



**INFORMATION CIRCULAR**  
**(as at November 30, 2023, unless indicated otherwise)**

**SOLICITATION OF PROXIES**

This Information Circular is provided in connection with the solicitation of proxies by the management of Max Resource Corp. (the "Company") for use at the Annual General Meeting of the shareholders of the Company to be held on Friday, December 29, 2023 (the "Meeting"), at the time and place and for the purposes set out in the accompanying notice of meeting and at any adjournment thereof. The solicitation will be made by mail and may also be supplemented by telephone or other personal contact to be made without special compensation by directors, officers and employees of the Company. The Company will bear the cost of this solicitation. The Company will not reimburse shareholders, nominees or agents for the cost incurred in obtaining from their principal's authorization to execute forms of proxy.

**APPOINTMENT AND REVOCATION OF PROXY**

Registered Shareholders

**Registered shareholders may vote their common shares by attending the Meeting in person or by completing the enclosed proxy.** Registered shareholders should deliver their completed proxies to Computershare Trust Company of Canada, Proxy Dept., 100 University Avenue, 8<sup>th</sup> floor, Toronto, Ontario, M5J 2Y1 or by facsimile at 1-866-249-7775 or (416) 263-9524 (by mail, telephone or internet according to the instructions on the proxy), not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting, otherwise the shareholder will not be entitled to vote at the Meeting by proxy.

The persons named in the proxy are directors and officers of the Company and are proxyholders nominated by management. **A shareholder has the right to appoint a person other than the nominees of management named in the enclosed instrument of proxy to represent the shareholder at the Meeting. To exercise this right, a shareholder must insert the name of its nominee in the blank space provided. A person appointed as a proxyholder need not be a shareholder of the Company.**

A registered shareholder may revoke a proxy by:

- (a) signing a proxy with a later date and delivering it at the place and within the time noted above;
- (b) signing and dating a written notice of revocation (in the same manner as the proxy is required to be executed, as set out in the notes to the proxy) and delivering it to the registered office of the Company, 700 W Georgia Street, 25<sup>th</sup> Floor, Vancouver, British Columbia, V7Y 1B3, 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,
- (c) attending the Meeting or any adjournment thereof and registering with the scrutineer as a shareholder present in person, whereupon such proxy shall be deemed to have been revoked; or
- (d) in any other manner provided by law.

Beneficial Shareholders

**The information set forth in this section is of significant importance to many shareholders, as many shareholders do not hold their shares in the Company in their own name.** Shareholders holding their shares through banks, trust companies, securities dealers or brokers, trustees or administrators of

self-administered RRSP's, RRIF's, RESP's and similar plans or other persons (any one of which is herein referred to as an "Intermediary") or otherwise not in their own name (such shareholders herein referred to as "Beneficial Shareholders") should note that only proxies deposited by shareholders appearing on the records maintained by the Company's transfer agent as registered shareholders will be recognized and allowed to vote at the Meeting. If a shareholder's shares are listed in an account statement provided to the shareholder by a broker, in all likelihood those shares are **not** registered in the shareholder's name and that shareholder is a Beneficial Shareholder. Such shares are most likely registered in the name of the shareholder's broker or an agent of that broker. In Canada the vast majority of such shares are registered under the name of CDS & Co., the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms. Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted at the Meeting at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate party well in advance of the Meeting.**

Regulatory policies require Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Beneficial Shareholders have the option of not objecting to their Intermediary disclosing certain ownership information about themselves to the Company (such Beneficial Shareholders are designated as non-objecting beneficial owners, or "NOBOs") or objecting to their Intermediary disclosing ownership information about themselves to the Company (such Beneficial Shareholders are designated as objecting beneficial owners, or "OBOs").

In accordance with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Company has elected to send the notice of meeting, this Information Circular and a request for voting instructions (a "VIF"), instead of a proxy (the notice of Meeting, Information Circular and VIF or proxy are collectively referred to as the "Meeting Materials") directly to the NOBOs and indirectly through Intermediaries to the OBOs. The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to OBOs. The Company does not intend to pay for Intermediaries to forward the Meeting materials to OBOs. OBOs will not receive the Meeting Materials unless their Intermediary assumes the cost of delivery.

Meeting Materials sent to Beneficial Shareholders are accompanied by a VIF, instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a Beneficial Shareholder is able to instruct the Intermediary (or other registered shareholder) how to vote the Beneficial Shareholder's shares on the Beneficial Shareholder's behalf. For this to occur, it is important that the VIF be completed and returned in accordance with the specific instructions noted on the VIF.

The majority of Intermediaries now delegate responsibility for obtaining instructions from Beneficial Shareholders to Broadridge Investor Communication Solutions ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable VIF, mails these VIFs to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, usually by way of mail, the Internet or telephone. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting by proxies for which Broadridge has solicited voting instructions. A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote shares directly at the Meeting. The VIF must be returned to Broadridge (or instructions respecting the voting of shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the shares voted. If you have any questions respecting the voting of shares held through an Intermediary, please contact that Intermediary for assistance.

In either case, the purpose of this procedure is to permit Beneficial Shareholders to direct the voting of the shares which they beneficially own. **A Beneficial Shareholder receiving a VIF cannot use that form to vote common shares directly at the Meeting – Beneficial Shareholders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.** Should a Beneficial Shareholder who receives a VIF wish to attend the Meeting or have someone else attend on their behalf, the Beneficial Shareholder may request a legal proxy as set forth in the VIF, which will grant the Beneficial Shareholder or their nominee the right to attend and vote at the Meeting.

Only registered shareholders have the right to revoke a proxy. A Beneficial Shareholder who wishes to change its vote must, at least seven days before the Meeting, arrange for its Intermediary to revoke its VIF on its behalf.

All references to shareholders in this Information Circular and the accompanying instrument of proxy and notice of Meeting are to registered shareholders unless specifically stated otherwise.

The Meeting Materials are being sent to both registered and non-registered owners of the Company's shares. If you are a Beneficial Shareholder and the Company or its agent has sent the Meeting Materials directly to you, your name and address and information about your holdings of the Company's securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send the Meeting Materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering the Meeting Materials to you and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the VIF.

### **VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES**

If a shareholder specifies a choice with respect to any matter to be acted upon, the shares represented by proxy will be voted or withheld from voting by the proxy holder in accordance with those instructions on any ballot that may be called for. In the enclosed form of proxy, in the absence of any instructions in the proxy, it is intended that such shares will be voted by the proxyholder, if a nominee of management, in favour of the motions proposed to be made at the meeting as stated under the headings in the notice of meeting accompanying this Information Circular. If any amendments or variations to such matters, or any other matters, are properly brought before the Meeting, the proxyholder, if a nominee of management, will exercise its discretion and vote on such matters in accordance with its best judgment.

The instrument of proxy enclosed, in the absence of any instructions in the proxy, also confers discretionary authority on any proxyholder other than the nominees of management named in the instrument of proxy with respect to the matters identified herein, amendments or variations to those matters, or any other matters which may properly be brought before the Meeting. To enable a proxyholder to exercise its discretionary authority a shareholder must strike out the names of the nominees of management in the enclosed instrument of proxy and insert the name of its nominee in the space provided, and not specify a choice with respect to the matters to be acted upon. This will enable the proxyholder to exercise its discretion and vote on such matters in accordance with its best judgment.

At the time of printing this Information Circular, management of the Company is not aware that any amendments or variations to existing matters or new matters are to be presented for action at the Meeting.

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

Other than as disclosed elsewhere in this Information Circular, none of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

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

The authorized capital of the Company consists of an unlimited number of common shares. On November 24, 2023 (the "Record Date"), the Company had 175,884,325 common shares outstanding. All common shares in the capital of the Company are of the same class and each carries the right to one vote. Only those shareholders of record on the Record Date are entitled to attend and vote at the Meeting.

To the knowledge of the directors and executive officers of the Company, as of the date of this Information Circular, there are no persons that beneficially own, directly or indirectly, or exercise control or direction over, 10% or more of the common shares of the Company.

## STATEMENT OF EXECUTIVE COMPENSATION

The following information is presented in accordance with National Instrument Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* for the most recently completed financial year ended December 31, 2022.

### General

For the purposes of this Statement of Executive Compensation:

“CEO” means an individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“CFO” means an individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“Named Executive Officer” or “NEO” means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year and whose total compensation was, individually, more than \$150,000 as determined in accordance with applicable securities laws; 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, nor acting in a similar capacity at the end of the most recently completed financial year.

Based on the foregoing definition, during the recently completed financial year of the Company ended December 31, 2022, the Company had two NEOs, namely, Brett Matich, the CEO, and Alexander Helmel, the CFO.

### Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each NEO and director, in any capacity, for the two most recently completed financial years ended December 31, 2022 and 2021:

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of Perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
<b>Brett Matich</b> <i>President, CEO &amp; Director</i>	2022	323,200 <sup>(1)</sup>	Nil	Nil	Nil	Nil	323,200
	2021	304,000 <sup>(1)</sup>	Nil	Nil	Nil	Nil	304,000
<b>Alexander Helmel</b> <i>CFO</i>	2022	169,000 <sup>(2)</sup>	Nil	Nil	Nil	Nil	169,000
	2021	96,000 <sup>(2)</sup>	Nil	Nil	Nil	Nil	96,000

<b>Paul John</b> <i>Director</i>	2022 2021	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
<b>Patrick Frandle</b> <i>Director</i>	2022 2021	45,000 <sup>(3)</sup> Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	45,000 Nil

Notes:

- (1) The Company pays consulting fees to Mardu Investments Ltd., a company controlled by Mr. Match.
- (2) The Company pays consulting fees to Redonda Management Ltd., a company controlled by Mr. Helmel.
- (3) The Company pays consulting fees to Heritage Benefit Partners Inc., a company controlled by Mr. Frandle.

### Stock Options and Other Compensation Securities

During the financial year ended December 31, 2022, the following NEOs or directors of the Company received compensation securities:

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>Brett Match</b> <i>President, CEO &amp; Director</i>	Performance Share Units	2,700,000	17Nov2022	N/A	\$0.305	\$0.245	N/A
<b>Alexander Helmel</b> <i>CFO</i>	Performance Share Units	1,000,000	17Nov2022	N/A	\$0.305	\$0.245	N/A
<b>Paul John</b> <i>Director</i>	Performance Share Units	100,000	17Nov2022	N/A	\$0.305	\$0.245	N/A
<b>Patrick Frandle</b> <i>Director</i>	Performance Share Units	100,000	17Nov2022	N/A	\$0.305	\$0.245	N/A

### Exercise or Redemption of Compensation Securities

During the financial year ended December 31, 2022, no NEOs or directors of the Company exercised or redeemed compensation securities.

### Stock Option Plan and Other Incentive Plans

For information about the material terms of the Company's proposed Omnibus Equity Incentive Compensation Plan, please refer to the heading below "Particulars of Matters to be Acted Upon".

### Employment, Consulting and Management Agreements

The Company has not entered into any agreement or arrangement under which compensation was provided during the most recently completed fiscal year ended December 31, 2022, or is payable in respect

of services provided to the Company or any of its subsidiaries that were: (a) performed by a director or NEO, or (b) performed by any other party but are services typically provided by a director or a NEO.

## **Oversight and Description of Director and NEO Compensation**

### ***Compensation Program Objectives***

The objectives of the Company's executive compensation program are as follows:

- to attract, retain and motivate talented executives who create and sustain the Company's continued success;
- to align the interests of the Company's executives with the interests of the Company's shareholders; and
- to provide total compensation to executives that is competitive with that paid by other companies of comparable size engaged in similar business in appropriate regions.

Overall, the executive compensation program aims to design executive compensation packages that meet executive compensation packages for executives with similar talents, qualifications and responsibilities at companies with similar financial, operating and industrial characteristics. The Company is a junior mineral exploration company involved in exploration and development of early-stage mineral properties and will not be generating significant revenues from operations for a significant period of time. As a result, the use of traditional performance standards, such as corporate profitability, is not considered by the Company to be appropriate in the evaluation of the performance of the NEOs.

### ***Purpose of the Compensation Program***

The Company's executive compensation program has been designed to reward executives for reinforcing the Company's business objectives and values, for achieving the Company's performance objectives and for their individual performances.

### ***Elements of Compensation Program***

The executive compensation program consists of a combination of consulting fees, performance bonus and stock option incentives.

### ***Purpose of Each Element of the Executive Compensation Program***

The consulting fees of a NEO is intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration.

In addition to a fixed consulting fee, each NEO is eligible to receive a performance-based bonus meant to motivate the NEO to achieve short-term goals. The pre-established, quantitative target(s) used to determine performance bonuses are set each fiscal year. Awards under this plan are made by way of cash payments only, which payment are made at the end of the fiscal year.

Stock options and performance share units may be awarded to NEOs based on performance measured against set objectives. The granting of these incentive securities upon hire aligns NEOs' rewards with an increase in shareholder value over the long term. The use of stock options and performance share units encourages and rewards performance by aligning an increase in each NEO's compensation with increases in the Company's performance and in the value of the shareholders' investments.

***Determination of the Amount of Each Element of the Executive Compensation Program, Compensation Risk and Compensation Governance***

The Board approves the compensation of the NEOs. The Company does not presently have a compensation committee and the Company has not retained any compensation advisor or compensation consultant in respect of its compensation policies.

It is anticipated that a portion of the Company's executive compensation may consist of options and performance share units granted under the Company's omnibus equity incentive compensation plan. Such compensation is both "long term" and "at risk" and, accordingly, is directly linked to the achievement of long-term value creation. As the benefits of such compensation, if any, are not realized by the executive until a significant period of time has passed, the ability of executives to take inappropriate or excessive risks that are beneficial to them from the standpoint of their compensation at the expense of the Company and its shareholders is limited.

The other two elements of compensation, consulting fees and performance bonuses, represent the remaining portion of an executive's total compensation. While neither salary nor bonus are "long term" or "at risk", as noted above, these components of compensation are not at a level of total compensation whereby an executive would take inappropriate or excessive risks at the expense of the Company and its shareholders that would be beneficial to them from the standpoint of their short-term compensation when their long-term compensation might be put at risk from their actions.

Due to the small size of the Company, and the current level of the Company's activity, the Board is able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular Board meetings during which, financial and other information of the Company are reviewed, and which includes executive compensation. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

NEOs and directors of the Company are 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 or indirectly, by the NEO or director.

*Consulting Fees*

Consulting Fees for NEOs are expected to continue to be set annually, having regard to the individual's job responsibilities, contribution, experience and proven or expected performance, as well as to market conditions. In setting base compensation levels, consideration is to be given to such factors as level of responsibility, experience and expertise. Subjective factors such as leadership, commitment and attitude are also to be considered. The Company has not established performance goals for its NEOs.

**Pension Arrangements**

The Company does not have any pension arrangements in place for the NEOs and directors.

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN**

The following table sets out, as of the end of the most recently completed financial year ended December 31, 2022, all required information 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 issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by securityholders	15,065,000	0.37	1,123,432
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
<b>Total</b>	<b>15,065,000</b>		<b>1,123,432</b>

## CORPORATE GOVERNANCE

### ***Board of Directors***

The Board presently consists of three directors, two of whom are independent. The definition of independence used by the Company is that used by the Canadian Securities Administrators, which is set out in section 1.4 of National Instrument 52-110 *Audit Committees* (“NI 52-110”). A director is independent if he has no direct or indirect material relationship to 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. Certain types of relationships are by their very nature considered to be material relationships and are specified in section 1.4 of NI 52-110.

Paul John and Patrick Frandle are considered to be independent directors. Brett Matich is not considered to be independent as he is management of the Company.

The Board believes that the principal objective of the Company is to generate economic returns with the goal of maximizing shareholder value, and that this is to be accomplished by the Board through its stewardship of the Company. In fulfilling its stewardship function, the Board’s responsibilities will include strategic planning, appointing and overseeing management, succession planning, risk identification and management, environmental oversight, communications with other parties and overseeing financial and corporate issues. Directors are involved in the supervision of management.

Pursuant to the *Business Corporations Act* (British Columbia), directors must declare any interest in a material contract or transaction or a proposed material contract or transaction. Further, the independent members of the Board meet independently of management members when warranted.

### ***Other Directorships***

The directors of the Company are also directors of the following other reporting issuers:

Brett Matich	Live Energy Minerals Corp.
Paul John	West Oak Gold Corp. Prudent Minerals Corp. Crest Resources Inc.
Patrick Frandle	N/A

### *Orientation and Continuing Education*

The Company has not yet developed an official orientation or training program for directors. If and when new directors are added, however, they have the opportunity to become familiar with the Company by meeting with other directors and with officers and employees of the Company. As each director has a different skill set and professional background, orientation and training activities are and will continue to be tailored to the particular needs and experience of each director. The Company's financial and legal advisers are also available to the Company's directors.

### *Code of Ethics*

The Board has adopted a Code of Ethics (the "**Code**"), which applies to all directors, officers, employees and consultants of the Company, and prescribes a high standard ethical conduct in all dealings related to the affairs of the Company.

The Code provides basic guidelines setting forth the ethical behavior expected from every employee of the Company with respect to the use of Company time and assets, protection of confidential information, conflicts of interest, trading in the Company's securities and other matters. Every employee of the Company is subject to the Code and will be requested to sign a form acknowledging that he understands its contents and agrees to be bound by its provisions.

In summary, all employees must:

- follow applicable laws and regulations wherever the Company does business;
- work safely, in accordance with regulatory and other industry standards;
- treat everyone fairly and equitably: customers, suppliers, other employees, Company stakeholders and third parties dealing with the Company;
- refrain from speaking publicly on Company matters, unless authorized;
- refrain from trading on, and "tipping" others on, confidential information;
- respect the confidential nature of the information to which they may have access and refrain from sharing same, except on a need-to-know basis;
- always perform their duties in the best interests of the Company;
- avoid conflicts of interest, both real and perceived;
- be honest and act with integrity;
- handle Company assets with care and refrain from using same and Company time for personal purposes;
- respect the right of all employees to fair treatment and equal opportunity;
- respect the right of all employees to a working environment free from discrimination or harassment of any sort;
- act in a respectful and professional manner with other employees;
- refrain from inappropriately influencing the political process;
- work in an environmentally responsible manner;
- respect the cultures and rights of communities where the Company operates its business;
- ensure that all transactions are handled honestly and recorded accurately; and
- report any violation to this Code.

In the Board's regular meetings, the Board considers the Company's operations and business activities in light of the Code. The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity.

#### *Whistle-Blowing Policy*

The Board has also adopted a Whistle-Blowing Policy (the "**WB Policy**"), which applies to all directors, officers, employees and consultants of the Company. The aim of the WB Policy is to ensure that the Company provides a mechanism by which it may be informed of dishonest, fraudulent, unacceptable behaviour, conduct and practices made by its directors, officers, consultants and employees regarding accounting, internal accounting controls or auditing or related matters (a "**Questionable Event**"). The Company expects its directors, officers, employees and consultants to feel confident about disclosing and reporting on any concerns they may have about any Questionable Event they are aware of. The WB Policy is structured as a formal tool to allow the receipt, retention and treatment of complaints, denunciations, warnings and any form of notice by any director, officer, employee or consultant of the Company regarding a Questionable Event.

#### *Nomination of Directors*

The Company does not have a formal process or committee for proposing new nominees for election to the Board. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members.

#### *Compensation*

The Board has not established a Compensation Committee. The Board as a whole is responsible for reviewing the adequacy and form of compensation paid to the Company's executives and key employees, and ensuring that such compensation realistically reflects the responsibilities and risks of such positions. In fulfilling its responsibilities, the Board evaluates the performance of the chief executive officer and other senior management in light of corporate goals and objectives, and makes recommendations with respect to compensation levels based on such evaluations.

#### *Other Board Committees*

The Board has not established any committees other than the Audit Committee.

#### *Assessments*

There is no formal committee with the responsibility for assessing the effectiveness of the Board as whole. The Board as a group regularly reviews its performance and assesses the effectiveness of the Board as a whole.

### **AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS**

#### *General*

The Audit Committee is a standing committee of the Board, the primary function of which is to assist the Board in fulfilling its financial oversight responsibilities, which will include monitoring the quality and integrity of the Company's financial statements and the independence and performance of the Company's external auditor, acting as a liaison between the Board and the Company's external auditor, reviewing the financial information that will be publicly disclosed and reviewing all audit processes and the systems of internal controls management and the Board have established.

#### *Audit Committee Charter*

The Board has adopted an Audit Committee Charter, which sets out the Audit Committee's mandate, organization, powers and responsibilities. The Audit Committee Charter is attached as Schedule "A" to this Information Circular.

### **Composition**

As the shares of the Company are listed on the TSX Venture Exchange (the “**Exchange**”), it is categorized as a venture issuer. As a result, the Company is exempt from the requirements of Part 3 (*Composition of the Audit Committee*) of NI 52-110.

The Audit Committee consists of the following three (3) directors. Also indicated is whether they are “independent” and “financially literate”.

<b>Name of Member</b>	<b>Independent <sup>(1)</sup></b>	<b>Financially Literate <sup>(2)</sup></b>
Brett Matich	No	Yes
Paul John	Yes	Yes
Patrick Frandle	Yes	Yes

Notes:

- (1) A member of the Audit Committee is independent if he has no direct or indirect “material relationship” with the Company. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member’s independent judgment. An executive officer of the Company, such as the President, is deemed to have a material relationship with the Company.
- (2) A member of the Audit Committee is financially literate if he 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 reasonably be expected to be raised by the Company’s financial statements.

### **Relevant Education and Experience**

All of the members of the Company’s Audit Committee have gained their education and experience by participating in the management of private and publicly traded companies and all member are “financially literate”, meaning 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 be reasonably expected to be raised by the Company’s financial statements.

### **Audit Committee Oversight**

Since the commencement of the Company’s most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

### **Reliance on Certain Exemptions**

Since the commencement of the Company’s most recently completed financial year, the Company has not relied on the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 or an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*) of NI 52-110.

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

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services, however, as provided for in NI 52-110 the Audit Committee must pre-approve all non-audit services to be provided to the Company or its subsidiaries, unless otherwise permitted by NI 52-110.

### **External Auditor Service Fees (By Category)**

<b>Financial Year Ending</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit Related Fees<sup>(2)</sup></b>	<b>Tax Fees<sup>(3)</sup></b>	<b>All Other Fees<sup>(4)</sup></b>
December 31, 2022	\$70,854	Nil	\$9,500	Nil

<b>Financial Year Ending</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit Related Fees<sup>(2)</sup></b>	<b>Tax Fees<sup>(3)</sup></b>	<b>All Other Fees<sup>(4)</sup></b>
December 31, 2021	\$45,549	Nil	\$8,500	Nil

Notes:

- (1) The aggregate fees billed by the Company's auditor for audit fees.
- (2) The aggregate fees billed for assurance and related services by the Company's auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed in the "Audit Fees" column.
- (3) The aggregate fees billed for professional services rendered by the Company's auditor for tax compliance, tax advice and tax planning.
- (4) The aggregate fees billed for professional services other than those listed in the other three columns.

***Exemption***

Pursuant to section 6.1 of NI 52-110, the Company is exempt from the requirements of Part 3 *Composition of the Audit Committee* and Part 5 *Reporting Obligations* of NI 52-110 because it is a venture issuer.

**INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS**

None of the directors or executive officers of the Company or any subsidiary thereof, has more than "routine indebtedness" to the Company or any subsidiary thereof.

**INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Unless otherwise disclosed herein, no informed person or proposed nominee for election as a director, or any associate or affiliate of any of the foregoing, has or has had any material interest, direct or indirect, in any transaction or proposed transaction since the commencement of the Company's most recently completed financial year, which has materially affected or will materially affect the Company or any of its subsidiaries, other than as disclosed by the Company during the course of the year or as disclosed herein.

**PARTICULARS OF MATTERS TO BE ACTED UPON**

***Election of Directors***

The Board currently consists of three directors. The term of office for each of the present directors of the Company expires at the Meeting. It is proposed that the number of directors to be elected at the Meeting, for the ensuing year, be fixed at three (3). At the Meeting, the shareholders will be asked to consider and, if thought fit, approve an ordinary resolution fixing the number of directors to be elected at the Meeting, at three (3).

The directors of the Company are elected annually and hold office until the next annual general meeting of the Shareholders or until their successors are elected. The management of the Company proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are elected or appointed. **In the absence of instructions to the contrary, proxies given pursuant to the solicitation by the management of the Company will be voted FOR the nominees listed in this Information Circular.** Management does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, **proxies in favour of management designees will be voted for another nominee in their discretion unless the shareholder has specified in his proxy that his shares are to be withheld from voting in the election of directors.** Each director elected will hold office until the next annual Meeting of Shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the Articles of the Company.

The following table sets out the names of the nominees for election as directors, the offices they hold within the Company, their occupations, the length of time they have served as directors of the Company, and the number of Shares of the Company and its subsidiaries which each beneficially owns directly or indirectly or over which control or direction is exercised as of the date of the Information Circular:

Name, jurisdiction of residence and office held	Principal occupation	Director since	Number of common shares beneficially owned directly or indirectly
<b>Brett Match</b> <sup>(1)</sup> British Columbia, Canada <i>President, Chief Executive Officer and Director</i>	President & CEO of the Company; CEO of Mardu Investments Ltd., a private company that provides executive management services to public companies; CEO of Prudent Minerals Corp., a company listed on the CSE.	January 15, 2018	3,116,666
<b>Paul John</b> <sup>(1)</sup> British Columbia, Canada <i>Director</i>	Retired Businessman; independent director of the Company, CEO and director of West Oak Gold Corp., a company involved in the exploration and development of mineral properties in BC and listed on the CSE.	June 18, 2002	376,291
<b>Patrick Frandle</b> <sup>(1)</sup> Alberta, Canada <i>Director</i>	Insurance broker.	October 11, 2019	Nil

Notes:

(1) Member of the audit committee.

The above information, including information as to common shares beneficially owned, has been provided by the respective directors individually.

Except as described below, 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 the subject:
    - (A) of a cease trade order;
    - (B) an order similar to a cease trade order; or
    - (C) an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days,
      - while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
  - (ii) was subject to:
    - (A) a cease trade order;
    - (B) an order similar to a cease trade order; or
    - (C) an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days,

after the proposed director was acting in the capacity as director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer, other than:

- (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 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
- (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 securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Brett R. Match was a director of Fortem Resources Ltd. at the time a cease trade order was issued by the Alberta Securities Commission on July 16, 2019 for failure to file the required financial information. The order was partially revoked on September 26, 2019 and June 26, 2020 . Match ceased to be a director of Fortem Resources Ltd. in October 2020.

#### ***Appointment of Auditor***

The management of the Company intends to re-appoint Dale Matheson Carr-Hilton Labonte LLP of Vancouver, British Columbia, as auditors of the Company. Forms of proxy given pursuant to the solicitation of the management of the Company, will, on any poll, be voted as directed and, if there is no direction, be voted for the appointment of Dale Matheson Carr-Hilton Labonte LLP of Vancouver, British Columbia at a remuneration to be fixed by the Board. Dale Matheson Carr-Hilton Labonte LLP has been the auditors of the Company since March 20, 2003.

#### ***Approval of Omnibus Equity Incentive Compensation Plan***

The Board proposes to re-approve the Company's existing omnibus equity incentive compensation plan (the "**Omnibus Plan**"), subject to shareholder and regulatory approval. The Omnibus Plan was previously approved at the Company's annual general meeting of shareholders held on October 11, 2022. The purpose of the Omnibus Plan is to: (i) provide the Company with a mechanism to attract, retain and motivate highly qualified directors, officers, employees and consultants; (ii) align the interests of Participants with that of other shareholders of the Company generally; and (iii) enable and encourage Participants to participate in the long-term growth of the Company through the acquisition of Shares as long-term investments.

An "**Award**" means a stock Options ("**Option**") or Performance Share Unit ("**PSU**") under the Omnibus Plan.

The Board re-approved the Omnibus Plan on November 29, 2023 (the "**Effective Date**"), however the implementation of the Omnibus Plan requires shareholder approval and the approval of the Exchange on an annual basis. At the Meeting, shareholders will be asked to approve an ordinary resolution, with or without amendment (the "**Omnibus Plan Resolution**") approving the adoption of the Omnibus Plan. Upon obtaining such approval, the Company's only compensation plan providing for the issuance of securities of the Company as compensation will be the Omnibus Plan.

The following table summarizes the key provisions of the Omnibus Plan. A copy of the Omnibus Plan can be requested from the Secretary of the Company by emailing [kelly@niacorporateservices.com](mailto:kelly@niacorporateservices.com).

<b><i>Eligible Participants</i></b>	<p>Any director, officer, employee or consultant of the Company or any subsidiary of the Company is eligible to receive Options under the Omnibus Plan.</p> <p>Only directors and officers of the Company or any subsidiary of the Company are eligible to receive PSUs under the Omnibus Plan.</p>
<b><i>Types of Awards</i></b>	Options and PSUs.
<b><i>Number of Securities Issued and Issuable</i></b>	<p>The aggregate number of common shares of the Company (the “<b>Shares</b>”) to be reserved and set aside for issue upon the exercise or redemption and settlement for all Awards granted under this Omnibus Plan shall not exceed 10% of the Company’s issued and outstanding Shares as at the date of the applicable grant, of which up to a maximum of <b>4,000,000 (four million)</b> Shares may be set aside for issue upon the exercise or redemption and settlement of PSUs. In respect of PSUs, the maximum common shares issuable under the grant shall be included in the calculation for such purposes.</p>
<b><i>Plan Limits</i></b>	<p>Including the limitation imposed on the maximum number of Shares which may be issued pursuant to the exercise or redemption and settlement of Options and PSUs as set out above, the Omnibus Plan shall not result in the grant:</p> <ul style="list-style-type: none"> <li>• to insiders, within a 12 month period, of a number of Awards exceeding 10% of the issued shares of the Company;</li> <li>• of a number of shares issuable to insiders at any time exceeding 10% of the issued and outstanding shares;</li> <li>• to any one person in any 12 month period which could, when exercised, result in the issuance of shares exceeding five percent (5%) of the issued and outstanding shares of the Company, calculated at the date of grant, unless the Company has obtained the requisite disinterested shareholder approval to the grant;</li> <li>• to any one consultant in any 12 month period which could, when exercised, result in the issuance of shares exceeding 2% of the issued and outstanding shares of the Company, calculated at the date of grant; or</li> <li>• in any 12 month period, to persons employed or engaged by the Company to perform investor relations activities which could, when exercised, result in the issuance of shares exceeding, in aggregate, 2% of the issued and outstanding shares of the Company, calculated at the date of grant.</li> </ul> <p>An Award may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, a Participant’s rights under the Plan shall inure during such Participant’s lifetime only to such Participant.</p> <p>The Board may, at any time, suspend or terminate the Omnibus Plan. Subject to compliance with any applicable law, including the rules of the Exchange, the Board may also, at any time, amend or revise the terms of the Plan and any Award Agreement. No such amendment of the Omnibus Plan or Award Agreement may be made if such amendment would materially and adversely impair any rights arising from any Awards previously granted to a Participant under the Plan without the consent of the Participant or the representatives of his or her estate, as applicable. In the event of a change in control, any Awards held by a Participant shall automatically vest following such Change of Control, on the Termination Date, if the Participant is an employee, officer or a director and their employment, or officer or</p>

director position is terminated within 12 months following the Change of Control, provided that no acceleration of Awards shall occur in the case of a Participant that was retained to provide Investor Relations Activities unless the approval of the Exchange is either obtained or not required.

The Omnibus Plan further provides that if the date on which an Option is scheduled to expire occurs during a Black Out Period applicable to such Participant, or within 10 business days after the last day of thereof, then the expiry date for such Option shall be extended to the last day of such 10 business day period.

<b>Description of Awards</b>				
<b>A. Stock Options</b>				
<b>Stock Option Terms and Exercise Price</b>	The number of shares subject to each Option grant, exercise price, vesting, expiry date and other terms and conditions are determined by the Board. The exercise price shall in no event be lower than the Market Price of the shares, as defined by the policies of the Exchange, at the date of grant, less any allowable discounts.			
<b>Term</b>	Options shall be for a fixed term and exercisable as determined by the Board, provided that no Option shall have a term exceeding ten years.			
<b>Vesting</b>	All Options granted pursuant to the Omnibus Plan will be subject to such vesting requirements as may be imposed by the Board, with all Options issued to consultants performing investor relations activities vesting in stages over at least 12 months with no more than 1/4 of the Options vesting in any three month period.			
<b>Exercise of Option</b>	The participant may exercise Options by payment of the exercise price per share subject to each Option.			
<b>Circumstances Involving Cessation of Entitlement to Participate</b>	<b>Reasons for Termination</b>		<b>Vesting</b>	<b>Expiry of Vested Options</b>
	Death		Unvested Options automatically vest as of the date of death.	Options expire on the earlier of the scheduled expiry date of the Option and one year following the date of death.
	Disability		Unvested Options continue to vest (and are exercisable) on the date the holder is determined to be disabled.	Options expire on the earlier of the scheduled expiry date of the Option and one year following the date of disability.
	Retirement		The Board shall determine whether to accelerate vesting of any or all of such Options, whether any of such Options shall be cancelled, with or without payment, upon retirement.	The Board shall determine how long, if at all, such Options may remain outstanding following the date of retirement provided, however, that in no event shall such Options be exercisable for more than one year

			following the date of retirement.
	Resignation/Termination without Cause	Unvested Options as of the date of resignation automatically terminate and shall be forfeited.	Options expire on the earlier of the scheduled expiry date of the Option and 90 days following the date of resignation, or as otherwise allowed by the Board.
	Termination with Cause	Options whether vested or unvested as of the termination date, automatically terminate and shall be forfeited.	Options whether vested or unvested as of the termination date, automatically terminate and shall be forfeited.
<b>B. Performance Share Units</b>			
<b>PSU Terms</b>	Each PSU shall have an initial value equal to the Fair Market Value of a Share on the date of grant. The performance criteria shall be a Change in Control as defined in the Omnibus Plan, occurring during the Performance Period, as defined in the Omnibus Plan, which when the performance criteria are met, will determine, in the manner determined by the Board and set forth in the Award Agreement, the value and/or number of each PSU that will be paid to the Participant.		
<b>Vesting</b>	If required by the policies of the Exchange and subject to early vesting in connection with the Change of Control or pursuant to any employment agreement with an Officer providing for accelerated vesting, no PSUs may vest before the date that is one year following the date of grant or issue.		
<b>Settlement</b>	Subject to the terms of the Omnibus Plan and the applicable Award Agreement, after the applicable Performance Period has ended, the holder of PSUs shall be entitled to receive payout on the value and number of PSUs, determined as a function of the extent to which the corresponding performance criteria have been achieved. Notwithstanding the foregoing, the Company shall have the ability to require the Participant to hold any Shares received pursuant to such Award for a specified period of time.		

Any Shares subject to an Award which for any reason expires without having been exercised or is forfeited or terminated shall again be available for future Awards under the Omnibus Plan and any shares subject to an Award that is settled in cash and not shares shall again be available for future Awards under the Omnibus Plan.

The above summary is subject to the full text of the Omnibus Plan which will be available for review at the Meeting. If the Omnibus Plan is approved by shareholders, up to 10% of the Company's issued common shares at the time of any grant will be reserved for issuance pursuant to the exercise of Awards to be granted pursuant to the Omnibus Plan, of which up to a maximum of 4,000,000 Shares may be set aside for issue upon the exercise or redemption and settlement of PSUs. A total of 11,065,000 Options and 4,000,000 PSUs are currently outstanding and, as of the date of this Circular, a total of 2,523,433 Awards are available to be granted, subject to the maximum number of shares that may be issued pursuant to the issue or upon the exercise or redemption and settlement of the PSUs.

All Options to acquire shares of the Company previously issued by the Company to directors, officers, employees and consultants of the Company and currently outstanding shall be deemed to have been granted and issued under the Omnibus Plan and otherwise be governed by the terms and conditions of the

Omnibus Plan, subject to the specific terms and conditions as to exercise price, vesting periods, if any, and expiry dates as are currently applicable to such Options.

At the Meeting, Shareholders will be asked to approve an ordinary resolution approving the Plan. The text of the resolution to be considered and, if thought fit, approved at the Meeting is as follows:

“BE IT RESOLVED THAT:

1. The Omnibus Equity Incentive Compensation Plan (the “**Omnibus Plan**”) of the Company as described in the Company’s Management Proxy Circular for the Annual General Meeting of the Company dated November 30, 2023, is hereby approved and confirmed and the directors and officers of the Company be authorized and directed to perform such acts and deeds and things and execute and deliver on behalf of the Company all such documents, agreements and other writings as may be required, which in his or her opinion he or she deems necessary and in the best interest of the Company, in order to give effect to the true intent of this resolution and notwithstanding the foregoing, the directors of the Company are hereby authorized, without further approval of or notice to the shareholders of the Company, to revoke this ordinary resolution at any time prior to giving effect to the Omnibus Plan;
2. The form of the Incentive Plan may be amended in order to satisfy the requirements or requests of any regulatory authority or stock exchange without requiring further approval of the shareholders of the Company.

In order to be effective, the foregoing ordinary resolutions must be approved by a simple majority of the votes cast by those shareholders of the Company who, being entitled to do so, vote in person or by proxy at the Meeting in respect of such resolution.

**It is the intention of the persons named in the accompanying Proxy, if not expressly directed to the contrary in such Proxy, to vote such proxies FOR the ordinary resolution authorizing the approval of the Omnibus Plan.**

The directors of the Company believe the passing of the foregoing ordinary resolution is in the best interests of the Company and recommend that shareholders of the Company vote in favour of the resolution.

**Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote FOR the approval of the Omnibus Plan.**

#### **OTHER BUSINESS**

It is not known whether any other matters will come before the Meeting other than those set forth above and in the notice of meeting, but if any other matters do arise, the persons named in the proxy intend to vote on any poll, in accordance with their best judgment, exercising discretionary authority with respect to amendments or variations of matters ratified in the notice of meeting and other matters which may properly come before the Meeting or any adjournment.

#### **ADDITIONAL INFORMATION**

Additional information on the Company is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Financial information is provided in the Company’s financial statements and management discussion and analysis, which are available on SEDAR+. The audited financial statements for the year ending December 31, 2022, together with the auditor’s report will be presented at the Meeting. You may request copies of the Company’s financial statements and management discussion and analysis by completing the request card included with this Information Circular, in accordance to the instructions therein.

DATED as of November 30, 2023.

ON BEHALF OF THE BOARD,

*“Brett Matich”*

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Brett Matich  
Director, President & Chief Executive Officer

**Schedule "A"**  
**AUDIT COMMITTEE CHARTER**

**MAX RESOURCE CORP.**  
**(the "Company")**

(Implemented pursuant to National Instrument 52-110 (the "Instrument"))

This Charter has been adopted by the Board in order to comply with the Instrument and to more properly define the role of the Committee in the oversight of the financial reporting process of the Company. Nothing in this Charter is intended to restrict the ability of the Board or Committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

**PART I**

**Purpose:**

The purpose of the Committee is to manage and maintain the effectiveness of the financial aspects of the governance structure of the Company.

**1.1 Definitions**

In this Charter,

"Accounting principles" has the meaning ascribed to it in National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;

"Affiliate" means a company that is a subsidiary of another company or companies that are controlled by the same entity; "audit services" means the professional services rendered by the Company's external auditor for the audit and review of the Company's financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements;

"Board" means the board of directors of the Company;

"Charter" means this audit committee charter;

"Company" means MAX RESOURCE CORP.;

"Committee" means the committee established by and among certain members of the Board for the purpose of overseeing the accounting and financial reporting processes of the Company and audits of the financial statements of the Company;

"Control Person" means any person that holds or is one of a combination persons that holds a sufficient number of any of the securities of the Company so as to affect materially the control of the Company, or that holds more than 20% of the outstanding voting shares of the Company, except where there is evidence showing that the holder of those securities does not materially affect control of the Company;

"Executive officer" means an individual who is:

- a) the chair of the Company;
- b) the vice-chair of the Company;
- c) the President of the Company;
- d) the vice-president in charge of a principal business unit, division or function including sales, finance or

production;

- e) an officer of the Company or any of its subsidiary entities who performs a policy-making function in respect of the Company; or
- f) any other individual who performs a policy-making function in respect of the Company;

"financially literate" has the meaning set forth in Section 1.3;

"immediate family member" means a person's spouse, parent, child, sibling, mother or father-in-law, son or daughter-in-law, brother or sister-in-law, and anyone (other than an employee of either the person or the person's immediate family member) who shares the individual's home;

"independent" has the meaning set forth in Section 1.2;

"Instrument" means Multilateral Instrument 52-110;

"MD&A" has the meaning ascribed to it in National Instrument 51-102;

"Member" means a member of the Committee;

"National Instrument 51-102" means National Instrument 51-102 *Continuous Disclosure Obligations*;

"non-audit services" means services other than audit services;

## 1.2 Meaning of Independence

1. A Member is independent if the Member has no direct or indirect material relationship with the Company.
2. For the purposes of subsection 1, a material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a Member's independent judgement.
3. Despite subsection 2 and without limitation, the following individuals are considered to have a material relationship with the Company:
  - a) a Control Person of the Company;
  - b) an Affiliate of the Company; and
  - c) an employee of the Company.

**1.3 Meaning of Financial Literacy** -- For the purposes of this Charter, an individual is financially literate if he or she 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 reasonably be expected to be raised by the Company's financial statements.

## PART 2

**2.1 Audit Committee** — The Board has hereby established the Committee for, among other purposes, compliance with the requirements of the Instrument.

**2.2 Relationship with External Auditors** — The Company will henceforth require its external auditor to report directly to the Committee and the Members shall ensure that such is the case.

## 2.3 Committee Responsibilities

1. The Committee shall be responsible for making the following recommendations to the Board:
  - a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's

- report or performing other audit, review or attest services for the Company; and
- b) the compensation of the external auditor.
2. The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting. This responsibility shall include:
- a) reviewing the audit plan with management and the external auditor;
  - b) reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgements of management that may be material to financial reporting;
  - c) reviewing audit progress, findings, recommendations, responses and follow up actions;
  - d) reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
  - e) reviewing audited annual financial statements, in conjunction with the report of the external auditor, and obtain an explanation from management of all significant variances between comparative reporting periods;
  - f) reviewing the evaluation of internal controls by the external auditor, together with management's response;
  - g) reviewing the appointments of the chief financial officer and any key financial executives involved in the financial reporting process, as applicable; and
  - h) annual approval of audit mandate.
3. The Committee shall pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the issuer's external auditor.
4. The Committee shall review the Company's financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information.
5. The Committee shall ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, and shall periodically assess the adequacy of those procedures.
6. When there is to be a change of auditor, the Committee shall review all issues related to the change, including the information to be included in the notice of change of auditor called for under National Policy 31, and the planned steps for an orderly transition.
7. The Committee shall review all reportable events, including disagreements, unresolved issues and consultations, as defined in National Policy 31, on a routine basis, whether or not there is to be a change of auditor.
8. The Committee shall, as applicable, establish procedures for:
- a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and
  - b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.

9. As applicable, the Committee shall establish, periodically review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer, as applicable.
10. The responsibilities outlined in this Charter are not intended to be exhaustive. Members should consider any additional areas which may require oversight when discharging their responsibilities.

#### **2.4 De Minimis Non-Audit Services**

1. The Committee shall satisfy the pre-approval requirement in subsection 2.3(3) if:
  - a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the issuer and its subsidiary entities to the issuer's external auditor during the fiscal year in which the services are provided;
  - b) the Company or the subsidiary of the Company, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
  - c) the services are promptly brought to the attention of the Committee and approved by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee, prior to the completion of the audit.

#### **2.5 Delegation of Pre-Approval Function**

1. The Committee may delegate to one or more independent Members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection 2.3(3).
2. The pre-approval of non-audit services by any Member to whom authority has been delegated pursuant to subsection 1 must be presented to the Committee at its first scheduled meeting following such pre-approval.

### **PART 3**

#### **3.1 Composition**

1. The Committee shall be composed of a minimum of three Members.
2. Every Member shall be a director of the issuer.
3. The majority of Members shall be independent.
4. Every audit committee member shall be financially literate.

### **PART 4**

#### **4.1 Authority**

1. Until the replacement of this Charter, the Committee shall have the authority to:
  - a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
  - b) to set and pay the compensation for any advisors employed by the Committee,
  - c) to communicate directly with the internal and external auditors; and
  - d) recommend the amendment or approval of audited and interim financial statements to the Board.

### **PART 5**

- 5.1 Disclosure in Information Circular** -- If management of the Company solicits proxies from the security holders of the Company for the purpose of electing directors to the Board, the Company shall include in its management information circular the disclosure required by Form 52-11 0F2 (*Disclosure by Venture Issuers*).

## **PART 6**

### **6.1 Meetings**

1. The Committee shall meet at such times during each year as it deems appropriate.
2. Opportunities shall be afforded periodically to the external auditor, the internal auditor and to members of senior management to meet separately with the Members.
3. Minutes shall be kept of all meetings of the Committee.