

LUCA MINING CORP.
1111 Melville Street, Suite 410
Vancouver, BC
V6E 3V6

INFORMATION CIRCULAR

THIS INFORMATION CIRCULAR CONTAINS INFORMATION AS AT SEPTEMBER 25, 2023 (unless otherwise noted).

PERSONS MAKING THIS SOLICITATION OF PROXIES

This Information Circular is furnished to you in connection with the solicitation of Proxies by management of Luca Mining Corp. (the “**Company**” or “**Luca**”) for use at the Annual General Meeting (the “**Meeting**”) of the shareholders of the Company to be held on October 30, 2023 for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof. The Company will conduct its solicitation primarily by mail and our officers, directors and employees may, without receiving special compensation, contact shareholders by telephone, electronic means or personal contact. We will not specifically engage employees or soliciting agent to solicit proxies.

COMPLETION AND VOTING OF PROXIES

Voting at the Meeting will be by a show of hands, each shareholder having one vote, unless a poll is requested or required (if the number of shares represented by proxies that are to be voted against a motion are greater than 5% of the votes that could be cast at the Meeting), in which case each shareholder is entitled to one vote for each share held. In order to approve a motion proposed at the Meeting, a majority of greater than 50% of the votes cast will be required (an “ordinary resolution”) unless the motion requires a special resolution in which case a majority of two-thirds (2/3) of the votes cast will be required.

The persons named as proxyholders in the Proxy are directors or executive officers of the Company. **AS A SHAREHOLDER OR AN INTERMEDIARY HOLDING SHARES AND ACTING ON BEHALF OF AN UNREGISTERED SHAREHOLDER YOU HAVE THE RIGHT TO APPOINT A PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT ON YOUR BEHALF AT THE MEETING OTHER THAN THE PERSONS NAMED IN THE PROXY AS PROXYHOLDERS. TO EXERCISE THIS RIGHT, YOU OR THE INTERMEDIARY MUST STRIKE OUT THE NAMES OF THE PERSONS NAMED IN THE PROXY AS PROXYHOLDERS AND INSERT THE NAME OF YOUR NOMINEE IN THE SPACE PROVIDED OR COMPLETE ANOTHER PROXY.**

A shareholder or intermediary acting on behalf of a shareholder may indicate the manner in which the persons named in the proxy are to vote with respect to any matter by checking the appropriate space. On any poll required by virtue of 5% or more of the outstanding shares of the Company being represented by proxies at the Meeting that are to be voted against a matter or by a shareholder or proxyholder requesting a poll, those persons will vote or withhold from voting the shares in respect of which they are appointed in accordance with the directions, if any, given in the proxy provided such directions are certain.

If you or an intermediary acting on your behalf wishes to confer a discretionary authority with respect to any matter, then the space should be left blank. **IN SUCH INSTANCE, THE PROXYHOLDER, IF ONE PROPOSED BY MANAGEMENT, INTENDS TO VOTE THE SHARES REPRESENTED BY THE PROXY IN FAVOUR OF THE MOTION.** The proxy, when properly signed, also confers discretionary authority with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters which may be properly brought before the Meeting. At the time of printing

this Information Circular, our management is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. If, however, other matters which are not now known to management should properly come before the Meeting, the persons named in the form of proxy intend to vote on such other business in accordance with their best judgment.

The proxy must be dated and signed by you or by your attorney authorized in writing or by the intermediary acting on your behalf. In the case of a corporation, the proxy must be executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation.

RETURN OF PROXY

You must deliver the completed form of proxy to the office of the Company's registrar and transfer agent, by hand or by mail, to Computershare Investor Services Inc., Proxy Dept., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, by fax (within North America) 1-866-249-7775 (outside North America) (416) 263-9524, or to the Company's head office at the address listed on the cover page of this Information Circular, not less than 48 hours (excluding Saturdays, Sundays, and holidays) before the scheduled time of the Meeting or any adjournment.

REVOCATION OF PROXIES

If you are a registered shareholder who has returned a proxy, you may revoke your proxy at any time before it is exercised. In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by either:

- (a) signing a proxy bearing a later date; or
- (b) signing a written notice of revocation in the same manner as the form of proxy is required to be signed as set out in the notes to the proxy.

The later proxy or the notice of revocation must be delivered to the office of the Company's registrar and transfer agent or to the Company's head office at any time up to and including the last business day before the scheduled time of the Meeting or any adjournment or to the Chairman of the Meeting on the day of the Meeting or any adjournment.

If you are a non-registered shareholder who wishes to revoke a VIF or to revoke a waiver of your right to receive Meeting materials and to give voting instructions, you must give written instructions to your Nominee at least seven days before the Meeting.

ADVICE TO BENEFICIAL HOLDERS OF COMMON SHARES

Only shareholders whose names appear on our records or validly appointed proxy holders are permitted to vote at the Meeting. Most of our shareholders are "non-registered" shareholders because their shares are registered in the name of a nominee, such as a brokerage firm, bank, trust company, trustee or administrator of a self-administered RRSP, RRIF, RESP or similar plan or a clearing agency such as CDS Clearing and Depository Services Inc. (a "**Nominee**"). If you purchased your shares through a broker, you are likely a non-registered shareholder.

Non-registered holders who have not objected to their Nominee disclosing certain ownership information about themselves to us are referred to as "NOBOs". Those non-registered shareholders who have objected to their Nominee disclosing ownership information about themselves to us are referred to as "OBOs".

In accordance with securities laws, we will have distributed copies of the Meeting materials directly to NOBOs and to the Nominees for onward distribution to OBOs. **The Company does not intend to pay for a Nominee to deliver to OBOs, therefore an OBO will not receive the materials unless the OBO's Nominee assumes the costs of delivery.**

Nominees are required to forward the Meeting materials to each OBO unless the OBO has waived the right to receive them. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered shareholder. Meeting materials sent to non-registered holders who have not waived the right to receive Meeting materials are accompanied by a request for voting instructions (a "VIF"), instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a non-registered holder is able to instruct the registered shareholder (or Nominee) how to vote on behalf of the non-registered shareholder. VIFs, whether provided by the Company or by a Nominee, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit non-registered holders to direct the voting of the shares of the Company which they beneficially own. Non-registered holders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered. **Should a non-registered holder who receives a VIF wish to attend the Meeting or have someone else attend on his/her behalf, the non-registered holder may request (in writing) to the Company or its Nominee, as applicable, without expense to the non-registered holder, that the non-registered holder or his/her nominee be appointed as proxyholder and have the right to attend and vote at the Meeting.** Non-registered holders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

None of the directors or executive officers of the Company, nor any person who has held such a position since the beginning of the last completed financial year of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, the approval of the Omnibus Equity Incentive Plan (as defined herein) and the approval of the creation of a new control person, all described in this Information Circular, approval of which will be sought at the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS

The Company has only one class of shares entitled to be voted at the Meeting, namely, common shares without par value. All issued shares are entitled to be voted at the Meeting and each has one vote per common share. As of September 25, 2023, the record date for the Meeting (the "**Record Date**"), there are 141,712,507 common shares issued and outstanding.

Persons who are registered shareholders at the close of business on September 25, 2023, will be entitled to receive notice of, attend and vote at the Meeting or any adjournment thereof.

Principal Holders of Common Shares

To the knowledge of our directors and executive officers, no other person or company beneficially owns, directly or indirectly, or exercises control or direction over, shares carrying more than 10% of all voting rights, other than as disclosed below:

Name	Approximate Number of Common Shares Beneficially Owned, Controlled or Directed	Percentage of Outstanding Common Shares
Calu Opportunity Fund, LP ⁽¹⁾	34,483,525	24.33%

Notes:

(1) Its general partner is Calu Financial, LLC and its managing director is Enrique Peralta.

ELECTION OF DIRECTORS

Directors are elected at each annual general meeting and will hold office until the next annual general meeting or until that person sooner ceases to be a director.

Shareholders will be asked to pass an ordinary resolution to set the number of directors at eight for the next year, subject to any increases permitted by the Company's Articles.

Unless you provide other instructions, the enclosed Proxy will be voted "FOR" the nominees listed below.

Management proposes to nominate the persons named in the table below for election as directors. Management does not contemplate that any of the nominees will be unable to serve as a director. If, before the Meeting, any vacancies occur in the slate of nominees below, the person named in the enclosed Proxy will exercise his/her discretionary authority to vote the shares represented by the Proxy for the election of any other person(s) as director.

The information concerning the proposed nominees has been furnished by each of them.

Name, Jurisdiction of Residence & Position	Present Principal Occupation	Director Since	Shares Owned ⁽¹⁾
Mike Struthers Sao Miguel de Poiares, Portugal CEO and Director	CEO of the Company	September 12, 2022	123,617
Ralph Shearing North Vancouver, BC President, Corporate Secretary and Director	Corporate Secretary of the Company	April 11, 1986	1,068,804 ⁽²⁾
Roberto Guzmán West Vancouver, BC Director	Financial Consultant of the Company	October 26, 2018	10,620,022 ⁽³⁾⁽⁴⁾
Ruben Alvidrez Ortega Mexico City, Mexico Projects Manager and Director	Vendor Management & Project Director	October 8, 2020	335,269

Name, Jurisdiction of Residence & Position	Present Principal Occupation	Director Since	Shares Owned⁽¹⁾
David Rhodes Loule, Portugal Chairman and Director	Investment Banker and Chairman of the Board of the Company	May 10, 2021	331,250 ⁽⁵⁾
Rory S. Godinho West Vancouver, BC Director	Lawyer, Co-Chair, Canadian Capital Markets and Securities Practice, Cozen O'Connor LLP	March 14, 2023	336,125
Neil O'Brien Puslinch, ON Director	Consulting Economic Geologist	June 8, 2023	0
Phil S. Brumit Sr. Georgia, USA Director	Mining Executive	June 8, 2023	0

- (1) The approximate number of shares of the Company carrying the right to vote in all circumstances beneficially owned, controlled or directed as of September 25, 2023. The information as to shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Company, has been furnished by the respective directors individually.
- (2) CMB Investments Ltd., holds a further 857,767 common shares and is controlled by the same underlying beneficial holder, Mr. Ralph Shearing. Mr. Shearing personally holds 126,102 common shares and his wife personally holds 24,951 common shares.
- (3) Parador Turistico Tecoh Mayapan, S.A. de C.V., holds a further 121,429 common shares and is controlled by the same underlying beneficial holder, Mr. Roberto Guzmán. Global Financial Services, LLC holds a further 388,125 common shares and is controlled by the same underlying beneficial holder, Mr. Roberto Guzmán.
- (4) Promotora de Sistemas de Información S.A.P.I de C.V., Estratégica Corporativa en Finanzas S.A.P.I de C.V. and Macro Holdings & Investments LLC act jointly and hold a further 1,965,000 common shares, 5,343,594 common shares and 2,688,564 common shares respectively. All three are controlled by the same underlying beneficial holder, Mr. Roberto Guzmán.
- (5) These shares are owned by Endeavour Financial AG, a company controlled by David Rhodes.

Director Biographies

Mike Struthers

Mike Struthers is a seasoned professional and Chartered Engineer with over 40 years of international mining experience which includes:

- A 40+ year mining career starting in operations in Africa and Australia, then a technical consulting career in Australia and internationally, with extensive experience in feasibility studies, capital projects and executive roles.
- Former CEO (3 years) and Director of Empire Metals Ltd., an AIM-listed exploration and resource development company, and former CEO (2 years) of Candelaria Mining Corp. a TSX.V listed Mexican exploration and development company.
- Seven years as Project Manager and Projects Director with Lundin Mining Corporation, responsible for developing and executing a range of strategic medium and long-term brownfield growth initiatives at Lundin Mining's operations in Portugal and Chile.
- Former COO and Technical Director for a Russian mineral's development company with large base and precious metals assets in Siberia.
- Former Director and Principal Geotechnical Engineer for 13 years with an international mining consulting organization, consulting to and leading teams on a range of projects for a wide variety of

clients including major miners such as Rio Tinto Group and BHP Billiton, and large number of other mid-tier and junior development and producing companies.

Mr. Struthers experience includes project management in feasibility and engineering studies, project development, technical reviews, financial evaluations, strategic planning, mine expansions, construction management, and project due diligence over a wide range of commodities and jurisdictions including base-metals, gold, and diamonds, in jurisdictions including Africa, Australia, North America, South America, Europe and Russia. Prior to his consulting career he held operational and management positions in mining operations in Africa and Australia.

Ralph Shearing

Ralph Shearing, Luca's founder, responsibilities include Luca's public company management and compliance and overseeing the design of mineral exploration campaigns.

Mr. Shearing is a graduate of the University of British Columbia holding a B. Sc. Geology Degree. Since graduating in 1981, Mr. Shearing has practiced his profession as a professional geologist throughout Canada, and internationally. He has been directly involved in several world class exploration and development projects in British Columbia, Canada. During an active mineral exploration and development career, Mr. Shearing has gained hands-on experience in all aspects of mineral exploration, including, geophysics, geochemistry, geology, and diamond core drilling. As Luca's long serving President and former CEO, Mr. Shearing has guided Luca through early to advanced exploration, overseeing NI 43-101 resource reporting, preparation of Preliminary Economic Assessment, and Pre-Feasibility Studies.

Mr. Shearing's experience managing and directing publicly listed companies over the last 33 years, combined with his practical experience in implementing major exploration projects, gives Luca a director with unique insight, invaluable practical experience, and a well-rounded business approach to a junior resource company.

Roberto Guzmán

Mr. Guzmán obtained a master's degree in Finance from the Universidad Tecnológica de Mexico in 1989 and has more than 26 years of experience in the Financial Sector, primarily in Mexico. Initially working as finance manager for several Mexican publicly traded companies, such as Finamex S.A. de C.V., Bursamex S.A. de C.V and Invermexico S.A. de C.V., as well as other private Mexican financial companies, including Unión de Crédito Metropolitana S.A. de C.V., Soluciones Integral S.A. de C.V., and FOVISSTE. Mr. Guzmán was also a Director of Bursamétrica Casa de Bolsa S.A de C.V., a Mexican brokerage firm.

Mr. Guzmán, an indirect controlling shareholder and insider of the Company, is currently President of private equity funds that specialize in real estate development, energy innovations and tourism investment in Mexico.

Ruben Alvidrez Ortega

Mr. Alvidrez Ortega is an Industrial Engineer with a Master's degree in Business Administration (MBA) at Notre Dame University. He has extensive experience in banking operations for commercial and corporate segments, specializing mainly in continuous improvement, risk and control, as well as project development and implementation. Since 1994 he worked in several roles with Citigroup, an international bank with approximately 33,000 employees in Mexico, working with corporate clients in the US and Mexico and leading teams of over 200 people. Mr. Alvidrez Ortega's last position in Citigroup was in February 2020, in the corporate segment as Senior Vice-President of Custody operations.

David Rhodes

Mr. Rhodes' career in the finance industry has spanned more than 26 years. Mr. Rhodes is also the Managing Director of Endeavour Financial. Endeavour is one of the top mining financial advisory firms, with an award-winning record of accomplishment in the mining industry, specialising in arranging multi-sourced funding solutions for development companies. Endeavour additionally, has an asset management and developing insurance business. Prior to joining Endeavour over fourteen years ago, Mr. Rhodes was at Standard Bank London Limited, Barclays Capital and Royal Bank of Scotland. At Standard and Barclays, he sourced, structured, and syndicated finance for mining projects and companies on a global basis. Having lived and worked in London and New York he has international experience of the North/South American, European, CIS, and African markets. As a result, Mr. Rhodes has arranged over US\$18 billion of funding for mining companies.

Rory S. Godinho

Rory Godinho is currently the Co-Chair, Canadian Capital Markets & Securities of Cozen O'Connor LLP, an Am Law 100 international law firm. He has extensive contacts in the Canadian capital markets and has assisted several public and private companies with raising capital. He has a broad range of experience in all types of securities transactions and corporate governance related matters. He was previously on the Executive Committee and the Managing Partner of the Vancouver office of a large Canadian national law firm.

Mr. Godinho was a director of the Capital Markets Authority Implementation Organization (CMAIO), which was formed to evolve into the Capital Markets Regulatory Authority (CMRA) a single regulator administering the proposed uniform provincial-territorial Capital Markets Act. Mr. Godinho has also served as chairperson of the TSX Venture Exchange's National Advisory Committee.

Dr. Neil O'Brien

Dr. O'Brien is a consulting economic geologist and former mining executive with over three decades of industry service including board of director roles in public and private mineral exploration companies. Dr. O'Brien has international experience on six continents in all stages of mineral exploration and development of economic mineral resource projects, mining project evaluation, and strategic corporate development activities. He retired in 2018 from Lundin Mining Corp. as Senior Vice President, Exploration and New Business Development. Dr. O'Brien also provides consulting services and is a non-executive director of other public companies.

Phil S. Brumit Sr.

Mr. Brumit Sr. is a mining executive with over 40 years of experience in property evaluation, engineering, project management, construction, start-up and operations within the industry. He recently served as executive VP projects and operations at Josemaria Resources Inc. Prior to joining Josemaria, Mr. Brumit Sr. was president and managing director of Minera Candelaria, Chile, a subsidiary of Lundin Mining Corp. His previous industry experience includes president of Freeport-McMoRan's African division and senior adviser, focused on the Tenke Fungurume mine in the Democratic Republic of the Congo; North American manager of operations for Newmont Corp.; and general manager of operations for PT Newmont Nusa Tenggara's Batu Hijau mine in Indonesia.

None of the Company's proposed directors (or any of their personal holding companies):

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

None of the proposed directors (or any of their personal holding companies) has been subject to:

- (a) 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
- (b) any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

EXECUTIVE COMPENSATION

Introduction

The following information is presented in accordance with Form 51-102F6 – *Statement of Executive Compensation* to provide information about the Company's executive compensation in respect of the financial year ended December 31, 2022.

For the purposes of this Statement of Executive Compensation, a “**Named Executive Officer**” or “**NEO**” means each of the following individuals:

- (a) a CEO of the Company;
- (b) a CFO of the Company;
- (c) each of the Company's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and

CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6, for the December 31, 2022 year end; and

- (d) each individual who would be an Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer, nor acting in a similar capacity, at December 31, 2022.

During the financial year ended December 31, 2022, the Company's Named Executive Officers were as follows (with date notations for changes subsequent to financial year end; however, disclosure for the purposes of this form is to December 31, 2022):

- **President** – Ralph Shearing (January 14, 2004 to March 27, 2023) (Subsequent to year end Ramon Perez was appointed President from March 27, 2023 to present);
- **Chief Executive Officer** – Ralph Shearing (February 16, 2020 to September 12, 2022) and Mike Struthers (September 12, 2022 to present);
- **Chief Financial Officer** – Omar Garcia Abrego (May 19, 2016 to February 1, 2023), (Subsequent to year end Erick Underwood as appointed CFO from February 1, 2023 to March 17, 2023 and Omar Garcia Abrego (Interim CFO) from March 17, 2023 to present);
- **Chief Operating Officer** – Armando Alexandri (December 3, 2021 to present); and
- **Vice-President, Administration and Finances – Mexico** – Enrique Margalef Vergara (December 3, 2021 to June 15, 2023).

Compensation Discussion and Analysis

Compensation, Philosophy and Objectives

The Company does not have a formal compensation program; however, it has established a Compensation & Nominations Committee to assist the Board of Directors of the Company (the "**Board**") in fulfilling its responsibility by reviewing matters relating to the human resource policies and compensation of the directors, officers and employees of the Company and its subsidiaries in the context of the budget and business plan of the Company. The Compensation & Nominations Committee meets to discuss and determine management compensation, without reference to formal objectives, criteria or analysis.

The general objectives of the Company's compensation strategy are to: (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long term shareholder value; (b) align management's interests with the long term interest of shareholders; (c) provide a compensation package that is commensurate with other mining companies to enable the Company to attract and retain talent; and (d) to ensure that the total compensation package is designed in a manner that takes into account the constraints that the Company is under by virtue of the fact that it is a company without a long history of revenues.

The Compensation & Nominations Committee ensures that total compensation paid to all Named Executive Officers is fair and reasonable. The Compensation & Nominations Committee relies on the experience of its members as officers and directors with other mining companies in assessing compensation levels.

The Compensation & Nominations Committee did not consider the implications of the risks associated with the Company's compensation practices; however, given the Company's size and nature of compensation provided to its executives in the last financial year, the Compensation & Nominations Committee does not view significant risk that would be likely to have a material adverse effect on the Company.

The Company's management 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 of the Company granted as compensation or held, directly or indirectly, by management.

Analysis of Elements

Base salary is used to provide the Named Executive Officers a set amount of money during the year with the expectation that each Named Executive Officer will perform his or her responsibilities to the best of his or her ability and in the best interests of the Company.

The Company considers the granting of incentive stock options to be a significant component of executive compensation as it allows the Company to reward each Named Executive Officer's efforts to increase value for shareholders without requiring the Company to use cash from its treasury. Stock options are generally awarded to directors, officers, consultants and employees at the commencement of employment and periodically thereafter. The terms and conditions of the Company's stock option grants, including vesting provisions and exercise prices, for the year ending December 31, 2022 are governed by the terms of the Company's stock option plan (the "**Stock Option Plan**"). On March 14, 2023, the shareholders of the Company adopted an omnibus equity incentive plan (the "**Omnibus Equity Incentive Plan**") at the Company's annual general and special meeting of shareholders. Upon the Omnibus Equity Incentive Plan coming into effect, no further equity compensation awards shall be granted pursuant to the Stock Option Plan. All outstanding awards under the Stock Option Plan shall continue to be outstanding as awards granted under and subject to the terms of the new Omnibus Equity Incentive Plan.

Long Term Compensation and Option Based Awards

The Company has no long-term incentive plans other than the Omnibus Equity Incentive Plan. The Company's directors, officers, consultants and employees are entitled to participate in the Omnibus Equity Incentive Plan. The Omnibus Equity Incentive Plan is designed to encourage share ownership and entrepreneurship on the part of the senior management and other employees. The Board believes that the Omnibus Equity Incentive Plan aligns the interests of the Named Executive Officer and the Board with shareholders by linking a component of executive compensation to the longer-term performance of the Company's common shares.

The Compensation & Nominations Committee makes recommendations to the Board of Directors about granting options. The Board reviews the recommendations and determines whether to approve the option grants. In monitoring or adjusting the option allotments, the Board considers its own observations on individual performance (where possible) and its assessment of individual contributions to shareholder value, previous option grants and the objectives set for the Named Executive Officers and the Board. The scale of options is generally commensurate to the appropriate level of base compensation for each level of responsibility. In addition to determining the number of options to be granted pursuant to the methodology outlined above, the Board also makes the following determinations:

- parties who are entitled to participate in the Omnibus Equity Incentive Plan;

- the exercise price for each stock option granted, subject to the provision that the exercise price cannot be lower than prescribed discount permitted by the TSX Venture Exchange (the “**Exchange**”) from the market price on the date of grant;
- the date on which each option is granted;
- the vesting period, if any, for each stock option;
- the other material terms and conditions of each stock option grant; and
- any re-pricing or amendment to a stock option grant.

The Board makes these determinations subject to and in accordance with the provisions of the Omnibus Equity Incentive Plan. The Board reviews and approves grants of options recommended by the Compensation & Nominations Committee on an annual basis and periodically during a financial year.

Pursuant to the Company’s Omnibus Equity Incentive Plan, the Company’s Board of Directors grants options to directors, officers, consultants and employees as incentives. The level of stock options awarded to a Named Executive Officer is determined by his position and his potential future contributions to the Company. The exercise price of stock options is determined by the Board of Directors but shall in no event be less than the trading price of the common shares of the Company on the Exchange at the time of the grant of the option. The Company granted 112,500 stock options to Named Executive Officers during the year ended December 31, 2022.

Compensation Governance

The Compensation & Nominations Committee determines an appropriate amount of compensation for its executives, reflecting the need to provide incentive and compensation for the time and effort expended by the executives while considering the financial and other resources of the Company. As at December 31, 2022, the Compensation & Nominations Committee consists of Mr. David Rhodes (Chair), Ms. Natascha Kiernan and Mr. Tom Kelly, of which Ms. Kiernan and Mr. Kelly are independent. The current Compensation & Nominations Committee consists of Mr. David Rhodes (Chair), Mr. Ruben Alvidrez Ortega and Mr. Rory Godinho.

The role of the Compensation & Nominations Committee is to assist the Board of Directors of the Company in fulfilling its responsibility by reviewing matters relating to the human resource policies and compensation of the directors, officers and employees of the Company and its subsidiaries within the context of the budget and business plan of the Company when applicable. This includes matters such as compensation philosophy and remuneration policy, Board retainer fees, performance objectives and evaluation of the CEO and President, compensation and benefit package for senior officers, proposed stock option or share purchase plans, bonuses, and the annual disclosure of compensation information as required by securities law.

The Compensation & Nominations Committee bears in mind the stage of development of the Company, the small number of executive officers and financial resources of the Company. These factors influence both the elements of compensation and the sophistication of the manner of their determination.

It is the objective of the Company’s compensation program to attract and retain highly qualified executives and to link incentive compensation to performance and shareholder value. The Compensation & Nominations Committee’s goal is to endeavour to ensure that the compensation of executive officers is sufficiently competitive to achieve the objectives of the executive compensation program. The Compensation & Nominations Committee considers the Company’s contractual obligations,

performance, quantitative financial objectives, including relative shareholder return, as well to the qualitative aspects of each individual's performance and achievements.

The Company's compensation program is comprised of base salary and benefits and long-term incentives, including the Omnibus Equity Incentive Plan. Each component of the executive compensation program is addressed below.

Summary Compensation Table

The following table sets forth all direct and indirect compensation for, or in connection with, services provided to the Company and its subsidiaries for the financial years ended December 31, 2022, 2021 and 2020 for the persons who were Named Executive Officers during the financial year ended December 31, 2022. For the information concerning Named Executive Officers' compensation related to previous years, please refer to the Company's previous Information Circulars available at www.sedarplus.ca.

Name and Principal Position at December 31, 2022	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-Equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$) ⁽¹⁾	Total compensation (\$)
					Annual incentive plans	Long term incentive plans			
Mike Struthers CEO and Director ⁽²⁾	2022	130,500	Nil	24,079	Nil	Nil	Nil	Nil	154,579
	2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Omar Garcia Abrego CFO ⁽³⁾	2022	234,480	Nil	10,300	Nil	Nil	Nil	Nil	244,780
	2021	327,173 ⁽⁵⁾	Nil	143,107	Nil	Nil	Nil	Nil	470,280
	2020	135,073	Nil	Nil	Nil	Nil	Nil	Nil	135,073
Armando Alexandri COO	2022	Nil	Nil	6,437	Nil	Nil	Nil	163,263	169,700
	2021	Nil	Nil	89,442	Nil	Nil	Nil	132,039	221,481
	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Enrique Margalef Vergara VP, Director of Administration and Finances – Mexico ⁽⁴⁾	2022	210,366	Nil	10,300	Nil	Nil	Nil	Nil	220,666
	2021	178,859	Nil	143,107	Nil	Nil	Nil	Nil	321,966
	2020	130,713	Nil	Nil	Nil	Nil	Nil	Nil	130,713
Ralph Shearing Former CEO; President, Corporate Secretary and Director ⁽²⁾	2022	332,219	Nil	12,875	Nil	Nil	Nil	Nil	345,094
	2021	333,333 ⁽⁶⁾	Nil	178,884	Nil	Nil	Nil	Nil	512,217
	2020	158,333	Nil	Nil	Nil	Nil	Nil	Nil	158,333

Notes:

- (1) The amounts in this column consist of consulting fees charged by the Named Executive Officer during the financial years set forth above. Perquisites and other personal benefits have not been included as are not worth in aggregate more than \$50,000 or 10% of the Named Executive Officer's total annual salary.

- (2) Mr. Struthers was appointed to replace Mr. Shearing as CEO of the Company effective September 12, 2022 so the information for 2022 is for less than a full financial year. Mr. Shearing remained as President through the financial year ended December 31, 2022.
- (3) Subsequent to year end, Mr. Garcia Abrego resigned as CFO of the Company effective February 1, 2023. Mr. Underwood became CFO from February 1, 2023 to March 17, 2023, following which Mr. Garcia Abrego resumed the role of CFO (in an interim capacity).
- (4) Mr. Margalef Vergara resigned as a Director and the VP of Business Development of the Company and was appointed as Country Administration Manager, Mexico effective May 10, 2021. On December 3, 2021 he was appointed as the VP, Director of Administration and Finances Mexico.
- (5) Included in this amount there is \$139,761 related to salaries paid in connection to previous year.
- (6) Included in this amount there is \$141,667 related salaries paid in connection to previous year.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table discloses the particulars for each Named Executive Officer for awards outstanding at the end of December 31, 2022:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of share or units of shares that have not vested (#)	Market of payout value of share-based awards that have not vested (\$)
Mike Struthers CEO and Director ⁽²⁾	112,500	0.72	December 5, 2025	Nil	N/A	N/A
Ralph Shearing Former CEO; President, Corporate Secretary and Director ⁽²⁾	125,000	2.40	February 25, 2026	Nil	N/A	N/A
Omar Garcia Abrego CFO	100,000	2.40	February 25, 2026	Nil	N/A	N/A
Armando Alexandri COO	62,500	2.40	February 25, 2026	Nil	N/A	N/A
Enrique Margalef Vergara VP, Director of Administration and Finances – Mexico ⁽³⁾	100,000	2.40	February 25, 2026	Nil	N/A	N/A

Notes:

- (1) This amount is based on closing price at December 30, 2022, which was \$0.49.
- (2) Mr. Struthers was appointed to replace Mr. Shearing as CEO of the Company effective September 12, 2022. Mr. Shearing remained as President through the financial year ended December 31, 2022.

- (3) Mr. Margalef Vergara resigned as a Director and the VP of Business Development of the Company and was appointed as Country Administration Manager, Mexico effective May 10, 2021. On December 3, 2021, he was appointed as the VP, Director of Administration and Finances Mexico.

Value Vested or Earned During the Year

The following table sets forth details of the aggregate dollar value that would have been realized by the NEO's in the most recently completed financial year if the options under the option-based awards had been exercised on their respective vesting dates.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Mike Struthers CEO	Nil	N/A	N/A
Omar Garcia Abrego CFO	10,667	N/A	N/A
Armando Alexandri COO	6,667	N/A	N/A
Enrique Margalef Vergara VP - Director of Administration and Finances Mexico	10,667	N/A	N/A
Ralph Shearing Former CEO, President and Corporate Secretary	13,333	N/A	N/A

Stock options granted to NEOs are typically granted for a period of five years and have a vesting period as determined by the Board.

Narrative Discussion – Omnibus Equity Incentive Plan

The only equity compensation plan which the Company currently has in place is the Omnibus Equity Incentive Plan, which was previously approved by shareholders on March 14, 2023 at the Company's annual general and special meeting of shareholders. The Omnibus Equity Incentive Plan was established to provide incentive to employees, directors, officers, management companies and consultants who provide services to the Company in accordance with and subject to the rules and policies of the Exchange. The purpose of the Omnibus Equity Incentive Plan is to increase the proprietary interest of such persons in the Company and thereby aid the Company in attracting, retaining and encouraging the continued involvement of such persons with the Company.

Under the Omnibus Equity Incentive Plan, the total number of common shares allotted and reserved for future issuance will be equivalent to 10% of the issued and outstanding share capital of the Company from time to time. The Company is presently classified as a Tier 1 Issuer by the Exchange.

Pension Plan Benefits

The Company does not have in place any deferred compensation plan or pension plan that provides for payments or benefits at, following or in connection with retirement.

Termination and Change of Control Benefits

The Company entered into an employment agreement with Ralph Shearing effective October 31, 2007, as amended effective August 1, 2008, and July 1, 2013 (the “**Shearing Agreement**”) under which Mr. Shearing receives a base salary of \$72,000 per annum. Further to an amendment of August 1, 2016 (which was then in effect for the balance of the financial year ended December 31, 2016), and October 1, 2017, the base salary was changed to \$120,000 and \$200,000 per annum respectively. The base salary was further amended to \$300,000 effective January 10, 2022.

Under the terms of the Shearing Agreement, in the event of Mr. Shearing’s death or as a result of Disability Termination (as that term is defined in the Shearing Agreement) the Company will pay and provide Mr. Shearing or his estate, any unpaid Base Salary and any outstanding and accrued regular and special vacation pay through the termination date and reimbursement for any unreimbursed expenses incurred through to the termination date.

Mr. Shearing is entitled to be paid a severance package consisting of an amount equal to two years’ Base Salary in the event his employment is terminated other than for Just Cause (as that term is defined in the Shearing Agreement) or where Mr. Shearing provided the Company with written notice of resignation at any time within 12 months of a Change of Control (as that term is defined in the Shearing Agreement).

In the event of a Change of Control where Mr. Shearing’s employment is terminated other than for Just Cause in the twelve-month period following the Change of Control, Mr. Shearing is entitled to receive an amount equal to two times the sum of the Base Salary, payable within 30 days and the contributions to twelve month’s benefits.

The following table shows the estimated compensation that would have been payable to Mr. Shearing assuming termination and/or Change of Control events occurred on December 31, 2022:

Payment Upon Death or Disability Termination ⁽¹⁾	Payment Upon Termination after Change of Control Other than for Just Cause ⁽²⁾	Payment Upon Resignation after Change of Control ⁽²⁾	Payment Upon Termination without Cause
\$121,284	\$721,284	\$728,484	\$721,284

Notes:

- (1) This amount assumes that there was no unpaid Base Salary or reimbursement for any unreimbursed expenses. It does include accrued unpaid vacation pay.
- (2) This amount is based on the following assumptions:
 - (a) Mr. Shearing receives the Base Payment as compensation; and
 - (b) The contributions to twelve months’ benefits are approximately \$7,200.

On September 12, 2022 (the “**Effective Date**”), the Company entered into a consulting agreement with MS Mining Consulting LDA (the “**Agreement**”), an entity controlled by Mike Struthers (the “**Executive**”) under which Mr. Struthers receives a fee of \$29,000 per calendar month (the “**Executive Fees**”). The Company may terminate this Agreement without Just Cause at any time, in accordance with the following:

- (i) if the termination occurs within the first three months from the Effective Date, the Company will not owe a termination payment to the Executive;
- (ii) if the termination occurs within the first 12 months from the Effective Date, the Company will pay the Executive a payment equal to one year of the Executive’s Fees in effect as of the date of termination;

(iii) if the termination occurs after one year from the Effective Date but before the completion of two years from the Effective Date, the Company will pay the Executive the aggregate of (A) one year of the Executive's Fees in effect as of the date of termination, and (B) one year of the Executive's target Bonus in effect for the year during which termination occurs; and

(iv) if the termination occurs on or after two years from the Effective Date, the Company will pay the Executive the aggregate of (A) two years of the Executive's Fees in effect as of the date of termination, and (B) one year of the Executive's target Bonus in effect for the year during which termination occurs.

If a Change of Control occurs and if within one (1) year of the Change of Control the Agreement is terminated either by the Company or by the Executive, Mr. Struthers shall be entitled to a lump sum termination payment from the Company in an amount equal to the aggregate of (A) two years of the Executive's Fees in effect as of the date of termination, and (B) two years of the Executive's target Bonus in effect for the year during which the Change of Control occurs.

The following table shows the estimated compensation that would have been payable to Mr. Struthers assuming termination and/or Change of Control events occurred on December 31, 2022:

Payment Upon Death or Disability Termination ⁽¹⁾	Payment Upon Termination after Change of Control Other than for Just Cause ⁽²⁾	Payment Upon Resignation after Change of Control ⁽²⁾	Payment Upon Termination without Cause
\$Nil	\$1,078,800	\$1,078,800	\$355,576

Notes:

- (1) This amount assumes that there was no unpaid Base Salary or reimbursement for any unreimbursed expenses. It does include accrued unpaid vacation pay.
- (2) This amount has an effective target bonus set at 55% of Base Salary

Other than as set out above, during the financial year ended December 31, 2022, there were no compensatory plans or arrangements, with respect to the any Named Executive Officer resulting from the resignation, retirement or any other termination of employment of the officer's employment or from a change of any Named Executive Officers' responsibilities following a change in control.

Compensation of Directors

As at December 31, 2022, the Company had seven directors, one of whom was also a Named Executive Officer.

An annual retainer and fees for Board and Committee service are paid or accrued on a quarterly basis to independent and non-executive directors only. Directors are also reimbursed for reasonable expenses incurred to attend meetings. The fees paid to the Company's independent and non-executive directors are included in the directors' compensation table below.

During the financial year ended December 31, 2022 the following compensation was granted to our directors. For a description of the compensation paid to the Named Executive Officers of the Company who also acted as directors, see "Summary Compensation Table".

Name	Fees earned (\$)	Share based awards (\$)	Option based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Roberto Guzmán	Nil	N/A	6,437	N/A	N/A	31,000	37,437
Ruben Alvidrez Ortega	Nil	N/A	5,150	N/A	N/A	85,495	90,645
David Rhodes	162,500	N/A	27,578	N/A	N/A	Nil	190,078
Natascha Kiernan ⁽²⁾	121,875	N/A	27,578	N/A	N/A	Nil	149,453
Mark Bailey ⁽²⁾	121,875	N/A	27,578	N/A	N/A	Nil	149,453
Tom Kelly ⁽²⁾	105,625	N/A	27,578	N/A	N/A	Nil	133,203

Notes:

(1) The value of the option-based award was determined using the Black-Scholes option pricing model.

(2) Independent director.

Incentive Plan Awards

The following table discloses the particulars for each director for awards outstanding at the end of December 31, 2022:

Outstanding Share-Based Awards and Option-Based Awards

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of share or units of shares that have not vested (#)	Market of payout value of share-based awards that have not vested (\$)
Roberto Guzmán	62,500	2.40	Feb 25, 2026	Nil	N/A	N/A
Ruben Alvidrez Ortega	12,500 50,000	1.28 2.40	Aug 6, 2025 Feb 25, 2026	Nil	N/A	N/A
David Rhodes	62,500	3.60	May 19, 2026	Nil	N/A	N/A
Natascha Kiernan	62,500	4.44	May 19, 2026	Nil	N/A	N/A
Mark Bailey	62,500	3.60	May 19, 2026	Nil	N/A	N/A
Tom Kelly	62,500	3.60	May 19, 2026	Nil	N/A	N/A
Rory Godinho ⁽²⁾	50,000 16,667	2.40 2.40	Apr 16, 2023 Feb 25, 2026	Nil Nil	N/A	N/A

Notes:

(1) This amount is based on the closing price on December 30, 2022, which was \$0.49.

(2) Mr. Godinho resigned as a director of the Company effective May 10, 2021. He was re-elected as a director of the Company effective March 14, 2023. However, during the financial year ended December 31, 2022, his outstanding options remained in effect.

Value Vested or Earned During the Year

The following table sets forth details of the aggregate dollar value that would have been realized by the directors, who are not NEOs in the most recently completed financial year, if the options under the option-based awards had been exercised on their respective vesting dates.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation– Value earned during the year (\$)
Roberto Guzmán	6,667	Nil	Nil
Ruben Alvidrez Ortega	5,333	Nil	Nil
David Rhodes	Nil	Nil	Nil
Natascha Kiernan	Nil	Nil	Nil
Mark Bailey	Nil	Nil	Nil
Tom Kelly	Nil	Nil	Nil

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information as of the financial year ending December 31, 2022 regarding the number of common shares to be issued pursuant to the Company’s existing Omnibus Equity Incentive Stock Plan. The Company’s Omnibus Equity Incentive Stock Plan was approved by its shareholders at its last annual general and special meeting held on March 14, 2023.

Plan Category	Number of Common Shares to be issued upon exercise of outstanding options, warrants and rights ⁽¹⁾	Weighted-average exercise price of outstanding options	Number of Common Shares remaining available for future issuance under equity compensation plans ⁽²⁾
Equity compensation plans approved by security holders	1,226,042	\$2.55	2,260,763
Equity compensation plans not approved by security holders	Nil	N/A	N/A
Total	1,226,042	\$2.55	2,260,763

(1) Assuming outstanding options are fully vested. As of December 31, 2022, 1,151,042 options were fully vested.

(2) Based on 34,868,057 common shares issued and outstanding as of December 31, 2022.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors or executive officers of the Company, or proposed nominees for election as director of the Company or associates or affiliates of such persons are or have been indebted to the Company at any time since the beginning of the Company’s last completed financial year.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed herein, since the commencement of the Company's most recently completed financial year, no informed person of the Company, nominee for director or any associate or affiliate of an informed person or nominee, had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries. An "informed person" means: (a) a director or executive officer of the Company; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10% of the voting rights other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its shares.

AUDIT COMMITTEE

As at the date hereof, the Audit Committee is comprised of Mr. David Rhodes, Mr. Ruben Alvidrez and Mr. Phil Brumit Sr. Two members of the Audit Committee are "independent" as defined in National Instrument 52-110 – *Audit Committees* ("NI 52-110"), and all of the members of the Audit Committee are "financially literate". Mr. Rhodes is not considered independent because he is the Chair of the Board of directors and is therefore considered an officer of the Company.

The text of the Audit Committee Charter is attached below:

Charter of the Audit Committee of the Board of Directors

The Audit Committee is appointed by the board of directors of the Company (the "Board") to oversee the accounting and financial reporting process of the Company and audits of the financial statements of the Company. The Audit Committee's primary duties and responsibilities are to:

- (a) recommend to the Board 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;
- (b) recommend to the Board the compensation of the external auditor;
- (c) oversee 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;
- (d) pre-approve all non-audit services to be provided to the Company or its subsidiaries by the Company's external auditor;
- (e) review the Company's financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information;
- (f) be satisfied that adequate procedures are in place for the review of all other public disclosure of financial information extracted or derived from the Company's financial statements, and to periodically assess the adequacy of those procedures;
- (g) establish procedures for:

- (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
- (h) 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 Company.

The Board and management will ensure that the Audit Committee has adequate funding to fulfill its duties and responsibilities.

Relevant Education and Experience

Each member of the Audit Committee has:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements;
- (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions;
- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the issuer's financial statements, or experience actively supervising one or more individuals engaged in such activities; and
- (d) an understanding of internal controls and procedures for financial reporting.

Biographies for each of the Audit Committee members is above under the Director biographies.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Company's Board of Directors 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 and the effective date of NI 52-110, the Company has not relied on the exemptions contained in:

- (a) section 2.3 (De Minimis Non-audit Services),
- (b) subsection 6.1.1(4) (Circumstance Affecting the Business or Operations of the Venture Issuer), and
- (c) subsection 6.1.1(5) (Events Outside Control of Member).

Pre-Approval of Policies and Procedures

The Company has not adopted specific policies and procedures for the engagement of non-audit services. The Audit Committee will review the engagement of non-audit services as required.

Audit Fees

The aggregate fees unbilled/billed by the Company's external auditor for financial years ended December 31, 2022 for audit and services were approximately \$203,000 (December 31, 2021 - \$195,000).

Audit-Related Fees

The aggregate fees unbilled/billed by the Company's external auditor for financial years ended December 31, 2022 for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements that are not reported under "Audit Fees" above were approximately \$12,300 (December 31, 2021 - \$nil).

Tax Fees

The aggregate fees unbilled/billed for professional services rendered for tax compliance and preparation of tax returns for the financial year ended December 31, 2022 were approximately \$3,400 (December 31, 2021 - \$3,000).

All Other Fees

The Company's external auditor did not provide any additional services during the financial years ended December 31, 2022 or December 31, 2021, and accordingly no other fees were charged.

Exemption

The Company is relying on the exemption provided by section 6.1 of NI 52-110 by virtue of the fact that it is a venture issuer. Section 6.1 exempts the Company from the requirements of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of NI 52-110 and allows for the short form of disclosure of audit committee procedures set out in Form 52-110F2 and disclosed in this Information Circular.

CORPORATE GOVERNANCE

The following is a summary of the Company's corporate governance disclosure required by Form 58-101F2 of National Instrument 58-101 *Disclosure of Corporate Governance Practices*.

Board of Directors

The Board, at present, is composed of eight directors, three of whom are executive officers (or former executive officers during the most recently completed financial year), and one of whom is a Project Manager for one of the Company's mining projects and four of whom are considered to be "independent", as that term is defined in applicable securities legislation. Each Mr. Guzman, Mr. Godinho, Mr. Brumit Sr. and Dr. O'Brien is considered to be an independent director. Mr. Struthers, by reason of being the CEO of the Company, is not independent. Mr. Shearing, by reason of being the former President and CEO of the Company during the most recently completed financial year, is not independent. Mr. Rhodes, by reason of being the Chairman of the Company, is not independent. Mr. Alvidrez Ortega, by reason of receiving compensation from the Company for being a Project Manager for one of the Company's mining projects, is not independent.

In determining whether a director is independent, the Board chiefly considers whether the director has a relationship which could or could be perceived to interfere with the director's ability to objectively assess the performance of management.

The Board considers its current composition, in which a majority of the members of the Board are not current executive officers, to be sufficient to ensure the Board can function independently of management as only three of the eight Board members are members of executive management. In circumstances where a potential conflict of interest may arise, the Board exercises independent judgment in carrying out its responsibilities by deferring to the recommendations of the independent directors. The Board facilitates independent supervision of management through meetings of the Board and through frequent informal discussions among independent members of the Board and management. Although the independent directors do not currently hold regularly scheduled meetings at which members of management and non-independent directors are not present, the independent directors are encouraged to hold such meetings on an ad hoc basis at any time they consider necessary, and to hold in camera sessions of the independent directors during regular board meetings. In addition, the Board has access to the Company's external auditors, legal counsel and to any of the Company's officers. The Board provides leadership to its independent directors through informal meetings and ongoing open discussions.

Board Mandate

The Board is responsible for approving long-term strategic plans and annual operating plans and budgets recommended by management. Board consideration and approval is also required for material contracts and business transactions, and all debt and equity financing transactions.

The Board delegates to management responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing the Company's cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans and annual operating plans.

Directorships

Certain of the directors of the Company, or nominees for director, are also directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

Name of Director	Other reporting issuer (or equivalent in a foreign jurisdiction)
David Rhodes	Empress Royalty Corp. (TSXV)
Neil O'Brien	NGEx Minerals Ltd. (TSXV); Empire Metals Ltd. (LSE:AIM)

Orientation and Continuing Education

The Company has not yet developed an official orientation or training program for new directors. As required, new directors will have the opportunity to become familiar with the Company by meeting with the other directors and with officers and employees. Orientation activities will be tailored to the particular needs and experience of each director and the overall needs of the Board.

Ethical Business Conduct

The Board monitors the ethical conduct of the Company and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The Board has appointed a Compensation & Nomination Committee, the members of which are Mr. Rhodes, Mr. Godinho and Mr. Alvidrez.

Compensation

The Compensation & Nomination Committee is responsible for determining all forms of compensation, including long-term incentives in the form of equity-based compensation awards, to be granted to the CEO and President of the Company and the directors, and for reviewing the CEO and President's recommendations respecting compensation of the other officers of the Company to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of its officers, the Compensation & Nominations Committee considers: (a) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; (b) providing fair and competitive compensation; (c) balancing the interests of management and the Company's shareholders; and (d) rewarding performance, both on an individual basis and with respect to operations in general.

Committees of the Board of Directors

The Board has appointed an Audit Committee, the members of which are Mr. Rhodes, Mr. Alvidrez and Mr. Brumit. A description of the function of the Audit Committee can be found in this Information Circular under the heading "*Audit Committee*" above.

The Board has also appointed a Corporate Governance Committee, the members of which are Mr. Godinho, Mr. Rhodes and Dr. O'Brien. The Board has also appointed a Technical Committee, the members of which are Mr. Brumit Sr., Mr. Struthers, Mr. Shearing and Dr. O'Brien.

Assessments

The Board has not, as yet, adopted formal procedures for assessing the effectiveness of the Board, its Audit Committee or individual directors.

APPOINTMENT OF AUDITORS

The persons named in the enclosed Proxy will vote for the re-appointment of Grant Thornton LLP, Chartered Professional Accountants, Suite 1600, 333 Seymour Street, Vancouver, BC, V6B 0A4, as auditors for the Company to hold office until the next annual general meeting of the shareholders, at a remuneration to be fixed by the directors.

Grant Thornton LLP has acted as the Company's auditor since January 13, 2021.

MANAGEMENT CONTRACTS

Management services for the Company are not, to any material degree, performed by persons other than the directors and executive officers of the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

Shareholder approval of Omnibus Equity Incentive Plan

At the Meeting, shareholders will be asked to consider and, if thought advisable, pass an ordinary resolution (the “**Omnibus Plan Resolution**”) approving the omnibus equity incentive plan of the Company (the “**Omnibus Equity Incentive Plan**” or “**Omnibus Plan**”). A full copy of the Omnibus Plan will be available at the Meeting for review by shareholders. Shareholders may also obtain copies of the Omnibus Plan from the Company prior to the Meeting on written request. The summary of the Omnibus Plan contained herein does not purport to be a complete summary of the Omnibus Plan and is qualified in its entirety with reference to the full text of the Omnibus Plan. Readers should read this summary in conjunction with the full text of the Omnibus Plan.

Background & Purpose

On October 19, 2022, upon a recommendation of the Compensation & Nominations Committee, the Board passed a resolution to adopt the Omnibus Equity Incentive Plan, subject to, and effective upon, the approval of shareholders. The Company last received shareholder approval for the Omnibus Equity Incentive Plan on March 14, 2023 at the Company’s last annual general meeting of shareholders. The Omnibus Equity Incentive Plan provides flexibility to the Company to grant equity-based compensation awards in the form of options (“**Options**”), restricted share units (“**RSUs**”), preferred share units (“**PSUs**”) and deferred share units (“**DSUs**”), as described in further detail below. Provided that the Omnibus Equity Incentive Plan is approved by the shareholders at the Meeting, all future grants of equity-based compensation awards will be made pursuant to, or as otherwise permitted by, the Omnibus Equity Incentive Plan, and no further equity-based compensation awards will be made pursuant to the Company’s current Stock Option Plan. Upon the Omnibus Plan becoming effective, no further equity compensation awards shall be granted pursuant to the Stock Option Plan; outstanding awards under the Stock Option Plan shall continue to be outstanding as awards granted under and subject to the terms of the new Omnibus Plan, provided however, that if the terms of new Omnibus Plan adversely alter the terms or conditions, or impair any right of, a participant pursuant to the Stock Option Plan, and such participant has not consented thereto, the applicable terms of the Stock Option Plan shall continue to apply for the benefit of such participant, subject to compliance with the policies of the TSX Venture Exchange (“**TSX-V**”).

The objectives of the Omnibus Equity Incentive Plan are to, among other things, to promote a significant alignment between directors, officers, employees and consultants of the Company (collectively “**Participants**”) and the long term growth objectives of the Company; to associate a portion of participants’ compensation with the performance of the Company over the long term; and to attract, motivate and retain the key participants to drive the business success of the Company and its subsidiaries.

A summary of the key terms of the Omnibus Equity Incentive Plan is set out below, which is qualified in its entirety by the full text of the Omnibus Equity Incentive Plan.

Recommendation of the Board

The Board recommends that shareholders vote in favour of the approval of the Omnibus Plan Resolution. **Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote FOR the approval of the Omnibus Equity Incentive Plan.**

Reasons for the Recommendation

In support of its recommendation to shareholders to vote **FOR** the Omnibus Plan Resolution, the Board considered that the Omnibus Plan is an efficient and effective plan to provide the Company with a share-related mechanism to (a) advance the interests of the Company by enhancing the ability of the Company and its subsidiaries to attract, motivate and retain employees, officers, directors, and consultants, (b) reward such persons for their sustained contributions and (c) encourage such persons to take into account the long-term corporate performance of the Company.

Summary of the Omnibus Plan

The Omnibus Plan allows the grant of stock options ("**Options**"), restricted share units ("**RSUs**") and performance share units ("**PSUs**" and together with RSUs, "**Share Units**") settled in common shares (or, at the election of the Company, their cash equivalent). In addition, under the Omnibus Plan, the Company is able to grant deferred share units ("**DSUs**") to non-employee members of the Board and its designated affiliates.

Administration

The Omnibus Plan will be administered by the Board. The Board will determine which directors, officers, eligible employees or consultants of the Company or its affiliates are eligible to receive awards under the Omnibus Plan. In addition, the Board will interpret the Omnibus Plan and may adopt, amend or rescind any administrative rules, regulations, procedures and guidelines relating to the Omnibus Plan as it deems appropriate, provided however, that the Company shall be required to obtain shareholder or disinterested shareholder approval, as applicable, for any amendments to the Omnibus Plan other than amendments: (i) of a "housekeeping" nature to clarify the meaning of an existing provision or correct any grammatical or typographical errors in the Omnibus Plan, or (ii) necessary to comply with applicable law or the requirements of any stock exchange on which the securities of the Company are listed.

Except as otherwise required by law, the Board may, from time to time, delegate powers conferred on the Board under the Omnibus Plan to a committee, including the Compensation & Nominations Committee. In such event, such committee will exercise the powers delegated to it by the Board in the manner and on such terms authorized by the Board, and all decisions made, or actions taken, by the committee arising in connection with the administration of the Omnibus Plan within its authority are final, conclusive and binding.

Eligibility

All employees and directors of the Company or its designated affiliates are eligible to participate in the Omnibus Plan. In addition, subject to applicable laws, the Board may determine, in its discretion, which consultants are eligible to participate in the Omnibus Plan. However, PSUs may not be granted to non-employee directors of the Company or its designated affiliates and RSUs and PSUs may not be granted to consultants of the Company or its designated affiliates.

In addition, any Participants under the Omnibus Plan who are “Investor Relations Service Providers” (as defined in the policies of the TSX-V) are not eligible to receive RSUs, PSUs (as defined herein) or DSUs (as defined herein).

Common Shares Subject to the Omnibus Plan and Limitation on Awards

The maximum number of common shares available for issuance pursuant to the Omnibus Plan and any other security-based compensation arrangement of the Company shall not exceed 10% of the issued and outstanding common shares from time to time.

The Omnibus Plan is also subject to the following limitations:

- (a) the aggregate number of common shares issuable to “Insiders” (as defined in the policies of the TSX-V) of the Company under the Omnibus Plan or any other security-based compensation arrangement of the Company shall not exceed 10% of the issued and outstanding common shares and the aggregate number of common shares issuable to Insiders of the Company under the Omnibus Plan or any other security-based compensation arrangement of the Company, within a one-year period, shall not exceed 10% of the issued and outstanding common shares as at the date any award is granted to any Insider of the Company (unless the Company has obtained disinterested shareholder approval in respect thereof);
- (b) the aggregate number of common shares issuable to any one Participant under the Omnibus Plan or any other security-based compensation arrangement of the Company, within a one-year period, shall not at any time exceed 5% of the issued and outstanding common shares as at the date any award is granted to the Participant (unless the Company has obtained disinterested shareholder approval in respect thereof);
- (c) the aggregate number of common shares issuable to any one consultant under the Omnibus Plan or any other security-based compensation arrangement of the Company, within a one-year period, shall not at any time exceed 2% of the issued and outstanding common shares as at the date any award is granted to the consultant; and
- (d) the aggregate number of common shares issuable to all persons retained to provide investor relations activities under the Omnibus Plan or any other security-based compensation arrangement of the Company, within a one-year period, shall not at any time exceed 2% of the issued and outstanding common shares as at the date any award is granted to the persons retained to provide investor relations activities.

If for any reason common shares subject to issuance on the exercise of stock options granted under the Omnibus Plan are not issued, for reasons including the termination, expiration or cancellation, such common shares will become available for additional grants under the Omnibus Plan. If any RSUs, PSUs or DSUs granted under the Omnibus Plan expire, terminate or are cancelled for any reason without being settled in the form of common shares issued from treasury, such common shares will become available for additional grants under the Omnibus Plan.

No Share Units may vest before the date that is one year following the date it is granted or issued, although vesting may be accelerated for a participant who dies or ceases to be an eligible Participant in connection with a change of control, take over bid, RTO or similar transaction.

Stock Options

The Board may grant stock options to any Participant under the Omnibus Plan at any time. The exercise price for stock options will be determined by the Board, but may not be less than the Discounted Market Price (as defined below, and, in the event that the common shares are not listed and posted for trading on any stock exchange, the fair market value of the common shares as determined by the Board in its sole and absolute discretion (the “**Market Value**”) on the date the stock option is granted). For the purposes of the Omnibus Plan the “**Discounted Market Price**” means if the common shares are listed only on the TSX-V, the Market Value, less the maximum discount permitted under the TSX-V policy applicable to stock options. Stock options must be exercised within a period fixed by the Board that may not exceed 10 years from the date of grant, except in a case where the expiry period falls during a blackout period, in which case the expiry period will be automatically extended until 10 business days after the end of the blackout period.

Subject to the terms of the Omnibus Plan and any option agreement, stock options granted under the Omnibus Plan may also be purchased by a Participant by way of a “cashless exercise method”, whereby the Company may have an arrangement with a brokerage firm pursuant to which the brokerage firm will loan money to a Participant to purchase common shares underlying the stock options. The brokerage firm then sells a sufficient number of common shares to cover the exercise price of the stock options in order to repay the loan made to the Participant. The brokerage firm receives an equivalent number of common shares from the exercise of the stock options and the Participant then receives the balance of common shares or the cash proceeds from the balance of such common shares.

The Omnibus Plan also provides for earlier termination of stock options on the occurrence of certain events, including but not limited to, termination of a Participant’s employment.

Options granted to Investor Relations Service Providers must be vested in stages over a period of not less than 12 months with no more than $\frac{1}{4}$ of the stock options vesting in any three-month period.

Restricted Share Units

The Board may grant RSUs to any Participant (other than consultants) under the Omnibus Plan at any time. The terms and conditions of grants of Share Units, including the quantity, type of award, award date, vesting conditions, applicable vesting periods (the time period of which may be no earlier than one year following the award date, except as provided for in the Omnibus Plan) and other terms and conditions with respect to the award, as determined by the Board, will be set out in such Participant’s RSU agreement. One RSU is equivalent to one common share.

An RSU account will be maintained for each Participant and each notional grant of RSUs, as granted to such Participant from time to time, will be credited to such Participant’s account. RSUs that fail to vest with respect to a Participant, or that are paid out to the Participant are cancelled and will be removed from such Participant’s account.

Upon the vesting and settlement of RSUs, the Company is entitled to elect, at the Board’s sole discretion, to settle vested RSUs for their cash equivalent, common shares or a combination thereof. For purposes of determining the cash equivalent of RSUs on settlement, such calculation will be made on the settlement date based on the Market Value on the settlement date multiplied by the number of vested RSUs in the Participant’s notional RSU account. For the purposes of determining the number of common shares from treasury to be issued and delivered to a Participant upon settlement of RSUs, such calculation will be made on the settlement date based on the whole number of common shares equal to the whole number of vested RSUs then recorded in the Participant’s notional RSU account. If an RSU would otherwise expire during a blackout period, the term of such RSU shall automatically be extended

until 10 business days after the end of the blackout period, however, in all cases, RSUs shall expire and be settled by no later than December 31 of the third calendar year commencing after the date of award.

Performance Share Units

The Board may grant PSUs to any Participant (other than non-employee directors and consultants) under the Omnibus Plan at any time. The terms and conditions of grants of PSUs, including the quantity, type of award, award date, vesting conditions, applicable vesting periods (which may be no earlier than one year following the award date, except as provided for in the Omnibus Plan) and other terms and conditions with respect to the award, as determined by the Board, will be set out in such Participant's PSU agreement. PSUs are subject to the attainment of performance goals and may become vested PSUs based on a multiplier, which may be greater or less than 100%, subject to such percentage being no greater than 200%. A PSU account will be maintained for each Participant and each notional grant of PSUs, as granted to such Participant from time to time, will be credited to such Participant's account. PSUs that fail to vest with respect to a Participant, or that are paid out to the Participant are cancelled and will be removed from such Participant's account.

Upon the vesting and settlement of PSUs, the Company is entitled to elect, in the Board's sole discretion, to settle vested PSUs for their cash equivalent, common shares or a combination thereof. For purposes of determining the cash equivalent of PSUs on settlement, such calculation will be made on the settlement date based on the Market Value on the settlement date multiplied by the number of vested PSUs in the Participant's notional PSU account. For the purposes of determining the number of common shares from treasury to be issued and delivered to a Participant upon settlement of PSUs, such calculation will be made on the settlement date based on the whole number of common shares equal to the whole number of vested PSUs then recorded in the Participant's notional PSU account. If a PSU would otherwise expire during a blackout period, the term of such Share Unit shall automatically be extended until 10 business days after the end of the blackout period, however, in all cases, Share Units shall expire and be settled by no later than December 31 of the third calendar year commencing after the date of award.

If the performance goals in respect of the vesting of PSUs determined by the Board at the time of granting the award with respect to a fiscal year are not met during such fiscal year, the PSUs which were scheduled to vest at the end of such fiscal year shall expire. Performance goals may be based upon the achievement of corporate, divisional, cluster or individual goals, and may be applied to performance relative to an index or comparator group, or on any other basis determined by the Board which may be measured over a specified period and may have a multiplier effect based on the level of achievement.

DSUs

The Board may grant DSUs to any DSU Participant (being a non-employee director of the Company) under the Omnibus Plan at any time. In addition, subject to Board approval, a DSU Participant may elect, once each fiscal year, to be paid up to 100% of his or her annual board retainer (including any committee fees, attendance fees and retainers to committee chairs) in the form of DSUs with the balance, if any, being paid in cash in accordance with the Company's regular practices. A DSU Participant is entitled to terminate his or her participation in the Omnibus Plan.

One DSU is equivalent to one common share. Fractional DSUs are permitted under the Omnibus Plan. The number of DSUs granted at any particular time pursuant to the Omnibus Plan will be calculated by: (a) in the case of an elected amount by a DSU Participant, dividing (i) the dollar amount of the elected amount by (ii) the Market Value of a common share on the applicable award date; or (b) in the case of a grant of DSUs, dividing (i) the dollar amount of such grant by (ii) the Market Value of a common share on the date of grant. The Company shall maintain a notional account for each DSU Participant.

All DSUs recorded in a Participant's notional account will vest on the DSU termination date, being the day that the DSU Participant ceases to be a director of the Company for any reason.

Upon the settlement of DSUs, the number of common shares covered by the DSUs will be issued from treasury by the Company as fully paid non-assessable common shares based on the whole number of common shares equal to the whole number of DSUs then recorded in the DSU Participant's notional account (fractions of common shares will be settled in cash). If a DSU Participant gives notice to the Company of its election to receive cash pertaining to a DSU, the Company, with the approval of the Board, may agree to pay an amount in cash equal to the aggregate Market Value of the common shares as at the DSU termination date to be issued in place of issuing to the DSU Participant common shares under the DSU.

Omnibus Equity Incentive Plan Resolution

At the Meeting, shareholders will be asked to pass an ordinary resolution approving the Omnibus Equity Incentive Plan in substantially the following form:

"IT IS RESOLVED THAT:

1. The Omnibus Equity Incentive Plan of the Company and the reservation for issuance thereunder of up to 10% of the aggregate number of common shares of the Company as are issued and outstanding from time to time, is confirmed, ratified and approved as the omnibus equity incentive plan of the Company and the Company has the ability to grant options and other awards under the Omnibus Equity Incentive Plan;
2. The options and other awards to be issued under the Omnibus Equity Incentive Plan, and all unallocated options and other awards under the Omnibus Equity Incentive Plan, are approved;
3. The Board is authorized to make such amendments to the Omnibus Equity Incentive Plan from time to time, in accordance with the terms of the Omnibus Equity Incentive Plan, as may be required by the applicable regulatory authorities, or as may be considered appropriate by the Board, in its sole discretion, provided always that such amendments be subject to the approval of the regulatory authorities, if applicable, and in certain cases, the approval of the shareholders; and
4. Any one officer of the Company is authorized and directed, for and on behalf of the Company, to finalize, sign or deliver all documents, to enter into any agreements and to do and perform all acts and things as such individual, in his or her discretion, deems necessary or advisable in order to give effect to the intent of this resolution and the matters authorized hereby, including compliance with all securities laws and regulations and the rules and requirements of the stock exchanges on which the Company's shares may be listed, such determination to be conclusively evidenced by the finalizing, signing or delivery of such document or agreement or the performing of such act or thing."

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.

Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote FOR the approval of the Omnibus Equity Incentive 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 favor of the resolution.

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR+ at www.sedarplus.ca. Shareholders may contact the Company at 1111 Melville Street, Suite 410, Vancouver, BC, V6E 3V6 (Toll-free phone: 1-888-715-0597) to request copies of the Company's financial statements and MD&A. Financial information about the Company is contained in the Company's comparative audited consolidated financial statements and MD&A for its year ended December 31, 2022.

DATED this 25th day of September, 2023.

ON BEHALF OF THE BOARD OF DIRECTORS

"Mike Struthers"

Mike Struthers
Chief Executive Officer and Director