and Chairman of a high-tech company based in Chengdu, China. He is also a partner in Dynabond, a major service provider to Chinese, African, and Middle Eastern nuclear, conventional, and renewable energy markets, which is headquartered in Zurich, Switzerland. Mr. Schlumberger is a graduate of Ecole Nationale Supérieure des Mines de Nancy.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No individual set forth in the above table is, as at the date hereof, or was, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

- (a) 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 and that was issued while such individual was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) 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 such individual ceased to be a director, chief executive officer or chief financial officer, and which resulted from an event that occurred while such individual was acting in the capacity as director, chief executive officer or chief financial officer.

In addition, no individual set forth in the above table, nor any personal holding company of any such individual:

- (a) is, as of the date hereof, or has been within 10 years before the date hereof, a director or executive officer of any company (including the Corporation) that, while such individual was acting in that capacity, or within a year of such individual ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, 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 the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, 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 such individual; or
- (c) 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 security holder in deciding whether to vote for a proposed director.

Appointment of Auditor

It is proposed that MNP LLP, Chartered Professional Accounts ("MNP"), be appointed as the auditor of the Corporation to hold office until the close of the next annual meeting of Shareholder and that the Board be authorized to set the auditor's remuneration. MNP has served as auditor of the Corporation since December 22, 2021.

The Board recommends that Shareholders vote FOR the appointment of MNP as the auditor of the Corporation until the close of the next annual meeting of Shareholders or until its successor is appointed and the authorization of the directors of the Corporation to fix the remuneration of MNP. The appointment of the auditor must be approved by not less than a majority of the votes cast by the holders of Variable Voting Shares present in person or represented by proxy at the Meeting. The nominees named in the accompanying form of proxy will vote the shares represented thereby FOR such resolution, unless the Shareholder has given contrary instructions in such form of proxy.

Approval of Omnibus Equity Incentive Plan

On November 24, 2021, the TSX Venture Exchange (the "**Exchange**") implemented certain changes to its policies regarding security based compensation, pursuant to which, among other things, Policy 4.4 – *Incentive Stock Options*

was renamed Policy 4.4 – *Security Based Compensation* (as amended, "**Policy 4.4**") and Policy 4.4 was expanded to contemplate various types of security based compensation in order to provide issuers with more flexibility with regard to the design and scope of security based compensation plans. As a result of the changes to Policy 4.4, the Corporation wishes to amend and restate its omnibus equity incentive plan (the "**Omnibus Plan**") to ensure that it complies with the new requirements of Policy 4.4.

The Board has approved the adoption of the amended and restated Omnibus Plan, a copy of which is attached as Schedule "A" to this Circular, which it believes is in the best interests of the Corporation and Shareholders. Shareholders of the Corporation previously approved the Omnibus Plan at its last meeting of Shareholders held on June 8, 2023. The Omnibus Plan is considered a "rolling up to 10%" security based compensation plan in accordance with the policies of the Exchange as the aggregate number of Variable Voting Shares reserved for issuance under the Omnibus Plan and any other security based compensation plan of the Corporation cannot exceed 10% of the Corporation's issued and outstanding Variable Voting Shares at any time, provided, however, that the maximum number of Awards (as defined herein) (other than stock options ("**Options**")) granted under the Omnibus Plan cannot exceed 3,000,000 at any time (the "**Share Based Awards Cap**"). For the avoidance of doubt, the Share Based Award Cap does not allow for the reservation of Variable Voting Shares in excess of the maximum number of Variable Voting Shares available for issuance under the Omnibus Plan. If an Award (as defined herein) granted under the Omnibus Plan expires, is exercised or is otherwise terminated for any reason, the Variable Voting Shares reserved for issuance in respect of such Award will again be available for issuance under the Omnibus Plan. An overview of certain key terms and provisions of the Omnibus Plan is included under the heading "*Executive Compensation Plan Information – Overview of Omnibus Equity Compensation Plan*".

In order to become effective, the amended and restated Omnibus Plan must be approved by Shareholders in accordance with Policy 4.4. Accordingly, at the Meeting, Shareholders will be asked to consider, and if deemed advisable, to pass with or without variation, an ordinary resolution, to approve the amended and restated Omnibus Plan for the ensuing year, as more particularly described herein (the "**Omnibus Plan Resolution**").

As at the date of this Circular, 43,797,246 Variable Voting Shares are issued and outstanding, meaning the maximum number of Variable Voting Shares which may be reserved by the Corporation for issuance upon the exercise of all Awards outstanding under the Omnibus Plan shall not, in the aggregate, exceed 4,379,725 Variable Voting Shares. As at the date of this Circular, 1,596,025 Options and 31,250 RSUs are outstanding, representing, in the aggregate, approximately 3.72% of the issued and outstanding Variable Voting Shares on a basic, non-diluted basis, with a total of 2,752,450 Awards available for grant under the Omnibus Plan.

The text of the Omnibus Plan Resolution to be submitted to Shareholders at the Meeting is set forth below:

"NOW THEREFORE BE IT RESOLVED THAT:

1. the Omnibus Plan, in substantially the same form as described in the Circular, is hereby ratified, confirmed and approved;
2. the grant of Awards pursuant to the terms of the Omnibus Plan, is hereby ratified, confirmed and approved until further ratification is required pursuant to the policies of the Exchange or other applicable regulatory requirements;
3. the maximum number of Variable Voting Shares reserved for issuance under the Omnibus Plan (including, for greater certainty, any Variable Voting Shares reserved for issuance pursuant to the exercise or vesting of Awards granted under any other security based compensation plans of the Corporation) shall not exceed 10% of the Corporation's issued and outstanding share capital at any time;
4. the Corporation is hereby authorized and directed to issue such Variable Voting Shares pursuant to the exercise or vesting of Awards granted under the Omnibus Plan as fully paid and non-assessable Variable Voting Shares;

5. any one director or officer of the Corporation be and is hereby authorized to make any changes to the Omnibus Plan, as may be required or permitted by the Exchange; and
6. any one director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to this ordinary resolution."

The Board recommends that Shareholders vote FOR the Omnibus Plan Resolution. To be effective, the Omnibus Plan Resolution must be approved by not less than a majority of the votes cast by the Shareholders present in person or represented by proxy at the Meeting. The nominees named in the accompanying form of proxy will vote the shares represented thereby FOR such resolution, unless the Shareholder has given contrary instructions in such form of proxy.

OTHER BUSINESS

Management is not aware of any matter to come before the Meeting other than those 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 form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

STATEMENT OF EXECUTIVE COMPENSATION

The purpose of this section is to describe the compensation of the "Named Executive Officers" of the Corporation and the directors of the Corporation in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* of the Canadian Securities Administrators. "Named Executive Officer" or "NEO" refers to each individual who, during any part of the most recently completed financial year, served as Chief Executive Officer, each individual who, during any part of the most recently completed financial year, served as Chief Financial Officer, and the most highly compensated executive officer, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year. The only Named Executive Officers of the Corporation for the financial year ended December 31, 2023 were Darcy Marud, the Chief Executive Officer and Director of the Corporation, and Curtis Turner, the Chief Financial Officer of the Corporation.

RTO Transaction

On December 22, 2021, the Corporation (then, Crystal Peak Minerals Inc.) completed a transaction involving Western Exploration LLC ("**Western LLC**"), which resulted in the "reverse takeover" (as defined in the policies of the Exchange) of the Corporation by Western LLC (the "**RTO**") pursuant to the terms of an arrangement agreement dated February 19, 2021, as amended, between the Corporation and Western LLC (the "**Arrangement Agreement**").

The RTO was implemented by way of a statutory plan of arrangement (the "**Arrangement**") under Division 5 of Part 9 of the BCBCA. As a preliminary step to the implementation of the Arrangement, the Corporation was continued from the laws of the Territory of Yukon to the laws of the Province of British Columbia (the "**Continuance**"). Pursuant to the Arrangement, among other things, the common shares of the Corporation outstanding immediately prior to the Arrangement were consolidated on the basis of one (1) post- consolidation common share for each three hundred and sixty three point three (363.3) pre-consolidation common shares (the "**Consolidation**") and the Corporation changed its name from "Crystal Peak Minerals Inc." to "Western Exploration Inc." (the "**Name Change**"). Following the completion of the RTO, Western LLC became a wholly- owned subsidiary of the Corporation. For additional information regarding the Arrangement, the Continuance, the Consolidation, the Name Change, Western LLC, the Aura Project and the Corporation, please refer to the management information circular of the Corporation dated November 12, 2021, a copy of which is available on SEDAR+ (www.sedarplus.ca) under the Corporation's issuer profile.

Unless otherwise specified, all securities of the Corporation described herein, are presented on a post-Consolidation and post-Share Nomenclature Change basis.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets forth information concerning all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Corporation, or a subsidiary of the Corporation, to each Named Executive Officer and director, other than share options and other compensation securities, during the Corporation's two most recently completed financial years.

Table of Compensation Excluding Compensation Securities							
Name and position	Year	Salary, consulting fee, retainer or commission (US\$)	Bonus (US\$)	Committee or meeting fees (US\$)	Value of perquisites (US\$)	Value of all other compensation (US\$)	Total compensation (US\$)
Darcy Marud ⁽²⁾ <i>Director and Chief Executive Officer</i>	2023	\$150,000	Nil	Nil	Nil	Nil	\$150,000
	2022	\$150,000	Nil	Nil	Nil	Nil	\$150,000
Curtis Turner <i>Chief Financial Officer</i>	2023	\$60,000	Nil	Nil	Nil	Nil	\$60,000
	2022	\$60,000	Nil	Nil	Nil	Nil	\$60,000
Marceau Schlumberger <i>Director and Board Chairman</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Brian Kennedy <i>Lead Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Gerard Munera <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Nicolas Schlumberger <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
John Rogers <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) "Mr. Marud did not receive any compensation for his services as a director of the Corporation."

Stock Options and Other Compensation Securities

The following table sets forth certain information in respect of all compensation securities granted or issued to each Named Executive Officer and director by the Corporation or one of its subsidiaries during the financial years ended December 31, 2022 and 2023, for services provided or to be provided, directly or indirectly, to the Corporation or any of its subsidiaries.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (CS)	Closing price of security or underlying security on date of grant (CS)	Closing price of security or underlying security at year end (CS)	Expiry date / Vesting date
Darcy Marud <i>Director and Chief Executive Officer</i>	Options	400,000	June 8, 2022	\$2.65	\$1.65	\$0.75	June 8, 2027
	RSU	20,000	June 8, 2022	\$1.65	\$1.65	\$0.75	June 8, 2027
Curtis Turner <i>Chief Financial Officer</i>	Options	100,000	June 8, 2022	\$2.65	\$1.65	\$0.75	June 8, 2027
Marceau Schlumberger <i>Director and Board Chairman</i>	Options	114,000	June 8, 2022	\$2.65	\$1.65	\$0.75	June 8, 2027
Brian Kennedy <i>Lead Director</i>	Options	114,000	June 8, 2022	\$2.65	\$1.65	\$0.75	June 8, 2027
Gerard Munera <i>Director</i>	Options	114,000	June 8, 2022	\$2.65	\$1.65	\$0.75	June 8, 2027
Nicolas Schlumberger <i>Director</i>	Options	114,000	June 8, 2022	\$2.65	\$1.65	\$0.75	June 8, 2027
John Rogers <i>Director</i>	Options	114,000	June 8, 2022	\$2.65	\$1.65	\$0.75	June 8, 2027

The following table sets forth each exercise or vesting of compensation securities by the directors and NEOs of the Corporation during the years ended December 31, 2022 and 2023.

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise Price per security (C\$)	Date of Exercise or Vesting	Closing price of security or underlying security on date of exercise (C\$)	Difference between exercise price and closing price on date of exercise (C\$)	Total value on exercise date (C\$)
Darcy Marud <i>Director and Chief Executive Officer</i>	RSU	10,000 5,000	\$1.65 \$1.65	June 8, 2022 June 8, 2023	\$1.65 \$1.20	Nil \$0.45	16,500 \$8,250
Curtis Turner <i>Chief Financial Officer</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Marceau Schlumberger <i>Director and Board Chairman</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Brian Kennedy <i>Lead Director</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Gerard Munera <i>Director</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Nicolas Schlumberger <i>Director</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
John Rogers <i>Director</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Employment, Consulting and Management Agreements

The following is a description of the material terms of each agreement or arrangement under which compensation was provided during the year ended December 31, 2023 or is payable in respect of services provided to the Corporation or any of its subsidiaries that were performed by a director or NEO.

Employment Agreement (Darcy Marud, CEO)

On June 1, 2022, the Corporation entered into an employment agreement with Mr. Marud, which provides for an initial 31-month term expiring on January 1, 2025 (the "**CEO Agreement**"). Pursuant to the terms of the CEO Agreement, Mr. Marud is entitled to receive an annual base salary of US\$150,000. In the event of a change of control of the Corporation, Mr. Marud would be entitled to receive the greater of the amount equal to (i) two months of Mr. Marud's then current base salary for each full year of employment, and (ii) twelve months of Mr. Marud's then current base salary. As may be determined by the Board from time to time, Mr. Marud is also eligible to receive an annual cash bonus and/or be granted security-based compensation in accordance with the terms of the Omnibus Plan.

Employment Agreement (Curtis Turner, CFO)

On June 1, 2022, the Corporation entered into an employment agreement with Mr. Turner, which provides for an initial 31-month term expiring on January 1, 2025 (the "**CFO Agreement**"). Pursuant to the terms of the CFO Agreement, Mr. Turner is entitled to receive an annual base salary of US\$60,000. In the event of a change of control of the Corporation, Mr. Turner would be entitled to receive the greater of the amount equal to (i) two months of Mr. Turner's then current base salary for each full year of employment, and (ii) twelve months of Mr. Turner's then current base salary. As may be determined by the Board from time to time, Mr. Turner is also eligible to receive an annual cash bonus and/or be granted security-based compensation in accordance with the terms of the Omnibus Plan.

Oversight and Description of Director and Named Executive Officer Compensation

The Corporation expects that compensation will play an important role in achieving short and long-term business objectives that ultimately drive business success. The Corporation's compensation philosophy is to foster entrepreneurship at all levels of the organization through, among other things, the granting of Awards, which may be a significant component of executive compensation. This approach is based on the assumption that the performance of the Variable Voting Share price over the long term is an important indicator of long-term performance.

The Corporation's compensation philosophy is based on the following fundamental principles:

- Compensation programs align with shareholder interests – the Corporation aligns the goals of executives with maximizing long-term shareholder value;
- Performance sensitive – compensation for executive officers should be linked to operating and market performance of the Corporation and fluctuate with the performance; and
- Offer market competitive compensation to attract and retain talent – the compensation program should provide market competitive pay in terms of value and structure in order to retain existing employees who are performing according to their objectives and to attract new individuals of the highest caliber.

The objectives of the compensation program in compensating all NEOs are developed based on the above-mentioned compensation philosophy and are as follows:

- to attract and retain highly qualified executive officers;
- to align the interests of executive officers with Shareholders' interests and with the execution of the Corporation's business strategy;
- to evaluate executive performance on the basis of key measurements that correlate to long-term shareholder value; and
- to tie compensation directly to those measurements and rewards based on achieving and exceeding predetermined objectives.

The Corporation believes that transparent, objective and easily verified corporate goals, combined with individual performance goals, play an important role in creating and maintaining an effective compensation strategy for NEOs. The Corporation's objective is to establish benchmarks and targets for its NEOs that will enhance shareholder value if achieved.

Aggregate compensation for each NEO is designed to be competitive. The Board, based on the recommendation of the compensation committee (the "**Compensation Committee**"), determines the level of compensation for directors and is responsible for reviewing from time to time the compensation practices of similarly situated companies when considering the Corporation's executive compensation practices. The Compensation Committee evaluates each element of compensation for market competitiveness, and although it may weigh a particular element more heavily

based on the NEO's role within the Corporation, it is primarily focused on remaining competitive in the market with respect to total compensation.

From time to time, on an ad hoc basis, the Compensation Committee also reviews data related to compensation levels and programs of various companies that are similar in size to the Corporation and operate within the mining exploration and development industry. The Compensation Committee considers the experience of its members as officers and/or directors at other companies in similar lines of business as the Corporation in assessing compensation levels.

Compensation Governance

The Compensation Committee is responsible for ensuring that the Corporation has in place an appropriate plan for executive compensation and ensures that total compensation paid to all NEOs is fair, reasonable and consistent with the Corporation's compensation philosophy. Further, the Board has the responsibility to ensure that the Corporation attracts and retains a senior leadership team that will develop and execute a strategic plan, through which is expected to deliver superior value over the long-term to Shareholders and other stakeholders.

A combination of fixed and variable compensation is used to motivate executive officers to achieve overall corporate goals. The components of the Corporation's executive officer compensation program includes (i) base salary and (ii) equity incentives.

Base salaries are paid in cash, and constitute the fixed portion of the total compensation paid to executive officers. Annual equity incentives comprise the remainder, and represent compensation that is "at risk" and thus may or may not be paid to the respective executive officer depending on: (i) whether the executive officer is able to meet or exceed his or her applicable performance targets; and (ii) market performance of the Variable Voting Shares. To date, no specific formula has been developed to assign a specific weighting to each of these components. Instead, the Board, based on the recommendation of the Compensation Committee, considers each performance target and the Corporation's performance and assigns compensation based on this assessment.

Base Salary

The Board, based on the recommendation of the Compensation Committee, approves the salary ranges for the NEOs. The base salary review for each NEO is based on assessment of factors such as current competitive market conditions, compensation levels and practices of similarly situated companies and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. The Corporation may consider comparative data for the Corporation's peer group, which are accumulated from a number of external sources including independent consultants. The Corporation's policy for determining salary for executive officers will be consistent with the administration of salaries for all other employees.

Equity-Based Compensation

The Omnibus Plan permits the grant of Options and other share-based awards, including RSUs, DSUs, and PSUs. The purposes of the Omnibus Plan are: (a) to promote a significant alignment between officers and employees of the Corporation and its Affiliates (as defined below) and the growth objectives of the Corporation; (b) to associate a portion of participating employees' compensation with the performance of the Corporation over the long term; and (c) to attract, motivate and retain the critical employees to drive the business success of the Corporation. Individuals eligible to participate in the Omnibus Plan include all employees, non-employee directors and consultants, however, persons retained to provide Investor Relations Activities (as such term is defined by the policies of the Exchange) may only receive Options.

Pension disclosure

The Corporation does not provide a pension to any director or NEO.

Directors and Officers Liability Insurance

The Corporation has directors' and officers' liability insurance for the benefit of the directors and officers of the Corporation which provides coverage in the aggregate of \$5,000,000 in each policy year.

EQUITY COMPENSATION PLAN INFORMATION

Overview of the Omnibus Equity Compensation Plan

The Omnibus Plan

The Corporation has established an omnibus equity incentive compensation plan (the "**Omnibus Plan**"). The Omnibus Plan permits the grant of Options, Restricted Shares, Restricted Share Units, Deferred Share Units, Performance Shares, Performance Share Units and Share-Based Awards (as such terms are defined in the Omnibus Plan). Individuals eligible to participate in the Omnibus Plan include all employees, non-employee directors, officers and consultants, however, persons retained to provide Investor Relations Activities may only receive Options. All capitalized terms used but not otherwise defined herein have the respective meaning ascribed to such terms in the Omnibus Plan.

The Omnibus Plan is considered a "rolling up to 10%" security based compensation plan as the aggregate number of Variable Voting Shares reserved for issuance under the Omnibus Plan and any other security based compensation plan of the Corporation cannot exceed 10% of the Corporation's issued and outstanding Variable Voting Shares at any time, provided, however, that the maximum number of Awards (other than Options) granted under the Omnibus Plan cannot exceed 3,000,000 at any time (the "**Share Based Awards Cap**"). The Share Based Awards Cap does not in any way modify or increase the total number of shares available for issuance under the Omnibus Plan. The Share Based Awards Cap does not allow for the reservation of shares in excess of the maximum number of shares of the Corporation available for issuance under the Omnibus Plan. In no event will the maximum number of shares of the Corporation available for issuance under the Omnibus Plan (including after giving effect to the Share Based Awards Cap) exceed 10% of the Corporation's issued and outstanding shares from time to time, less the number of shares reserved for issuance under all other security-based compensation arrangements of the Corporation. For greater certainty, any RSUs, DSUs, PSUs or other share-based awards that are granted under the Omnibus Plan will reduce the corresponding number of Options available for grant under the Omnibus Plan.

The following is a summary of the principal terms of the Omnibus Plan, which is qualified in its entirety by reference to the text of the Omnibus Plan appended hereto as Schedule "A".

Purpose

The purpose of the Omnibus Plan is to: (a) promote a significant alignment between officers and employees of the Corporation and its affiliates and the growth objectives of the Corporation; (b) to associate a portion of participating employees' compensation with the performance of the Corporation over the long term; and (c) to attract, motivate and retain the critical employees to drive the business success of the Corporation.

Types of Awards

The Omnibus Plan provides for the grant of Options, Deferred Share Units, Restricted Shares, Restricted Share Units, Performance Shares and Performance Share Units and other share-based awards (each an "**Award**" and collectively, the "**Awards**"). All Awards are granted by an agreement or other instrument or document evidencing the Award granted under the Omnibus Plan (an "**Award Agreement**").

Plan Administration

The Omnibus Plan is administered by the Board which may delegate its authority to the Compensation Committee or any other duly authorized committee of the Board appointed by the Board to administer the Omnibus Plan. Subject to

the terms of the Omnibus Plan, applicable law and the rules of the Exchange, the Board (or its delegate) has the power and authority to:

- select Award recipients;
- establish all Award terms and conditions, including grant, exercise price, issue price and vesting terms;
- determine performance goals applicable to Awards and whether such performance goals have been achieved;
- make adjustments under Section 4.2 of the Omnibus Plan (subject to Article 14 of the Omnibus Plan); and
- adopt modifications and amendments, or sub-plans to the Omnibus Plan or any Award Agreement, including, without limitation, any that are necessary or appropriate to comply with the laws or compensation practices of the jurisdictions in which the Corporation and its Affiliates operate.

Shares Available for Awards

Subject to adjustment as provided for under the Omnibus Plan, the maximum number of Variable Voting Shares of the Corporation available for issuance under the Omnibus Plan and any other security based compensation arrangement of the Corporation will not exceed 10% of the Corporation's issued and outstanding Variable Voting Shares at any time, and provided further that the maximum number of RSUs, DSUs, PSUs and other share-based awards (other than Options) that may be issued under the Omnibus Plan shall be fixed at the Share Based Awards Cap, or such greater number as may be approved from time to time by the disinterested shareholders of the Corporation in accordance with the policies of the Exchange.

The provision in the Omnibus Plan to provide for the Share Based Awards Cap does not in any way modify or increase the total number of shares available for issuance under the Omnibus Plan. The Share Based Awards Cap does not allow for the reservation of Variable Voting Shares in excess of the maximum number of Variable Voting Shares available for issuance under the Omnibus Plan. In no event will the maximum number of Variable Voting Shares of the Corporation available for issuance under the Omnibus Plan (including after giving effect to the Share Based Awards Cap) exceed 10% of the Corporation's issued and outstanding Variable Voting Shares from time to time, less the number of Variable Voting Shares reserved for issuance under all other security-based compensation arrangements of the Corporation.

For greater certainty, any RSUs, DSUs, PSUs or other share-based awards that are granted under the Omnibus Plan will reduce the corresponding number of Options available for grant under the Omnibus Plan.

Subject to the Share Based Awards Cap, the Omnibus Plan is considered to be a "rolling up to 10% plan" as Variable Voting Shares of the Corporation covered Awards which have been exercised or settled, as applicable, will be available for subsequent grant under the Omnibus Plan and the number of Options (but not other Awards) that may be granted under the Omnibus Plan increases if the total number of issued and Variable Voting Shares of the Corporation increases.

The maximum aggregate number of Variable Voting Shares of the Corporation, which may be issued to Insiders as a group, as defined in the Omnibus Plan, at any point in time, under all security-based compensation arrangements of the Corporation must not exceed 10% of the Corporation's issued and outstanding Variable Voting Shares. The maximum aggregate number of Variable Voting Shares of the Corporation issued to Insiders within any 12-month period, under all security-based compensation arrangements of the Corporation may not exceed 10% of the Corporation's issued and outstanding Variable Voting Shares, calculated on the date any security based compensation is granted to an Insider.

The maximum aggregate number of Variable Voting Shares that are issuable under all share compensation arrangements of the Corporation granted or issued in a 12-month period to any one Consultant, as defined in the Omnibus Plan must not exceed 2% of the Variable Voting Shares issued and outstanding, calculated at the date any security based compensation is granted to the Consultant; and

The maximum aggregate number of Variable Voting Shares that are issuable under all share compensation arrangements of the Corporation granted or issued in a 12-month period to all Persons retained to provide Investor Relations Activities, as each term is defined in the Omnibus Plan, must not exceed 2% of the Variable Voting Shares issued and outstanding, calculated at the date any security based compensation is granted to any such Person.

Eligible Persons

Any Director, Officer, Employee, Management Company Employee or Consultant of the Corporation shall be eligible to receive an Award under the Omnibus Plan (the "**Eligible Persons**").

Blackout Period

In the event that the expiry date of any Award would otherwise occur in a Blackout Period (as defined herein) the expiry date shall be extended to the tenth business day following the last day of a during which a participant cannot sell Variable Voting Shares, due to applicable law or policies of the Corporation in respect of insider trading (the "**Blackout Period**").

Description of Awards and Effect of Termination on Awards

(a) Options

Subject to the provisions of the Omnibus Plan, the Board or its delegate, will be permitted to grant Options under the Omnibus Plan. An option entitles a holder to purchase a Variable Voting Share of the Corporation at an exercise price set at the time of the grant. Options vest over a period of time as established by the Board from time to time. The term of each option will be fixed by the Board or its delegate, but (i) may not exceed 10 years from the date of grant and (ii) may not expire in a period greater than one year following the date which a participant ceases to be an eligible participant. The price of Options issued under the Omnibus Plan shall be determined by the Board or the Compensation Committee of the Board and specified in the Award Agreement. Under no circumstances will the Corporation issue options at less than the Discounted Market Price (as calculated in accordance with the policies of the Exchange) on the date of grant.

Except as may otherwise be set forth in an underlying employment agreement, if an optionee ceases to be an Eligible Person in the event of retirement, each vested option held by that person will cease to be exercisable on the earlier of the original expiry date and six months after the termination date. In the case of the optionee being terminated, other than by death, incapacity or voluntary retirement, each vested option will cease to be exercisable on the earlier of the original expiry date and three months after the termination date. In the event of death or incapacity of an optionee, all Options held by such Eligible Person that have not yet vested will immediately vest and become exercisable, and the legal representative may exercise such vested options for a period until the earlier of the original expiry date and 12 months after the Termination Date.

(b) Restricted Shares and Restricted Share Units

Subject to the provisions of the Omnibus Plan, the Board or its delegate will be permitted to grant restricted shares and RSUs under the Omnibus Plan to Eligible Persons (other than persons retained to provide Investor Relations Activities (as defined in the Omnibus Plan)). A restricted share is an award of shares that does not vest until after a specified period of time, or satisfaction of other vesting conditions as determined by the Board or its delegate, and which may be forfeited if conditions to vesting are not met. An RSU is an award denominated in units that is subject to similar vesting conditions as described above for a restricted share, and provides the holder thereof with a right to receive Variable Voting Shares upon settlement of the Award, subject to any such restrictions that the Board or its delegate may impose.

During the Period of Restriction, the Board, in its discretion, may award dividends or dividend equivalents with respect to Awards of restricted shares or RSUs. Such dividends or dividend equivalent entitlements may be subject to restrictions as determined by the Board or its delegate in their sole discretion.

If the holder of Restricted Shares or RSUs ceases to be an Eligible Person for any reason, other than death, incapacity or retirement, any RSUs held by the participant that have vested before the termination date will be paid to the participant, provided that all unvested RSUs and Restricted Shares held at the Termination Date shall be immediately cancelled and forfeited on the Termination Date. Unless otherwise approved by the Board, unvested RSUs previously credited to the participant's account will vest immediately in the event that the participant dies or becomes incapacitated and will continue to vest, pursuant to the terms of the Omnibus Plan, in the event that the participant retires or is disabled, subject to the adjustment provisions in the Omnibus Plan in the event the participant is disabled. RSUs and Restricted have vested at the termination date will be paid to the participant, or the participant's to the legal representatives of the participant's estate, as applicable.

(c) Deferred Share Units

Subject to the provisions of the Omnibus Plan, the Board or its delegate will be permitted to grant DSUs to Participants under the Omnibus Plan (other than persons retained to provide Investor Relations Activities). A DSU is an award denominated in units that provides the holder thereof with a right to receive Variable Voting Shares upon settlement of the Award, subject to any such restrictions that the Board or its delegate may impose.

Each Award Agreement will provide the extent to which the Eligible Person will have the right to retain, exercise or have settled DSUs following termination of the Eligible Person's employment or other relationship with the Corporation. Such provisions shall be determined in the sole discretion of the Board or its delegate, and need not be uniform among all DSUs issued pursuant to the Omnibus Plan.

(d) Performance Shares and Performance Share Units

Subject to the provisions of the Omnibus Plan, the Board or its delegate may grant performance-based Awards in the form of Performance Shares and PSUs under the Omnibus Plan that are subject to specified performance criteria ("**Performance-based Awards**") to Participants (other than persons retained to provide Investor Relations Activities). Performance-based Awards are based on the attainment of certain target levels of, or a specified increase or decrease (as applicable) in one or more performance goals, which may include performance relative to the Corporation's peers or affiliates. Performance goals may also be based upon the individual participant as determined by the Board, in its sole discretion. A performance share is an award of shares that does not vest until the performance criteria it is subject to are met, the value of which at the time it is payable is determined as a function of the extent to which corresponding performance criteria have been achieved and which may be forfeited if conditions to vesting are not met. A PSU is an award denominated in units that is subject to similar vesting conditions as described above for a performance share, the value of which at the time it is payable is determined as a function of the extent to which corresponding performance criteria have been achieved and provides the holder thereof with a right to receive Variable Voting Shares upon settlement of the Award, subject to any such restrictions that the Board or its delegate may impose.

The Board, in its discretion, may award dividend equivalents with respect to Awards of Performance Shares or PSUs. Dividend equivalents shall not apply to an Award unless specifically provided for in the award agreement. Dividend equivalents credited as additional performance shares or PSU shall be subject to the same vesting conditions and settlement date as the performance shares or PSU to which they are attached.

Unless otherwise determined by the Board or its delegate, unvested Performance Shares and PSUs previously credited to the participant's account will be immediately cancelled and forfeited to the Corporation on the Termination Date in the event that the Participant is terminated for any reason other than death, incapacity or retirement. Unvested Performance Shares and PSUs previously credited to the participant's account will vest immediately in the event that the participant dies and will continue to vest pursuant to the Omnibus Plan in the event that the participant retires or is disabled, subject to the adjustment provisions in the Omnibus Plan in the event the participant is disabled. PSUs and Performance Shares that have vested at the termination date will be paid to the participant, or the participant's estate, as applicable.

(e) Other Stock-Based Awards

The Board or its delegate is authorized, subject to limitations under applicable law, to grant to participants such other Awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, shares or factors that may influence the value of the Variable Voting Shares of the Corporation, including, without limitation, convertible or exchangeable debt securities, other rights convertible or exchangeable into Variable Voting Shares of the Corporation, purchase rights for Variable Voting Shares of the Corporation, Awards with value and payment contingent upon performance of the Corporation or business units thereof, Variable Voting Shares of the Corporation awarded purely as a bonus and not subject to restrictions or conditions, or any other factors designated by the Board or its delegate provided that the maximum number of such other stock-based awards issued in any calendar year shall not, when combined with any other Awards under any security based compensation arrangement of the Corporation exceed 10% of the total number of Shares issued and outstanding from at any time. The Board or its delegate will determine the terms and conditions of such Awards.

Change of Control

In the event of a change of control (as described in the Omnibus Plan), unless otherwise provided in an Award Agreement, the Board or its delegate shall have the discretion to unilaterally determine that all outstanding Awards shall be cancelled upon a change in control, and that the value of such Awards, as determined by the Board or its delegate in accordance with the terms of the Omnibus Plan and the Award Agreements, shall be paid out in cash in an amount based on the Change in Control Price within a reasonable time subsequent to the Change of Control, subject to the approval of the Exchange.

Notwithstanding the foregoing, no cancellation, acceleration of vesting, lapsing of restrictions or payment of an Award shall occur with respect to any Award if the Board or its delegate reasonably determines in good faith prior to the occurrence of a Change of Control that such Award shall be honored or assumed, or new rights substituted therefor (with such honored, assumed or substituted Award hereinafter referred to as an "**Alternative Award**") by any successor to the Corporation or an Affiliate as described in Article 13 of the Omnibus Plan; provided, however, that any such Alternative Award must:

- be based on stock which is traded on the Exchange and/or the Toronto Stock Exchange;
- provide such participant with rights and entitlements substantially equivalent to or better than the rights, terms and conditions applicable under such Award, including, but not limited to, an identical or better exercise or vesting schedule (including vesting upon termination of employment) and identical or better timing and methods of payment;
- recognize, for the purpose of vesting provisions, the time that the Award has been held prior to the Change of Control; and;
- have substantially equivalent economic value to such Award (determined prior to the time of the Change of Control).

Term of the Omnibus Plan

The Omnibus Plan shall remain in effect until terminated by the Board.

Assignability

Except as may be permitted by the Board or its delegate or as specifically provided in an Award Agreement, no Award or other benefit payable under the Omnibus Plan shall, except as otherwise specifically provided by law or permitted by the Board or its delegate, be transferred, sold, assigned, pledged or otherwise disposed in any manner other than by will or the law of descent.

Amendment

Subject to any applicable rules of the Exchange, the Board or its delegate may from time to time, in its absolute discretion and without the approval of shareholders make the following amendments to the Omnibus Plan or any Award:

- amend the vesting provisions of any Option or any Award
- amend the Omnibus Plan or an Award as necessary to comply with applicable law or the requirements of the Exchange or any other regulatory body having authority over the Corporation, the Omnibus Plan or the Shareholders;
- any amendment of a "housekeeping" nature, including, without limitation, to clarify the meaning of an existing provision of the Omnibus Plan, correct or supplement any provision of the Omnibus Plan that is inconsistent with any other provision of the Omnibus Plan, correct any grammatical or typographical errors or amend the definitions in the Omnibus Plan regarding administration of the Omnibus Plan; and
- any amendment respecting the administration of the Omnibus Plan.

However, other than as expressly provided in an Award Agreement or with respect to a Change of Control, the Compensation Committee shall not alter or impair any rights or increase any obligations with respect to an Award previously granted under the Omnibus Plan without the consent of the Participant.

Shareholder approval is however required to make any of the following amendments to the Omnibus Plan or any Awards and with respect to first four amendments below, disinterested shareholder approval is required:

- any individual Award grant or amendment to this Plan that would result in or permit the maximum aggregate number of Variable Voting Shares which may be issued under Awards granted or issued to Insiders (as a group) to exceed ten percent 10% of the issued and outstanding Variable Voting Shares at any point in time;
- any individual Award grant or amendment to this Omnibus Plan that would result in or permit the grant to Insiders (as a group), within a twelve (12) month period, of an aggregate number of Variable Voting Shares exceeding ten percent (10%) of the issued and outstanding Variable Voting Shares, calculated on the date the Award is granted to any Insider;
- any individual Award grant or amendment to this Omnibus Plan that would result in or permit the number of Variable Voting Shares issued to any individual in any twelve (12) month period under this Omnibus Plan to exceed five percent (5%) of the issued and outstanding Variable Voting Shares of the Corporation;
- any reduction in the exercise price of an Option, or the extension of the term of an Option, if the Participant is an Insider of the Corporation at the time of the proposed amendment;
- any amendment to an Award that results in a benefit to an Insider, and for further clarity, if the Corporation cancels any Award and within one year grants or issues a new Award to the same person, that is considered an amendment;
- any individual Award grant that would result in the Total Share Authorization (as such term is defined in the Omnibus Plan) being exceeded;
- any change that would materially modify the eligibility requirements for participation in this Omnibus Plan;
- an increase to the Total Share Authorization;
- any amendment that would extend the maximum allowable term of any Award; or

- Any amendment to the amendment provisions of the Omnibus Plan.

Equity Compensation Plan Information

The following table sets forth information concerning securities authorized for issuance under equity compensation plans of the Corporation as of December 31, 2023. All figures included in the table below are presented on a pre-Consolidation basis.

Plan Category ⁽⁶⁾	Number of Securities to be Issued Upon Exercise of Outstanding Awards Under Omnibus Plan ⁽¹⁾	Weighted-Average Exercise Price of Outstanding Options (C\$)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans ⁽¹⁾⁽²⁾
Equity compensation plans approved by securityholders	1,627,275 ⁽³⁾	\$2.65	1,817,641 ⁽⁴⁾
Equity compensation plans not approved by securityholders ⁽⁵⁾	Nil	Nil	Nil
TOTAL	1,627,275 ⁽³⁾	\$2.65	1,817,641 ⁽⁴⁾

Notes:

- (1) The Omnibus Plan is the only equity based compensation plan of the Corporation. The Omnibus Plan is considered a "rolling up to 10%" equity based compensation plan in accordance with the policies of the Exchange as the aggregate number of Variable Voting Shares reserved for issuance under the Omnibus Plan and any other equity based compensation plan of the Corporation cannot exceed 10% of the Corporation's issued and outstanding Variable Voting Shares at any time, provided, however, that the maximum number of Awards (other than Options) granted under the Omnibus Plan cannot exceed 3,000,000 at any time (referred to herein as the Share Based Awards Cap).
- (2) As at December 31, 2023, 34,449,160 Variable Voting Shares were issued and outstanding. As such, subject to the Share Based Awards Cap, a total of 3,449,16 Variable Voting Shares are issuable under the Omnibus Plan as of December 31, 2023.
- (3) Represents the total number of awards outstanding under the Omnibus Plan as at December 31, 2023, being (i) 1,596,025 Options, and (ii) 31,250 RSUs.
- (4) As at December 31, 2023, (i) 1,596,025 Options, and (ii) 31,250 RSUs were issued and outstanding, and, accordingly, 1,817,641 Variable Voting Shares remained issuable under the Omnibus Plan (subject to the Share Based Awards Cap).
- (5) The Omnibus Plan Resolution will be considered at the Meeting to approve the amended and restated Omnibus Plan.

AUDIT COMMITTEE DISCLOSURE

Audit Committee

The Audit Committee's role is to act in an objective, independent capacity as a liaison between the auditors, management and the Board and to ensure the auditors have a facility to consider and discuss governance and audit issues with parties not directly responsible for operations.

Audit Committee Charter

The text of the Audit Committee Charter is attached as Schedule "B" to this Circular.

Composition, Education and Experience

The current members of the Audit Committee are Gerard Munera (Chair), John Rogers and Nicholas Schlumberger, each of which are considered to be independent. All of the members of the Audit Committee are considered financially literate for the purposes of National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators ("NI 52-110").

Each member of the Audit Committee has adequate education and experience in dealing with financial statements, accounting issues, internal control and other matters relating to public resource-based companies through the significant experience they have had as directors and officers of other companies, including mining companies, and, in particular, the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by the Corporation to prepare its financial statements;
- (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions;
- (c) 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 Corporation's financial statements or experience actively supervising individuals engaged in such activities; and
- (d) an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

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

Reliance on Certain Exemptions

At no time since the commencement of the most recently completed financial year of the Corporation has the Corporation relied on the exemption in section 2.4 of NI 52-110 (*De Minimis Non-Audit Services*), subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), subsection 6.1.1(5) (*Events Outside Control of Member*), 6.1.1(6) (*Death, Incapacity or Resignation*), or an exemption from the application of NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (*Exemptions*).

Pre-Approval Policies and Procedures

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by, as applicable, the Board and the Audit Committee, on a case by case basis.

External Auditor Service Fees (By Category)

The following table presents the aggregate fees billed by the external auditor of the Corporation for the two most recently completed financial years:

Year Ending	Audit Fees⁽¹⁾	Audit Related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees⁽⁴⁾
December 31, 2023	\$38,833	Nil	\$13,850	Nil
December 31, 2022	\$66,615	\$71,690	\$37,450	Nil

Notes:

- (1) Represents aggregate fees billed by the Corporation's external auditor for audit fees.
- (2) Represents aggregate fees billed for assurance and related services by the Corporation's external auditor that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not reported under "Audit Fees".
- (3) Represents aggregate fees billed for professional services rendered by the Corporation's external auditor for tax compliance, tax advice and tax planning.
- (4) Represents aggregate fees billed for products and services provided by the Corporation's external auditor, other than the services reported under "Audit Fees", "Audit Related Fees" and "Tax Fees".

Exemption

Pursuant to section 6.1 of NI 52-110, the Corporation is exempt from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110 by virtue of it being a venture issuer.

CORPORATE GOVERNANCE DISCLOSURE

Board of Directors

The Corporation currently has six (6) directors, a majority of whom are considered independent. Mr. Marceau Schlumberger, Mr. Nicolas Schlumberger, Mr. Rogers, Mr. Munera and Mr. Kennedy are considered to be independent of the Corporation for the purposes of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101"). Mr. Marud is not considered to be independent of the Corporation for the purposes of NI 58-101 by virtue of his position as the Chief Executive Officer of the Corporation.

The Board facilitates its exercise of independent supervision over management by causing the independent directors to take a lead role in ensuring that the Corporation is acting in its best interests. Further, the non-independent director will defer to the judgment of the independent directors with respect to matters pertaining to corporate governance.

The independent directors of the Corporation meet on an informal basis without members of management present in order to discuss the business of the Corporation.

Directorships

The following directors of the Corporation and nominees for election as directors of the Corporation are presently directors of the following other reporting issuers (or the equivalent in a foreign jurisdiction):

Name of Director or Nominee	Other Reporting Issuers	Stock Exchange
Darcy Marud	Independence Gold Corp. (British Columbia, Canada)	TSX-V: IGO
	Astra Exploration Inc. (British Columbia, Canada)	TSX-V: ASTR
	Almadex Minerals Ltd. (British Columbia, Canada)	TSX-V: DEX
Curtis Turner	Sonoro Gold Corp. (British Columbia, Canada)	TSX-V: SGO

Other than as noted above, none of the current or nominee directors are directors of any other reporting issuers (or the equivalent in a foreign jurisdiction).

Orientation and Continuing Education

No formal orientation and education program for new directors has been adopted by the Board, however, the Board will be responsible to provide all new directors with sufficient information to ensure that such new directors are familiar with:

- the role of the Board and its committees;
- the nature and operation of the business of the Corporation; and

- the contribution which individual directors are expected to make to the Board in terms of both time and resource commitments.

In addition, the Board is also responsible for providing continuing education opportunities to existing directors so that individual directors can maintain and enhance their abilities and ensure that their knowledge of the business of the Corporation remains current.

Ethical Business Conduct

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

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Corporation and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, as some of the directors and proposed directors of the Corporation also serve as directors and officers of other companies engaged in similar business activities, directors must comply with the conflict of interest provisions of the BCBCA, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest.

Any interested director will be required to declare the nature and extent of his or her interest, and will not be entitled to vote at meetings of directors at which matters that give rise to such a conflict of interest are considered.

Audit Committee

The Audit Committee is comprised of Gerard Munera (Chair), John Rogers and Nicholas Schlumberger. All members of the Audit Committee are independent. The full text of the charter of the Audit Committee is attached hereto as Schedule "B" to this Circular.

Nomination of Directors

The Board, the CG&N Committee and the individual directors hold the responsibility for the nomination and assessment of new directors. The Board seeks to achieve a balance of knowledge, experience and capability among the members of the Board. When presenting Shareholders with a slate of nominees for election, the Board considers the following:

- the competencies and skills necessary for the Board as a whole to possess;
- the competencies and skills necessary for each individual director to possess;
- competencies and skills which each new nominee to the Board is expected to bring; and
- whether the proposed nominees to the Board will be able to devote sufficient time and resources to the Corporation.

The Board also recommends the number of directors on the Board to Shareholders for approval, subject to compliance with the requirements of the BCBCA and the Corporation's notice articles and articles. Between annual Shareholder meetings, the Board may appoint directors to serve until the next annual Shareholder meeting, subject to compliance with the requirements of the BCBCA. Individual directors are responsible for assisting the Board in identifying and recommending new nominees for election to the Board, as needed or appropriate.

The Board will periodically assess the appropriate number of directors on the Board and whether any vacancies on the Board are expected due to retirement or otherwise. If vacancies are anticipated, or otherwise arise, or the size of

the Board is expanded, the Board will consider various potential candidates for director. Candidates may come to the attention of the Board through current directors or management, Shareholders or other persons. These candidates will be evaluated at a regular or special meeting of the Board, and may be considered at any point during the year.

Corporate Governance and Nomination Committee

The CG&N Committee assists the Board with respect to corporate governance and director nomination matters. The CG&N Committee is currently comprised of John Rogers (Chair) and Brian Kennedy. All members of the CG&N Committee are independent.

The CG&N Committee's responsibilities include:

- (a) recommending suitable candidates for nominees for election or appointment as directors and specifying the criteria governing the overall composition of the Board and governing the desirable individual characteristics for directors, form the basis of each recommendation;
- (b) maintaining an overview of the entire membership of the Board ensuring that qualifications required under any applicable laws are maintained and advising the Chairman on the disposition of a tender of resignation which a director is expected to offer:
 - (i) when such director does not meet the eligibility rules under the conflict of interest guidelines; or
 - (ii) when the credentials underlying the appointment of such director change;
- (c) reviewing annually the credentials of nominees for re-election to be named for re-election considering: (i) an evaluation of the effectiveness of the Board and the performance of each director; (ii) the continuing validity of the credentials underlying the appointment of each director; and (iii) continuing compliance with the eligibility rules under the conflict of interest guidelines;
- (d) whenever considered appropriate, directing the chairman and/or lead director, if any, to advise each candidate prior to the appointment of the credentials underlying the recommendation of the candidate's appointment;
- (e) recommending to the Board at the annual meeting of the directors, the allocation of Board members to each of the Board committees and, where a vacancy occurs at any time in the membership of any Board committee, recommend to the Board a member to fill such vacancy;
- (f) having sole authority to retain and terminate any search firm to be used to identify director candidates, including sole authority to approve fees and other terms of the retention;
- (g) annually assessing the performance of the Board, its committees and Board members and making recommendations to the Board; and
- (h) monitoring on a continuing basis and, whenever considered appropriate, making recommendations to the Board concerning the corporate governance of the Corporation, including: (i) reviewing at least annually the corporate governance practices and recommend appropriate policies, practices and procedures; (ii) reviewing at least annually the adequacy and effectiveness of the Board's governance policies and make appropriate recommendations for their improvement; (iii) reviewing the corporate governance sections of the Corporation's management information circular distributed to Shareholders, including the statement of corporate governance practices; and (iv) assessing Shareholder proposals as necessary for inclusion in the Corporation's management information circular, and making appropriate recommendations to the Board.

The CG&N Committee's responsibilities also include:

- (a) unless otherwise delegated to another committee by the Board, approving all transactions involving the Corporation and "**related parties**" as that term is defined in Multilateral Instrument 61-101 – *Protection of Minority Securityholders in Special Transactions* (collectively, "**Related Party Transactions**");
- (b) unless otherwise delegated to another committee by the Board, monitoring any Related Party Transactions and report to the Board on a regular basis regarding the nature and extent of the Related Party Transactions;
- (c) establishing guidelines and parameters within which the Corporation and its subsidiaries shall be entitled to engage in Related Party Transactions without specific prior approval of the CG&N Committee;
- (d) implementing structures from time to time to ensure that the directors can function independently of management;
- (e) providing an appropriate orientation program for new directors and continuing education opportunities to existing directors so that individual directors can maintain and enhance their abilities and ensure that their knowledge of the business of the Corporation remains current;
- (f) responding to requests by, and if appropriate, authorizing, individual directors to engage outside advisors at the expense of the Corporation;
- (g) implementing a process for assessing the effectiveness of the Board as a whole, the committees of the directors and individual directors based upon: (i) for directors and committee members, the mandate of the Board and charters of the appropriate committees, respectively; and (ii) for individual directors, their respective position descriptions (if any) as well as the skills and competencies which directors are expected to bring to the Board;
- (h) considering on a regular basis the number of directors of the Corporation, having in mind the competencies required on the Board as a whole;
- (i) overseeing and monitoring any litigation, claim, or regulatory investigation or proceeding involving the Corporation;
- (j) developing an annual work plan that ensures that the CG&N Committee carries out its responsibilities.
- (k) implementing, as well as periodically reviewing, assessing and updating, the Corporation's policies and procedures, as established and amended from time to time.

Compensation Committee

The Compensation Committee reviews the compensation of the directors and senior officers. Further details on director and executive compensation can be found under the heading "*Statement of Executive Compensation*". The Compensation Committee reviews and makes recommendations to the Board regarding the granting of Awards pursuant to any of the Corporation's security based compensation plans to directors and senior officers, compensation for senior officers, including the CEO and directors' fees, if any, from time to time. The Compensation Committee is currently comprised of Marceau Schlumberger (Chair) and Brian Kennedy. Both Mr. Schlumberger and Mr. Kennedy are independent within the meaning of NI 58-101 and all of whom the Board believes have direct and indirect expertise, experience, and education relevant to their role as members thereof.

The Compensation Committee's responsibilities are as follows:

- (a) annually reviewing, approving and recommending to the Board for approval the remuneration of the senior executives of the Corporation, namely, any executives in the offices and any senior executives of the Corporation having comparable positions as may be specified by the Board (collectively, the "Senior Executives");
- (b) reviewing the Chief Executive Officer's goals and objectives for the upcoming year and to provide an appraisal of the Chief Executive Officer's performance at the end of the year;
- (c) reviewing, with the Chief Executive Officer, the goals and objectives of other Senior Executives and their compensation and performance;
- (d) reviewing and recommending to the Board for approval employment offers for Chief Executive Officer or any senior executive employment offer, or any offer that contains special terms including, but not limited to, any retiring or other allowance agreements, equity based compensation and any proposed change of control provisions;
- (e) at its discretion, to propose to the Board the engagement of, and manage and supervise compensation consultants to assist in the evaluation of Senior Executives' and directors' compensation, including fees and other terms of retention;
- (f) reviewing and recommending to the Board for its approval the remuneration and other incentive plans of directors. The Compensation Committee seeks to ensure that such compensation and benefits reflect the responsibilities and risks involved in being a director of the Corporation and align the interests of the directors with the best interests of the Corporation;
- (g) reviewing on an annual basis the remuneration policies of the Corporation, including the total remuneration (including benefits) and the main components thereof for the directors and Senior Executives, and to compare such remuneration policies with the remuneration practices of peers in the same industry. The Compensation Committee may employ independent experts periodically as determined necessary to review remuneration policies for directors and Senior Executives;
- (h) reviewing periodically bonus plans and the Omnibus Plan and consider these in light of new trends and practices of peers in the same industry;
- (i) reviewing and recommending to the Board for its approval the disclosure required in any management information circular of the Corporation in respect of executive compensation;
- (j) subject to the powers of the Board, Shareholder approval of all share compensation plans and receipt of all necessary regulatory approvals, determining those directors, officers, employees and consultants of the Corporation who will participate in long term incentive plans; determining the number of shares of the Corporation allocated to each participant under such plan; determining the time or times when ownership of such shares will vest for each participant; and administering all matters relating to any long term incentive plan and any employee bonus plan to which the Compensation Committee has been delegated authority pursuant to the terms of such plans or any resolutions passed by the Board;
- (k) making recommendations annually regarding the Chief Executives' and senior executives' entitlement to be paid a bonus under any employment bonus plan;
- (l) reporting regularly to the Board in relation to any matters arising from its review of compensation practices of the Corporation; and
- (m) reviewing and assessing its mandate and recommend any proposed changes to the Board on an annual basis.

Sustainable Development Committee

In addition to the Audit Committee, the CG&N Committee and the Compensation Committee, the Board also has a Sustainable Development Committee. The Sustainable Development Committee is comprised of Gerard Munera (Chair), John Rogers, and Marceau Schlumberger.

The Sustainable Development Committee is tasked with the following responsibilities:

- (a) reviewing and discussing with management the safety, health, environment and sustainability policies of the Corporation and, where appropriate, recommend revisions to those policies to the Board;
- (b) receiving and reviewing updates from management regarding the safety, health, environment and sustainability performance of the Corporation on behalf of the Board, to ensure that management is taking appropriate measures to comply with relevant laws and regulations concerning the Corporation's safety, health, environment and sustainability policies;
- (c) reviewing and reporting to the Board on the results of any material safety, health, environment or sustainability incident at any of the Corporation's operations;
- (d) reviewing and reporting to the Board on the results of any health, safety, environment and sustainability audits performed at any of the Corporation's operations;
- (e) reviewing management's response to all health, safety, environment and sustainability audits and material incidents;
- (f) investigating, or causing to be investigated, material negative safety, health, environment or sustainability performance;
- (g) the committee's best efforts to make annual visits by at least one member of the Sustainable Development Committee, to each of the Corporation's material projects, in order to review relevant safety, health, environment and sustainability objectives, procedures and performance;
- (h) periodically reviewing and reporting to the Board on the sufficiency of the resources available for carrying out the Corporation's health, safety, environment and sustainability responsibilities and obligations;
- (i) periodically reviewing and reporting to the Board on the safety, health, environment and sustainability risks associated with the Corporation's operations, and the procedures and plans designed to manage and mitigate those risks;
- (j) periodically reviewing management's assessment of trends and the impact of proposed laws, regulations and voluntary codes or initiatives affecting safety, health, environment and sustainability matters; and
- (k) periodically reviewing management's plans and actions with respect to sustainable development and support for communities within the area of the Corporation's operations.

The Sustainable Development Committee's responsibilities with respect to corporate social responsibility matters include:

- (a) ensuring management develops, adopts and implements social policies, programs, procedures and activities in communities where the Corporation conducts its business that are based consistent with industry best practice and are based on the Corporation's desire to be an industry leader;

- (b) receiving reports from management on the Corporation's corporate social responsibility programs, including significant sustainable development, community relations and security policies and procedures;
- (c) satisfying itself that management of the Corporation monitors trends and reviews current and emerging issues in the corporate social responsibility field and evaluates the impact on the Corporation; and
- (d) receiving reports from management on the Corporation's corporate social responsibility performance to assess the effectiveness of the corporate social responsibility program.

The Sustainable Development Committee is also responsible for certain human resources matters including overseeing the implementation of the Corporation's recruitment and retention objectives and corporate culture strategies.

Assessments

The 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.

ADDITIONAL INFORMATION

Additional information relating to the Corporation can be found on SEDAR+ (www.sedarplus.ca) under the Corporation's issuer profile. Further financial information is provided in the comparative financial statements and the management's discussion and analysis of the Corporation for its most recently completed financial year ended December 31, 2023, which is available on SEDAR+ (www.sedarplus.ca) under the Corporation's issuer profile. Shareholders may also obtain these documents, without charge, upon request to the Secretary of the Corporation.

APPROVAL

The contents of this Circular and the sending thereof to Shareholders have been approved by the directors of the Corporation.

DATED this 2nd day of May, 2024.

BY ORDER OF THE BOARD

(signed) "Darcy Marud"

Director and Chief Executive Officer

SCHEDULE A
OMNIBUS EQUITY INCENTIVE PLAN

**OMNIBUS EQUITY INCENTIVE COMPENSATION PLAN OF
WESTERN EXPLORATION INC.**

Amended effective [●], 2024

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WESTERN EXPLORATION INC.
OMNIBUS EQUITY INCENTIVE COMPENSATION PLAN

ARTICLE 1
ESTABLISHMENT, PURPOSE AND DURATION

1.1 Establishment of the Plan

Western Exploration Inc., a corporation incorporated under the laws of the Province of British Columbia (the "**Corporation**"), hereby establishes an incentive compensation plan to be known as the omnibus equity incentive compensation plan (the "**Plan**"). The Plan permits the grant of Options, Restricted Shares, Restricted Share Units, Deferred Share Units, Performance Shares, Performance Share Units and Share-Based Awards. Following required approvals by shareholders and the Exchange, the Plan shall be adopted and become effective on the date approved by the Board (the "**Effective Date**").

1.2 Purpose of the Plan

The purposes of the Plan are: (i) to promote a significant alignment between Officers and Employees of the Corporation and its Affiliates and the growth objectives of the Corporation; (ii) to associate a portion of participating employees' compensation with the performance of the Corporation over the long term; and (iii) to attract, motivate and retain the critical employees to drive the business success of the Corporation.

1.3 Duration of the Plan

The Plan shall commence as of the Effective Date, as described in Section 1.1 herein, and shall remain in effect until terminated by the Board (as defined below) pursuant to Article 14 hereof.

ARTICLE 2
DEFINITIONS

Whenever used in the Plan, the following terms shall have the respective meanings set forth below, unless the context clearly requires otherwise, and when such meaning is intended, such term shall be capitalized.

"**Affiliate**" means any corporation, partnership or other entity (i) in which the Corporation, directly or indirectly, has majority ownership interest or (ii) which the Corporation controls. For the purposes of this definition, the Corporation is deemed to "**control**" such corporation, partnership or other entity if the Corporation possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such corporation, partnership or other entity, whether through the ownership of voting securities, by contract or otherwise, and includes a corporation which is considered to be a subsidiary for purposes of consolidation under International Financial Reporting Standards.

"**Award**" means, individually or collectively, a grant under this Plan of Options, Deferred Share Units, Restricted Shares, Restricted Share Units, Performance Shares, Performance Share Units or Share-Based Awards, in each case subject to the terms of this Plan.

"Award Agreement" means either (i) a written agreement entered into by the Corporation or an Affiliate of the Corporation and a Participant setting forth the terms and provisions applicable to Awards granted under this Plan; or (ii) a written statement issued by the Corporation or an Affiliate of the Corporation to a Participant describing the terms and provisions of such Award. All Award Agreements shall be deemed to incorporate the provisions of the Plan. An Award Agreement need not be identical to other Award Agreements either in form or substance.

"Blackout Period" means a period of time during which the Participant cannot sell Shares, due to applicable law or policies of the Corporation in respect of insider trading.

"Board" or "Board of Directors" means the Board of Directors of the Corporation.

"Cause" means any of:

- (a) dishonesty of the Participant as it relates to the performance of his duties in the course of his employment by, or as an Officer or Director of, the Corporation or an Affiliate;
- (b) fraud committed by the Participant;
- (c) willful disclosure of confidential or private information regarding the Corporation or an Affiliate by the Participant;
- (d) the Participant aiding a competitor of the Corporation or an Affiliate;
- (e) misappropriation of a business opportunity of the Corporation or an Affiliate by the Participant;
- (f) willful misconduct or gross negligence in the performance of the Participant's duties under his or her employment agreement;
- (g) a breach by the Participant of a material provision of his or her employment agreement or the Code of Business Conduct and Ethics adopted by the Corporation from time to time;
- (h) the willful and continued failure on the part of the Participant to substantially perform duties in the course of his employment by, or as an Officer of, the Corporation or an Affiliate, unless such failure results from an incapacity due to mental or physical illness;
- (i) willfully engaging in conduct that is demonstrably and materially injurious to the Corporation or an Affiliate, monetarily or otherwise; or
- (j) any other act or omission by the Participant which would amount to just cause for termination at common law.

"Change of Control" shall occur if any of the following events occur:

- (a) the acquisition, directly or indirectly and by any means whatsoever, by any person, or by a group of persons acting jointly or in concert, of beneficial ownership or control or direction over that number of Voting Securities which is greater than 50% of the total issued and

outstanding Voting Securities immediately after such acquisition, unless such acquisition arose as a result of or pursuant to:

- (i) an acquisition or redemption by the Corporation of Voting Securities which, by reducing the number of Voting Securities outstanding, increases the proportionate number of Voting Securities beneficially owned by such person to 50% or more of the Voting Securities then outstanding;
- (ii) acquisitions of Voting Securities which were made pursuant to a dividend reinvestment plan of the Corporation;
- (iii) the receipt or exercise of rights issued by the Corporation to all the holders of Voting Securities to subscribe for or purchase Voting Securities or securities convertible into Voting Securities, provided that such rights are acquired directly from the Corporation and not from any other person;
- (iv) a distribution by the Corporation of Voting Securities or securities convertible into Voting Securities for cash consideration made pursuant to a public offering or by way of a private placement by the Corporation ("**Exempt Acquisitions**");
- (v) a stock-dividend, a stock split or other event pursuant to which such person receives or acquires Voting Securities or securities convertible into Voting Securities on the same pro rata basis as all other holders of securities of the same class ("**Pro-Rata Acquisitions**"); or
- (vi) the exercise of securities convertible into Voting Securities received by such person pursuant to an Exempt Acquisition or a Pro-Rata Acquisition ("**Convertible Security Acquisitions**");

provided, however, that if a person shall acquire 50% or more of the total issued and outstanding Voting Securities by reason of any one or a combination of (1) acquisitions or redemptions of Shares by the Corporation, (2) Exempt Acquisitions, (3) Pro-Rata Acquisitions, or (4) Convertible Security Acquisitions and, after such share acquisitions or redemptions by the Corporation or Exempt Acquisitions or Pro-Rata Acquisitions or Convertible Security Acquisitions, acquires additional Voting Securities exceeding one per cent of the Voting Securities outstanding at the date of such acquisition other than pursuant to any one or a combination of Exempt Acquisitions, Convertible Security Acquisitions or Pro-Rata Acquisitions, then as of the date of such acquisitions such acquisition shall be deemed to be a "**Change of Control**";

- (b) the replacement by way of election or appointment at any time of one-half or more of the total number of the then incumbent members of the Board, unless such election or appointment is approved by 50% or more of the Board in office immediately preceding such election or appointment in circumstances where such election or appointment is to be made other than as a result of a dissident public proxy solicitation, whether actual or threatened; and
- (c) any transaction or series of transactions, whether by way of reorganization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise, whereby all or

substantially all of the shares or assets of the Corporation become the property of any other person (the "**Successor Entity**"), (other than a subsidiary of the Corporation) unless:

- (i) individuals who were holders of Voting Securities immediately prior to such transaction hold, as a result of such transaction, in the aggregate, more than 50% of the voting securities of the Successor Entity;
- (ii) a majority of the members of the board of directors of the Successor Entity is comprised of individuals who were members of the Board immediately prior to such transaction; and
- (iii) after such transaction, no person or group of persons acting jointly or in concert, holds more than 50% of the voting securities of the Successor Entity unless such person or group of persons held securities of the Corporation in the same proportion prior to such transaction.

"**Change of Control Price**" means (i) the highest price per Share offered in conjunction with any transaction resulting in a Change of Control (as determined in good faith by the Committee if any part of the offered price is payable other than in cash), or (ii) in the case of a Change of Control occurring solely by reason of a change in the composition of the Board, the highest Fair Market Value of the Shares on any of the thirty (30) trading days immediately preceding the date on which a Change of Control occurs, except if the relevant participant is subject to taxation under the ITA such Change of Control price shall be deemed to be a price determined by the Committee based on the closing price of a Share on the Exchange on the trading day preceding the Change of Control date or based on the volume weighted average trading price of the Shares on the Exchange for the five trading days immediately preceding the Change of Control date.

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended from time to time, or any successor thereto.

"**Committee**" means the Board or if so delegated in whole or in part by the Board, the Compensation and Nominating Committee of the Board, or any other duly authorized committee of the Board appointed by the Board to administer the Plan.

"**Consultant**" means a Person that:

- (a) is engaged to provide services to the Corporation or an Affiliate other than services provided in relation to a distribution of securities of the Corporation or an Affiliate;
- (b) provides the services under a written contract with the Corporation or an Affiliate; and
- (c) spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate; provided that with respect to Consultants who are U.S. persons, such Consultants shall be granted Awards under this Plan only if:
 - (i) they are natural persons;
 - (ii) they provide bona fide services to the Corporation or its majority-owned subsidiaries; and

- (iii) such services are not in connection with the offer or sale of securities in a capital-raising transaction, and do not directly or indirectly promote or maintain a market for the Corporation's securities.

"Corporation" means Western Exploration Inc., a corporation existing under the laws of the Province of British Columbia, and any successor thereto as provided in Article 16 herein.

"Deferred Share Unit" means an Award denominated in units that provides the holder thereof with a right to receive Shares upon settlement of the Award, granted under Article 8 herein and subject to the terms of this Plan.

"Director" means any individual who is a member of the Board or the board of directors of any of the Corporation's subsidiaries.

"Disability" means the Participant's inability to substantially fulfil his or her duties on behalf of the Corporation or an Affiliate for a continuous period of six (6) months or more or the Participant's inability to substantially fulfil his or her duties on behalf of the Corporation or an Affiliate for an aggregate period of six (6) months or more during any consecutive twelve (12) month period; and if there is any disagreement between the Corporation or an Affiliate and the Participant as to the Participant's Disability or as to the date any such Disability began or ended, the same shall be determined by a physician mutually acceptable to the Corporation and the Participant whose determination shall be conclusive evidence of any such Disability and of the date any such Disability began or ended.

"Discounted Market Price" means:

- (a) if the Market Price is not greater than \$0.05, the Market Price (subject to a minimum price per security of \$0.05); or
- (b) if the Market Price is greater than \$0.05, the Market Price less the following maximum discounts based on the closing price (subject to a minimum price per security of \$0.05):
 - (i) based on a closing price of up to \$0.50, a discount of up to 25%;
 - (ii) based on a closing price of \$0.51 to \$2.00, a discount of up to 20%; and
 - (iii) based on a closing price above \$2.00, a discount of up to 15%.

"Disinterested Shareholder Approval" has the meaning ascribed to such term in section 5.3 of Policy 4.4 of the TSX Venture Exchange.

"Dividend Equivalent" means a right with respect to an Award to receive cash, Shares or other property equal in value and form to dividends declared by the Board and paid with respect to outstanding Shares. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement, and if specifically provided for in the Award Agreement shall be subject to such terms and conditions set forth in the Award Agreement as the Committee shall determine.

"Employee" means any employee of the Corporation or an Affiliate. Directors who are not otherwise employed by the Corporation or an Affiliate shall not be considered Employees under this Plan.

"Exchange" means the TSX Venture Exchange and at any time the Shares are not listed and posted for trading on the Exchange, shall be deemed to mean such other stock exchange or trading platform upon which the Shares trade and which has been designated by the Committee.

"Exchange Hold Period" has the meaning ascribed thereto in Policy 1.1 of the Exchange.

"Fair Market Value" or **"FMV"** means, unless otherwise required by any applicable provision of the Code or any regulations thereunder or by any applicable accounting standard for the Corporation's desired accounting for Awards or by the rules of the Exchange, a price that is determined by the Committee, provided that such price cannot be less than the greater of (i) the volume weighted average trading price of the Shares on the Exchange for the five trading days immediately prior to the grant date or (ii) the closing price of the Shares on the Exchange on the trading day immediately prior to the grant date.

"Fiscal Year" means the Corporation's fiscal year commencing on January 1 and ending on December 31 or such other fiscal year as approved by the Board.

"Incapacity" or **"Incapacitated"** means the incapacity or inaptitude of a Participant to administer the Participant's estate, that results in the appointment of an administrator of the Participant's estate or that enables a person or entity to act on the Participant's behalf pursuant to a power of attorney or a representation agreement.

"Insider" shall have the meaning ascribed thereto in Section 1(1) of the OSA.

"Investor Relations Activities" means any activities, by or on behalf of the Corporation or a shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:

- (a) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation:
 - (i) to promote the sale of products or services of the Corporation; or
 - (ii) to raise public awareness of the Corporation,

that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;

- (b) activities or communications necessary to comply with the requirements of:
 - (i) applicable securities laws;
 - (ii) Exchange requirements or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Corporation;
- (c) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
 - (i) the communication is only through the newspaper, magazine or publication, and

- (ii) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
- (d) activities or communications that may be otherwise specified by the Exchange.

"**ITA**" means the *Income Tax Act* (Canada).

"**Management Company Employee**" means an individual employed by a company providing management services to the Corporation, which services are required for the ongoing successful operation of the business enterprise of the Corporation.

"**Market Price**" has the meaning ascribed thereto in Policy 1.1 of the Exchange.

"**Notice Period**" means any period of contractual notice or reasonable notice that the Corporation or the Affiliate may be required at law, by contract or otherwise agrees to provide to a Participant upon termination of employment, whether or not the Corporation or Affiliate elects to pay severance in lieu of providing notice to the Participant, provided that where a Participant's employment contract provides for an increased severance or termination payment in the event of termination following a Change of Control, the Notice Period for the purposes of the Plan shall be the Notice Period under such contract applicable to a termination which does not follow a Change of Control.

"**Officer**" means any senior officer of the Corporation or any of the Corporation's subsidiaries.

"**Option**" means the conditional right to purchase Shares at a stated Option Price for a specified period of time subject to the terms of this Plan.

"**Option Price**" means the price at which a Share may be purchased by a Participant pursuant to an Option, as determined by the Committee.

"**OSA**" means the *Securities Act* (Ontario), as may be amended from time to time.

"**Participant**" means a Director, Officer, Employee, Management Company Employee or Consultant (who, for the avoidance of doubt, the Company has confirmed to be a bona fide Employee, Consultant or Management Company Employee as the case may be), that is the recipient of an Award granted or issued by the Corporation under this Plan and, as context requires, shall include a registered retirement savings plan ("**RRSP**") or registered retirement income fund ("**RRIF**") established and controlled by a Participant or a company that is wholly owned by an individual Participant.

"**Performance Goal**" means a performance criterion selected by the Committee for a given Award.

"**Performance Period**" means the period of time during which the assigned performance criteria must be met in order to determine the degree of payout and/or vesting with respect to an Award.

"**Performance Share**" means an Award granted under Article 9 herein and subject to the terms of this Plan, denominated in Shares, the value of which at the time it is payable is determined as a function of the extent to which corresponding performance criteria have been achieved.

"Performance Share Unit" means an Award granted under Article 9 herein and subject to the terms of this Plan, denominated in units, the value of which at the time it is payable is determined as a function of the extent to which corresponding performance criteria have been achieved.

"Period of Restriction" means the period when an Award of Restricted Share or Restricted Share Units is subject to forfeiture based on the passage of time, the achievement of performance criteria, and/or upon the occurrence of other events as determined by the Committee, in its discretion.

"Person" shall have the meaning ascribed to such term in Section 1(1) of the OSA.

"Policy 1.1" means Policy 1.1 – *Interpretation of the Exchange*, as may be amended, supplemented or replaced from time to time.

"Policy 4.4" means Policy 4.4 – *Security Based Compensation of the Exchange* of the TSX Venture Exchange, as may be amended, supplemented or replaced from time to time.

"Restricted Share" means an Award of Shares subject to a Period of Restriction, granted under Article 7 herein and subject to the terms of this Plan.

"Restricted Share Unit" means an Award denominated in units subject to a Period of Restriction, with a right to receive Shares upon settlement of the Award, granted under Article 7 herein and subject to the terms of this Plan.

"Retirement" or **"Retire"** means a Participant's permanent withdrawal from employment or office with the Corporation or Affiliate on terms and conditions accepted and determined by the Board.

"Share-Based Award" means an equity-based or equity-related Award granted under Article 10 herein and subject to the terms of this Plan, and not otherwise described by the terms of this Plan.

"Shares" means variable voting shares in the capital of the Corporation.

"Successor Entity" has the meaning ascribed thereto under subsection (c) of the definition of Change of Control.

"Termination Date" means, in the case of a Participant whose employment or term of office or engagement with the Corporation or an Affiliate terminates:

- (a) by reason of the Participant's death or Incapacity, the date of death or Incapacity, then such date of death or incapacity;
- (b) by reason of termination for Cause, resignation by the Participant or Retirement, the Participant's last day actively at work or actively performing services for the Corporation or an Affiliate;
- (c) by reason of Disability, then the date on which the Participant is determined to have a Disability as defined herein;
- (d) for any reason whatsoever other than death, Incapacity, termination for Cause, Retirement or termination by reason of Disability, the later of the (i) date of the Participant's last day

actively at work or actively performing services for the Corporation or the Affiliate, and
(ii) the last date of the Notice Period; and

- (e) the resignation of a director and the expiry of a director's term on the Board without re-election (or nomination for election) shall each be considered to be a termination of his or her term of office.

"**Total Share Authorization**" has the meaning ascribed thereto under Section 4.1.

"**Voting Securities**" shall mean any securities of the Corporation ordinarily carrying the right to vote at elections of directors and any securities immediately convertible into or exchangeable for such securities.

ARTICLE 3 ADMINISTRATION

3.1 General

The Committee shall be responsible for administering the Plan. The Committee may employ attorneys, consultants, accountants, agents and other individuals, any of whom may be an Employee, and the Committee, the Corporation, and its Officers and Directors shall be entitled to rely upon the advice, opinions or valuations of any such persons. All actions taken and all interpretations and determinations made by the Committee shall be final, conclusive and binding upon the Participants, the Corporation, and all other interested parties.

3.2 Authority of the Committee

The Committee shall have full and exclusive discretionary power to interpret the terms and the intent of the Plan and any Award Agreement or other agreement ancillary to or in connection with the Plan, to determine eligibility for Awards, and to adopt such rules, regulations and guidelines for administering the Plan as the Committee may deem necessary or proper. Such authority shall include, but not be limited to, selecting Award recipients, establishing all Award terms and conditions, including grant, exercise price, issue price and vesting terms, determining Performance Goals applicable to Awards and whether such Performance Goals have been achieved, making adjustments under Section 4.2 and, subject to Article 14, adopting modifications and amendments, or subplans to the Plan or any Award Agreement, including, without limitation, any that are necessary or appropriate to comply with the laws or compensation practices of the jurisdictions in which the Corporation and Affiliates operate.

3.3 Delegation

The Committee may delegate to one or more of its members any of the Committee's administrative duties or powers as it may deem advisable; provided, however, that any such delegation must be permitted under applicable corporate law.

ARTICLE 4
SHARES SUBJECT TO THE PLAN AND MAXIMUM AWARDS

4.1 Number of Shares Available for Awards

- (a) Subject to adjustment as provided in Section 4.1(a) and Section 4.2 herein, the number of Shares hereby reserved for issuance to Participants under the Plan, together with Shares reserved for issue under any other share compensation arrangements of the Corporation is subject to the following limitations: (a) the aggregate number of Shares issuable under the Plan or under any other security based compensation arrangements of the Corporation, shall not exceed 10% of the total number of Shares issued and outstanding at any time (calculated on a non-diluted basis) (the "**Total Share Authorization**"); and provided further that (b), notwithstanding any provision in the Plan to the contrary, in respect of any Shares issuable under the Plan pursuant to an Award that is not an Option, the maximum number of such Awards which may be awarded under the Plan subject always to the Total Share Authorization shall be 3,000,000 or such greater number as may be approved from time to time by the requisite disinterested shareholders of the Corporation and in accordance with the policies of the Exchange. For greater certainty, Awards issued under the Plan, or under any other share compensation arrangements of the Corporation, will not become available again as shares issuable under the Plan without the prior filing of an amendment and approval of the Exchange.
- (b) In addition to the foregoing, the following limits apply to the operation of the Plan:
 - (i) unless the Corporation has obtained the requisite Disinterested Shareholder Approval,
 - (A) the maximum aggregate number of Shares that are issuable under all share compensation arrangements of the Corporation granted or issued in any 12-month period to any one Person (and companies owned or controlled by that Person) must not exceed 5% of the total number of Shares issued and outstanding, calculated as at the date any Award is granted or issued to such Person;
 - (B) the maximum aggregate number of Shares which may be issued under share compensation arrangements of the Corporation granted or issued to Insiders as a group must not exceed 10% of the Shares issued and outstanding at any point in time; and
 - (C) the maximum aggregate number of Shares that are issuable under all share compensation arrangements of the Corporation granted or issued in any 12- month period to Insiders as a group must not exceed 10% of the Shares issued and outstanding, calculated on the date any security based compensation is granted to an Insider; and
 - (ii) the maximum aggregate number of Shares that are issuable under all share compensation arrangements of the Corporation granted or issued in a 12-month period to any one Consultant must not exceed 2% of the Shares issued and

outstanding, calculated at the date any security based compensation is granted to the Consultant; and

- (iii) the maximum aggregate number of Shares that are issuable under all share compensation arrangements of the Corporation granted or issued in a 12-month period to all Persons retained to provide Investor Relations Activities must not exceed 2% of the Shares issued and outstanding, calculated at the date any security based compensation is granted to any such Person.

4.2 Adjustments in Authorized Shares

Subject to the approval of the Exchange, where applicable, in the event of any corporate event or transaction (collectively, a "**Corporate Reorganization**") (including, but not limited to, a change in the Shares of the Corporation or the capitalization of the Corporation) such as a merger, arrangement or amalgamation that does not constitute a Change of Control under Article 13, or a consolidation, reorganization, recapitalization, separation, stock dividend, extraordinary dividend, stock split, reverse stock split, split up, spin-off or other distribution of stock or property of the Corporation, combination of securities, exchange of securities, dividend in kind, or other like change in capital structure or distribution (other than normal cash dividends) to shareholders of the Corporation, or any similar corporate event or transaction, the Committee shall make or provide for such adjustments or substitutions, as applicable, in the number and kind of Shares that may be issued under the Plan, the number and kind of Shares subject to outstanding Awards, the Option Price or Grant Price applicable to outstanding Awards, the Total Share Authorization, the limit on issuing Awards other than Options granted with an Option Price equal to at least the FMV of a Share on the date of grant with a Grant Price equal to at least the FMV of a Share on the date of grant, and any other value determinations applicable to outstanding Awards or to this Plan, as are equitably necessary to prevent dilution or enlargement of Participants' rights under the Plan that otherwise would result from such Corporate Reorganization. In connection with a Corporate Reorganization, the Committee shall have the discretion to permit a holder of Options to purchase (at the times, for the consideration, and subject to the terms and conditions set out in this Plan) and the holder will then accept on the exercise of such Option, in lieu of the Shares that such holder would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that such holder would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, that holder had owned all Shares that were subject to the Option. Such adjustments shall be made automatically, without the necessity of Committee action, on the customary arithmetical basis in the case of any stock split, including a stock split effected by means of a stock dividend, and in the case of any other dividend paid in Shares, provided that all fractions of Awards shall be rounded down to the nearest whole number.

The Committee shall also make appropriate adjustments in the terms of any Awards under the Plan as are equitably necessary to reflect such Corporate Reorganization and may modify any other terms of outstanding Awards, including modifications of performance criteria and changes in the length of Performance Periods. The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Participants under the Plan, provided that any such adjustments must comply with Section 409A of the Code with respect to any U.S. Participants and the rules of any stock exchange or market upon which such Shares are listed or traded.

Subject to the provisions of Article 12 and any applicable law or regulatory requirement, without affecting the number of Shares reserved or available hereunder, the Committee may authorize the issuance, assumption, substitution or conversion of Awards under this Plan in connection with any such corporate

event or transaction, upon such terms and conditions as it may deem appropriate. Additionally, the Committee may amend the Plan, or adopt supplements to the Plan, in such manner as it deems appropriate to provide for such issuance, assumption, substitution or conversion as provided in the previous sentence.

ARTICLE 5 ELIGIBILITY AND PARTICIPATION

5.1 Eligibility

Individuals eligible to participate in the Plan include all Participants, provided, however, that any persons retained to provide Investor Relations Activities may only receive Options.

5.2 Actual Participation

Subject to the provisions of the Plan, the Committee may, from time to time, in its sole discretion select from among eligible Participants, those to whom Awards shall be granted under the Plan, and shall determine in its discretion the nature, terms, conditions and amount of each Award.

ARTICLE 6 OPTIONS

6.1 Grant of Options

Subject to the terms and provisions of the Plan, Options may be granted to Participants in such number, and upon such terms, and at any time and from time to time as shall be determined by the Committee in its discretion.

6.2 Award Agreement

Each Option grant shall be evidenced by an Award Agreement that shall specify the Option Price, the duration of the Option, the number of Shares to which the Option pertains, the conditions upon which an Option shall become vested and exercisable, and any such other provisions as the Committee shall determine.

6.3 Option Price

The Option Price for each grant of an Option under this Plan shall be determined by the Committee and shall be specified in the Award Agreement. The Option Price for an Option shall be not less than the Discounted Market Price. If the Corporation does not issue a news release to fix the Option Price pursuant to Policy 4.4 of the TSX Venture Exchange, the Discounted Market Price shall be equal to the last closing price before the date of grant, less the applicable discount. Where the Option Price of an Option is at a discount to the Market Price, all Options and any Shares issued pursuant to the exercise of such Options prior to the expiry of the Exchange Hold Period, shall be legended with the Exchange Hold Period commencing on the date the Options were granted.

6.4 Duration of Options

Each Option granted to a Participant shall expire at such time as the Committee shall determine at the time of grant; provided, however, that (i) no Option shall be exercisable later than the tenth (10th) anniversary

date of its grant; and (ii) no Option shall expire in a period greater than one year following the date on which a Participant ceases to be an eligible Participant. Notwithstanding the foregoing, the expiry date of any Option shall be extended to the tenth business day following the last day of a Blackout Period if the expiry date would otherwise occur in a Blackout Period.

6.5 Exercise of Options

Options granted under this Article 6 shall be exercisable at such times and on the occurrence of such events, and be subject to such restrictions and conditions, as the Committee shall in each instance approve, which need not be the same for each grant or for each Participant, except that Options issued to Persons retained to provide Investor Relations Activities must vest in stages over a period of not less than 12 months and no more than 25% of such Options can vest in any three month period.

6.6 Payment

Options granted under this Article 6 shall be exercised by the delivery of a notice of exercise to the Corporation or an agent designated by the Corporation in a form specified or accepted by the Committee, or by complying with any alternative procedures which may be authorized by the Committee, setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment for the Shares. The Option Price upon exercise of any Option shall be payable to the Corporation in full either: (a) in cash, certified cheque or wire transfer; or (b) by any other method approved or accepted by the Committee in its sole discretion subject to the rules of the Exchange and such rules and regulations as the Committee may establish. Subject to Section 6.7 and any governing rules or regulations, as soon as practicable after receipt of a notification of exercise and full payment for the Shares, the Shares in respect of which the Option has been exercised shall be issued as fully-paid and non-assessable shares of the Corporation. As of the business day the Corporation receives such notice and such payment, the Participant (or the person claiming through him, as the case may be) shall be entitled to be entered on the share register of the Corporation as the holder of the number of Shares in respect of which the Option was exercised and to receive as promptly as possible thereafter a certificate or evidence of book entry representing the said number of Shares. The Corporation shall cause to be delivered to or to the direction of the Participant, Share certificates or evidence of book entry Shares in an appropriate amount based upon the number of Shares purchased under the Option(s), but in any event, on or before the 15th day of the third month of the year following the year in which the Option was exercised.

6.7 Restrictions on Share Transferability

The Committee may impose such restrictions on any Shares acquired pursuant to the exercise of an Option granted pursuant to this Plan as it may deem advisable, including, without limitation, requiring the Participant to hold the Shares acquired pursuant to exercise for a specified period of time, or restrictions under applicable laws or under the requirements of any stock exchange or market upon which such Shares are listed and/or traded.

6.8 Death, Incapacity, Retirement and Termination of Employment

- (a) Death or Incapacity: If a Participant dies or becomes Incapacitated while an Employee, Officer, Director, or Consultant of the Corporation or an Affiliate:
 - (i) any Options held by the Participant that are not yet vested at the Termination Date immediately vest and become exercisable;
 - (ii) the executor, liquidator, or administrator of the Participant's estate may exercise Options of the Participant equal to the number of Options that were exercisable at the Termination Date (including Options which vested pursuant to the foregoing paragraph);
 - (iii) the right to exercise such Options terminates on the earlier of: (A) the date that is 12 months after the Termination Date; and (B) the date on which the exercise period of the particular Option expires; and
 - (iv) such Participant's eligibility to receive further grants of Options under the Plan ceases as of the Termination Date.
- (b) Retirement: If a Participant voluntarily Retires then:
 - (i) any Options held by the Participant that are exercisable at the Termination Date continue to be exercisable by the Participant until the earlier of: (A) the date that is six months after the Termination Date; and (B) the date on which the exercise period of the particular Option expires. Any Options held by the Participant that are not yet vested at the Termination Date immediately expire and are cancelled and forfeited to the Corporation on the Termination Date,
 - (ii) the eligibility of a Participant to receive further grants under the Plan ceases as of the date that the Corporation or an Affiliate, as the case may be, provides the Participant with written notification that the Participant's employment or term of office or engagement, is terminated, notwithstanding that such date may be prior to the Termination Date, and
 - (iii) notwithstanding (b)(i) and (ii) above, unless the Committee, in its sole discretion, otherwise determines, at any time and from time to time, Options are not affected by a change of employment arrangement within or among the Corporation or an Affiliate for so long as the Participant continues to be an Employee of the Corporation or an Affiliate.
- (c) Termination of Employment: Except as may otherwise be set out in a Participant's employment agreement (which shall have paramountcy over this clause), where a Participant's employment or term of office or engagement terminates (for any reason other than death, Incapacity or voluntary Retirement), then:
 - (i) any Options held by the Participant that are exercisable at the Termination Date continue to be exercisable by the Participant until the earlier of: (A) the date that

is three months after the Termination Date; and (B) the date on which the exercise period of the particular Option expires. Any Options held by the Participant that are not yet vested at the Termination Date immediately expire and are cancelled and forfeited to the Corporation on the Termination Date,

- (ii) the eligibility of a Participant to receive further grants under the Plan ceases as of the Termination Date, and
- (iii) notwithstanding (c)(i) and (ii) above, unless the Committee, in its sole discretion, otherwise determines, at any time and from time to time, Options are not affected by a change of employment arrangement within or among the Corporation or an Affiliate for so long as the Participant continues to be an Employee of the Corporation or an Affiliate.

6.9 Non-transferability of Options

Except as otherwise provided in a Participant's Award Agreement at the time of grant or thereafter by the Committee and pursuant to Policy 4.4 of the TSX Venture Exchange, an Option granted under this Article 6 may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, except to a Participant's RRSP or RRIF, provided that the Participant is, during the Participant's lifetime, the sole beneficiary of the RRSP or RRIF or a company that is wholly owned by an individual Participant provided that such company has complied with the requirements of section 2(c) of Policy 4.4 of the TSX Venture Exchange.

ARTICLE 7 RESTRICTED SHARE AND RESTRICTED SHARE UNITS

7.1 Grant of Restricted Shares or Restricted Share Units

Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Restricted Shares and/or Restricted Share Units to Participants (other than those Persons retained to provide Investor Relations Activities) in such amounts and upon such terms as the Committee shall determine.

7.2 Restricted Share or Restricted Share Unit Agreement

Each Restricted Share and/or Restricted Share Unit grant shall be evidenced by an Award Agreement that shall specify the Period(s) of Restriction, the number of Restricted Shares or the number of Restricted Share Units granted, the settlement date for Restricted Share Units, the conditions of vesting and any such other provisions as the Committee shall determine, provided that unless otherwise determined by the Committee or as set out in any Award Agreement, no Restricted Share Unit shall vest later than three years after the date of grant.

7.3 Non-transferability of Restricted Share and Restricted Share Units

Except as otherwise provided in this Plan or the Award Agreement, the Restricted Shares and/or Restricted Share Units granted herein may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated until the end of the applicable Period of Restriction specified in the Award Agreement (and

in the case of Restricted Share Units until the date of settlement through delivery or other payment), or upon earlier satisfaction of any other conditions, as specified by the Committee in its sole discretion and set forth in the Award Agreement at the time of grant or thereafter by the Committee, except to a Participant's RRSP or RRIF, provided that the Participant is, during the Participant's lifetime, the sole beneficiary of the RRSP or RRIF or a company that is wholly owned by an individual Participant provided that such company has complied with the requirements of section 2(c) of Policy 4.4 of the TSX Venture Exchange.

7.4 Other Restrictions

The Committee shall impose, in the Award Agreement at the time of grant or anytime thereafter, such other conditions and/or restrictions on any Restricted Shares or Restricted Share Units granted pursuant to this Plan as it may deem advisable, including, without limitation, a requirement that Participants pay a stipulated purchase price for each Restricted Share or each Restricted Share Unit, restrictions based upon the achievement of specific performance criteria, time-based restrictions on vesting following the attainment of the performance criteria, time-based restrictions, restrictions under applicable laws or under the requirements of any stock exchange or market upon which such Shares are listed or traded, or holding requirements or sale restrictions placed on the Shares by the Corporation upon vesting of such Restricted Shares or Restricted Share Units.

7.5 Other Restrictions

- (a) Restricted Shares or Restricted Share Units will vest on such terms as shall be specified by the Committee at the time of granting such Restricted Shares or Restricted Share Units and such vesting period shall be reflected in the Award Agreement. Except pursuant to Section 7.9(a) or Article 13, no Restricted Shares or Restricted Share Units may vest or become freely trading before the date that is one year following the date it is granted or issued.
- (b) To the extent deemed appropriate by the Committee, the Corporation may retain the certificates representing Restricted Shares, or Shares delivered in settlement of Restricted Share Units, in the Corporation's possession until such time as all conditions and/or restrictions applicable to such Shares have been satisfied or lapse. Except as otherwise provided in this Article 7, Restricted Shares covered by each Restricted Share Unit shall become freely transferable by the Participant after all conditions and restrictions applicable to such Shares have been satisfied or lapse, and Restricted Share Units shall be settled through payment in Shares.

7.6 Certificate Legend

In addition to any legends placed on certificates pursuant to Section 7.4 herein, each certificate representing Restricted Shares granted pursuant to the Plan may bear a legend such as the following:

"The sale or other transfer of the shares of stock represented by this certificate, whether voluntary, involuntary or by operation of law, is subject to certain restrictions on transfer as set forth in the Western Exploration Inc. Equity Incentive Compensation Plan and in the associated Award Agreement. A copy of the Plan and such Award Agreement may be obtained from the Chief Financial Officer of Western Exploration Inc."

7.7 Voting Rights

To the extent required by law, Participants holding Restricted Shares granted hereunder shall have the right to exercise full voting rights with respect to those Shares during the Period of Restriction. A Participant shall have no voting rights with respect to any Restricted Share Units granted hereunder.

7.8 Dividends and Other Distributions

During the Period of Restriction, Participants holding Restricted Shares or Restricted Share Units granted hereunder may, if the Committee so determines, be credited with dividends paid with respect to the underlying Shares or Dividend Equivalents while they are so held in a manner determined by the Committee in its sole discretion. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any restrictions to the dividends or Dividend Equivalents that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of dividends or Dividend Equivalents, including cash, Shares, Restricted Shares or Restricted Share Units, provided, however, that any Dividend Equivalents paid in the form of additional Restricted Shares or Restricted Share Units shall reduce the number of Shares available for issuance of Awards. Dividend Equivalents credited as additional Restricted Share Units shall be settled under the same conditions and at the same time as the Restricted Share Units to which they are attached.

7.9 Death, Incapacity, Retirement and other Termination of Employment

- (a) Death or Incapacity: If a Participant dies or becomes Incapacitated while an Employee, Director of, or Consultant to, the Corporation or an Affiliate:
 - (i) any Restricted Share or Restricted Share Units held by the Participant that have not vested as at the Termination Date shall vest immediately;
 - (ii) any Restricted Shares and Restricted Share Units held by the Participant that have vested (including Restricted Shares and Restricted Share Units vested in accordance with Section 7.9(a)(i)) as at the Termination Date, shall be paid to the executor, liquidator, or administrator of the Participant's estate in accordance with the terms of the Plan and Award Agreement; and
 - (iii) such Participant's eligibility to receive further grants of Restricted Share Units or Restricted Shares under the Plan ceases as of the Termination Date.
- (b) Disability: If a Participant suffers a Disability while an Employee, Officer, Director or Consultant of the Corporation or an Affiliate and, as a result, his or her employment or engagement with the Corporation or an Affiliate is terminated:
 - (i) the number of Restricted Shares or Restricted Share Units held by the Participant and that have not vested (collectively referred to in this Section 7.9 as the "**Unvested Awards**") shall be reduced to be equal to the product of (A) the number of Unvested Awards; and (B) the fraction obtained when dividing (x) the number of calendar days from the date of the award of the Unvested Awards to the Termination Date and (x) the number of calendar days from the date of the award

of the Unvested Awards to the original vesting date set out in the Award Agreement;

- (ii) the number of Unvested Awards, as calculated pursuant to Section 7.9(b)(i), shall continue to vest in accordance with the terms of the Plan and Award Agreement; and
 - (iii) such Participant's eligibility to receive further grants of Restricted Share Units or Restricted Shares under the Plan ceases as of the Termination Date.
- (c) Retirement: If a Participant voluntarily Retires then:
- (i) any Restricted Share Units held by the Participant that have vested before the Termination Date shall be paid to the Participant;
 - (ii) any Unvested Awards held by the Participant at the Termination Date shall continue to vest in accordance with the terms of the Plan and Award Agreement following the Termination Date until the earlier of: (i) the date determined by the Committee, in its sole discretion; and (ii) the date that is 12 months after the Termination Date; and (iii) the date on which the Restricted Share Units vest pursuant to the original Award Agreement in respect of such unvested Awards; and
 - (iii) such Participant's eligibility to receive further grants of Restricted Share Units or Restricted Shares under the Plan ceases as of the Termination Date.
- (d) Termination other than death, Incapacity, Disability or Retirement: Unless determined otherwise by the Committee, or as may otherwise be set out in a Participant's employment agreement (which shall have paramountcy over this clause), where a Participant's employment or term of office or engagement terminates for any reason other than death, Incapacity, Disability or Retirement, then:
- (i) any Restricted Share Units held by the Participant that have vested before the Termination Date shall be paid to the Participant. Any Restricted Share Units or Restricted Shares held by the Participant that are not yet vested at the Termination Date will be immediately cancelled and forfeited to the Corporation on the Termination Date;
 - (ii) the eligibility of a Participant to receive further grants under the Plan ceases as of the Termination Date; and
 - (iii) notwithstanding Sections 7.9(d)(i) and 7.9(d)(ii), unless the Committee, in its sole discretion, otherwise determines, at any time and from time to time, Restricted Share Units and Restricted Shares are not affected by a change of employment arrangement within or among the Corporation or an Affiliate for so long as the Participant continues to be an Employee of the Corporation or an Affiliate.

- (e) **Change of Control:** The occurrence of a Change of Control will not result in the vesting of Unvested Awards, provided that: (i) such Unvested Awards will continue to vest in accordance with the Plan and Award Agreement; and (ii) any Successor Entity agrees to assume the obligations of the Corporation in respect of such Unvested Awards.
- (f) **Termination Following a Change of Control:** Where a Participant's employment or term of office or engagement is terminated for any reason, other than for Cause, during the 24 months following a Change of Control, any Unvested Awards as at the date of such termination shall be deemed to have vested as at the date of such termination and shall become payable as at the date of termination.

7.10 Payment in Settlement of Restricted Share Units

When and if Restricted Share Units become payable, the Participant issued such units shall be entitled to receive payment from the Corporation in settlement of such units, Shares (issued from treasury) of equivalent value (based on the FMV, as defined in the Award Agreement at the time of grant or thereafter by the Committee).

ARTICLE 8 DEFERRED SHARES UNITS

8.1 Grant of Deferred Share Units

Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Deferred Share Units to Participants (other than those persons retained to provide Investor Relations Activities) in such amounts and upon such terms as the Committee shall determine.

8.2 Deferred Share Unit Agreement

Each Deferred Share Unit grant shall be evidenced by an Award Agreement that shall specify the number of Deferred Share Units granted, the settlement date for Deferred Share Units, and any other provisions as the Committee shall determine, including, but not limited to a requirement that Participants pay a stipulated purchase price for each Deferred Share Unit, restrictions based upon the achievement of specific performance criteria, time-based restrictions, restrictions under applicable laws or under the requirements of any stock exchange or market upon which the Shares are listed or traded, or holding requirements or sale restrictions placed on the Shares by the Corporation upon vesting of such Deferred Share Units.

8.3 Non-transferability of Deferred Share Units

Except as otherwise provided in this Plan or the Award Agreement, the Deferred Share Units granted herein may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, except to a Participant's RRSP or RRIF, provided that the Participant is, during the Participant's lifetime, the sole beneficiary of the RRSP or RRIF or a company that is wholly owned by an individual Participant provided that such company has complied with the requirements of section 2(c) of Policy 4.4 of the TSX Venture Exchange.

8.4 Termination of Employment, Consultancy or Directorship

Each Award Agreement shall set forth the extent to which the Participant shall have the right to retain, exercise or have settled Deferred Share Units following termination of the Participant's employment or other relationship with the Corporation or Affiliates. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Deferred Share Units issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination.

8.5 Vesting Restrictions

Deferred Share Units will vest on such terms as shall be specified by the Committee at the time of granting such Deferred Share Units and such vesting period shall be reflected in the Award Agreement. Except pursuant to Section 7.9(a) or Article 13, no Deferred Share Units may vest or become freely trading before the date that is one year following the date it is granted or issued.

ARTICLE 9 PERFORMANCE SHARES AND PERFORMANCE SHARE UNITS

9.1 Grant of Performance Shares and Performance Share Units

Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Performance Shares and/or Performance Share Units to Participants (other than those Persons retained to provide Investor Relations Activities) in such amounts and upon such terms as the Committee shall determine.

9.2 Value of Performance Shares and Performance Share Units

Each Performance Share and Performance Share Unit shall have an initial value equal to the FMV of a Share on the date of grant. The Committee shall set performance criteria for a Performance Period in its discretion, which, depending on the extent to which they are met, will determine, in the manner determined by the Committee and set forth in the Award Agreement, the value and/or number of each Performance Share or Performance Share Unit that will be paid to the Participant.

9.3 Vesting Restrictions

Performance Shares/Performance Share Units will vest on such terms as shall be specified by the Committee at the time of granting such Performance Shares/Performance Share Units and such vesting period shall be reflected in the Award Agreement. Except pursuant to Section 9.7(a) or Article 13, no Performance Shares/Performance Share Units may vest or become freely trading before the date that is one year following the date it is granted or issued.

9.4 Earning of Performance Shares and Performance Share Units

Subject to the terms of this Plan and the applicable Award Agreement, after the applicable Performance Period has ended, the holder of Performance Shares/Performance Share Units shall be entitled to receive payout on the value and number of Performance Shares/Performance Share Units, determined as a function of the extent to which the corresponding performance criteria have been achieved. Notwithstanding the

foregoing, the Corporation shall have the ability to require the Participant to hold any Shares received pursuant to such Award for a specified period of time.

9.5 Form and Timing of Payment of Performance Shares and Performance Share Units

Payment of vested Performance Shares/Performance Share Units shall be as determined by the Committee and as set forth in the Award Agreement. Subject to the terms of the Plan, the Committee will pay earned Performance Shares/Performance Share Units in the form of Shares issued from treasury equal to the value of the earned Performance Shares/Performance Share Units at the end of the applicable Performance Period. Any Shares may be granted subject to any restrictions deemed appropriate by the Committee.

9.6 Dividends and Other Distributions

The Committee shall determine whether Participants holding Performance Shares will receive Dividend Equivalents with respect to dividends declared with respect to the Shares. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee, in its sole discretion, may determine the form of payment of dividends or Dividend Equivalents, including cash, Shares, Performance Shares or Performance Share Units provided that any Dividend Equivalents paid in the form of additional, Performance Shares or Performance Share Units shall reduce the number of Shares available for issuance pursuant to Awards granted under the Plan. Dividend Equivalents credited as additional Performance Shares or Performance Share Units shall be subject to the same vesting conditions and settlement date as the Performance Shares or Performance Share Units to which they are attached.

9.7 Death, Incapacity and other Termination of Employment

- (a) Death or Incapacity: If a Participant dies or becomes Incapacitated while an Employee, Director of, or Consultant to, the Corporation or an Affiliate:
 - (i) the number of Performance Shares or Performance Share Units held by the Participant that have not vested (collectively referred to in this Section 9.7 as "Unvested Awards") shall be adjusted as set out in the applicable Award Agreement (collectively referred to in this Section 9.7 as "Deemed Awards");
 - (ii) any Deemed Awards shall vest immediately;
 - (iii) any Performance Shares and Performance Share Units held by the Participant that have vested (including Deemed Awards vested in accordance with Section 9.7(a)(ii)) shall be paid to the executor, liquidator or administrator of the Participant's estate in accordance with the terms of the Plan and Award Agreement; and
 - (iv) such Participant's eligibility to receive further grants of Performance Shares or Performance Share Units under the Plan ceases as of the Termination Date.

- (b) Disability: If a Participant suffers a Disability while an Employee, Officer, Director or Consultant of the Corporation or an Affiliate and as a result his or her employment with the company or Affiliate is terminated:
 - (i) Unvested Awards shall be reduced to be equal to the product of (A) the number of Unvested Awards; and (B) the fraction obtained when dividing (x) the number of calendar days from the date of the award of the Unvested Awards to the Termination Date and (y) the number of calendar days from the date of the award of the Unvested Awards to the original vesting date set out in the Award Agreement;
 - (ii) the number of Unvested Awards, as calculated pursuant to Section 9.7(b)(i), shall continue to vest in accordance with the terms of its Plan and Award Agreement; and
 - (iii) such Participant's eligibility to receive further grants of Performance Share Units or Performance Shares under the Plan ceases as of the Termination Date.
- (c) Retirement: If a Participant voluntarily Retires then:
 - (i) any Performance Shares or Performance Share Units held by the Participant that have vested before the Termination Date shall be paid to the Participant;
 - (ii) any Unvested Awards held by the Participant at the Termination Date (as defined at Section 9.7(e) below) shall continue to vest in accordance with the terms of the Plan and Award Agreement following the Termination Date until the earlier of: (i) the date determined by the Committee, in its sole discretion; (ii) the date that is 12 months after the Termination Date; and (iii) the date on which the Performance Share Units vest pursuant to the original Award Agreement in respect of such Unvested Awards; and
 - (iii) such Participant's eligibility to receive further grants of Performance Shares or Performance Share Units under the Plan ceases as of the Termination Date.
- (d) Termination other than death, Incapacity, Disability or Retirement: Unless determined otherwise by the Committee, or as may otherwise be set out in a Participant's employment agreement (which shall have paramountcy over this clause), where a Participant's employment or term of office or engagement terminates for any reason other than death, then:
 - (i) any Performance Share Units or Performance Shares held by the Participant that have vested before the Termination Date shall be paid to the Participant in accordance with the terms of the Plan and Award Agreement. Any Performance Shares Units or Performance Shares held by the Participant that are not yet vested at the Termination Date will be immediately cancelled and forfeited to the Corporation on the Termination Date;

- (ii) the eligibility of a Participant to receive further grants under the Plan ceases as of the Termination Date; and
 - (iii) notwithstanding Sections 9.7(d)(i) and 9.7(d)(ii) above, unless the Committee, in its sole discretion, otherwise determines, at any time and from time to time, Performance Share Units or Performance Shares are not affected by a change of employment arrangement within or among the Corporation or an Affiliate for so long as the Participant continues to be an Employee of the Corporation or an Affiliate.
- (e) Change of Control: The occurrence of a Change of Control will not result in the vesting of Unvested Awards, provided that:
- (i) such Unvested Awards will continue to vest in accordance with the Plan and the Award Agreement;
 - (ii) the level of achievement of Performance Goals for Fiscal Years completed prior to the date of the Change of Control shall be based on the actual performance achieved to the date of the Change of Control and the level of achievement of Performance Goals for Fiscal Years completed following the date of the Change of Control shall be based on the assumed achievement of 100% of the Performance Goals; and
 - (iii) any Successor Entity agrees to assume the obligations of the Corporation in respect of such Unvested Awards.
- (f) Termination following Change of Control: For the period of 24 months following a Change of Control, where a Participant's employment or term of office or engagement is terminated for any reason, other than for Cause:
- (i) any Unvested Awards as at the date of such termination shall be deemed to have vested as at the date of such termination and shall become payable as at the date of termination; and
 - (ii) the level of achievement of Performance Goals for any Unvested Awards that are deemed to have vested pursuant to (i) above, shall be based on the actual performance achieved at the end of the Fiscal Year immediately prior to the date of termination.

9.8 Non-transferability of Performance Shares and Performance Share Units

Except as otherwise provided in a Participant's Award Agreement at the time of grant or thereafter by the Committee, Performance Shares/Performance Share Units may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, except to a Participant's RRSP or RRIF, provided that the Participant is, during the Participant's lifetime, the sole beneficiary of the RRSP or RRIF or a company that is wholly owned by an individual Participant provided that such company has complied with the requirements of section 2(c) of Policy 4.4 of the TSX Venture Exchange.

ARTICLE 10 FULL VALUE SHARE-BASED AWARDS

10.1 Share-Based Awards

The Committee may, to the extent permitted by the Exchange, grant other types of equity-based or equity-related Awards not otherwise described by the terms of this Plan (including the grant or offer for sale of unrestricted Shares and issuance of unrestricted Shares in satisfaction of compensation (including salary, bonus or other incentive)) in such amounts and subject to such terms and conditions, including, but not limited to, being subject to performance criteria, or in satisfaction of such obligations, as the Committee shall determine; provided that the maximum number of Share-Based Awards issued in any calendar year shall not, when combined with any other Awards under any security based compensation arrangement of the Corporation exceed 10% of the total number of Shares issued and outstanding at any time.

10.2 Termination of Employment

Each Award Agreement shall set forth the extent to which the Participant shall have the right to receive Share-Based Awards following termination of the Participant's employment or other relationship with the Corporation or Affiliates. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Share-Based Awards issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination.

10.3 Non-transferability of Share-Based Awards

Except as otherwise provided in a Participant's Award Agreement at the time of grant or thereafter by the Committee, Share-Based Awards may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, except to a Participant's RRSP or RRIF, provided that the Participant is, during the Participant's lifetime, the sole beneficiary of the RRSP or RRIF or a company that is wholly owned by an individual Participant provided that such company has complied with the requirements of section 2(c) of Policy 4.4 of the TSX Venture Exchange.

ARTICLE 11 BENEFICIARY DESIGNATION

11.1 Beneficiary

A Participant's "beneficiary" is the person or persons entitled to receive payments or other benefits or exercise rights that are available under the Plan in the event of the Participant's death. A Participant may designate a beneficiary or change a previous beneficiary designation at such times as prescribed by the Committee and by using such forms and following such procedures approved or accepted by the Committee for that purpose. If no beneficiary designated by the Participant is eligible to receive payments or other benefits or exercise rights that are available under the Plan at the Participant's death, the beneficiary shall be the Participant's estate.

11.2 Discretion of the Committee

Notwithstanding the provisions above, the Committee may, in its discretion, after notifying the affected Participants, modify the foregoing requirements, institute additional requirements for beneficiary

designations, or suspend the existing beneficiary designations of living Participants or the process of determining beneficiaries under this Article 11, or both, in favor of another method of determining beneficiaries.

ARTICLE 12 RIGHTS OF PERSONS ELIGIBLE TO PARTICIPATE

12.1 Employment

- (a) Nothing in the Plan or an Award Agreement shall interfere with or limit in any way the right of the Corporation or an Affiliate to terminate any Participant's employment, consulting or other service relationship with the Corporation or an Affiliate at any time, nor confer upon any Participant any right to continue in the capacity in which he or she is employed or otherwise serves the Corporation or an Affiliate.
- (b) For purposes of the Plan, unless otherwise provided by the Committee, a transfer of employment of a Participant between the Corporation and an Affiliate or among Affiliates, shall not be deemed a termination of employment. The Committee may provide in a Participant's Award Agreement or otherwise the conditions under which a transfer of employment to an entity that is spun off from the Corporation or an Affiliate shall not be deemed a termination of employment for purposes of an Award.

12.2 Participation

No Participant shall have the right to be selected to receive an Award. No person selected to receive an Award shall have the right to be selected to receive a future Award, or, if selected to receive a future Award, the right to receive such future Award on terms and conditions identical or in proportion in any way to any prior Award.

12.3 Rights as a Shareholder

A Participant shall have none of the rights of a shareholder with respect to Shares covered by any Award until the Participant becomes the record holder of such Shares.

ARTICLE 13 CHANGE OF CONTROL

13.1 Accelerated Vesting and Payment

Subject to the provisions of Section 13.2 or as otherwise provided in the Plan or the Award Agreement, in the event of a Change of Control, the Committee shall have the discretion to unilaterally determine that all outstanding Awards shall be cancelled upon a Change of Control, and that the value of such Awards, as determined by the Committee in accordance with the terms of the Plan and the Award Agreements, shall be paid out in cash in an amount based on the Change of Control Price within a reasonable time subsequent to the Change of Control, subject to the approval of the Exchange.

13.2 Alternative Awards

Notwithstanding Section 13.1, no cancellation, acceleration of vesting, lapsing of restrictions or payment of an Award shall occur with respect to any Award if the Committee reasonably determines in good faith prior to the occurrence of a Change of Control that such Award shall be honored or assumed, or new rights substituted therefor (with such honored, assumed or substituted Award hereinafter referred to as an "**Alternative Award**") by any successor to the Corporation or an Affiliate as described in Article 15; provided, however, that any such Alternative Award must:

- (a) be based on stock which is traded on the Exchange and/or the Toronto Stock Exchange;
- (b) provide such Participant with rights and entitlements substantially equivalent to or better than the rights, terms and conditions applicable under such Award, including, but not limited to, an identical or better exercise or vesting schedule (including vesting upon termination of employment) and identical or better timing and methods of payment;
- (c) recognize, for the purpose of vesting provisions, the time that the Award has been held prior to the Change of Control; and
- (d) have substantially equivalent economic value to such Award (determined prior to the time of the Change of Control).

ARTICLE 14 AMENDMENT, MODIFICATION, SUSPENSION AND TERMINATION

14.1 Amendment, Modification, Suspension and Termination

- (a) Subject to any applicable rules of the Exchange, the Board or Committee may from time to time, in its absolute discretion and without the approval of shareholders, make the following amendments to the Plan or any Award:
 - (i) amend the vesting provisions of any Option or any Award;
 - (ii) amend the Plan, an Award as necessary to comply with applicable law or the requirements of the Exchange or any other regulatory body having authority over the Corporation, the Plan or the shareholders;
 - (iii) any amendment of a "housekeeping" nature, including, without limitation, to clarify the meaning of an existing provision of the Plan, correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan, correct any grammatical or typographical errors or amend the definitions in the Plan regarding administration of the Plan; and
 - (iv) any amendment respecting the administration of the Plan; and
 - (v) any other amendment that does not require the approval of shareholders under this Article 14.

- (b) Shareholder approval is required for any of the following amendments to the Plan or any Awards and with respect to those amendments listed in Section 14.1(b)(i) to (vi) Disinterested Shareholder Approval is required:
- (i) any individual Award grant or amendment to this Plan that would result in or permit the maximum aggregate number of Shares which may be issued under Awards granted or issued to Insiders (as a group) to exceed ten percent 10% of the issued and outstanding Shares at any point in time;
 - (ii) any individual Award grant or amendment to this Plan that would result in or permit the grant to Insiders (as a group), within a twelve (12) month period, of an aggregate number of Shares exceeding ten percent (10%) of the issued and outstanding Shares, calculated on the date the Award is granted to any Insider;
 - (iii) any individual Award grant or amendment to this Plan that would result in or permit the number of Shares issued to any individual in any twelve (12) month period under this Plan to exceed five percent (5%) of the issued and outstanding Shares of the Corporation;
 - (iv) any reduction in the exercise price of an Option, or the extension of the term of an Option, if the Participant is an Insider of the Corporation at the time of the proposed amendment;
 - (v) any amendment to an Award that results in a benefit to an Insider, and for further clarity, if the Corporation cancels any Award and within one year grants or issues a new Award to the same person, that is considered an amendment;
 - (vi) any individual Award grant that would result in the Total Share Authorization being exceeded;
 - (vii) any change that would materially modify the eligibility requirements for participation in this Plan;
 - (viii) an increase to the Total Share Authorization;
 - (ix) any amendment that would extend the maximum allowable term of any Award; and
 - (x) any amendment to Section 14.1(a) and Section 14.1(b).
- (c) Other than as expressly provided in an Award Agreement or as set out in Section 13.2 hereof or with respect to a Change of Control, the Committee shall not alter or impair any rights or increase any obligations with respect to an Award previously granted under the Plan without the consent of the Participant.

14.2 Adjustment of Awards Upon the Occurrence of Unusual or Nonrecurring Events

Subject to the approval of the Exchange, the Committee may make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events in addition to the

events described in Section 4.2 hereof affecting the Corporation or the financial statements of the Corporation or of changes in applicable laws, regulations or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent unintended dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Participants under the Plan.

14.3 Awards Previously Granted

Notwithstanding any other provision of the Plan to the contrary, no termination, amendment, suspension or modification of the Plan shall adversely affect in any material way any Award previously granted under the Plan, without the written consent of the Participant holding such Award.

ARTICLE 15 WITHHOLDING

15.1 Withholding

The Corporation or any Affiliate shall have the power and the right to deduct or withhold, or require a Participant to remit to the Corporation or any Affiliate, an amount sufficient to satisfy federal, state and local taxes or provincial, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising or as a result of this Plan or any Award hereunder. The Committee may provide for Participants to satisfy withholding requirements by having the Corporation withhold and sell Shares or the Participant making such other arrangements, including the sale of Shares, in either case on such conditions as the Committee specifies.

15.2 Acknowledgement

In each respective Award Agreement, (i) the Participant shall acknowledge and agree that the ultimate liability for all taxes legally payable by Participant is and remains Participant's responsibility and may exceed the amount actually withheld by the Corporation, (ii) the Participant shall further acknowledge that the Corporation: (A) makes no representations or undertakings regarding the treatment of any taxes in connection with any aspect of this Plan; and (B) does not commit to and is under no obligation to structure the terms of this Plan to reduce or eliminate Participant's liability for taxes or achieve any particular tax result, and (iii) further, if the Participant has become subject to tax in more than one jurisdiction, the Participant shall acknowledge that the Corporation may be required to withhold or account for taxes in more than one jurisdiction.

ARTICLE 16 SUCCESSORS

Any obligations of the Corporation or an Affiliate under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Corporation or Affiliate, respectively, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation or otherwise, of all or substantially all of the businesses and/or assets of the Corporation or Affiliate, as applicable.

ARTICLE 17 GENERAL PROVISIONS

17.1 Forfeiture Events

Without limiting in any way the generality of the Committee's power to specify any terms and conditions of an Award consistent with law, and for greater clarity, the Participant's rights, payments and benefits with respect to an Award shall, at the sole discretion of the Committee, be subject to reduction, cancellation, forfeiture of any vested and unvested Awards or recoupment of any payments or settlements made in the current Fiscal Year or immediately prior Fiscal Year (provided such determination is made within 45 days of the end of that Fiscal Year) upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such specified events shall include, but shall not be limited to, any of: (a) the Participant's failure to accept the terms of the Award Agreement, violation of material Corporation and Affiliate policies, breach of noncompetition, confidentiality, nonsolicitation, noninterference, corporate property protection or other agreements that may apply to the Participant, or other conduct by the Participant that is detrimental to the business or reputation of the Corporation and Affiliates; (b) the Participant's misconduct, fraud, gross negligence; and (c) the restatement of the financial statements of the Corporation that resulted in Awards which should not have vested, settled, or been paid had the original financial statements been properly stated. Except as expressly otherwise provided in this Plan or an Award Agreement, the termination and the expiry of the period within which an Award will vest and may be exercised by a Participant shall be based upon the last day of actual service by the Participant to the Corporation and specifically does not include any period of notice that the Corporation may be required to provide to the Participant under applicable employment law.

17.2 Legend

The certificates for Shares may include any legend that the Committee deems appropriate to reflect any restrictions on transfer of such Shares.

17.3 Delivery of Title

The Corporation shall have no obligation to issue or deliver evidence of title for Shares issued under the Plan prior to:

- (a) Obtaining any approvals from governmental agencies that the Corporation determines are necessary or advisable; and
- (b) Completion of any registration or other qualification of the Shares under any applicable law or ruling of any governmental body that the Corporation determines to be necessary or advisable.

17.4 Investment Representations

The Committee may require each Participant receiving Shares pursuant to an Award under this Plan to represent and warrant in writing that the Participant is acquiring the Shares for investment and without any present intention to sell or distribute such Shares.

17.5 Uncertificated Shares

To the extent that the Plan provides for issuance of certificates to reflect the transfer of Shares, the transfer of such Shares may be effected on a non certificated basis to the extent not prohibited by applicable law or the rules of any applicable stock exchange.

17.6 Unfunded Plan

Participants shall have no right, title or interest whatsoever in or to any investments that the Corporation or an Affiliate may make to aid it in meeting its obligations under the Plan. Nothing contained in the Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Corporation or an Affiliate and any Participant, beneficiary, legal representative or any other person. Awards shall be general unsecured obligations of the Corporation, except that if an Affiliate executes an Award Agreement instead of the Corporation the Award shall be a general unsecured obligation of the Affiliate and not any obligation of the Corporation. To the extent that any individual acquires a right to receive payments from the Corporation or an Affiliate, such right shall be no greater than the right of an unsecured general creditor of the Corporation or Affiliate, as applicable. All payments to be made hereunder shall be paid from the general funds of the Corporation or Affiliate, as applicable, and no special or separate fund shall be established and no segregation of assets shall be made to assure payment of such amounts except as expressly set forth in the Plan.

17.7 No Fractional Shares

No fractional Shares shall be issued or delivered pursuant to the Plan or any Award Agreement. In such an instance, unless the Committee determines otherwise, fractional Shares and any rights thereto shall be forfeited or otherwise eliminated.

17.8 Other Compensation and Benefit Plans

Nothing in this Plan shall be construed to limit the right of the Corporation or an Affiliate to establish other compensation or benefit plans, programs, policies or arrangements. Except as may be otherwise specifically stated in any other benefit plan, policy, program or arrangement, no Award shall be treated as compensation for purposes of calculating a Participant's rights under any such other plan, policy, program or arrangement.

17.9 No Constraint on Corporate Action

Nothing in this Plan shall be construed (i) to limit, impair or otherwise affect the Corporation's or an Affiliate's right or power to make adjustments, reclassifications, reorganizations or changes in its capital or business structure, or to merge or consolidate, or dissolve, liquidate, sell or transfer all or any part of its business or assets, or (ii) to limit the right or power of the Corporation or an Affiliate to take any action which such entity deems to be necessary or appropriate.

17.10 Compliance with Canadian Securities Laws

All Awards and the issuance of Shares underlying such Awards issued pursuant to the Plan will be issued pursuant to an exemption from the prospectus requirements of Canadian securities laws where applicable.

ARTICLE 18 LEGAL CONSTRUCTION

18.1 Gender and Number

Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine, the plural shall include the singular, and the singular shall include the plural.

18.2 Severability

In the event any provision of this Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

18.3 Requirements of Law

The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules and regulations, including for greater certainty Policy 4.4. of the TSX Venture Exchange, and to such approvals by any governmental agencies or securities exchanges as may be required. The Corporation or an Affiliate shall receive the consideration required by law for the issuance of Awards under the Plan. The inability of the Corporation or an Affiliate to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Corporation or an Affiliate to be necessary for the lawful issuance and sale of any Shares hereunder, shall relieve the Corporation or Affiliate of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

18.4 Governing Law

The Plan and each Award Agreement shall be governed by the laws of the Province of Ontario excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction.

18.5 Compliance with Section 409A of the Code

- (a) To the extent the Plan is applicable to a particular Participant subject to the Code, it is intended that this Plan and any Awards made hereunder shall not provide for the payment of "deferred compensation" within the meaning of Section 409A of the Code or shall be structured in a manner and have such terms and conditions that would not cause such a Participant to be subject to taxes and interest pursuant to Section 409A of the Code. This Plan and any Awards made hereunder shall be administered and interpreted in a manner consistent with this intent.
- (b) To the extent that any amount or benefit in favour of a Participant who is subject to the Code would constitute "deferred compensation" for purposes of Section 409A of the Code would otherwise be payable or distributable under this Plan or any Award Agreement by reason of the occurrence of a Change of Control or the Participant's disability or separation from service, such amount or benefit will not be payable or distributable to the Participant by reason of such circumstance unless: (i) the circumstances giving rise to such Change of Control, disability or separation from service meet the description or definition of "change

in control event," "disability," or "separation from service," as the case may be, in Section 409A of the Code and applicable proposed or final Treasury regulations thereunder, and (ii) the payment or distribution of such amount or benefit would otherwise comply with Section 409A of the Code and not subject the Participant to taxes and interest pursuant to Section 409A of the Code. This provision does not prohibit the vesting of any Award or the vesting of any right to eventual payment or distribution of any amount or benefit under this Plan or any Award Agreement.

- (c) The Committee shall use its reasonable discretion to determine the extent to which the provisions of this Article 18.5 will apply to a Participant who is subject to taxation under the ITA.

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This Plan amends and restates in its entirety the omnibus equity incentive compensation plan of the Corporation previously approved by the shareholders of Crystal Peak Minerals Inc. on December 15, 2021.

SCHEDULE B
AUDIT COMMITTEE CHARTER



Western Exploration
A Legacy of Discovery

AUDIT COMMITTEE CHARTER

Effective as of December 22, 2021

WESTERN EXPLORATION INC.

AUDIT COMMITTEE CHARTER

The term "**Corporation**" herein shall refer to Western Exploration Inc. and the term "**Committee**" shall refer to the Audit Committee of the Corporation.

1. PURPOSE

The Committee is a committee of the Board of Directors (the "**Board**"). Its primary function shall be to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting and disclosure requirements, the overall maintenance of the systems of internal controls that management has established and the overall responsibility for the Corporation's external and internal audit processes. The Committee's primary duties and responsibilities are to:

- (a) conduct such reviews and discussions with management and the external auditors relating to audit and financial reporting as are deemed appropriate by the Committee;
- (b) assess the integrity of internal controls and financial reporting procedures of the Corporation and ensure implementation of such controls and procedures;
- (c) review the quarterly and annual financial statements and management's discussion and analysis of the Corporation's financial position and operating results and in the case of the annual financial statements and related management's discussion and analysis, report thereon to the Board for approval of same;
- (d) select and monitor the independence and performance of the Corporation's external auditors, including attending private meetings with the external auditors and reviewing and approving all renewals or dismissals of the external auditors and their remuneration; and
- (e) provide oversight of all disclosure relating to, and information derived from, financial statements, management's discussion and analysis and information.

The Committee shall have the power to conduct or authorize investigations appropriate to its responsibilities, and it may request the external auditors, as well as any officer or employee of the Corporation, its external legal counsel or external auditor to attend a meeting of the Committee or to meet with any member(s) or advisors of the Committee.

The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties.

The Committee shall be accountable to the Board. In the course of fulfilling its specific responsibilities hereunder, the Committee shall maintain an open communication between the Corporation's outside auditor and the Board. The responsibilities of a member of the Committee shall be in addition to such member's duties as a member of the Board.

The Committee has the duty to determine whether the Corporation's financial disclosures are complete, accurate, are in accordance with international financial reporting standards ("IFRS") and fairly present the financial position and risks of the organization. The Committee should, where it deems appropriate, resolve

disagreements, if any, between management and the external auditor, and review compliance with laws and regulations and the Corporation's own policies.

The Committee will provide the Board with such recommendations and reports with respect to the financial disclosures of the Corporation, as it deems advisable.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in this Charter.

2. AUTHORITY OF THE AUDIT COMMITTEE

The Committee shall have the authority to:

- (a) engage independent counsel and other advisors as it deems necessary to carry out its duties;
- (b) set and pay the compensation for advisors employed by the Committee; and
- (c) communicate directly with the internal and external auditors.

3. MEMBERSHIP AND COMPOSITION

The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including, without limitation, those of the British Columbia Securities Commission ("**BCSC**"), the TSX Venture Exchange ("**TSXV**"), the *Business Corporations Act* (British Columbia) ("**BCBCA**") and all applicable securities regulatory authorities.

- (a) The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. Unless a chair (the "**Chair**") is elected by the Board, the members of the Committee shall designate from amongst themselves by an affirmative vote of the majority of the full Committee a member who shall serve as Chair. The position description and responsibilities of the Chair are set out in Schedule "A" attached hereto.
- (b) Each member of the Committee shall be "independent" and "financially literate", except as otherwise permitted under the limited exceptions as set out in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). An "independent" director is a director who has no direct or indirect material relationship with the Corporation. A "material relationship" is a relationship which, in the view of the Board, could be reasonably expected to interfere with the exercise of the director's independent judgement or a relationship deemed to be a material relationship pursuant to Sections 1.4 and 1.5 of NI 52-110, as set out in Schedule "B" hereto. A "financially literate" director is a director who has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the accounting issues that can be reasonably expected to be raised in the Corporation's financial statements.
- (c) Each member of the Committee shall sit at the pleasure of the Board, and in any event, only so long as he or she shall be independent. The Committee shall report to the Board.

4. MEETINGS OF THE COMMITTEE

- (a) The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. The quorum shall be reached when at least 50% of the members of the Committee are present, either in person or by telephone.
- (b) If within one hour of the time planned for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the next business day following the date of such meeting and shall be at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting and shall be at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present (a **"Reduced Quorum"**).
- (c) If, and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office or, if applicable, a Reduced Quorum is present in respect of a specific Committee meeting.
- (d) The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours' notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
- (e) Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
- (f) The Committee shall keep minutes of its meetings, which shall be available for review by the Board at any time. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
- (g) Any director of the Corporation may attend meetings of the Committee, and the Committee may invite such officers and employees of the Corporation and its subsidiaries as the Committee may see fit, from time to time, to attend at meetings of the Committee.
- (h) Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. The Committee shall report its determinations to the Board at the next scheduled meeting of the Board, or earlier as the Committee deems necessary. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation, other than

those relating to non-audit services and annual audit fees which do not require the approval of the Board.

- (i) The Committee members will be elected annually at the first meeting of the Board following the annual general meeting of shareholders.
- (j) The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.

5. RESPONSIBILITIES

5.1 Financial Accounting and Reporting Processes and Internal Controls

- (a) The Committee shall review the annual audited and interim financial statements and related management's discussion and analysis before the Corporation publicly discloses this information to satisfy itself that the financial statements are presented in accordance with applicable accounting principles and in the case of the annual audited financial statements and related management's discussion and analysis, report thereon and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the external auditors as and when the Committee deems it appropriate to do so. The Committee shall consider whether the Corporation's financial disclosures are complete, accurate, prepared in accordance with International Financial Reporting Standards and fairly present the financial position of the Corporation. The Committee shall also satisfy itself that, in the case of the annual financial statements, the audit function has been effectively carried out by the auditors and, in the case of the interim financial statements that the review function has been effectively carried out.
- (b) The Committee shall ensure internal control procedures are reviewed at least twice annually.
- (c) The Committee shall be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, management's discussion and analysis and annual and interim earnings press releases, and periodically assess the adequacy of these procedures in consultation with any disclosure committee of the Corporation.
- (d) The Committee shall review any press releases containing disclosure regarding financial information that are required to be reviewed by the Committee under any applicable laws or otherwise pursuant to the policies of the Corporation (including before the Corporation publicly discloses this information).
- (e) The Committee shall meet no less than annually with the external auditors and the Chief Financial Officer (the "CFO") or, in the absence of a CFO, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, CFO or, in the absence of a CFO, the officer of the Corporation in charge of financial matters, deem appropriate.

- (f) The Committee shall inquire of management and the external auditors about significant financial and internal control risks or exposures and assess the steps management has taken to minimize such risks.
- (g) The Committee shall review the post-audit or management letter, if any, containing the recommendations of the external auditors and management's response and subsequent follow-up to any identified weaknesses.
- (h) The Committee shall periodically review and make recommendations regarding the Business Conduct and Ethics Policy adopted by the Board;
- (i) The Committee shall follow procedures established as set out in the Whistleblower Policy of the Corporation, for:
 - (i) the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, auditing matters or violations to the Corporation's Business Conduct and Ethics Policy; and
 - (ii) the submission by employees, consultants, contractors, directors or officers of the Corporation, on a confidential and anonymous basis, of concerns regarding questionable accounting, auditing matters or violations to the Corporation's Business Conduct and Ethics Policy.
- (j) The Committee shall ensure that management establishes and maintains an appropriate budget process, which shall include the preparation and delivery of periodic reports from the CFO to the Committee comparing actual spending to the budget. The budget shall include assumptions regarding economic parameters that are well supported and shall take into account the risks facing the Corporation.
- (k) The Committee shall provide oversight of the Corporation's policies, procedures and practices with respect to compliance with the *Extractive Sector Transparency Measures Act* (Canada) (the "ESTMA") and similar applicable legislation, and shall ensure compliance with such legislation. This shall include confirming that management has established and maintains appropriate record-keeping procedures with respect to payments made to all levels of government in Canada and abroad in connection with its exploration and development activities as prescribed by the ESTMA and similar applicable legislation, including the timely filing of requisite annual reports and ensuring the public accessibility of such reports. The Committee shall be responsible for monitoring and obtaining regular updates from management to ensure the maintenance of the Corporation's report filings under the ESTMA and similar applicable legislation.
- (l) The Committee shall have the authority to adopt such policies and procedures, as it deems appropriate to operate effectively.

6. INDEPENDENT AUDITORS

- (a) The Committee shall recommend to the Board the external auditors to be nominated for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Corporation, shall set the compensation for the external auditors, provide oversight of the external auditors and shall ensure that the external auditors report directly to the Committee.

- (b) The Committee shall ensure that procedures are in place to assess the audit activities of the independent auditors and the internal audit functions.
- (c) The pre-approval of the Committee shall be required as further set out in Schedule "C" prior to the undertaking of any non-audit services not prohibited by law to be provided by the external auditors in accordance with this Charter.
- (d) The Committee shall monitor and assess the relationship between management and the external auditors and monitor, support and assure the independence and objectivity of the external auditors and attempt to resolve disagreements between management and the external auditors regarding financial reporting.
- (e) The Committee shall review the external auditors' audit plan, including the scope, procedures and timing of the audit.
- (f) The Committee shall review the results of the annual audit with the external auditors, including matters related to the conduct of the audit.
- (g) The Committee shall obtain timely reports from the external auditors describing critical accounting policies and practices, alternative treatments of information within International Financial Reporting Standards that were discussed with management, their ramifications, and the external auditors' preferred treatment and material written communications between the Corporation and the external auditors.
- (h) The Committee shall review fees paid by the Corporation to the external auditors and other professionals in respect of audit and non-audit services on an annual basis.
- (i) The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Corporation.
- (j) The Committee shall have the authority to engage the external auditors to perform a review of the interim financial statements.
- (k) Develop an annual work plan that ensure that the Committee carries out its responsibilities.

6.2 Other Responsibilities

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

SCHEDULE "A"
POSITION DESCRIPTION FOR THE CHAIR OF THE AUDIT COMMITTEE

1. PURPOSE

The chair (the "**Chair**") of the Audit Committee (the "**Committee**") shall be an independent director who is elected by the board of directors (the "**Board**") or designated by majority vote of the Committee to act as the leader of the Committee in assisting the Board in fulfilling its financial reporting and control responsibilities to the shareholders of Western Exploration Inc. (the "**Corporation**").

2. WHO MAY BE CHAIR

The Chair will be selected from amongst the independent directors of the Corporation who have a sufficient level of financial sophistication and experience in dealing with financial issues to ensure the leadership and effectiveness of the Committee.

The Chair will be selected annually at the first meeting of the Board following the annual general meeting of shareholders or designated by majority vote of the Committee.

3. RESPONSIBILITIES

The following are the primary responsibilities of the Chair:

- (a) chair all meetings of the Committee in a manner that promotes meaningful discussion;
- (b) ensure adherence to the Committee's Charter and that the adequacy of the Committee's Charter is reviewed annually;
- (c) provide leadership to the Committee to enhance the Committee's effectiveness, including:
 - (i) act as liaison and maintain communication with the Board to optimize and coordinate input from directors, and to optimize the effectiveness of the Committee. This includes ensuring that Committee materials are available to any director upon request and reporting to the Board on all decisions of the Committee at the first meeting of the Board after each Committee meeting and at such other times and in such manner as the Committee considers advisable;
 - (ii) ensure that the Committee works as a cohesive team with open communication, as well as to ensure open lines of communication among the independent auditors, financial and senior management and the Board for financial and control matters;
 - (iii) ensure that the resources available to the Committee are adequate to support its work and to resolve issues in a timely manner;
 - (iv) ensure that the Committee serves as an independent and objective party to monitor the Corporation's financial reporting process and internal control systems, as well as to monitor the relationship between the Corporation and the independent auditors to ensure independence;
 - (v) ensure that procedures as determined by the Committee are in place to assess the audit activities of the independent auditors and the internal audit functions; and

- (vi) ensure that procedures as determined by the Committee are in place to review the Corporation's public disclosure of financial information and assess the adequacy of such procedures periodically, in consultation with any disclosure committee of the Corporation;
- (d) ensure that procedures as determined by the Committee are in place for dealing with complaints received by the Corporation regarding accounting, internal controls and auditing matters, and for employees to submit confidential anonymous concerns;
- (e) manage the Committee, including:
 - (i) adopt procedures to ensure that the Committee can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings;
 - (ii) prepare the agenda of the Committee meetings and ensure pre-meeting material is distributed in a timely manner and is appropriate in terms of relevance, efficient format and detail;
 - (iii) ensure meetings are appropriate in terms of frequency, length and content;
 - (iv) obtain a report from the independent auditors on an annual basis, review the report with the Committee and arrange meetings with the auditors and financial management to review the scope of the proposed audit for the current year, its staffing and the audit procedures to be used;
 - (v) oversee the Committee's participation in the Corporation's accounting and financial reporting process and the audits of its financial statements;
 - (vi) ensure that the auditor's report directly to the Committee, as representatives of the Corporation's shareholders;
 - (vii) annually review with the Committee its own performance, report annually to the Board on the role of the Committee and the effectiveness of the Committee in contributing to the effectiveness of the Board;
 - (viii) together with the Board, oversee the structure, composition and membership of, and activities delegated to, the Committee from time to time; and
- (f) perform such other duties as may be delegated from time to time to the Chair by the Board.

SCHEDULE "B"
NATIONAL INSTRUMENT 52-110 AUDIT COMMITTEES ("NI 52-110")

Section 1.4 – Meaning of Independence

1. An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.
2. For the purposes of subsection (1), a "material relationship" is a relationship, which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgment.
3. Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:
 - (a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;
 - (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
 - (c) an individual who:
 - (i) is a partner of a firm that is the issuer's internal or external auditor,
 - (ii) is an employee of that firm, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
 - (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
 - (e) is a partner of a firm that is the issuer's internal or external auditor,
 - (f) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
 - (g) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
 - (h) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer's current executive officers serves or served at that same time on the entity's compensation committee; and
 - (i) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than \$75,000 in direct compensation from the issuer during any 12 month period within the last three years.
4. Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because:

- (a) he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2004; or
 - (b) he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2005.
5. For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.
6. For the purposes of clause (3)(f), direct compensation does not include:
- (a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and
 - (b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.
7. Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member
- (a) has previously acted as an interim chief executive officer of the issuer, or
 - (b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.
8. For the purpose of section 1.4, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

Section 1.5 – Additional Independence Requirements for Audit Committee Members

9. Despite any determination made under section 1.4 of NI 52-110, an individual who
- (a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice- chair of the board or any board committee; or
 - (b) is an affiliated entity of the issuer or any of its subsidiary entities, is considered to have a material relationship with the issuer.
10. For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by
- (a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or
 - (b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar

positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.

11. For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

SCHEDULE "C"
PROCEDURES FOR APPROVAL OF NON-AUDIT SERVICES

1. The Corporation's external auditors shall be prohibited from performing for the Corporation the following categories of non-audit services:
 - (a) bookkeeping or other services related to the Corporation's accounting records or financial statements;
 - (b) appraisal or valuation services, fairness opinion or contributions-in-kind reports;
 - (c) actuarial services;
 - (d) internal audit outsourcing services;
 - (e) management functions;
 - (f) human resources;
 - (g) broker or dealer, investment adviser or investment banking services;
 - (h) legal services; and
 - (i) any other service that the Canadian Public Accountability Board or International Accounting Standards Board or other analogous board which may govern the Corporation's accounting standards, from time to time determines is impermissible.

2. In the event that the Corporation wishes to retain the services of the Corporation's external auditors for tax compliance, tax advice or tax planning, the Chief Financial Officer of the Corporation shall consult with the Chair of the Committee, who shall have the authority, subject to confirmation that such services will not compromise the independence of the Corporation's external auditors, to approve or disapprove on behalf of the Committee, such non-audit services. All other non-audit services shall be approved or disapproved by the Committee as a whole.

The Chief Financial Officer of the Corporation shall maintain a record of non-audit services approved by the Chair of the Committee or the Committee for each fiscal year and provide a report to the Committee no less frequently than on a quarterly basis.

