

**GFM RESOURCES LIMITED**  
Suite 1100 – 1111 Melville Street  
Vancouver, BC, V6E 3V6, CANADA  
Telephone: (+1) 604-925-2839

## **NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**TAKE NOTICE** that the annual general meeting (the “**Meeting**”) of shareholders of **GFM RESOURCES LIMITED** (the “**Corporation**”) will be held at Suite 1100, 1111 Melville Street, Vancouver, British Columbia, on Monday, June 20, 2022 at 10:00 a.m. (Pacific Time).

While the COVID-19 global health restrictions have been lifted at the time of preparing this Notice of Meeting, due to the uncertainty in the near term, the Corporation is providing an additional Virtual Participation Option for the Meeting. The Corporation is offering Shareholders the option to listen and participate (but not vote) at the Meeting in real time by conference call at the following coordinates:

### **Teleconference Numbers:**

<b>Vancouver:</b>	<b>604 688 2602</b>
<b>Canada/USA Toll Free:</b>	<b>1 833 353 8610</b>
<b>Mexico Toll Free:</b>	<b>800 514 0357</b>
<b>ACCESS CODE:</b>	<b>8473253</b>

*We reserve the right to take any additional precautionary measures we deem appropriate in relation to the Meeting in response to further developments in respect of the COVID-19 pandemic. Should any changes to the Meeting format occur, the Corporation will announce any and all changes by way of news release, which will be filed under the Corporation’s profile at [www.sedar.com](http://www.sedar.com). We strongly recommend you check the Corporation’s website <http://gfm-resources.com/> prior to the Meeting for the most current information. In the event of any changes to the Meeting format due to the COVID-19 pandemic, the Corporation will **NOT** prepare or mail amended Meeting materials.*

As of the date of this Notice, we intend to hold the Meeting in physical face-to-face format and include teleconferencing so shareholders can listen to the Meeting in real time. Details for the teleconferencing will be made available on the Corporation’s website prior to the Meeting.

*Shareholders who intend to attend the Meeting via teleconference must **submit their votes by Proxy ahead of the proxy deadline of 10:00 a.m. Pacific Time on June 16, 2022.** Attendance by teleconference allows Shareholders to listen to, but not to vote at the Meeting.*

### **Purposes of the Meeting**

The Meeting is to be held for the following purposes:

1. To receive the consolidated financial statements of the Corporation for its financial years ended December 31, 2021 and 2020, the report of the auditor thereon and the related management discussion and analysis;
2. To set the number of directors at four;
3. To elect directors of the Corporation for the ensuing year;
4. To appoint an auditor of the Corporation for the ensuing year and authorize the directors to determine the auditor’s remuneration; and
5. To ratify and confirm the Corporation’s share option plan for continuation.

A Management Proxy Circular accompanies this Notice. The Management Proxy Circular contains details of matters to be considered at the Meeting. No other matters are contemplated, however, any permitted amendment to or variation of any matter identified in this Notice may properly be considered at the Meeting. The Meeting may also consider the transaction of such other business as may properly come before the Meeting or any adjournment thereof.

Copies of the consolidated financial statements, report of the auditor thereon and related management discussion and analysis for the year ended December 31, 2021 were filed on SEDAR on March 17, 2022 and are available under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com).

**Shareholders who are unable to attend the Meeting in person and who wish to ensure that their shares will be voted at the Meeting are requested to complete, date and sign the enclosed form of proxy, or complete another suitable form of proxy, and deliver it in accordance with the instructions set out in the form of proxy and in the Management Proxy Circular.**

**Beneficial (non-registered) shareholders who plan to attend the Meeting must follow the instructions set out in the form of proxy or voting instruction form and in the Management Proxy Circular to ensure that their shares will be voted at the Meeting. If you hold your shares in a brokerage account you are a non-registered shareholder.**

**DATED** at Vancouver, British Columbia, as at May 11, 2022.

**BY ORDER OF THE BOARD**

*/s/ "Estepan Rivero González"*

**Estepan Rivero González  
President and Chief Executive Officer**

## **GFM RESOURCES LIMITED**

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### **MANAGEMENT PROXY CIRCULAR**

as at May 11, 2022, *(except as otherwise indicated)*

**This Management Proxy Circular is furnished in connection with the solicitation of proxies by the management of GFM Resources Limited (the “Corporation”) for use at the annual general meeting (the “Meeting”) of its shareholders to be held on June 20, 2022 at the time and place and for the purposes set forth in the accompanying Notice of the Meeting.**

In this Management Proxy Circular, references to “the Corporation”, “we” and “our” refer to GFM Resources Limited. “Common Shares” means common shares without par value in the capital of the Corporation. “Registered Shareholders” means shareholders whose Common Shares are registered in their names. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

### **GENERAL PROXY INFORMATION**

#### **Solicitation of Proxies**

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Corporation. The Corporation will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

#### **Appointment of Proxyholders**

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

#### **Voting by Proxyholder**

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

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,
- (b) any amendment to or variation of any matter identified therein, and
- (c) any other matter that properly comes before the Meeting.

**In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.**

## Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so using one of the following ways:

- (a) complete, date and sign the enclosed form of proxy and return it to the Corporation's transfer agent, Computershare Trust Company of Canada, by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to the 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery at 2nd Floor, 510 Burrard Street, Vancouver, British Columbia, Canada V6C 3B9;
- (b) use a touch-tone phone to transmit voting choices to a toll-free number. Registered shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll-free number and the holder's 15-digit control number; or
- (c) via the internet through the website of the Corporation's transfer agent at [www.investorvote.com](http://www.investorvote.com). Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's 15-digit control number.

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

## Beneficial Shareholders

**The following information is of significant importance to shareholders who do not hold Common Shares in their own name.** Beneficial Shareholders, (also referred to as "Non-registered Shareholders") should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Corporation as the registered holders of Common Shares) or as set out in the following disclosure.

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

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

There are two kinds of Beneficial Shareholders: Objecting Beneficial Owners ("**OBOs**") object to their name being made known to the issuers of securities which they own; and Non-Objecting Beneficial Owners ("**NOBOs**") who do not object to the issuers of the securities they own knowing who they are.

For this Meeting, Broadridge Financial Solutions, Inc. ("**Broadridge**") will mail the Meeting proxy materials to the Beneficial Shareholders. This year the Corporation will not be taking advantage of the provisions of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* that permit the Corporation to deliver proxy-related materials directly to its NOBOs and OBOs. As a result, Beneficial Shareholders will receive a Voting Instruction Form ("**VIF**") from Broadridge, which VIF should be completed by the Beneficial Shareholder and returned to Broadridge in the envelope provided or by a delivery option described on the VIF itself, which contains complete instructions. Broadridge will tabulate the results of the VIFs received from Beneficial Shareholders and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs Broadridge receives.

These securityholder materials are being sent to both registered and non-registered (beneficial) owners of the securities of the Corporation. If you are a beneficial owner, and the Corporation or its agent has sent these materials directly to you, your name, address and information about your holdings of securities, were obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

***If you are a Beneficial Shareholder:***

If you are a Beneficial Shareholder you should carefully follow the instructions of your broker or intermediary in order to ensure that your Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the Proxy provided by the Corporation to registered shareholders. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge mails a voting instruction form ("**VIF**") in lieu of a Proxy provided by the Corporation. The VIF will name the same persons as the Corporation's Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Corporation), other than any of the persons designated in the VIF, to represent your Common Shares at the Meeting, and that person may be you. To exercise this right, you should insert the name of the desired representative (which may be yourself) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting and the appointment of any shareholder's representative. If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge in accordance with its instructions, well in advance of the Meeting, in order to have your Common Shares voted or to have an alternate representative duly appointed to attend the Meeting and to vote your Common Shares at the Meeting.

**Notice to Shareholders in the United States**

The solicitation of proxies involves securities of an issuer located in Canada and are being effected in accordance with the corporate laws of Yukon and securities laws of the Provinces and territories of Canada. The proxy solicitation rules under the United States *Securities Exchange Act of 1934*, as amended, are not applicable to the Corporation or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the Provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the Provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Corporation is incorporated under the *Business Corporations Act* (Yukon), certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

**Revocation of Proxies**

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Computershare or at the address of the registered office of the Corporation in BC at 1500 – 1055 West Georgia Street, Vancouver, BC V6E 4N7, at any

time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or

- (b) personally attending the Meeting and voting the registered shareholder's Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

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

No director or executive officer of the Corporation, or any person who has held such a position since the beginning of the last completed financial year of the Corporation, nor any nominee for election as a director of the Corporation, 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 continuation of the share option plan and as may be set out as set out herein.

### VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the "**Board**") of the Corporation has fixed May 11, 2022 as the record date (the "**Record Date**") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The authorized capital of the Corporation consists of an unlimited number of Common shares without par value. As of the Record Date, there were 19,085,071 Common Shares issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

The Common Shares of the Corporation are listed on NEX ("**NEX**") of the TSX Venture Exchange (the "**TSXV**").

To the knowledge of the directors and executive officers of the Corporation, the only person or corporation that beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares as at the Record Date is:

Shareholder Name	Number of Common Shares Held	Percentage of Issued Common Shares
Compañía Minera Autlán, S.A.B. de C.V. <sup>(1)</sup>	16,370,215	85.77%

Note:

- (1) Compañía Minera Autlán, S.A.B. de C.V. ("**Autlan**") holds an aggregate of 16,370,215 Common Shares of the Corporation. This company is controlled by José Antonio Rivero Larrea, a director of the Corporation, and together the percentage ownership of the Corporation is 85.77%.

### FINANCIAL STATEMENTS

The consolidated audited financial statements of the Corporation for the year ended December 31, 2021, report of the auditor and related management discussion and analysis will be placed before the Meeting. Copies of these documents are available under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

## VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors than there are vacancies to fill, or another auditor is nominated, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

## ELECTION OF DIRECTORS

The Articles of the Corporation provide that the number of directors of the Corporation will be a minimum of three and a maximum of ten. The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is vacated earlier in accordance with the provisions of the *Business Corporations Act* (Yukon), each director elected will hold office until the conclusion of the next annual meeting of the Corporation, or if no director is then elected, until a successor is elected.

At the Meeting, shareholders will be asked to set the number of directors to comprise the Board for the ensuing year at four. The following disclosure sets out the names of management's nominees for election as directors, all major offices and positions with the Corporation and any of its significant affiliates each now holds (within the last five years for each new director nominee), each nominee's principal occupation, business or employment, the period of time during which each has been a director of the Corporation and the number of Shares of the Corporation beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the Record Date.

<b>Name, Position with Corporation and Province and Country of Residence</b>	<b>Occupation, Business or Employment<sup>(1)</sup></b>	<b>Period as a Director of the Corporation</b>	<b>Common Shares Beneficially Owned or Controlled<sup>(1)</sup></b>
José Antonio Rivero Larrea Chairman of the Board and a Director Nuevo León, México	Chairman, Grupo Ferrominero S.A. de C.V.; Chairman, Compañía Minera Autlán, S.A.B. de C.V	Since June 29, 1998	16,370,215 <sup>(2)</sup>
Esteban Rivero González <sup>(3)</sup> President, Chief Executive Officer ("CEO") and a Director Nuevo León, México	Member of the Board of Compañía Minera Autlán, S.A.B. de C.V. since 2003, and its Chief Operating Officer since April 4, 2021, where he is responsible for sales, finance, internal control, information technology, and currently leading the Energy Division in charge of power generation projects, and has also served in strategic and financial planning as well as supply chain areas. He is currently Chairman of the International Manganese Institute, based in Paris, France.	Since April 15, 2020	Nil
James Robertson, P. Eng. <sup>(3)</sup> Director British Columbia, Canada	Metallurgical Engineer; President, Midas Management Inc.; Director, Newport Exploration Ltd.	Since June 30, 2005	80,000

Name, Position with Corporation and Province and Country of Residence	Occupation, Business or Employment <sup>(1)</sup>	Period as a Director of the Corporation	Common Shares Beneficially Owned or Controlled <sup>(1)</sup>
Horacio Alcocer <sup>(3)</sup> Director Nuevo León, México	Director of Administration, Compañía Minera Autlán, S.A.B: de C.V.; President, A&S Real Estate S.A. de C.V.	Since September 20, 2017	Nil

Notes:

- (1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Corporation and has been furnished by the respective nominees.
- (2) José A. Rivero Larrea holds these Common Shares indirectly through Compañía Minera Autlán, S.A.B. de C.V., a company controlled by him.
- (3) Member of Audit Committee

None of the proposed nominees for election as a director of the Corporation are proposed for election pursuant to any arrangement or understanding between the nominee and any other person, except the directors and senior officers of the Corporation acting solely in such capacity.

**Advance Notice Provisions**

By-Law No. 2 which includes Advance Notice Provisions with respect to the nomination of directors (the "Advance Notice Provisions") was adopted by the Directors on May 16, 2014 and approved by the Corporation's shareholders on June 24, 2014.

The Advance Notice Provisions provide shareholders, directors and management of the Corporation with a clear framework for nominating directors for election. Among other things, the Advance Notice Provisions fix a deadline by which holders of Common Shares must submit director nominations to the Corporation prior to any annual or special meeting of shareholders and sets forth the minimum information that a shareholder must include in the notice to the Corporation for the notice to be in proper written form.

A copy of By-Law No. 2 is available under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com).

The Corporation has not received notice of a nomination in compliance with its By-Laws and, as such, any nominations other than nominations by or at the direction of the Board or an authorized officer of the Corporation will be disregarded at the Meeting.

**Cease Trade Orders and Bankruptcies**

Except as disclosed below, no director or proposed director

- (a) is, as at the date of the Management Proxy Circular (the "Circular"), or has been, within 10 years before the date of this Circular, a director, chief executive office ("CEO") or chief financial officer ("CFO") of any company (including the Corporation in respect of which this Circular is prepared) that,
  - (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or
  - (ii) was subject to an order that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO; or

- (b) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Corporation 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; or
- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

### **Penalties or Sanctions**

None of the proposed directors have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, has entered into a settlement agreement with a securities regulatory authority or has 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 securityholder making a decision about whether to vote for the proposed director.

### **APPOINTMENT OF AUDITOR**

Davidson & Company LLP, Chartered Professional Accountants, 1200 – 609 Granville Street, Vancouver, British Columbia, V7Y 1G6 will be nominated at the Meeting for re-appointment as auditor of the Corporation at a remuneration to be fixed by the directors. Davidson & Company LLP, Chartered Professional Accountants, were first appointed as auditor of the Corporation by the shareholders on June 27, 2016.

### **AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR**

National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators requires the Corporation, as a venture issuer, to disclose annually in its management proxy circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following disclosure.

#### **The Audit Committee's Charter**

The audit committee has a charter, a copy of which was filed on SEDAR at [www.sedar.com](http://www.sedar.com) on June 7, 2006 as Schedule "A" to the management proxy circular for the 2006 annual meeting. A copy may also be obtained from the Chief Financial Officer of the Corporation, telephone number (604) 925-2839 or email at [info@gfm-resources.com](mailto:info@gfm-resources.com).

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

As at the date hereof, the members of the audit committee are James Robertson (Chair), Horacio Alcocer and Esteban Rivero González. Mr. Robertson is the sole independent member of the audit committee. Mr. Rivero González is a member of the Board of Directors at Autlan, and Mr. Alcocer is Director of Administration at Autlan. The majority shareholder of the Corporation is Autlan. All members of the audit committee are considered to be financially literate.

#### **Relevant Education and Experience**

James Robertson is a metallurgical engineer who has considerable experience with publicly listed companies in Canada. He is currently a director of another reporting company, see disclosure under "Directorships". He also sits on audit committee of another reporting company. Through his company, Midas Management Inc., Mr. Robertson has extensive experience in the administration and financing of public companies.

Esteban Rivero González is responsible for diverse activities within Autlan including sales, finance, internal control and IT. Since joining Autlan in 2003, Esteban has served in different positions within strategic planning, financial planning and supply chain areas. Currently, as part of his role of director and chief operating officer, he leads the Energy Division in charge of the power generation operations and projects. He has served as Board Member of Autlan since he joined in 2003 and is currently the Chairman of the International Manganese Institute based in Paris, France. He also serves on the Board of Universidad de Monterrey (UDEM) and Monterrey Tech. He holds an MBA from the Kellogg School of Management and a computer science undergraduate degree from the Monterrey Tech (ITESM).

Horacio Alcocer has been financial director of several companies in Mexico, and Finance Director (Chief Financial Officer) of Metallorum and is now Director of Administration at Autlan. He also acts as a President of the Board of A&S Real Estate SA de CV. With experience in finance of over ten years, Mr. Alcocer holds a degree in economics from Universidad de Nuevo León in Mexico and a master's in finance from la Universidad de Chile.

Each member of the audit committee has:

- an understanding of the accounting principles used by the issuer to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- 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 individuals engaged in such activities; and
- an understanding of internal controls and procedures for financial reporting.

#### **Audit Committee Oversight**

The audit committee has not made any recommendations to the Board to nominate or compensate any external auditor other than Davidson & Company LLP, Chartered Professional Accountants.

#### **Non-Audit Services**

The Corporation's auditor, Davidson & Company LLP, Chartered Professional Accountants, has not provided any material non-audit services.

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

See the audit committee charter concerning the adoption of specific policies and procedures for the engagement of non-audit services.

#### **External Auditor Service Fees**

The audit committee reviews the nature and amount of non-audit services provided by the auditor to the Corporation to ensure auditor independence. Fees incurred with the auditor for audit and non-audit services in the last two fiscal years are outlined in the following table:

Nature of Services	Fees Paid to Auditor in Year Ended December 31, 2021	Fees Paid to Auditor in Year Ended December 31, 2020
Audit Fees <sup>(1)</sup>	\$15,500	\$12,500
Audit-Related Fees <sup>(2)</sup>	\$189	\$153
Tax Fees <sup>(3)</sup>	\$3,250	\$2,750
All Other Fees <sup>(4)</sup>	Nil	Nil
<b>Total</b>	<b>\$18,939</b>	<b>\$15,403</b>

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Corporation's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

### Exemption

The Corporation is a venture issuer and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*).

## CORPORATE GOVERNANCE

### General

Corporate governance refers to the policies and structure of the board of directors of a corporation, whose members are elected by and are accountable to the shareholders of the corporation. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices; as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

### Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A "material relationship" is a relationship which could, in the view of the Corporation's board, be reasonably expected to interfere with the exercise of a director's independent judgment.

The Board facilitates its independent supervision over management by conducting a quarterly review of the Corporation's financial statements and management discussion and analysis as well as requiring material transactions to be approved by the Board prior to the transaction taking place.

A majority of the Board is not independent. The independent member of the Board is James Robertson. The non-independent directors are José Antonio Rivero Larrea (Chairman of the Board of Directors and a director of the Corporation and Chairman of Autlan), Esteban Rivero González (President, CEO and a

director of the Corporation and a director and COO of Autlan) and Horacio Alcocer (a director of the Corporation and Senior Manager at Autlan).

### **Directorships**

José Antonio Rivero Larrea is a director of Autlan, a reporting company listed on the Mexican Bolsa (“**BMV**”), a Mexican stock exchange.

Esteban Rivero González is also a board member of Autlan.

James Robertson is a director of Newport Exploration Ltd. which is listed on the TSXV.

### **Orientation and Continuing Education**

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Corporation’s properties and on the responsibilities of directors.

Board meetings may also include presentations by the Corporation’s management and employees to give the directors additional insight into the Corporation’s business.

### **Ethical Business Conduct**

The Board has found that the fiduciary duties placed on individual directors by the Corporation’s governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors’ 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 Corporation.

### **Nomination of Directors**

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

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Corporation, this policy will be reviewed.

### **Compensation**

The Board determines compensation for the directors and Chief Executive Officer.

### **Other Board Committees**

The Board has no committees other than the audit committee.

### **Assessments**

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and the audit committee.

## **STATEMENT OF EXECUTIVE COMPENSATION**

The following information is provided as required under Form 51-102F6V – *Statement of Executive Compensation*, for Venture Issuers (the “Form”), as such term is defined in National Instrument 51-102.

For the purposes of this Statement of Executive Compensation:

“**company**” includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

“**compensation securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries;

“**NEO**” or “**named executive officer**” means each of the following individuals:

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

“**plan**” includes any plans, contract, authorization or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons; and

“**underlying securities**” means any securities issuable on conversion, exchange or exercise of compensation securities.

## **DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION**

### ***Director and NEO Compensation, Excluding Options and Compensation Securities***

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Corporation to NEOs and directors of the Corporation for the two completed financial years ended December 31, 2021 and December 31, 2020. Options and compensation securities are disclosed under the heading “**Stock Options and Other Compensation Securities**” of this Form.

During the financial year ended December 31, 2021, based on the definition above, the NEOs of the Corporation were: Esteban Rivero González, President, Chief Executive Officer and a Director of the Corporation, Salvador Miranda, Chief Financial Officer and Corporate Secretary of the Corporation and José Antonio Rivero Larrea, Chairman of the Board and a Director of the Corporation. The Directors of the Corporation who were not NEOs during the financial year ended December 31, 2021 were Horacio Alcocer and James Robertson.

During the financial year ended December 31, 2020, based on the definition above, the NEOs of the Corporation were: Esteban Rivero González, President, CEO and a Director, José Antonio Rivero-González, former Chief Executive Officer, President and Director, José Antonio Rivero Larrea, Chairman of the Board and a Director and Salvador Miranda, Chief Financial Officer and Corporate Secretary. The Directors of the Corporation who were not NEOs during the financial year ended December 31, 2020 were Horacio Alcocer and James Robertson.

**Table of Compensation, Excluding Compensation Securities**

Table of Compensation excluding Compensation Securities							
Name and position	Year	Salary, consulting fee, retainer or commission <sup>(1)</sup> (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total Compensation <sup>(2)</sup> (\$)
José Antonio Rivero Larrea <sup>(3)</sup> <i>Chairman and a Director</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Esteban Rivero González <sup>(4)</sup> President, CEO and a Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
José Antonio Rivero-González <sup>(5)</sup> Former President, CEO and a Director <sup>(4)</sup>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Salvador Miranda CFO and Corporate Secretary <sup>(6)</sup>	2021	60,000 <sup>(9)</sup>	Nil	Nil	Nil	Nil <sup>(9)</sup>	60,000 <sup>(9)</sup>
	2020	60,000 <sup>(6)</sup>	Nil	Nil	Nil	800 <sup>(6)</sup>	60,800
James Robertson <sup>(7)</sup> Director	2021	Nil	Nil	24,000 <sup>(10)</sup>	Nil	Nil	24,000 <sup>(10)</sup>
	2020	Nil	Nil	24,000	Nil	Nil	24,000
Horacio Alcocer Director <sup>(8)</sup>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Includes the dollar value of cash and non-cash based salary earned during a financial year covered.
- (2) These amounts include all amounts set out in table form for each NEO and executive officer.
- (3) Mr. José Antonio Rivero Larrea was appointed as a Director on June 29, 1998 and as Chairman on June 27, 2016.
- (4) Mr. Esteban Rivero González was appointed as a Director and as President and CEO on April 15, 2020.
- (5) Mr. José Antonio Rivero-González was appointed as a Director on June 24, 2015 and as President and CEO on June 27, 2016; he resigned a Director and as President and CEO on April 15, 2020.
- (6) Mr. Miranda was appointed as CFO on October 19, 2006 and as Corporate Secretary on June 27, 2011.
- (7) Mr. Robertson was appointed as a Director on June 30, 2005.
- (8) Mr. Alcocer was appointed as a Director on September 20, 2017.
- (9) These funds were paid to InterAmerica Consulting & Development Inc. (“InterAmerica”), a company controlled by Salvador Miranda for administration fees (\$60,000). Rent (\$800) for the fiscal year ended December 31, 2020, and discontinued in 2021. The Corporation entered into a consulting services agreement with InterAmerica, whereby the Corporation pays InterAmerica a monthly fee of \$5,000 for consulting and administration services, and \$50 for office rental, increased to \$100 per month from January to August, 2020. From September 2020, office rent is paid directly to the office services provider.
- (10) These funds were paid to InterAmerica Consulting & Development Inc. (“InterAmerica”), a company controlled by Salvador Miranda for administration fees (\$60,000). Rent (\$800) for the fiscal year ended December 31, 2020, and discontinued in 2021. The Corporation entered into a consulting services agreement with InterAmerica, whereby the Corporation pays InterAmerica a monthly fee of \$5,000 for consulting and administration services, and \$50 for office rental, increased to \$100 per month from January to August, 2020. From September 2020, office rent is paid directly to the office services provider.

(10) Mr. Robertson received \$24,000 in compensation for acting as Chairman of the Audit Committee of the Corporation, at a monthly rate of \$2,000 which was paid to Midas Management Inc., a company controlled and directed by him.

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

The only equity compensation plan which the Corporation has in place is its share option plan dated for reference June 27, 2011, (the “**Plan**”). The Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Corporation and thereby encourage their continuing association with the Corporation. The Plan is administered by the Board. The Plan provides that options will be issued to directors, officers, employees or consultants of the Corporation or a subsidiary of the Corporation. The Plan provides that the number of Common Shares issuable under the Plan, together with all of the Corporation's other previously established or proposed share compensation arrangements, may not exceed 10% of the total number of issued and outstanding Common Shares. All options expire on a date not later than ten years after the date of grant of such option. Vesting is determined by the Board.

Option grants are made at the discretion of the Board, subject to availability within the Corporation's option pool. The Corporation has traditionally granted the maximum number of options available based upon the recommendations of management and subject to the approval of the Board. See disclosure under heading “*Particulars of Other Matters to be Acted upon – Continuation of Share Option Plan*”.

During the years ended December 31, 2021 and December 31, 2020, there were no options granted to purchase Shares, no options expired and there were no share-based awards issued or outstanding.

### ***Exercise of Compensation Securities by NEOs and Directors***

There were no exercises of compensation securities by a NEO or a director of the Corporation during financial years ended December 31, 2021 and 2020.

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

The Consulting Services Agreement dated October 18, 2006 between the Corporation, Salvador Miranda and InterAmerica, a company for which Salvador Miranda is a principal, has a one-year term which automatically renews annually. The Corporation is required to give 90 days prior written notice of termination, or payment of 90 days consulting fees. Termination upon change of control will require the Corporation to pay InterAmerica an amount equal to one calendar year's monthly consulting fee.

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

The Board has not appointed a compensation committee and the responsibilities relating to executive and director compensation, including reviewing and recommending director compensation, overseeing the Corporation's base compensation structure and equity-based compensation program, recommending compensation of the Corporation's officers and employees, and evaluating the performance of officers generally and in light of annual goals and objectives, is performed by the Board as a whole.

The Board also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the Corporation's senior management. The Board reviews the compensation of senior management on an annual basis taking into account compensation paid by other issuers of similar size and activity.

The Board has not considered the implications of the risks associated with the Corporation's compensation program.

The Corporation intends to formalize its compensation policies and practices and will take into consideration the implications of the risks associated with the Corporation's compensation program and how it might mitigate those risks. The Corporation is a junior natural resource issuer whose shares are listed on NEX. The Corporation's principal objective is to identify potential mineral property transactions as a means to enhance shareholder value. In this context, the Corporation has a modest management team consisting of the CEO and CFO, who are retained on a consulting contract basis, supplemented where necessary by

members of the Board. The Corporation's compensation scheme is designed to reward the NEOs for meeting the Corporation's principal objective while maintaining its status as a reporting issuer, and consists of three elements – a base salary, incentive stock options, and bonus compensation. There is no contract with the CEO and no related compensation.

The CEO's compensation was determined by negotiation between the CEO and the majority shareholder of the Corporation, and is paid directly by the majority shareholder of the Corporation without charge to the Corporation. The CFO's compensation was established by the CEO subject to the approval of the Board. The base salary element of compensation is designed to ensure the Corporation is able to retain qualified individuals to act as its CEO and CFO, and was established by arm's length negotiation with the NEOs. The Corporation grants stock options to the NEOs as a means of aligning management interests with those of the Corporation's shareholders.

#### *Option-Based Awards*

The only equity compensation plan which the Corporation has in place is its share option plan dated for reference June 27, 2011, (the "**Plan**"). The Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Corporation and thereby encourage their continuing association with the Corporation. The Plan is administered by the Board. The Plan provides that options will be issued to directors, officers, employees or consultants of the Corporation or a subsidiary of the Corporation. The Plan provides that the number of Common Shares issuable under the Plan, together with all of the Corporation's other previously established or proposed share compensation arrangements, may not exceed 10% of the total number of issued and outstanding Common Shares. All options expire on a date not later than ten years after the date of grant of such option. Vesting is determined by the Board.

Option grants are made at the discretion of the Board, subject to availability within the Corporation's option pool. The Corporation has traditionally granted the maximum number of options available based upon the recommendations of management and subject to the approval of the Board. See disclosure under heading "*Particulars of Other Matters to be Acted upon – Continuation of Share Option Plan*".

During the years ended December 31, 2021 and December 31, 2020, there were no options granted to purchase Shares and no options expired or were outstanding.

The process by which the Board grants option-based awards to executive officers is:

- (a) The Board as a whole recommends base salaries and stock option grants to the Board based on such criteria as performance, previous grants and hiring incentives. The Board approves base salaries and stock options at the same time to facilitate consideration of target direct compensation to executive officers. Additional options may be granted as options are replenished within the Option Plan.
- (b) Options are granted at other times of the year to individuals commencing employment with the Corporation.
- (c) The exercise price for the options is set in accordance with the policies of the TSX Venture Exchange ("TSXV").

#### **Pension Disclosure**

The Corporation does not have a pension plan and does not pay pension benefits to any of its NEOs.

#### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

See "*Statement of Executive Compensation – Option-Based Awards*" for disclosure on the Corporation's Plan.

## Equity Compensation Plan Information

The following table sets out equity compensation plan information as at the end of the financial year ended December 31, 2021:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options</b>	<b>Weighted-average exercise price of outstanding options</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
Equity compensation plans approved by securityholders (the Plan)	Nil	N/A	1,908,507
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
<b>Total</b>	<b>Nil</b>	<b>N/A</b>	<b>1,908,507</b>

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Corporation were indebted to the Corporation as of the end most recently completed financial year or as at the date hereof.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Corporation, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Corporation or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries during the year ended December 31, 2021, or has any interest in any material transaction in the current year other than as set out herein or in a document disclosed to the public.

As at the year ended December 31, 2021:

- (a) The Corporation paid \$60,000 (2020: \$60,000) in management fees and Nil (2020: \$800) in office rent to InterAmerica Consulting & Development Inc., a company controlled by Salvador Miranda, CFO and Corporate Secretary.
- (b) The Corporation paid \$24,000 (2020: \$24,000) in directors' fees to Midas Management Inc., a company controlled by James Robertson, a director, in his capacity as Chair of the Audit Committee of the Corporation.
- (c) On November 17, 2017, the Corporation entered into a loan agreement with Autlan, with retroactive effect to August 1, 2017. Under this agreement, during the year ended December 31, 2021, the Corporation received \$250,036 (2020 - \$208,870) and accrued interest of \$14,803 (2020 - \$11,603). All outstanding interest up to December 31, 2021, was repaid to Autlan.
- (d) On November 17, 2017, the Corporation's Mexican subsidiary entered into a loan agreement with Autlan, with retroactive effect to August 1, 2017. Under this agreement, during the year ended December 31, 2021, the Corporation received Nil (2020 - \$63,933) and accrued interest of \$22,719 (2020 - \$26,557). All outstanding interest up to December 31, 2021, was repaid to Autlan.

- (e) As at December 31, 2021, the Corporation owed Autlan an aggregate of \$1,169,621 (2020 - \$942,379) pursuant to the agreements mentioned in (c) and (d) above, including foreign currency restatement at that date.

### MANAGEMENT CONTRACTS

There are no management functions of the Corporation, which are to any substantial degree performed by a person or company other than the directors or senior officers of the Corporation.

### PARTICULARS OF MATTERS TO BE ACTED UPON

#### Continuation of Share Option Plan

The Corporation has a Share Option Plan dated for reference June 27, 2011 (the "Plan"). The Plan is a rolling plan. Under the Plan, options totalling a maximum of 10% of the Common Shares outstanding from time to time are available for grant.

To comply with the policies of the TSXV covering "rolling" option plans, continued grants under the Plan must be approved annually by the shareholders of the Corporation. At the Meeting shareholders will be asked to ratify and approve the Plan for continuation until the next annual meeting of the Corporation.

As at May 11, 2022, there were 19,085,071 Common Shares issued and outstanding. Accordingly, under the Plan the Corporation has the authority to grant options to purchase up to a total of 1,908,507 Common Shares. No options were issued and outstanding as at the date of this Management Proxy Circular. A copy of the Plan is available under the SEDAR profile of the Corporation at [www.sedar.com](http://www.sedar.com) and a printed copy will be available for inspection at the Meeting.

The Plan is subject to the following restrictions:

- (a) The Corporation must not grant an option to a director, employee, consultant, or consultant company (the "**Service Provider**") in any 12-month period that exceeds 5% of the outstanding shares, unless the Corporation has obtained approval by a majority of the votes cast by the shareholders of the Corporation eligible to vote at a shareholders' meeting, excluding votes attaching to shares beneficially owned by Insiders and their Associates ("**Disinterested Shareholder Approval**");
- (b) The aggregate number of options granted to a Service Provider conducting Investor Relations Activities in any 12-month period must not exceed 2% of the outstanding shares calculated at the date of the grant, without the prior consent of the TSXV;
- (c) The aggregate number of options granted to any one Consultant in any 12-month period must not exceed 2% of the outstanding shares calculated at the date of the grant of the option without the prior consent of the TSXV;
- (d) The number of optioned shares issued to Insiders in any 12-month period must not exceed 10% of the outstanding shares (in the event that the Plan is amended to reserve for issuance more than 10% of the outstanding shares) unless the Corporation has obtained Disinterested Shareholder Approval to do so; and
- (e) The exercise price of an option previously granted to an Insider must not be reduced, unless the Corporation has obtained Disinterested Shareholder Approval to do so.

#### **Material Terms of the Plan**

The following is a summary of the material terms of the Plan:

- (a) Persons who are Service Providers to the Corporation or its affiliates, or who are providing services to the Corporation or its affiliates, are eligible to receive grants of options under the Plan;
- (b) Options granted under the Plan are non-assignable and non-transferable and are issuable for a period of up to 10 years;
- (c) For options granted to Service Providers, the Corporation must ensure that the proposed Optionee is a bona fide Service Provider of the Corporation or its affiliates;
- (d) An Option granted to any Service Provider will expire within one year (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option), after the date the Optionee ceases to be employed by or provide services to the Corporation, but only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Corporation;
- (e) If an Optionee dies, any vested option held by him or her at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such option;
- (f) In the case of an Optionee being dismissed from employment or service for cause, such Optionee's options, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same;
- (g) The exercise price of each option will be set by the Board on the effective date of the option and will not be less than the Discounted Market Price (as defined in the Plan);
- (h) Vesting of options shall be at the discretion of the Board, and will generally be subject to:
  - (i) the Service Provider remaining employed by or continuing to provide services to the Corporation or its affiliates, as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Corporation or its affiliates during the vesting period; or
  - (ii) the Service Provider remaining as a Director of the Corporation or its affiliates during the vesting period; and
- (i) The Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Plan with respect to all Plan shares in respect of options which have not yet been granted under the Plan.

The Board has determined that, in order to reasonably protect the rights of Participants, as a matter of administration, it is necessary to clarify when amendments to the Plan may be made by the Board without further shareholder approval. Accordingly, the Plan also provides the following:

The Board may, without shareholder approval:

- (a) amend the Plan to correct typographical, grammatical or clerical errors;
- (b) change the vesting provisions of an option granted under the Plan, subject to prior written approval of the TSXV, if applicable;
- (c) change the termination provision of an option granted under the Plan if it does not entail an extension beyond the original expiry date of such option;
- (d) make such amendments to the Plan as are necessary or desirable to reflect changes to securities laws applicable to the Corporation;

- (e) make such amendments as may otherwise be permitted by the TSXV Policies;
- (f) if the Corporation becomes listed or quoted on a stock exchange or stock market senior to the TSXV, make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (g) amend the Plan to reduce the benefits that may be granted to Service Providers.

#### *Shareholder Approval*

At the Meeting shareholders will be asked to consider and vote on the ordinary resolution to ratify and confirm the Plan, with or without variation, as follows:

**“RESOLVED** that the Corporation’s Share Option Plan, dated for reference June 27, 2011, be and is hereby ratified and confirmed for continuation until the next annual meeting of the Corporation.”

An “ordinary resolution” is a resolution passed by the shareholders of the Corporation at a shareholders meeting by a simple majority of the votes cast in person or by proxy.

**The Board recommends that shareholders vote FOR the above-noted resolution.**

#### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is included in the Corporation’s audited financial statements for the financial year ended December 31, 2021, the report of the auditor thereon and related management discussion and analysis, which were filed on SEDAR on March 17, 2022. Anyone may access these financial documents under the Corporation’s profile at [www.sedar.com](http://www.sedar.com). Copies of the Corporation’s interim financial statements and related management discussion and analysis, as well as additional information, may also be obtained from SEDAR at [www.sedar.com](http://www.sedar.com). Paper copies of the Corporation’s annual and interim financial statements may also be obtained upon request from the Corporation’s Chief Financial Officer, telephone number (604) 925-2839 or email at [info@gfm-resources.com](mailto:info@gfm-resources.com).

Copies of the above documents will be provided, upon request, free of charge to security holders of the Corporation. The Corporation may require the payment of a reasonable charge from any person or company who is not a security holder of the Corporation, who requests a copy of any such document.

#### **OTHER MATTERS**

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this Management Proxy Circular.

#### **SHAREHOLDER PROPOSALS**

Pursuant to the *Business Corporations Act* (Yukon) and the regulations thereto, shareholder proposals to be considered for inclusion in the management proxy circular for the 2023 annual meeting of the Corporation expected to be held in June 2023, must be received by Salvador Miranda, Chief Financial Officer of the Corporation, on or before the close of business on February 20, 2023.

**DIRECTORS' APPROVAL**

The contents of this Management Proxy Circular and its distribution to shareholders have been approved by the Board.

**DATED** at Vancouver, British Columbia, as at May 11, 2022.

**BY ORDER OF THE BOARD OF DIRECTORS**

*/s/ "Esteban Rivero Gonzalez"*

**Esteban Rivero González**  
**President and Chief Executive Officer**