



## MANAGEMENT INFORMATION CIRCULAR as at September 2, 2022

**This Management Information Circular (“Information Circular”) is furnished in connection with the solicitation of proxies by management of South Star Battery Metals Corp. (the “Company”) for use at the annual general meeting (the “Meeting”) of the shareholders of the Company (the “Shareholders”) to be held on October 12, 2022 and any adjournment or postponement 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 September 2, 2022**

In this Information Circular, references to the “Company” and “we” refer to South Star Battery Metals Corp. “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. Unless otherwise indicated, all references to “\$” or “dollars” in this Information Circular means Canadian Dollars.

### INTRODUCTION

In order to comply with measures imposed by the federal and provincial governments related to the COVID-19 pandemic, and to mitigate risks to the health and safety of our communities, Shareholders, and other stakeholders, unless we advise otherwise by way of news release, **the Company is holding a virtual Meeting which will be conducted via video conference.** Registered Shareholders and validly appointed proxyholders may contact Samantha Shorter, Corporate Secretary at [s.shorter@southstarbatterymetals.com](mailto:s.shorter@southstarbatterymetals.com) or 604-868-5394 to obtain a web link that will permit them to attend the Meeting by video conference.

**Due to the COVID-19 pandemic and issues related to the verification of Shareholder identity, in person voting will not be permitted at the Meeting.** If you are a Registered Shareholder and wish to have your vote counted, you will be required to complete, date, sign and return, in the envelope provided for that purpose, the accompanying form of proxy (“Proxy”) for use at the Meeting or any adjournment thereof (or vote in one of the other manners described below under the heading “Appointment and Revocation of Proxies”).

If you are a Non-Registered Shareholder and have received this Notice of Meeting and accompanying materials through an Intermediary, please complete and return the voting instructions form provided to you in accordance with the instructions provided therein.

### 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). As a result, objecting beneficial owners will not receive the Information 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, 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 and wish to have your shares voted at the Meeting, you will be required to submit your vote by proxy. **Due to the COVID-19 pandemic and issues related to the verification of shareholder identity, in person voting will not be permitted at the Meeting.** Registered Shareholders electing to submit a proxy may do so by completing, dating and signing the enclosed Proxy and returning it to the Company’s transfer agent, Computershare Investor Services Inc. (“**Computershare**”), in accordance with the instructions on the Proxy. Alternatively, Registered Shareholders may vote their shares via the internet or by telephone as per the instructions provided on the Proxy.

**In all cases you should ensure that the Proxy is received at least two business days before the Meeting or the adjournment or postponement 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 or postponement 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 or postponement 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 have the right to 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. 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) 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.

**Given the fact that voting will only be permitted by proxy due to the COVID-19 pandemic, Management does not intend to allow new matters not contemplated in the Notice of Meeting to be considered at the Meeting.**

## **Voting by Registered Shareholders**

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 Investor Services Inc., 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. If completed Proxies are received after said deadline, they shall not be accepted for the purpose of voting at the Meeting unless authorized by the Chairman of the Meeting, in his or her sole discretion.

## **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 Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. as nominee for The Canadian Depository for Securities Limited (which acts as depository for many Canadian brokerage firms and custodian banks), and in the United States, under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many United States brokerage firms and custodian banks).

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 Information 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.**

## Voting by Proxy Generally

**Proxies will not be accepted at the Meeting.** All Proxies must be submitted to Computershare by 10:00 a.m. (*Pacific Standard time*) on September 24, 2022 (the “**Proxy Deadline**”). Registered shareholders and validly appointed proxyholders may attend the Meeting by contacting Samantha Shorter, Corporate Secretary at s.shorter@southstarbattery.com or 604-868-5394 to obtain a web link that will permit them to attend the Meeting by video conference.

As there will be no in person attendance or voting at the Meeting, votes received by the Proxy Deadline for each matter set out in the Notice will be tabulated in advance of the Meeting by Computershare and compiled in a Proxy report (the “**Proxy Report**”). The determination as to whether a particular matter has been approved, a particular individual has been appointed or a particular resolution has been passed will be made solely on the basis of the voting results set out in the Proxy Report. Since no in person voting will be permitted due to the COVID-19 pandemic and voting results respecting matters set out in the Notice will be determined solely on the basis of the voting results set out in the Proxy Report, **no ballots will be permitted at the Meeting.** All results will be determined by reference to the Proxy Report. Management of the Company will advise at the Meeting the voting results for each matter set out in the Proxy Report and Shareholders will be entitled to request a copy of the Proxy Report from Management after the Meeting.

## INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

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 or the appointment of auditors. For the purpose of this paragraph, “person” shall include each of the following persons or companies: (a) if the solicitation is made by or on behalf of management of the Company, each person who has been a director, senior officer or insider of the Company at any time since the beginning of the Company’s last fiscal year; (b) if the solicitation is made other than by or on behalf of management of the Company, each person or company by whom, or on whose behalf, directly or indirectly, the solicitation is made; (c) each proposed nominee for election as a director of the Company; and (d) each associate or affiliate of any of the persons or companies included in subparagraphs (a) to (c).

## 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 September 2, 2022 (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.

Under the Articles of the Company, subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of Shareholders is one person present in person or by proxy.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

On the Record Date there were 24,008,932 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 by Proxy at the Meeting or any adjournment or postponement thereof.

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

## PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Company’s Board of Directors (the “**Board**”), the only matters to be placed before the Meeting are those set forth in the accompanying Notice of Meeting and discussed below.

### **Presentation of Financial Statements**

The audited annual financial statements of the Company for the financial year ended December 31, 2020, 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 five (5) 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 or her successor is elected or appointed, unless his or her office is earlier vacated. Management does not contemplate that any of the nominees will be unable to serve as a director.

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

Name, Residence and Present Position within the Company	Director Since	Number of Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Discretion is Exercised <sup>(1)</sup>	Principal Occupation <sup>(1)</sup>
<b>Richard Pearce Jr.</b> São Paulo Brazil <i>CEO and Director</i>	June 15, 2018	1,660,432 <sup>(5)</sup>	Engineer, economist & founding principal of Brasil Insight Capital and Frontera Minerals Group.
<b>Eric Allison<sup>(2)(3)</sup></b> Georgia, United States <i>Director</i>	April 12, 2017	Nil	Consultant and geologist. He has served on the boards of several private and public companies.
<b>Daniel Wilton<sup>(2)(3)(4)</sup></b> British Columbia, Canada <i>Director</i>	December 6, 2018	1,215,000 <sup>(6)</sup>	CEO and director of First Mining Gold Corp. Previously a Partner at Pacific Road Capital Management and a board member of Luna Gold Corp and Trek Mining Corp, both predecessor companies of Equinox Gold Corp. Currently serves as a Director for Providence Living in Vancouver, Canada.

Name, Residence and Present Position within the Company	Director Since	Number of Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Discretion is Exercised <sup>(1)</sup>	Principal Occupation <sup>(1)</sup>
<b>Marc Leduc<sup>(4)</sup></b> Colorado, USA <i>Director</i>	March 22, 2019	300,000	Mining engineer and geologist. COO of Kore Mining Ltd. Previously, Mr. Leduc was COO and then CEO of NewCastle Gold Ltd., President and CEO of Luna Gold Corp., Chief Operating Officer at Lydian International Limited and President and COO of Bear Creek Mining Corporation.
<b>Priscila Costa Lima<sup>(2)</sup></b> British Columbia, Canada <i>Director</i>	September 16, 2021	Nil	Senior finance and accounting professional with 20 years of experience in corporate finance, reporting and audit, and equity and debt financing in the mining and entertainment sectors. Previously CFO of Bron Media Corp.

- (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 five years.
- (2) Member of the Audit Committee.
- (3) Member of the Governance Committee.
- (4) Member of the Compensation Committee.
- (5) These Common Shares are owned indirectly through Green Bow Capital LLC.
- (6) 815,000 of the Common Shares are owned indirectly through Trapline Management Services Inc.

To the knowledge of the Company, no proposed director of the Company:

- (a) is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
- (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer, or
  - (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer,
- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in the that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director or executive officer;
- (d) has been subject to 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
- (e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

For the purposes of subsection (a) above, “order” means:

- (i) a cease trade order;
- (ii) an order similar to a cease trade order; or
- (iii) an order that denied the relevant company access to any exemption under securities legislation,

that was in effect for more than 30 consecutive days.

### **Appointment of Auditor**

At the Meeting, Shareholders will be asked to approve the appointment of the auditor of the Company. Management is recommending that Shareholders vote to re-appoint Manning Elliott LLP, Chartered Professional Accountants, of 11<sup>th</sup> Floor, 1050 West Pender Street, Vancouver, British Columbia, V6E 3S7, as auditor of the Company until the next annual meeting of Shareholders and to authorize the directors to fix the remuneration to be paid to the auditor. Manning Elliott LLP were first appointed as the Company’s auditor in 2007.

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

At the Meeting, Shareholders will be asked to approve the Company’s 2022 Stock Option Plan (the “**Stock Option Plan**”) to replace the existing 2014 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 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;
- (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; or
- (f) 30 days from the Cessation Date, if the optionee was engaged in investor relations activities.

Exercise of Options. The exercise price of an option must be paid in cash, other than as described below as determined by the Board:

- (a) Cashless Exercise. The Company may make an arrangement with a brokerage firm pursuant to which the brokerage firm will loan money to an optionee to purchase the Common Shares issuable upon exercise of their options. The brokerage firm would then sell a sufficient number of Common Shares to cover the exercise price of the options in order to repay the loan made to the optionee. The brokerage firm would then receive an equivalent number of Common Shares from the exercise of the options and the optionee would receive the balance of the Common Shares or the cash proceeds from the balance of such Common Shares.
- (b) Net Exercise. The Company may accept the exercise of options by optionees other than those who provide investor relations services without the optionee making any cash payment so the Company does not receive any cash from the exercise of the subject options, and instead the optionee receives only the number of Common Shares that is the equal to the quotient obtained by dividing:
  - (i) the product of the number of options being exercised multiplied by the difference between the volume weighted average price (“VWAP”) of the Common Shares and the exercise price of the options; by
  - (ii) the VWAP of the Common Shares.

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.

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

“BE IT RESOLVED THAT:

1. the Company’s 2022 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 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.

**Proxies received in favour of management will be voted in favour of the approval of the Plan, unless the Shareholder has specified in their Proxy that their Common Shares are to be voted against such resolution.**

### **Approval of Restricted Share Unit Plan**

The Company is seeking Shareholder approval for the issuance of Common Shares from treasury pursuant to the Company's new Restricted Share Unit Plan (the "**RSU Plan**"). The Board intends to use restricted share units ("**Restricted Share Units**") issued under the RSU Plan, as well as options issued under the Stock Option Plan (as described under "Approval of Stock Option Plan" of this Information Circular), as part of the Company's overall executive compensation plan. Since the value of Restricted Share Units increase or decrease with the price of the Common Shares, Restricted Share Units achieve the compensation objective of aligning the interests of executives with those of Shareholders. In addition, Restricted Share Units have both time-based and performance-based vesting features that can be used to better motivate executives and to encourage qualified and experienced executives to make long-term commitments to the Company.

At the Meeting, Shareholders will be asked to approve a resolution to implement the RSU Plan as a treasury based plan. In order to be approved, the resolution must be passed by a majority of the votes cast by the holders of Common Shares present in person or represented by proxy at the Meeting. Unless instructions are given to decline to vote or to vote against concerning the following resolution, the persons whose names appear in the instrument of proxy intend to vote at the meeting in favour of the following resolution (the "**RSU Plan Resolution**"):

**"BE IT RESOLVED THAT:**

1. subject to the approval of the TSX Venture Exchange (the "**TSXV**"), the Company's Restricted Share Unit Plan (the "**RSU Plan**"), with any changes as may be required by the TSXV, and the issuance thereunder of up to 2,400,893 common shares of the Company, be and the same is hereby approved and authorized;
2. any director or officer of the Company be and is hereby authorized, for and on behalf of the Company, to do all such things and execute all such documents and instruments as may be necessary or desirable to give effect to this resolution; and
3. notwithstanding that this resolution has been passed by the shareholders of the Company, the adoption of the proposed RSU Plan of the Company is conditional upon receipt of final approval from the TSXV and the directors of the Company are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Company, at any time if such revocation is considered necessary or desirable by the directors."

**The Board recommends that Shareholders vote "FOR" the RSU Plan Resolution set out above.**

### **Summary of the RSU Plan**

Set out below is a summary of the RSU Plan. This summary is qualified in its entirety by the full text of the RSU Plan, a copy of which is available for review at the registered office of the Company.

### **Eligible Participants**

Directors, officers, eligible employees and eligible consultants of the Company are eligible to participate in the RSU Plan (the "**Participants**"). In accordance with the terms of the RSU Plan, the Board will approve those Participants who are entitled to receive restricted share units ("**Restricted Share Units**") and the number of Restricted Share Units to be awarded to each Participant. Restricted Share Units may not be granted to persons performing investor relations services for the Company. The RSU Plan shall be administered by the Board.

## Vesting

Each award of Restricted Share Units under the RSU Plan to a Participant (a “**Restricted Share Unit Award**”) will entitle the Participant, subject to the Participant’s satisfaction of any conditions (including performance conditions), restrictions, vesting period or limitations imposed under the RSU Plan or set out a Restricted Share Unit grant letter, to receive one previously unissued Common Share for each Restricted Share Unit on the date when the Restricted Share Unit is fully vested. Except as otherwise provided in a Restricted Share Unit grant letter or any other provision of the RSU Plan, the vesting period of the Restricted Share Units granted pursuant to Section 3.4 of the RSU Plan will be determined by the Board and may not be less than one year (except as permitted pursuant to TSXV policies or otherwise approved by the TSXV) or exceed three years following the Grant Date.

## Maximum Number to be Granted

The RSU Plan includes the following restrictions on issuances:

- a) The number of Common Shares issuable from treasury under the RSU Plan shall not exceed 2,400,893 Common Shares, or such greater number as may be approved from time to time by the Company’s shareholders;
- b) The maximum number of Common Shares issuable to any one Participant, in any 12 month period pursuant to Restricted Share Units granted under the RSU Plan, when aggregated with security based compensation grants under any other security based compensation plans of the Company, is 5% of the total number of Common Shares outstanding and in the aggregate at such time;
- c) The maximum number of Common Shares issuable to insiders as a group at any time, pursuant to Restricted Share Units granted under the RSU Plan, when aggregated with security based compensation grants under any other security based compensation plans of the Company, is 10% of the total number of Common Shares outstanding at the proposed grant date.
- d) The maximum number of Common Shares issuable to insiders as a group, within any 12 month period, pursuant to Restricted Share Units granted under the RSU Plan, when aggregated with security based compensation grants under any other security based compensation plans of the Company, is 10% of the total number of Common Shares outstanding at the proposed grant date.
- e) The maximum number of Common Shares issuable to any one eligible consultant, within any 12 month period, pursuant to Restricted Share Units granted under the RSU Plan, when aggregated with security based compensation grants under any other security based compensation plans of the Company, is 2% of the total number of Common Shares outstanding at the proposed grant date.

## Cessation of Entitlement

Subject to the foregoing, in the event of:

- (a) the death of a Participant, all unvested Restricted Share Units credited to the Participant will vest on the date of the Participant’s death. The Common Shares underlying the Restricted Share Units credited to the Participant’s account shall be issued to the Participant’s estate as soon as practicable thereafter;
- (b) the total disability of a Participant, all unvested Restricted Share Units credited to the Participant will vest on the date on which the Participant is determined to be totally disabled, and the Common Shares underlying such Restricted Share Units credited to the Participant’s account shall be issued to the Participant as soon as practicable thereafter;
- (c) the termination (with or without cause) or retirement of an employee or officer, any cessation of services of a consultant, or the resignation, removal of or failure to re-elect a director, then, except as provided for in the vesting provisions or other terms of the Restricted Share Unit grant, or as determined by the Board, all Restricted Share Units will be forfeited by the Participant, and be of no further force and effect; and

- (d) a Change of Control, all Restricted Share Units outstanding shall immediately vest on the date of such Change of Control notwithstanding any stated vesting period or performance condition. In any event, upon a Change of Control, Participants shall not be treated any more favourably than shareholders of the Company with respect to the consideration that the Participants would be entitled to receive for the Common Shares underlying the Restricted Share Units.

#### Transferability

Except pursuant to a will or by the laws of descent and distribution, no Restricted Share Unit and no other right or interest of a Participant is assignable or transferable.

#### Amendments to the RSU Plan

The Board may discontinue the RSU Plan at any time without first obtaining shareholder approval, provided that, without the consent of a Participant, such discontinuance may not in any manner adversely affect the Participant's rights under any Restricted Share Unit granted under the RSU Plan.

- (a) The Board may, subject to receipt of requisite regulatory and disinterested shareholder approval, make the following amendments to the RSU Plan:
- (i) increase the number of Restricted Share Units which may be issued pursuant to the RSU Plan;
  - (ii) change the definition of "Participant" under the RSU Plan which would have the potential of narrowing, broadening or increasing insider participation;
  - (iii) reduce the range of amendments requiring shareholder approval contemplated in Section 5.3 of the RSU Plan;
  - (iv) make amendments that may lead to significant or unreasonable dilution to the Company's outstanding securities, or that may provide additional benefits to Participants at the expense of the Company or its shareholders; or
  - (v) change insider participation limits which would result in shareholder approval being required on a disinterested basis.
- (b) The Board may, subject to receipt of requisite regulatory approval (where required), but not subject to shareholder approval, in its sole discretion make the following amendments to the RSU Plan:
- (i) amendments to fix typographical errors; and
- amendments to clarify existing provisions of the RSU Plan that do not have the effect of altering the scope, nature and intent of such provisions.

#### **OTHER BUSINESS**

As of the date of this Information Circular, 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.

## EXECUTIVE COMPENSATION

For the purposes set out below, a “**Named Executive Officer**” or “**NEO**” means each of the following individuals:

- (a) each individual who, during any part of the Company’s most recently completed financial year, served as the Company’s chief executive officer (“**CEO**”), including an individual performing functions similar to a chief executive officer;
- (b) each individual who, during any part of the Company’s most recently completed financial year, served as the Company’s chief financial officer (“**CFO**”), including an individual performing functions similar to a chief financial officer;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer, other than the CEO and the CFO, at the end of the Company’s most recently completed financial year whose total compensation was more than C\$150,000 for that financial year; and
- (d) each individual who would be a named executive officer under paragraph (c) above but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

As at December 31, 2021, the end of the most recently completed financial year of the Company, the Company had two NEOs, whose names and positions held within the Company are set out in the summary compensation table below.

An NEO or director of the Company is not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly by the NEO or director.

### Director and Named Executive Officer Compensation

The following table is a summary of compensation (excluding compensation securities) paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company, to each NEO and director for services provided and for services to be provided, directly or indirectly, to the Company or a subsidiary of the Company, for each of the Company’s two most recently completed financial years ended December 31, 2021 and December 31, 2020.

Table of compensation excluding compensation securities							
Name and position	Year Ended	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
<b>Richard Pearce</b> <sup>(1)</sup> <i>Director and CEO</i>	2021	\$225,725	Nil	Nil	Nil	\$5,721	\$231,446
	2020	\$241,470	Nil	Nil	Nil	Nil	\$241,470
<b>Samantha Shorter</b> <sup>(2)</sup> <i>CFO</i>	2021	\$22,305	Nil	Nil	Nil	Nil	\$22,305
	2020	Nil	Nil	Nil	Nil	Nil	Nil
<b>David McMillan</b> <sup>(3)</sup> <i>Director and Chairman</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil

Table of compensation excluding compensation securities							
Name and position	Year Ended	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
<b>Eric Allison</b> <i>Director</i>	2021	\$16,000	Nil	Nil	Nil	Nil	\$16,000
	2020	\$15,000	Nil	Nil	Nil	Nil	\$15,000
<b>Daniel Wilton</b> <i>Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
<b>Marc Leduc</b> <i>Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
<b>Priscila Costa Lima</b> <sup>(4)</sup> <i>Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
<b>Felipe Holzhaacker Alves</b> <sup>(5)</sup> <i>Former Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
<b>Bennett Liu</b> <sup>(6)</sup> <i>Former CFO</i>	2021	\$27,000	Nil	Nil	Nil	Nil	\$27,000
<b>Justin Blanchet</b> <sup>(7)</sup> <i>Former CFO</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	\$48,000	Nil	Nil	Nil	Nil	\$48,000

**Notes:**

- (1) Mr. Pearce was appointed as a director of the Company on June 15, 2018 and as the CEO of the Company on June 10, 2019.
- (2) Ms. Samantha Shorter was appointed as the CFO and the Corporate Secretary of the Company on September 16, 2021. Ms. Shorter provides services through Red Fern Consulting Ltd.
- (3) Mr. McMillan resigned as a director of the Company on April 14, 2022.
- (4) Ms. Priscila Costa Lima was appointed as a director of the Company on September 16, 2021.
- (5) Mr. Alves was appointed as a director of the Company on June 15, 2018 and he resigned on September 22, 2021.
- (6) Mr. Liu served as the CFO and the Corporate Secretary of the Company from January 7, 2021 to September 16, 2021. Mr. Liu provided services as an employee of Red Fern Consulting Ltd.
- (7) Mr. Blanchet was appointed as the CFO of the Company on October 1, 2017 and he resigned on January 7, 2021.

**Stock Options and Other Compensation Securities**

No compensation securities were granted or issued to each director and NEO by the Company or its subsidiaries in the Company's most recently completed financial year ended December 31, 2021 for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

The following table contains information on outstanding options of the Company held by each NEO or director on the last day of the Company's most recently completed financial year ended December 31, 2021.

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 (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
<b>Richard Pearce</b> <i>Director and CEO</i>	Stock Options	1,410,000	August 4, 2020	\$0.055	\$0.045	\$0.33	August 4, 2025
		90,000	June 17, 2019	\$0.15	\$0.065	\$0.33	June 17, 2024
		100,000	July 30, 2018	\$0.45	\$0.45	\$0.33	July 30, 2023
<b>David McMillan<sup>(1)</sup></b> <i>Director</i>	Stock Options	175,000	August 4, 2020	\$0.055	\$0.045	\$0.33	August 4, 2025
		600,000	May 30, 2017	\$0.30	\$0.30	\$0.33	May 30, 2022
		100,000	July 30, 2018	\$0.45	\$0.45	\$0.33	July 30, 2023
<b>Eric Allison</b> <i>Director</i>	Stock Options	175,000	August 4, 2020	\$0.055	\$0.045	\$0.33	August 4, 2025
		300,000	May 30, 2017	\$0.30	\$0.30	\$0.33	May 30, 2022
		150,000	July 30, 2018	\$0.45	\$0.45	\$0.33	July 30, 2023
<b>Daniel Wilton</b> <i>Director</i>	Stock Options	200,000	August 4, 2020	\$0.055	\$0.045	\$0.33	August 4, 2025
<b>Marc Leduc</b> <i>Director</i>	Stock Options	200,000	August 4, 2020	\$0.055	\$0.045	\$0.33	August 4, 2025
<b>Felipe Holzhaecker Alves<sup>(2)</sup></b> <i>Former Director</i>	Stock Options	175,000	August 4, 2020	\$0.055	\$0.045	\$0.33	Dec. 22, 2021
		100,000	July 30, 2018	\$0.45	\$0.45	\$0.33	Dec. 22, 2021
<b>Justin Blanchet<sup>(3)</sup></b> <i>Former CFO, Consultant</i>	Stock Options	200,000	August 4, 2020	\$0.055	\$0.045	\$0.33	August 4, 2025
		150,000	July 30, 2018	\$0.45	\$0.45	\$0.33	July 30, 2023

- (1) Mr. McMillan resigned as a director of the Company on April 14, 2022. His stock options expire 90 days from the date he ceased to be a director of the Company.
- (2) Mr. Alves was appointed as a director of the Company on June 15, 2018 and he resigned on September 22, 2021. His stock options expire 90 days from the date he ceased to be a director of the Company.
- (3) Mr. Blanchet was appointed as the CFO of the Company on October 1, 2017 and he resigned on January 7, 2021. He retains his stock options as a consultant of the Company.

No compensation securities were exercised by a director or NEO during the Company's most recently completed financial year ended December 31, 2021.

### Stock Option Plans and Other Incentive Plans

The Company has in place a "rolling" 2014 Stock Option Plan (the "Existing Plan") that was last approved by the Shareholders at the annual general meeting held on November 26, 2021.

### *Terms of the Existing Plan*

The purpose of the Plan is to provide incentive to employees, directors, officers, management companies and consultants who provide services to the Company and reduce the cash compensation the Company would otherwise have to pay.

The following summary of the Plan does not purport to be complete and is qualified in its entirety by reference to the Plan.

Eligible Participants. Options may be granted under the Plan to directors or officers of the Company or an affiliate of the Company (collectively, the “**Directors**”), employees of the Company (collectively, the “**Employees**”) consultants of the Company or its affiliate (collectively, the “**Consultants**”) or Management Company Employees (as that term is defined in Policy 4.4 of the TSXV’s Corporate Finance Manual). The board of directors of the Company (the “**Board**”), in its discretion, determines which of the Directors, Employees, Consultants or Management Company Employees will be awarded Options under the Plan.

Number of Shares Reserved. The number of Common Shares which may be issued pursuant to options granted under the Plan may not exceed 10% of the issued and outstanding Common Shares of the Company from time to time at the date of granting of Options (including all options granted by the Company prior to the adoption of the Plan and under the Plan). Options which are cancelled or expire prior to exercise continue to be issuable under the Plan.

Limitations. Under the Plan, the aggregate number of options granted to any one person in a 12 month period must not exceed 5% of the issued and outstanding shares of the Company when aggregated with security based compensation grants under any other security based compensation plans 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 shares of the Company when aggregated with security based compensation grants under any other security based compensation plans 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 shares of the Company in any 12 month period when aggregated with security based compensation grants under any other security based compensation plans of the Company, calculated at the date an option is granted to any such person.

Term of Options. Subject to the termination and change of control provisions noted below, the terms of any Option granted under the Plan is determined by the Board and may not exceed ten years from the date of grant.

Exercise Price. The exercise price of Options granted under the Plan is determined by the Board, provided that it is not less than the Discounted Market Price, as that term is defined in the TSXV’s Corporate Finance policy manual or such other minimum price as is permitted by the TSXV in accordance with the policies from time to time, or, if the Common Shares are no longer listed on the TSXV, 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.

Vesting. All Options granted pursuant to the Plan will be subject to such vesting requirements as may be prescribed by the TSXV, if applicable, or as may be imposed by the Board.

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

- (a) such date as the Board has fixed when the Option is granted, provided that the date is no more than one year from the date on which the holder ceases to be eligible (the “**Cessation Date**”) to hold the Option;
- (b) the end of the term of the Option;
- (c) if the Cessation Date is as a result of dismissal for cause or regulatory sanction, then immediately on the Cessation Date; or
- (d) if the Cessation Date is as a result of death or disability, then the date that is one year from the date of such death or disability.

At the Meeting, Shareholders will be asked to approve the Company's 2022 Stock Option Plan. See "*Approval of Stock Option Plan*" above.

### **Employment, Consulting and Management Agreements**

Other than described below, the Company does not have any agreement or arrangement under which compensation was provided during the Company's most recently completed financial years ended December 31, 2021 or is payable in respect of services provided to the Company or any of its subsidiaries that were performed by a director or a NEO, or performed by any other party but are services typically provided by a director or a NEO.

On May 30, 2019, the Company entered into a term sheet employment agreement with Richard Pearce (the "**Pearce 2019 Agreement**") pursuant to which the Company agreed to retain Mr. Pearce to act as the President and the CEO of the Company until June 9, 2021. In consideration for his services, the Company agreed to (i) pay Mr. Pearce a base salary of US\$15,000 per month, payable in Brazil R\$ converted at monthly average FX, provided the Company's treasury does not fall below \$100,000 cash; (ii) pay Mr. Pearce an annual cash bonus based on key performance indicators with a target range of 25% to 100% of his annual base salary, as recommended by the Company's Compensation Committee and approved by the Board; and (iii) issue a total of 1,500,000 stock options to Mr. Pearce during the term of the agreement with 25% vesting immediately and an additional 25% vesting every six months thereafter, at a strike price to be negotiated based on market price and exercisable for a term of five years from the date of grant. In the case of termination for cause, vested options will be exercisable within 90 days after termination. In the case of termination without cause, all unvested options will immediately vest and be exercisable within 12 months after termination, and the Company will pay Mr. Pearce an amount equal to 6 months base salary if the termination occurs within the first 12 months of the agreement or pay him 12 months base salary plus pro rata of his previous annual bonus if the termination occurs after 12 months. In the case of termination as a result of a change of control, all unvested options will immediately vest, and the Company will pay Mr. Pearce an amount equal to two times the number of months base salary if the change of control occurs within the first six months of the agreement or two times his base salary plus previous annual bonus if the change of control occurs after 12 months.

Effective June 30, 2021, the Company entered into a term sheet employment agreement with Richard Pearce (the "**Pearce 2021 Agreement**") to replace the Pearce 2019 Agreement pursuant to which Mr. Pearce continues to act as the President and the CEO of the Company until June 9, 2023. In consideration for his services, the Company agreed to (i) pay Mr. Pearce a base salary of US\$15,830 per month, provided the Company's treasury does not fall below C\$100,000 cash; (ii) pay Mr. Pearce an annual bonus paid in cash and/or options and/or RSUs based on key performance indicators with a target range of 25% to 100% of his annual base salary, as recommended by the Company's Compensation Committee and approved by the Board; and (iii) issue a total of 300,000 stock options to Mr. Pearce in July of 2022 with 25% vesting immediately and an additional 25% vesting every six months thereafter, at a strike price to be negotiated based on market price and exercisable for a term of five years from the date of grant. In the case of termination for cause, vested options and RSUs will be exercisable within 90 days after termination. In the case of termination without cause, all unvested options and RSUs will immediately vest and be exercisable within 90 days after termination, and the Company will pay Mr. Pearce an amount equal to 18 months base salary plus his previous annual bonus, if any. In the case of termination as a result of a change of control or change of duties, all unvested options and RSUs will immediately vest, and the Company will pay Mr. Pearce an amount equal to two times his base salary plus previous annual bonus, if any.

On October 1, 2017, the Company entered into a consulting agreement (the "**Red Fern Agreement**") with Red Fern Consulting Ltd. ("**Red Fern**") pursuant to which the Company agreed to pay Red Fern \$4,000 per month plus GST to retain Justin Blanchet to provide accounting and administrative services to the Company and to act as the CFO of the Company. The Red Fern Agreement is for a term commencing on October 1, 2017 for a minimum of eight months (the "**Term**"). The Term will be automatically renewed at the end of each consecutive Term unless otherwise agreed by the parties no later than one month prior to the end of the Term. The Red Fern Agreement may be terminated by the Company or Red Fern on sixty days' notice to the other party. The Red Fern Agreement was revised in January 2021 with Bennett Liu replacing Justin Blanchet as the CFO of the Company. The Red Fern Agreement was further revised in September 2021 with Samantha Shorter replacing Bennett Liu as the CFO of the Company, and the monthly fee to Red Fern increased to \$6,500 per month.

## **Oversight and Description of Director and NEO 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 and experience levels and the existing stage of development of the Company. Executive officers are rewarded on the basis of the skill and level of responsibility involved in their position, the individual's experience and qualifications, 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, pension or other benefits to the executive officers, except health benefits to the CEO. The Board of Directors has not considered the implications of the risks associated with the Company's compensation policies and practices. The Company's compensation policies and practices give greater weight toward long-term incentives to mitigate the risk of encouraging short term goals at the expense of long term stability.

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.

The salary for each NEO is primarily determined having regard to his position, responsibilities, the assessment of such individual's performance and overall Company performance as presented by management to the Board of Directors. A cash bonus may be awarded to reward extraordinary performance that has led to increased value for shareholders through property acquisitions or divestitures, the formation of new strategic or joint venture relationships, or capital raising efforts. Grants of stock options are intended to enforce and encourage the executive officer's commitment to the Company's growth and the enhancement of share value and to reward executive officers for the Company's performance. The grant of stock options, as a key component of the executive compensation package, enables the Company to attract and retain qualified executives.

The Company does not have a formal policy prohibiting a NEO or a director of the Company from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director of the Company. However, there is an understanding that the NEOs and directors of the Company will not purchase such financial instruments, and no NEO or director of the Company has purchased such financial instruments as of the date of this Management Information Circular.

Compensation for the two most recently completed financial years 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.

The Company has no standard arrangement pursuant to which directors are compensated by the Company for their services in their capacity as directors except for the granting from time to time of incentive stock options in accordance with the policies of the TSX Venture Exchange.

## 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.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuances under equity compensation plan (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by security holders (Stock Option Plan)	819,000	\$0.80	1,222,770
Equity compensation plans not approved by security holders	Nil	Nil	Nil
<b>Total</b>	<b>819,000</b>	<b>-</b>	<b>1,222,770</b>

**Notes:**

- (1) Adjusted to reflect a share consolidation on the basis of 1 new post-consolidation Common Share for 5 pre-consolidation Common Shares completed on June 22, 2022.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors, executive officers, employees, proposed nominees for election as directors and their associates, or any former executive officers, directors and employees of the Company or any of its subsidiaries, is, as at the date of this Information Circular, or has been at any time during the Company's most recently completed financial year, indebted to the Company or any of its subsidiaries.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

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 material interest, direct or indirect, 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.

## MANAGEMENT CONTRACTS

Management functions of the Company or any of its subsidiaries are not to any substantial degree performed by anyone other than the directors or executive officers of the Company or subsidiary.

## 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 has 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 Board currently consists of five directors: Richard Pearce Jr., Eric Allison, Daniel Wilton, Marc Leduc and Priscila Costa Lima. It is proposed that all five directors be nominated at the Meeting.

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. One director, Richard Pearce Jr., CEO, is considered not independent.

## Other Directorships

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

Name	Name of other reporting issuer
Richard Pearce Jr.	None
Eric Allison	BioELife Corp.
Daniel Wilton	First Mining Gold Corp.
Marc Leduc	Silver Elephant Mining Corp. South Atlantic Gold Inc.
Priscila Costa Lima	West Vault Mining Inc.

## Orientation and Continuing Education

Orientation of new members of the Board is conducted by informal meetings with members of the Board, briefings by management, and the provision of copies of or access to the Company’s documents.

The Company has not adopted formal policies respecting continuing education for Board members. The Company encourages directors to undertake continuing education the costs of which are borne by the Company.

## 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 in to 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 established a Compensation Committee comprised of Daniel Wilton and Marc Leduc. The Compensation Committee is responsible for reviewing and determining the adequacy and form of compensation paid to the Company’s executives and key employees. The Compensation Committee evaluates the performance of the Chief Executive Officer and other 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, Governance Committee and Compensation Committee.

## **Assessments**

The Board, its committees and individual directors are not regularly assessed with respect to their effectiveness and contribution. The Board believes that such assessments are more appropriate for companies of a larger size and complexity which may have significantly larger boards of directors. Where appropriate the chair of the Board meets with individual directors to discuss their contribution and that of the other directors. Arising from such meetings, if appropriate, the Board considers procedural and substantive changes to increase the effectiveness of the Board, its committees and members.

## **AUDIT COMMITTEE**

### **Audit Committee Disclosure**

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

The primary function of the audit committee (the “**Audit Committee**”) is to assist the Board in fulfilling its financial oversight responsibilities by (a) reviewing the financial reports and other financial information provided by the Company to regulatory authorities and Shareholders; (b) reviewing the systems for internal corporate controls which have been established by the Board and management; and (c) overseeing the Company’s financial reporting processes generally. In meeting these responsibilities the Audit 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 Audit 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 of the Board of Directors a copy of which is annexed hereto as Schedule “A”.

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

The Audit Committee is comprised of the following members: Priscila Costa Lima (Chair), Daniel Wilton and Eric Allison. Each member of the Audit Committee is considered to be financially literate as defined by NI 52-110 in that each Audit Committee member 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 issues that can presumably be expected to be raised by the Company’s financial statements.

The members of the Audit 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 Audit Committee designate a chair by a majority vote of the full Committee membership.

## **Relevant Education and Experience**

*Priscila Costa Lima* - Ms. Costa Lima is senior finance and accounting professional with 20 years of experience in corporate finance, reporting & audit, and equity & debt financing in the mining and entertainment sectors. Currently she serves as the CFO of BRON Media Corp., and prior to that, she was the Finance Director for Force Four Entertainment (an eOne Entertainment company). Before making the move to the entertainment industry, she worked in the mining / resource sector where she served as the CFO of Marlin Gold Mining Ltd. from 2010 to 2014. Ms. Costa Lima is a Brazilian citizen based in Vancouver, BC. She is a CPA, CMA and holds a BBA in Finance with a joint Major in Economics from Simon Fraser University.

*Daniel Wilton* - Mr. Wilton has 29 years of experience in M&A, corporate finance and principal investing in the mining sector. Mr. Wilton is the CEO and a director of First Mining Gold Corp. Prior to joining First Mining Gold, he was a Partner at Pacific Road Capital Management, a mining-focused private equity investment firm. Prior to joining Pacific Road, Mr. Wilton's previous roles included Managing Director and Head of the Global Mining and Metals Group at National Bank Financial Inc., Managing Director in Business Development at General Electric based in London, England, and other corporate finance and M&A roles at global institutions based in Toronto and New York. He currently serves as a Director on the Board of Providence Living in Vancouver, Canada. Mr. Wilton holds a B.Comm (First Class Honours) from Queen's University and an MBA (with Distinction) from INSEAD in France.

*Eric Allison* – Mr. Allison has more than 42 years of experience in the natural resource industry working in technical, business, project development and management roles. He formerly served, from 2012 to 2015, as Chief Executive Officer and Chief Operating Officer of Brazahav Resources, a private entity developing a brownfield gold mine project in Brazil. Prior to this, he was the Director of Research and Chief Geologist at Casimir Capital LP, specializing in junior mining companies. He was a Director of Business Development at Sempra Commodities from 1999 to 2009, where his responsibilities included metals, concentrates and energy. Throughout his career, Mr. Allison has also served in various roles for Cyprus Amax Minerals, Amax Energy, SPG Exploration and Texaco. He has served on the boards of several private and public companies. Mr. Allison received a BS in geology from Brown University (1978) and an MS in marine geology from the University of Georgia (1980).

## **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 Audit 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 contained 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 an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemption).

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

The Audit 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 Audit 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:

<b>Financial Year Ending</b>	<b>Audit Fees</b>	<b>Audit Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
December 31, 2021	\$37,500	\$Nil	\$1,750	\$Nil
December 31, 2020	\$22,000	\$Nil	\$1,750	\$Nil

### **Exemption**

The Company is relying upon 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 the SEDAR website at [www.sedar.com](http://www.sedar.com).

Financial information is provided in the Company's comparative financial statements and management's discussion and analysis for its most recently completed financial year, and available online at [www.sedar.com](http://www.sedar.com). Shareholders may request additional copies by (i) mail to Suite 1507 - 1030 West Georgia Street, Vancouver, British Columbia, Canada, V6E 2Y3; or (ii) telephone to: 604 868-5394.

### **BY ORDER OF THE BOARD OF DIRECTORS**

"Richard Pearce Jr."  
Chief Executive Officer

## Schedule "A"

### AUDIT COMMITTEE CHARTER

#### PURPOSE OF THE COMMITTEE

The purpose of the Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of the Company is to provide an open avenue of communication between management, the Company's independent auditor and the Board and to assist the Board in its oversight of:

- the integrity, adequacy and timeliness of the Company's financial reporting and disclosure practices;
- the Company's compliance with legal and regulatory requirements related to financial reporting; and
- the independence and performance of the Company's independent auditor.

The Committee shall also perform any other activities consistent with this Charter, the Company's articles and governing laws as the Committee or Board deems necessary or appropriate.

The Committee shall consist of at least three directors. Members of the Committee shall be appointed by the Board and may be removed by the Board in its discretion. The members of the Committee shall elect a Chairman from among their number. A majority of the members of the Committee must not be officers or employees of the Company or of an affiliate of the Company. The quorum for a meeting of the Committee is a majority of the members who are not officers or employees of the Company or of an affiliate of the Company. With the exception of the foregoing quorum requirement, the Committee may determine its own procedures.

The Committee's role is one of oversight. Management is responsible for preparing the Company's financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with generally accepted accounting principles ("**GAAP**"). Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The independent auditor's responsibility is to audit the Company's financial statements and provide its opinion, based on its audit conducted in accordance with generally accepted auditing standards, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with GAAP.

The Committee is responsible for recommending to the Board the independent auditor to be nominated for the purpose of auditing the Company's financial statements, preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, and for reviewing and recommending the compensation of the independent auditor. The Committee is also directly responsible for the evaluation of and oversight of the work of the independent auditor. The independent auditor shall report directly to the Committee.

#### AUTHORITY AND RESPONSIBILITIES

In addition to the foregoing, in performing its oversight responsibilities the Committee shall:

1. Monitor the adequacy of this Charter and recommend any proposed changes to the Board.
2. Review the appointments of the Company's Chief Financial Officer and any other key financial executives involved in the financial reporting process.
3. Review with management and the independent auditor the adequacy and effectiveness of the Company's accounting and financial controls and the adequacy and timeliness of its financial reporting processes.

4. Review with management and the independent auditor the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.
5. Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.
6. Review the Company's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.
7. Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by the Company, including consideration of the independent auditor's judgment about the quality and appropriateness of the Company's accounting policies. This review may include discussions with the independent auditor without the presence of management.
8. Review with management and the independent auditor significant related party transactions and potential conflicts of interest.
9. Pre-approve all non-audit services to be provided to the Company by the independent auditor.
10. Monitor the independence of the independent auditor by reviewing all relationships between the independent auditor and the Company and all non-audit work performed for the Company by the independent auditor.
11. Establish and review the Company's procedures for the:
  - receipt, retention and treatment of complaints regarding accounting, financial disclosure, internal controls or auditing matters; and
  - confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.
12. Conduct or authorize investigations into any matters that the Committee believes is within the scope of its responsibilities. The Committee has the authority to retain independent counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of the Company.
13. Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting company in Parts 2 and 4 of Multilateral Instrument 52-110 of the Canadian Securities Administrators, the *Business Corporations Act* (British Columbia) and the articles of the Company.