



## **BLUE MOON METALS INC.**

1200 – 1166 Alberni Street  
Vancouver, British Columbia  
Canada V6E 3Z3

### **MANAGEMENT INFORMATION CIRCULAR**

as at **June 26, 2023**

**This management information circular (“Circular”) is furnished in connection with the solicitation of proxies by management of Blue Moon Metals Inc. (the “Company”) for use at the annual general meeting (the “Meeting”) of shareholders of the Company (the “Shareholders”) to be held on August 1, 2023 and any adjournment thereof, for the purposes set forth in the attached Notice of Annual General Meeting. Except where otherwise indicated, the information contained herein is stated as of June 26, 2023.**

In this Circular, references to the “**Company**” and “**we**” refer to Blue Moon Metals Inc. “**Common Shares**” means common shares without par value in the capital of the Company. “**Registered Shareholders**” means Shareholders whose names appear on the records of the Company as the registered holders of Common Shares. “**Non-Registered Shareholders**” means Shareholders who do not hold Common Shares in their own name. “**Intermediaries**” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Non-Registered Shareholders.

### **GENERAL PROXY INFORMATION**

#### **Solicitation of Proxies**

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged to send meeting materials directly to Registered Shareholders, as well as Non-Registered Shareholders who have consented to their ownership information being disclosed by the Intermediary holding the Common Shares on their behalf (non-objecting beneficial owners). We have not arranged for Intermediaries to forward the meeting materials to Non-Registered Shareholders who have objected to their ownership information being disclosed by the Intermediary holding the Common Shares on their behalf (objecting beneficial owners) under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”). As a result, objecting beneficial owners will not receive the Circular and associated meeting materials unless their Intermediary assumes the costs of delivery.

#### **Appointment and Revocation of Proxies**

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

If you are a Registered Shareholder you may wish to vote by proxy whether or not you are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by completing, dating and signing the enclosed form of proxy and returning it to the Company’s transfer agent, Computershare Trust Company of Canada (“**Computershare**”), in accordance with the instructions on the Proxy.

In all cases you should ensure that the Proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used.

Every Proxy may be revoked by an instrument in writing:

- (i) executed by the Shareholder or by his/her attorney authorized in writing or, where the Shareholder is a company, by a duly authorized officer or attorney of the company; and
- (ii) delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, at which the Proxy is to be used, or to the chairman of the Meeting on the day of the Meeting or any adjournment thereof,

or in any other manner provided by law.

**Only Registered Shareholders have the right to revoke a Proxy. Non-Registered Shareholders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries to revoke the Proxy on their behalf.** If you are a Non-Registered Shareholder, see "Voting by Non-Registered Shareholders" below for further information on how to vote your Common Shares.

#### **Exercise of Discretion by Proxyholder**

If you vote by proxy, the persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

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

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

#### **Voting by Non-Registered Shareholders**

The following information is of significant importance to Shareholders who do not hold Common Shares in their own name. Non-Registered Shareholders should note that the only Proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders.

If Common Shares are listed in an account statement provided to a Shareholder by an Intermediary, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the name of the Shareholder's Intermediary or an agent of that Intermediary. In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co. (the registration name for as the Depository Trust Company, which acts as nominee for many U.S. brokerage firms), and in Canada, under the name of CDS & Co. (the registration name for the Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

If you have consented to disclosure of your ownership information, you will receive a request for voting instructions from the Company (through Computershare). If you have declined to disclose your ownership information, you may receive a request for voting instructions from your Intermediary if they have assumed the cost of delivering the

Circular and associated meeting materials. Every Intermediary has its own mailing procedures and provides its own return instructions to clients. However, most Intermediaries now delegate responsibility for obtaining voting instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in the United States and in Canada.

If you are a Non-Registered Shareholder, you should carefully follow the instructions on the voting instruction form received from Computershare or Broadridge in order to ensure that your Common Shares are voted at the Meeting. The voting instruction form supplied to you will be similar to the Proxy provided to the Registered Shareholders by the Company. However, its purpose is limited to instructing the Intermediary on how to vote on your behalf.

The voting instruction form sent by Computershare or Broadridge will name the same persons as the Company’s proxy to represent you at the Meeting. Although as a Non-Registered Shareholder you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your Intermediary, you, or a person designated by you (who need not be a Shareholder), may attend at the Meeting as Proxyholder for your Intermediary and vote your Common Shares in that capacity. To exercise this right to attend the meeting or appoint a Proxyholder of your own choosing, you should insert your own name or the name of the desired representative in the blank space provided in the voting instruction form. Alternatively, you may provide other written instructions requesting that you or your desired representative attend the Meeting as Proxyholder for your Intermediary. The completed voting instruction form or other written instructions must then be returned in accordance with the instructions on the form.

**If you receive a voting instruction form from Computershare or Broadridge, you cannot use it to vote Common Shares directly at the Meeting – the voting instruction form must be completed as described above and returned in accordance with its instructions well in advance of the Meeting in order to have the Common Shares voted.**

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

Except as disclosed herein, no person has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of directors and as set out herein. For the purpose of this paragraph, “person” shall include each person: (a) who has been a director, senior officer or insider of the Company at any time since the commencement of the Company’s last fiscal year; (b) who is a proposed nominee for election as a director of the Company; or (c) who is an associate or affiliate of a person included in subparagraphs (a) or (b).

#### **RECORD DATE AND QUORUM**

The board of directors (the “**Board**”) of the Company has fixed the record date for the Meeting as the close of business on June 26, 2023 (the “**Record Date**”). Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote their Common Shares at the Meeting, except to the extent that any such Shareholder transfers any Common Shares after the Record Date and the transferee of those Common Shares establishes that the transferee owns the Common Shares and demands, not less than ten (10) days before the Meeting, that the transferee’s name be included in the list of Shareholders entitled to vote at the Meeting, in which case, only such transferee shall be entitled to vote such Common Shares at the Meeting.

Under the Company’s articles, the quorum for the transaction of business at a meeting of shareholders is one person who is a shareholder, or who is otherwise permitted to vote shares of the Company at a meeting of shareholders, present in person or by proxy.

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

On the Record Date, there were 26,404,086 Common Shares issued and outstanding, with each Common Share carrying the right to one vote. Only Shareholders of record at the close of business on the Record Date will be entitled to vote in person or by Proxy at the Meeting or any adjournment thereof.

To the knowledge of the directors and executive officers of the Company, as of the date of this Circular, no Shareholders beneficially own, or exercise control or direction, directly or indirectly, Common Shares carrying 10% or more of the votes attached to Common Shares.

## PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Company's directors, the only matters to be placed before the Meeting are those set forth in the accompanying Notice of Meeting and more particularly discussed below.

### Presentation of Financial Statements

The annual financial statements of the Company for the financial year ended December 31, 2022, together with the auditor's report thereon, will be placed before the Meeting. The Company's financial statements are available on the System of Electronic Document Analysis and Retrieval (SEDAR) website at [www.sedar.com](http://www.sedar.com).

### Election of Directors

The Company proposes to fix the number of directors of the Company at three (3) and to nominate the persons listed below for election as directors. Each director will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated. Management does not contemplate that any of the nominees will be unable to serve as a director. If, prior to the Meeting, any vacancies occur in the slate of nominees herein listed, it is intended that discretionary authority shall be exercised by the person named in the Proxy as nominee to vote the Common Shares represented by Proxy for the election of any other person or persons as directors.

The following table sets out the names of the management nominees; their positions and offices in the Company; principal occupations; the period of time that they have been directors of the Company; and the number of Common Shares which each beneficially owns or over which control or direction is exercised.

Name, Residence and Present Position within the Company	Director Since	Number of Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Discretion is Exercised <sup>(1)</sup>	Principal Occupation <sup>(1)</sup>
<b>Patrick McGrath<sup>(2)</sup></b> Nova Scotia, Canada <i>Director &amp; CEO</i>	February 24, 2017	1,227,571	Chief Executive Officer of the Company since April 2017. Director and Chief Executive Officer of Burrell Resources Inc. since December 2019.
<b>Douglas Urch<sup>(2)</sup></b> Texas, United States <i>Director</i>	April 27, 2017	625,000	Executive Vice President and Chief Financial Officer of PetroTal Corp. since November 2019, and Chair of the Board from December 2017 to October 2019. He was the Executive Vice President, Finance and Chief Financial Officer of Bankers Petroleum Ltd. from February 2008 to September 2018.

Name, Residence and Present Position within the Company	Director Since	Number of Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Discretion is Exercised <sup>(1)</sup>	Principal Occupation <sup>(1)</sup>
<b>Jonathan Gagne<sup>(2)</sup></b> Quebec, Canada <i>Director</i>	January 4, 2021	75,000	Mining Engineering Consultant at Greenstone Gold Mines LP.

**Notes:**

- (1) The information as to principal occupation, business or employment, and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Unless otherwise stated above, any nominees named above not elected at the last annual general meeting have held the principal occupation or employment indicated for at least the five preceding years.
- (2) Member of the audit committee.

Other than disclosed below, no proposed director of the Company is, or has been, within the 10 years prior to the date of this Circular, a director or executive officer of any company that:

- (a) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued while that person was acting in that capacity;
- (b) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued after the proposed director ceased to act in that capacity, and which resulted from an event that occurred while that person was acting in that capacity; or
- (c) while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Douglas Urch was a director of Underground Energy Corporation (“**Underground Canada**”). On July 4, 2013, the British Columbia Securities Commission issued a cease trade order on all of the securities of Underground Canada. As a result of the cease trade order, the TSX Venture Exchange (the “**TSXV**”) suspended trading of Underground Canada’s shares effective as of the same date. The cease trade order and suspension in share trading were the result of Underground Canada’s failure to file financial statements and management’s discussion and analysis for both the year ended December 31, 2012, the three months ended March 31, 2013 and the six months ended June 30, 2013, prior to the required deadlines. The cease trade order and trading suspension remain in effect.

No proposed director of the Company is, or has been, within the 10 years prior to the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

### **Appointment of Auditor**

Management is recommending that Shareholders vote to appoint Davidson & Company LLP, Chartered Professional Accountants (“**Davidson**”) of 1200 – 609 Granville Street, PO Box 10372, Pacific Centre, Vancouver, BC, V7Y 1G6, as the Company’s auditor and to authorize the directors to fix their remuneration. The Board resolved on November 27, 2017 to appoint Davidson as auditors for the Company.

### **Approval of Stock Option Plan**

At the Meeting, Shareholders will be asked to approve the Company’s 2023 Stock Option Plan (the “**Stock Option Plan**”). The purpose of the Stock Option Plan is to provide an incentive to directors, employees and consultants of the Company or its subsidiary to acquire a proprietary interest in the Company, to continue their participation in the affairs of the Company and to increase their efforts on behalf of the Company. The Stock Option Plan was amended in order to facilitate compliance with recent amendments to TSX Venture Exchange (the “**Exchange**”) Corporate Finance Policy 4.4 – *Security Based Compensation*.

The following summary of the material terms of the Stock Option Plan does not purport to be complete and is qualified in its entirety by reference to the Stock Option Plan. Shareholders may obtain a copy of the Stock Option Plan from the Company prior to the Meeting on written request.

Eligible Participants. Options may be granted under the Stock Option Plan to directors and senior officers of the Company or its subsidiaries, management company employees (collectively, the “**Directors**”), employees of the Company or its subsidiaries (collectively, the “**Employees**”) or consultants of the Company or its subsidiaries (collectively, the “**Consultants**”). The Board, in its discretion, determines which of the Directors, Employees or Consultants will be awarded Options under the Stock Option Plan.

Number of Shares Reserved. The number of Common Shares which may be issued pursuant to options granted under the Stock Option Plan may not exceed 10% of the issued and outstanding Common Shares at the date of granting of Options. Options that are exercised, cancelled or expire prior to exercise continue to be issuable under the Stock Option Plan.

Limitations. Under the Stock Option Plan, the aggregate number of options granted to any one person (including companies wholly-owned by that person) in a 12-month period must not exceed 5% of the issued and outstanding Common Shares of the Company when combined with security based compensation grants to such person under any other security based compensation plan of the Company, calculated on the date the Option is granted. The aggregate number of Options granted to any one Consultant in a 12-month period must not exceed 2% of the issued and outstanding Common Shares of the Company when combined with security based compensation grants to such Consultant under any other security based compensation plan of the Company, calculated at the date the option is granted. The aggregate number of Options granted to all persons retained to provide investor relations services to the Company (including Consultants and Employees or Directors whose role and duties primarily consist of providing investor relations services) must not exceed 2% of the issued and outstanding Common Shares of the Company in any 12 month period, calculated at the date an Option is granted to any such person. Disinterested shareholder approval will be required for any grant of options which will result in the number of options granted to Insiders (as defined in the *Securities Act* (British Columbia)) as a group at any point in time or within a 12 month period exceeding 10% of the issued and outstanding Common Shares of the Company when combined with security based compensation grants to Insiders under any other security based compensation plan of the Company.

Exercise Price. The exercise price of Options granted under the Stock Option Plan is determined by the Board, provided that it is not less than the discounted market price, as that term is defined in the Exchange’s Corporate Finance policy manual or such other minimum price as is permitted by the Exchange in accordance with the policies in effect at the time of the grant, or, if the Common Shares are no longer listed on the Exchange, then such other exchange or quotation system on which the Common Shares are listed or quoted for trading. The exercise price of Options granted to Insiders may not be decreased without disinterested Shareholder approval at the time of the proposed amendment.

Term of Options. Subject to the termination and change of control provisions noted below, the term of any options granted under the Stock Option Plan is determined by the Board and may not exceed ten (10) years from the date of grant. Disinterested Shareholder approval will be required for any extension to stock options granted to individuals that are Insiders at the time of the proposed amendment.

Vesting. All Options granted pursuant to the Stock Option Plan will be subject to such vesting requirements as may be prescribed by the Exchange, if applicable, or as may be imposed by the Board. Options issued to persons retained to provide investor relations activities must vest in stages over 12 months with no more than one-quarter of the options vesting in any three-month period.

Dividend entitlement. The Stock Option Plan does not include any dividend entitlement to participants. If participants were entitled to receive options in lieu of dividends declared by the Company, and if the Company did not have sufficient unallocated options available to satisfy the obligation, then the Company may settle those entitlements with cash.

Termination. Any Options granted pursuant to the Stock Option Plan will terminate upon the earliest of:

- (a) the end of the term of the option;
- (b) on the date the holder ceases to be eligible to hold the option (the “**Cessation Date**”), if the Cessation Date is as a result of dismissal for cause;
- (c) one year from the date of death or disability, if the Cessation Date is as a result of death or disability;
- (d) 90 days from the Cessation Date, if the Cessation Date is as a result of a reason other than death, disability or cause; or
- (e) on such other date as fixed by the Board, provided that the date is no more than one year from the Cessation Date, if the Cessation Date is as a result of a reason other than death, disability or cause.

Adjustments. Any adjustment to Options granted or issued (except in relation to a consolidation or share split) will be subject to the prior acceptance of the Exchange.

Disinterested Shareholder approval will be sought in respect of any material amendment to the Stock Option Plan. The proposed Stock Option Plan is subject to Exchange acceptance and if the Exchange finds the disclosure to Shareholders to be inadequate, Shareholder approval may not be accepted by the Exchange.

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

“**BE IT RESOLVED** that:

1. the Company’s 2023 Stock Option Plan (the “**Plan**”) is hereby confirmed and approved, and that in connection therewith a maximum of 10% of the Company’s issued and outstanding common shares at the time of each grant be approved for granting as options;
2. the Board of Directors of the Company be authorized in its absolute discretion to administer the Plan, and amend or modify the Plan in accordance with its terms and conditions and with the policies of the TSX Venture Exchange; and
3. any one or more director(s) or officer(s) of the Company be authorized and directed to do all acts and things and to execute and deliver all documents required, as in the opinion of such director or officer may be necessary or appropriate in order to give effect to this resolution.”

A copy of the Stock Option Plan is available at the records office of the Company at Suite 1200 – 750 West Pender Street, Vancouver, British Columbia, Canada until the business day immediately preceding the date of the Meeting. A copy will also be made available at the Meeting.

#### **OTHER BUSINESS**

As of the date of this Circular, the management of the Company knows of no other matters to be acted upon at the Meeting. However, should any other matters properly come before the Meeting, the Common Shares represented by the

Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the Common Shares represented by the Proxy.

### STATEMENT OF EXECUTIVE COMPENSATION

Set out below are particulars of compensation paid to the directors and the named executive officers of the Company. “Named Executive Officer” or “NEO” means each of the following individuals:

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

As at December 31, 2022, the end of the most recently completed financial year of the Company, the Company had two NEOs, whose name and positions held within the Company are set out in the summary compensation table below.

#### Director and Named Executive Officer Compensation

The following table is a summary of compensation awarded to, earned by, paid to, or payable to the NEO and directors of the Company for the two most recently completed financial years ended December 31.

Table of compensation excluding compensation securities							
Name and position	Year Ended <sup>(1)</sup>	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Patrick McGrath <sup>(1)</sup> <i>Chief Executive Officer and Director</i>	2022	\$60,000	Nil	Nil	Nil	Nil	\$60,000
	2021	\$60,000	Nil	Nil	Nil	Nil	\$60,000
Varun Prasad <sup>(2)</sup> <i>Chief Financial Officer</i>	2022	\$24,000	Nil	Nil	Nil	Nil	\$24,000
	2021	\$17,000	Nil	Nil	Nil	Nil	\$17,000
Douglas Urch <sup>(3)</sup> <i>Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Jonathan Gagne <sup>(4)</sup> <i>Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
John McClintock <sup>(5)</sup> <i>Former Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	\$17,638	Nil	Nil	Nil	Nil	\$17,638

**Notes:**

- (1) Mr. McGrath was appointed as a director of the Company effective as of February 24, 2017. Mr. McGrath was appointed as the CEO of the Company on April 28, 2017. Mr. McGrath is compensated for acting as CEO of the Company.
- (2) Mr. Prasad was appointed as the CFO of the Company effective as of April 28, 2017.
- (3) Mr. Urch was appointed as a director of the Company effective as of April 27, 2017.

- (4) Mr. Gagne was appointed as a director of the Company effective as of January 4, 2021.
- (5) Mr. McClintock was appointed as a director of the Company effective as of April 28, 2017 and resigned on February 11, 2023. The fees were for project management and technical services related to the Blue Moon project.

### **Stock Options and Other Compensation Securities**

There were no compensation securities granted or issued to the directors and NEOs of the Company by the Company in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Company.

As at December 31, 2022, Mr. McGrath held 75,000 compensation securities on the last day of the most recently completed financial year. As at December 31, 2022, Mr. Prasad held 50,000 compensation securities on the last day of the most recently completed financial year. As at December 31, 2022, Mr. Urch held 50,000 compensation securities on the last day of the most recently completed financial year. As at December 31, 2022, Mr. Gagne held 30,000 compensation securities on the last day of the most recently completed financial year. As at December 31, 2022, Mr. McClintock held 50,000 compensation securities on the last day of the most recently completed financial year.

No compensation securities were exercised by a director or NEO during the Company's most recently completed financial year.

### **Stock option plans and other incentive plans**

See "Approval of Stock Option Plan" above for the material terms of the Company's Stock Option Plan.

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

The Company does not have any agreement or arrangement under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Company that were performed by a director or NEO.

### **Oversight and description of director and named executive officer compensation**

The objective of the Company's compensation program is to compensate the executive officers for their services to the Company at a level that is both in line with the Company's fiscal resources and competitive with companies at a similar stage of development.

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

The Board has implemented three levels of compensation to align the interests of the executive officers with those of the Shareholders. First, executive officers may be paid a monthly consulting fee or salary. Second, the Board may award executive officers long term incentives in the form of stock options. Finally, and only in special circumstances, the Board may award cash or share bonuses for exceptional performance that results in a significant increase in Shareholder value. The Company does not provide medical, dental or any other benefits to the executive officers.

The base compensation of the executive officers is reviewed and set annually by the Board. The CEO has substantial input in setting annual compensation levels. The CEO is directly responsible for the financial resources and operations of the Company. In addition, the CEO and Board from time to time determine the stock option grants to be made pursuant to the Company's stock option plan. Previous grants of stock options are taken into account when considering new grants. The Board awards bonuses at its sole discretion. The Board does not have pre-existing performance criteria or objectives.

Compensation for the most recently completed financial year should not be considered an indicator of expected compensation levels in future periods. All compensation is subject to and dependent on the Company's financial resources and prospects.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as of the end of the Company’s most recently completed financial year with respect to compensation plans under which equity securities of the Company are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights <sup>(1)</sup> (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuances under equity compensation plan (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders (stock option plan)	395,000	\$0.50	1,085,808
Equity compensation plans not approved by security holders	N/A	N/A	N/A
<b>Total:</b>	395,000		1,085,808

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Since the beginning of the most recently completed financial year, none of the directors, executive officers, employees, proposed nominees for election as directors or their associates have been indebted to the Company.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than disclosed below, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction since the commencement of the Company’s most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

The Company entered into a loan agreement dated November 2, 2018 with Patrick McGrath, a director and Chief Executive Officer of the Company, for the amount of \$250,000. The Company was loaned an additional \$56,000 in 2019 by Mr. McGrath. During the year ended December 31, 2022, the Company made principal payments totalling \$106,000 and paid \$24,806 in interest related to the loans. The loans are unsecured and bear interest at 10% per annum and is being repaid monthly through to May 1, 2024.

## MANAGEMENT CONTRACTS

Management functions of the Company are not to any substantial degree performed by anyone other than by the directors or executive officers of the Company. See “Employment, consulting and management agreements” above.

## STATEMENT OF CORPORATE GOVERNANCE

### Corporate Governance

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and charged with the day-to-day management of the Company. The Canadian Securities Administrators (“CSA”) have adopted National Policy 58-201 Corporate Governance Guidelines, which provides non prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, the CSA have implemented National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”), which prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

## Board of Directors

The composition of the Board currently consists of the following three members: Patrick McGrath, Douglas Urch, and Jonathan Gagne. It is proposed that all three individuals will be nominated at the Meeting.

The Board consists of a majority of individuals who qualify as independent directors. For this purpose, a director is independent if he or she has no direct or indirect “material relationship” with the Company. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director’s independent judgment. Of the proposed nominees, Patrick McGrath, CEO is considered to be a non-independent director.

## Other Directorships

The following table sets forth the directors of the Company who are directors of other reporting issuers:

<i>Name</i>	<i>Name of other reporting issuer</i>
Patrick McGrath	Burrell Resources Inc.
Douglas Urch	Permex Petroleum Corporation
Jonathan Gagne	Infinite Ore Corp. Vanstar Mining Resources Inc. Vision Lithium Inc. Imagine Lithium Inc. Canadian Metals Inc.

## Orientation and Continuing Education

Orientation of new members of the Board is conducted informally by Management and members of the Board. The Company has not adopted formal policies respecting continuing education for Board members.

## Ethical Business Conduct

The Board has not adopted a formal code of business conduct and ethics. The Board is of the view that the fiduciary duties placed on individual directors by the Company’s governing legislation and common law together with corporate statutory restrictions on an individual director’s participation in Board decisions in which the director has an interest are sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

## Nomination of Directors

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

The Board has not established a nominating committee and this function is currently performed by the Board as a whole.

## Compensation

The Board has not established a formal compensation committee. Rather, the independent Board members are responsible for reviewing and determining the adequacy and form of compensation paid to the Company’s directors, executives and key employees. The independent Board members evaluate the performance of senior management measured against the Company’s business goals and industry compensation levels.

## **Board Committees**

The Board has no committees other than the Audit Committee.

## **Assessments**

The Board annually, and at such other times as it deems appropriate, reviews the performance and effectiveness of the Board, the directors and its committees to determine whether changes in size, personnel or responsibilities are warranted. To assist in its review, the Board conducts informal surveys of its directors and receives reports from each committee respecting its own effectiveness. As part of the assessments, the Board or the individual committee may review their respective mandate or charter and conduct reviews of applicable corporate policies.

## **AUDIT COMMITTEE**

### **Audit Committee Disclosure**

Pursuant to Section 224(1) of the *Business Corporations Act* (British Columbia) and National Instrument 52-110 of the Canadian Securities Administrators (“NI 52-110”) the Company is required to have an audit committee (the “Committee”) comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company. NI 52-110 requires the Company, as a venture issuer, to disclose annually in its Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

The primary function of the Committee is to assist the Board in fulfilling its financial oversight responsibilities by: (i) reviewing the financial reports and other financial information provided by the Company to regulatory authorities and Shareholders; (ii) reviewing the systems for internal corporate controls which have been established by the Board and management; and (iii) overseeing the Company’s financial reporting processes generally. In meeting these responsibilities, the Committee monitors the financial reporting process and internal control system; reviews and appraises the work of external auditors and provides an avenue of communication between the external auditors, senior management and the Board. The Committee is also mandated to review and approve all material related party transactions.

### **The Audit Committee’s Charter**

The Company has adopted a Charter of the Audit Committee, a copy of which is attached hereto as Schedule “A”.

### **Composition of the Audit Committee**

The Committee is comprised of the following members: Patrick McGrath, Douglas Urch, and Jonathan Gagne. Each member of the Committee is considered to be financially literate, as defined by NI 52-110, in that they have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company’s financial statements.

The members of the Committee are elected by the Board at its first meeting following the annual shareholders’ meeting. Unless a chair is elected by the full Board, the members of the Committee designate a chair by a majority vote of the full Committee membership.

### **Relevant Education and Experience**

All three Committee members have the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements and are therefore considered “financially literate”.

*Patrick McGrath* – Mr. McGrath is a CPA. Mr. McGrath was the Chief Executive Officer of Carcetti Capital Corp. (formerly Cub Energy Inc.) from April 2020 to May 2023 and Chief Financial Officer from July 2013 to March 2020, a former international oil and gas producer. Mr. McGrath also acted as the Chief Financial Officer of Anatolia Energy Corp. from March 2011 to June 2013.

*Douglas Urch* – Mr. Urch is a CPA and a designated member of the Institute of Corporate Directors (ICD.D). Mr. Urch graduated from the University of Calgary with a Commerce degree. Mr. Urch joined Bankers Petroleum Ltd. in February 2008 and was Executive Vice President, Finance and Chief Financial Officer until September 2018. From September 2000 until January 2008, Mr. Urch was the Vice President, Finance and Chief Financial Officer of Rally Energy Corp.

*Jonathan Gagne* – Mr. Gagne has a BSc in mining engineering from Polytechnique Montreal and an MBA with a specialization in corporate finance from Universite du Quebec a Montreal. Mr. Gagne has extensive experience in the mining sector in terms of engineering, feasibility studies, operations and construction. Mr. Gagne is currently a senior consulting engineer working at Greenstone Gold Mines, which aims to develop the multimillion-ounce Hardrock gold project, located in Ontario.

### **Audit Committee Oversight**

Since the commencement of the Company’s most recently completed financial year, the Board has not failed to adopt a recommendation of the Committee to nominate or compensate an external auditor.

### **Reliance on Certain Exemptions**

Since the commencement of the Company’s most recently completed financial year, the Company has not relied on the exemptions in section 2.4 (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), subsection 6.1.1(6) (Death, Incapacity or Resignation), or under Part 8 (Exemption) of NI 52-110.

### **Pre-Approval Policies and Procedures**

The Committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board, and where applicable the Committee, on a case-by-case basis.

### **External Auditor Service Fees**

In the following table, “audit fees” are fees billed by the Company’s external auditor for services provided in auditing the Company’s annual financial statements for the subject year. “Audit-related fees” are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company’s financial statements. “Tax fees” are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. “All other fees” are fees billed by the auditor for products and services not included in the foregoing categories.

The fees paid by the Company to its auditor in each of the last two fiscal years, by category, are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
December 31, 2022	\$16,000	Nil	Nil	Nil
December 31, 2021	\$18,500	Nil	\$3,250	Nil

### **Exemption**

The Company is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

Financial information is provided in the Company's comparative annual audited financial statements and management's discussion and analysis ("MD&A") for its most recently completed financial year, and will be available online at [www.sedar.com](http://www.sedar.com). Shareholders may request additional copies by mail to Suite 1200 – 750 West Pender Street, Vancouver, British Columbia, V6C 2T8.

### **DIRECTORS' APPROVAL**

The contents and the sending of the accompanying Notice of Meeting and this Circular have been approved by the Board.

DATED at Vancouver, British Columbia, this 26<sup>th</sup> day of June, 2023.

### **ON BEHALF OF THE BOARD OF DIRECTORS**

*"Patrick McGrath"*

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Patrick McGrath  
Chief Executive Officer

## Schedule "A"

### Charter of the Audit Committee of the Board of Directors of Blue Moon Metals Inc. (the "Company")

#### MANDATE AND OBJECTIVE

The board of directors (the "**Board**") of Blue Moon Metals Inc. (the "**Company**") has delegated, to the Audit Committee (the "**Committee**"), the Board's responsibility for oversight of the nature and scope of the annual audit; management's reporting on internal accounting standards and practices, financial information and accounting systems and procedures; financial reporting and statements; and approval of interim financial statements and other mandatory disclosure releases containing financial information. The Committee shall also recommend to the Board approval of the annual audited financial statements and Management's Discussion and Analysis.

The primary objectives of the Committee are:

1. To assist the Board to meet their responsibilities in respect of the preparation and disclosure of the financial statements of the Company and related matters;
2. To provide better communication amongst the Board, management and the independent auditor;
3. To enhance the auditor's independence;
4. To increase the credibility and objectivity of financial reports; and
5. To strengthen the role of the independent directors by facilitating in depth discussions between directors on the Committee, management and the independent auditor.

#### MEMBERSHIP OF COMMITTEE

1. The Committee shall comprise at least three (3) directors of the Company, at least two of whom shall be independent as defined in applicable securities legislation and policies and all of whose qualifications shall comply with applicable securities legislation.
2. Unless designated by the Board, the members of the Committee shall elect a Chair from among the members who shall preside at all meetings of the Committee.
3. Any member of the Committee may be removed or replaced at any time by the Board, and shall cease to be a member of the Committee as soon as such member ceases to be a director. The Board shall fill vacancies on the Committee but, until the vacancy is filled the remaining members may exercise all the Committee's powers so long as a quorum remains. Subject to the foregoing, each member of the Committee shall hold such office until the close of the next annual meeting of shareholders following appointment as a member of the Committee.

#### RESPONSIBILITIES OF COMMITTEE

1. The responsibilities of the Committee include:
  - a. overseeing the work of the independent auditor, including resolution of disagreements, if any, between management and the auditor regarding financial reporting;
  - b. satisfying itself with respect to, and periodically assessing, the adequacy of the Company's internal control systems for:
    - i. identifying, monitoring and mitigating business risks;
    - ii. ensuring compliance with the policies of the Board and with the law;
    - iii. reviewing public disclosure of financial information extracted or derived from the Company's financial statements, and

- iv. ensuring that all public reporting and securities filings, financial or otherwise, is timely, accurate and complete, and presented in compliance with all applicable law;
  - c. reviewing all financial statements, related management's discussion and analysis (MD&A) and earnings press releases prior to public disclosure thereof, and reviewing the annual audited financial statements of the Company and related MD&A prior to their submission to the Board for approval; and
  - d. communicating directly with the internal and external auditors.
2. With respect to the independent auditor, the Committee shall:
- a. recommend to the Board the nomination of the independent auditor;
  - b. recommend to the Board the terms of engagement of the auditor, including the compensation of the auditor;
  - c. confirm that the auditor shall communicate directly with the Committee;
  - d. review and discuss annually with the auditor all significant relationships such auditor has with the Company to determine the auditor's independence;
  - e. if there is to be a change in auditor, review the issues related to the change and the information to be included in the required notice to securities regulators of such change;
  - f. review and approve any non-audit services to be provided to the Company or its subsidiaries by the auditor and consider the impact on the independence of the auditor. The Committee may delegate to one or more members the authority to approve the provision of non-audit services, provided that the member report to the Committee at the next scheduled meeting such pre-approval; and
  - g. review and approve the Company's hiring policies regarding employees and former employees of the present and former independent auditors of the Company.
3. The Committee shall review the independent auditor's assessment of the internal controls of the Company, its written reports containing recommendations for improvement, and management's response and follow-up to any identified weaknesses. The Committee shall also review the annual audit plan and, upon completion of the audit, the auditor's reports upon the financial statements of the Company and its subsidiaries.
4. The Committee shall review and discuss with management, the auditors and the Company's legal counsel, as appropriate, any legal, regulatory or compliance matters that could have a significant impact on the Company's financial statements, including off balance sheet structures, applicable changes in accounting standards or rules, or compliance with applicable laws and regulations, inquiries received from regulators or government agencies and any pending material litigation.
5. The Committee shall review risk management policies and procedures of the Company and receive regular reports on insurance claims and litigation.
6. The Committee shall establish procedures for:
- a. the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
  - b. the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
7. The Committee may engage, at the Company's expense, such advisors as it determines necessary to carry out its duties, and may set the compensation for such advisors.
8. The Committee shall have the authority to investigate any financial activity of the Company, and all employees of the Company shall cooperate as requested by the Committee.

## MEETINGS AND ADMINISTRATIVE MATTERS

1. At all meetings, every question shall be decided by a majority of the votes cast. In case of an equality of votes, the Chairman of the meeting shall not be entitled to a second or casting vote.
2. The Chair shall preside at all meetings of the Committee, unless the Chair is not present, in which case the members of the Committee present shall designate from among the members present the Chair for purposes of the meeting.
3. A quorum for meetings of the Committee shall be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing the Board unless otherwise determined by the Committee or the Board.
4. The Committee shall meet at least four times per year. Minutes of all meetings of the Committee shall be taken, and shall be circulated to directors who are not members of the Committee.
5. The Chief Financial Officer shall attend meetings of the Committee as requested by the Chairman.
6. The Committee shall meet with the independent auditor at least once per year (in connection with the preparation of the year end financial statements) and at such other times as the auditor and the Committee consider appropriate.
7. Agendas, approved by the Chair, shall be circulated to Committee members along with background information on a timely basis prior to the Committee meetings.
8. The Committee may invite such officers, directors and employees of the Company as it may see fit to attend its meetings and assist in the discussion and consideration of the matters being considered by the Committee.