

GFM RESOURCES LIMITED

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MANAGEMENT PROXY CIRCULAR

as at May 23, 2023, *(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 26, 2023 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. 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 23, 2023 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. ⁽¹⁾	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, 2022, 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.

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.

NUMBER 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. At the Meeting, Shareholders will be asked to pass an ordinary resolution to set the number of directors of the Corporation at four (4). The number of directors will be approved if the affirmative vote of the majority of Shares present or represented by Proxy at the Meeting and entitled to vote are voted in favour to set the number of directors at four (4).

ELECTION OF DIRECTORS

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.

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.

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.

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.

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Name, Position with Corporation and Province and Country of Residence	Occupation, Business or Employment ⁽¹⁾	Period as a Director of the Corporation	Common Shares Beneficially Owned or Controlled ⁽¹⁾
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 ⁽²⁾
Esteban Rivero González ⁽³⁾ 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. ⁽³⁾ Director British Columbia, Canada	Metallurgical Engineer; President, Midas Management Inc.; Director, Newport Exploration Ltd.	Since June 30, 2005	80,000
Horacio Alcocer ⁽³⁾ 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.

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 officer (“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 the audit committee charter was filed on SEDAR at 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.

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 (UEM) 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 for audit fees are outlined in the following table:

Nature of Services	Fees Paid to Auditor in Year Ended December 31, 2022	Fees Paid to Auditor in Year Ended December 31, 2021
Audit Fees ⁽¹⁾	\$15,500	\$15,500
Audit-Related Fees ⁽²⁾	\$189	\$189
Tax Fees ⁽³⁾	\$9,000	\$3,250
All Other Fees ⁽⁴⁾	Nil	Nil
Total	\$24,689	\$18,939

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 most recently completed financial years. Options and compensation securities are disclosed under the heading **“Stock Options and Other Compensation Securities”** of this Form.

During the financial years ended December 31, 2022 and 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 years ended December 31, 2022 and December 31, 2021 were Horacio Alcocer and James Robertson.

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Table of Compensation, Excluding Compensation Securities

Table of Compensation excluding Compensation Securities							
Name and position	Year	Salary, consulting fee, retainer or commission ⁽¹⁾ (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total Compensation ⁽²⁾ (\$)
José Antonio Rivero Larrea ⁽³⁾ <i>Chairman and a Director</i>	2022 2021	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Esteban Rivero González ⁽⁴⁾ President, CEO and a Director	2022 2021	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
José Antonio Rivero-González ⁽⁵⁾ Former President, CEO and a Director ⁽⁴⁾	2022 2021	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Salvador Miranda CFO and Corporate Secretary ⁽⁶⁾	2022 2021	60,000 ⁽⁹⁾ 60,000 ⁽⁶⁾	Nil Nil	Nil Nil	Nil Nil	Nil ⁽⁹⁾ 800 ⁽⁶⁾	60,000 ⁽⁹⁾ 60,000
James Robertson ⁽⁷⁾ Director	2022 2021	Nil Nil	Nil Nil	24,000 ⁽¹⁰⁾ 24,000	Nil Nil	Nil Nil	24,000 ⁽¹⁰⁾ 24,000
Horacio Alcocer Director ⁽⁸⁾	2022 2021	Nil Nil	Nil Nil	Nil Nil	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). 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.
- (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

10% Rolling Stock Option Plan (Option-Based Awards)

The Corporation's current share option plan dated for reference May 13, 2011 (the "**2011 Option Plan**"), is a "rolling" share option plan, whereby the aggregate number of Shares reserved for issuance, together with any other Shares reserved for issuance under any other plan or agreement of the Corporation, shall not

exceed ten (10%) percent of the total number of issued Shares (calculated on a non-diluted basis) at the time an option is granted. The 2011 Option Plan provides that the Board may, from time to time, in its discretion, grant to directors, officers, employees, consultants and other personnel of the Corporation and its subsidiaries or affiliates, options to purchase shares of the Corporation.

To align with the current TSXV policies, the Board approved the adoption of a new 10% rolling share option plan (the “**New Option Plan**”) on May 24, 2023 to replace the 2011 Option Plan.

See *PARTICULARS OF MATTERS TO BE ACTED UPON – Ratification of New Share Option Plan* for a summary of the material terms of the New Option Plan.

Summary of 2011 Option 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.

A copy of the 2011 Option Plan is available under the Corporation's SEDAR profile at www.sedar.com.

Outstanding Compensation Securities

There were no compensation securities granted to any of the NEOs or directors of the Corporation during the financial year ended December 31, 2022.

Exercise of Compensation Securities by NEOs and Directors

There were no compensation securities exercised by any of the NEOs or directors of the Corporation during financial year ended December 31, 2022.

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.

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

The following table sets out equity compensation plan information as at the end of the financial year ended December 31, 2022:

Plan Category	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
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
Total	Nil	N/A	1,908,507

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, 2022, 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, 2022:

- (a) The Corporation paid \$60,000 (2021: \$60,000) in management fees to InterAmerica Consulting & Development Inc., a company controlled by Salvador Miranda, CFO and Corporate Secretary.
- (b) The Corporation paid \$24,000 (2021: \$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 \$221,191 (2021 - \$250,036) and accrued interest of \$38,771 (2021 - \$14,803). All outstanding interest up to December 31, 2022, 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 (2021 - Nil) and accrued interest of \$35,798 (2021 - \$22,719). All outstanding interest up to December 31, 2022, was repaid to Autlan.
- (e) As at December 31, 2021, the Corporation owed Autlan an aggregate of \$1,535,617 (2021 - \$1,169,621) 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

Ratification of New Option Plan

The 2011 Option Plan described above in this information circular "*Statement of Executive Compensation – Stock Options and Other Compensation Securities*" is the currently existing share option plan of the Corporation. The 2011 Option Plan is a "rolling" share option plan under which up to 10% of the outstanding shares from time to time may be subject to option grants, does not specify a fixed and specific number of Common Shares that may be reserved for issuance thereunder. The policies of the TSXV require that a "rolling" share option plan receive yearly shareholder ratification at a company's annual general meeting.

On November 24, 2021, the TSXV adopted a new policy 4.4 governing security based compensation ("**New Policy 4.4**"). The changes to the policy generally relate to the expansion of the policy to cover a number of types of security based compensation in addition to stock options. In order to comply with the New Policy 4.4, the Corporation has determined to adopt the New Option Plan. The New Option Plan will govern option grants made after the date of the adoption of the New Option Plan. Grants made under the 2011 Option Plan will be deemed to have been made under the New Option Plan and will be governed by the New Option Plan after the date the New Option Plan is ratified by the Shareholders at the Meeting.

The New Option Plan is also a rolling share option plan pursuant to which up to 10% of the outstanding shares may be reserved for issue from time to time, less the number of shares reserved for issue under any other share compensation arrangement (which includes the 2011 Option Plan).

Material Terms of New Option Plan

Capitalized terms used but not otherwise defined below shall have the meanings ascribed to such terms in the New Option Plan.

1. Service Provider – Service Providers are eligible for awards of Options under the New Option Plan. “**Service Provider**” means a person who is a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Company Consultant, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers.
2. Maximum Shares – The maximum aggregate number of Common Shares that may be reserved for issuance under the New Option Plan at any point in time is equal to 10% of the Outstanding Shares at the time the Common Shares are reserved for issuance as a result of the grant of an Option, less any Common Shares reserved for issuance under any other Share Compensation Arrangements unless this New Option Plan is amended pursuant to the requirements of the TSXV Policies (and, if applicable, NEX Policies).
3. Limitations on Issue - The following restrictions on issuances of Options are applicable under the New Option Plan, together with all other Share Compensation Arrangements:
 - (a) no Service Provider can be granted an Option if that Option would result in the total number of Options, together with all other Share Compensation Arrangements granted to such Service Provider in the previous 12 months, exceeding 5% of the Outstanding Shares, unless the Corporation has obtained “Disinterested Shareholder Approval” (as defined in the New Option Plan to mean approval evidenced by a majority of the votes cast by all the Shareholders at a duly constituted Shareholders’ meeting, excluding votes attached to Common Shares beneficially owned by Insiders of the Corporation who are Service Providers or their Associates);
 - (b) the aggregate number of Options, together with any other Share Compensation Arrangement, granted to all Investor Relations Service Providers in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSXV;
 - (c) the aggregate number of Options granted, together with any other Share Compensation Arrangements, granted to any one Consultant in any 12 month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSXV;
 - (d) for so long as such limitation is required by the TSXV, the maximum number of Options which may be granted within any twelve (12) months period to Service Providers who perform investor relations activities must not exceed 2% of the issued and outstanding Common Shares, and such Options must vest in stages over twelve (12) months with no more than 25% vesting in any three month period. In addition, the maximum number of Common Shares that may be granted to any one Consultant under this Plan, together with any other Share Compensation Arrangements, within a twelve (12) month period, may not exceed 2% of the issued Common Shares calculated on the date of grant;
 - (e) Investor Relations Service Providers cannot receive any security based compensation other than Options.

Options cannot be issued to Investor Relations Service Providers while the Corporation is listed on the NEX Board of the TSX Venture Exchange.
4. Maximum Percentage to Insiders – Subject to Disinterested Shareholder Approval, the aggregate number of Common Shares reserved for issuance to Insiders of the Corporation under the New Option Plan, together with any other Share Compensation Arrangements, cannot exceed 10% of the Outstanding Shares.
5. Maximum Percentage to Insiders within any 12-month period - Subject to Disinterested Shareholder Approval, the number of Common Shares issued to Insiders of the Corporation within any 12-month period under the New Option Plan, together with any other Share Compensation Arrangements, cannot exceed 10% of the Outstanding Shares.
6. Exercise Price – The Exercise Price of an Option will be set by the Board at the time such Option is allocated under the New Option Plan, and cannot be less than the Discounted Market Price (as defined in TSXV Exchange Policy 1.1).

7. Vesting of Options - Vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under the New Option Plan, in the absence of a vesting schedule being specified at the time of grant, Options shall vest immediately. Where applicable, vesting of Options will generally be subject to:
 - (a) the Service Provider remaining employed by or continuing to provide services to the Corporation or any of 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 any of its Affiliates during the vesting period; or
 - (b) the Service Provider remaining as a Director of the Corporation or any of its Affiliates during the vesting period.
8. Vesting of Options Granted to Investor Relations Service Providers - Options granted to Investor Relations Service Providers will vest such that:
 - (a) no more than 25% of the Options vest no sooner than three months after the Options were granted;
 - (b) no more than 25% of Options vest no sooner than six months after the Options were granted;
 - (c) no more than 25% of Options vest no sooner than nine months after the Options were granted; and
 - (d) the remainder of the Options vest no sooner than 12 months after the Options were granted.
9. Term of Option – The term of an Option will be set by the Board at the time such Option is allocated under the New Option Plan. An Option can be exercisable for a maximum of 10 years from the Effective Date.
10. Optionee Ceasing to be a Director, Employee or Service Provider – Options may be exercised after the Service Provider has left his/her employ/office or has been advised by the Corporation that his/her services are no longer required or his/her service contract has expired, until the term applicable to such Options expires, except as follows:
 - (a) in the case of the death of an Optionee, any vested Option held by him/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;
 - (b) an Option granted to any Service Provider (excluding Service Providers conducting Investor Relations Activities) will expire 90 days (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, and only to the extent that such Option was vested on the date the Optionee ceased to be so employed by or to provide services to the Corporation;
 - (c) an Option granted to any Investor Relations Service Provider will expire 30 days after the date the Optionee ceases to be employed by or provide services to the Corporation, and 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; and
 - (d) 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.
11. Non-Assignability of Options – Except in the case of death of an Optionee, all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

12. Amendment of the New Option Plan by the Board of Directors - Subject to the requirements of the TSXV Policies and the prior receipt of any necessary Regulatory Approval, the Board may in its absolute discretion amend, or modify the New Option Plan or any Option granted as follows:
- (a) it may make amendments which are of a typographical, grammatical or clerical nature only;
 - (b) amendments of a housekeeping nature;
 - (c) it may change the vesting provisions of an Option granted pursuant to the New Option Plan, subject to prior written approval of the TSXV, if applicable;
 - (d) it may change the termination provision of an Option granted pursuant to the New Option Plan which does not entail an extension beyond the original Expiry Date of such Option or 12 months from termination;
 - (e) it may make amendments necessary as a result in changes in securities laws applicable to the Corporation or any requested changes by the TSXV;
 - (f) if the Corporation becomes listed or quoted on a stock exchange or stock market senior to the TSXV, it may make such amendments as may be required by the policies of such senior stock exchange or stock market; and
 - (g) it may make such amendments as reduce, and do not increase, the benefits of the New Option Plan to Service Providers.
13. Amendments Requiring Disinterested Shareholder Approval - The Corporation will be required to obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:
- (a) the New Option Plan, together with all of the Corporation's other previous Share Compensation Arrangements, could result at any time in:
 - (i) the aggregate number of Common Shares reserved for issuance to Insiders exceeding 10% of the Outstanding Shares;
 - (ii) the aggregate number of Common Shares reserved for issuance to Insiders within a 12-month period exceeding 10% of the Outstanding Shares; or
 - (iii) the aggregate number of Common Shares reserved for issuance to any one Optionee within a 12-month period exceeding 5% of the Outstanding Shares; or
 - (b) any reduction in the Exercise Price of an Option, or extension to the Expiry Date of an Option held by an Insider at the time of the proposed amendment, is subject to Disinterested Shareholder Approval in accordance with the policies of the TSXV.
14. Take Over Bid - If a Take Over Bid is made to the Shareholders generally then the Corporation shall immediately upon receipt of notice of the Take Over Bid, notify each Optionee currently holding an Option of the Take Over Bid, with full particulars thereof whereupon such Option may, notwithstanding other applicable vesting requirements or any vesting requirements set out in the Option Commitment, be immediately exercised in whole or in part by the Optionee, subject to approval of the TSXV (or the NEX, as the case may be) for vesting requirements imposed by the TSXV Policies.
15. Black-out Period - The New Option Plan also contains provision for a "Black-out Period". Should the Expiry Date for an Option fall within a Black-out Period, such Expiry Date shall, subject to approval of the TSXV (or the NEX, as the case may be), be automatically extended without any further act or formality to that day which is the tenth (10th) Business Day after the end of the Black-out Period, such tenth (10th) Business Day to be considered the Expiry Date for such Option for all purposes under the New Option Plan. The tenth (10th) Business Day period referred to herein may not be extended by the Board. "**Black-out Period**" is defined in the New Option Plan to mean an interval of time during which the Corporation has determined that one or more Participants may not trade any securities of the Corporation because they may be in possession of undisclosed material information pertaining to the Corporation, or when in anticipation of the release of quarterly or annual financials, to avoid potential conflicts associated with a company's insider-trading policy or applicable securities legislation, (which, for greater certainty, does not include the period during

which a cease trade order is in effect to which the Corporation or in respect of an Insider, that Insider, is subject).

16. Cashless Exercise – The New Option Plan also contains a “cashless exercise” or “net exercise” basis. “Cashless exercise” is a method of exercising stock options in which a securities dealer loans funds to the option holder or sells the same shares as those underlying the option, prior to or in conjunction with the exercise of options, to allow the option holder to fund the exercise of some or all of their options. “Net exercise” is a method of option exercise under which the option holder does not make any payment to the issuer for the exercise of their options and receives on exercise a number of shares equal to the intrinsic value (current market price less the exercise price) of the option valued at the current market price. The current market price must be the 5-day volume weighted average trading price prior to option exercise. “Net exercise” may not be utilized by persons performing investor relations services.

Shareholder Approval

At the Meeting, Shareholders will be asked to consider, and if thought fit, approve an ordinary resolution to adopt the New Option Plan, the full text of which is set out below.

“RESOLVED as an ordinary resolution that:

1. the New Option Plan dated for reference May 24, 2023, be ratified, confirmed and approved until the next annual general meeting of the Corporation;
2. the number of Common Shares of the Corporation reserved for issuance under the New Option Plan shall not exceed 10% of the Corporation’s issued and outstanding share capital as set out in the New Option Plan;
3. to the extent permitted by law, the Corporation be authorized to abandon all or any part of the New Option Plan if the Board deems it appropriate and in the best interests of the Corporation to do so; and
4. any one or more directors and officers of the Corporation be authorized to perform all such acts, deeds and things and execute, under seal of the Corporation or otherwise, all such documents as may be required to give effect to this resolution.”

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

In the absence of a contrary instruction, the persons named in the enclosed form of proxy intend to vote in favour of the above ordinary resolution. A copy of the New Option Plan is attached hereto as Schedule “A” and will be available for inspection at the Meeting.

All outstanding Options under the Corporation’s 2011 Option Plan will be deemed to be Options granted under the New Option Plan, and all outstanding Options to be in accordance with the Terms and Conditions under the New Option Plan.

A copy of the New Option Plan will be available for inspection at the Meeting.

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, 2022, the report of the auditor thereon and related management discussion and analysis, which were filed on SEDAR on April 11, 2023. Anyone may access these financial documents under the Corporation's profile at 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. 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.

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 Corporation 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 2024 annual meeting of the Corporation expected to be held in June 2024, must be received by Salvador Miranda, Chief Financial Officer of the Corporation, on or before the close of business on February 20, 2024.

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 26, 2023.

BY ORDER OF THE BOARD OF DIRECTORS

"Esterban Rivero González"

Esterban Rivero González
President and Chief Executive Officer

SCHEDULE “A”
GFM RESOURCES LIMITED
(the “Corporation”)

SHARE OPTION PLAN

Dated for Reference May 24, 2023

ARTICLE 1
PURPOSE AND INTERPRETATION

Purpose

1.1 The purpose of this Plan is to advance the interests of the Corporation by encouraging equity participation in the Corporation through the acquisition of Common Shares of the Corporation. It is the intention of the Corporation that this Plan will at all times be in compliance with TSX Venture Policies and any inconsistencies between this Plan and TSX Venture Policies will be resolved in favour of the latter.

Definitions

1.2 In this Plan

- (a) **Affiliate** means a company that is a parent or subsidiary of the Corporation, or that is controlled by the same entity as the Corporation;
- (b) **Black-out Period** means a period during which a restriction has been formally imposed by the Corporation, pursuant to its internal trading policies as a result of the bona fide existence of undisclosed material information, on all or any of its Participants whereby such Participants are prohibited from exercising, redeeming or settling their Options, provided that any Black-out Period must expire following the general disclosure of the undisclosed material information;
- (c) **Board** means the board of directors of the Corporation or any committee thereof duly empowered or authorized to grant Options under this Plan;
- (d) **Cause** means “Just Cause” as defined in the Participant’s employment agreement or agreement for services with the Corporation or one of its subsidiaries, or if such term is not defined or if the Participant has not entered into an employment agreement or agreement for services with the Corporation or one of its subsidiaries, then any circumstance that would permit the Corporation or one of its subsidiaries to terminate a Participant’s employment or agreement for services without notice of termination, or payment in lieu of notice of termination, severance pay or benefits continuation under the applicable law;
- (e) **Change of Control** means the occurrence of any of:
 - (i) any transaction at any time and by whatever means pursuant to which any person or any group of two or more persons acting jointly or in concert (other than the Corporation or any of its Affiliates) thereafter acquires the direct or indirect “beneficial ownership” (as defined in the *Business Corporations Act* (British Columbia)) of, or acquires the right to

exercise control or direction over, securities of the Corporation representing 50% or more of the then issued and outstanding voting securities of the Corporation in any manner whatsoever, including, without limitation, as a result of a take-over bid, an issuance or exchange of securities, an amalgamation of the Corporation with any other person, an arrangement, a capital reorganization or any other business combination or reorganization;

(ii) the sale, assignment or other transfer of all or substantially all of the assets of the Corporation to a person or any group of two or more persons acting jointly or in concert (other than a wholly-owned subsidiary of the Corporation);

(iii) the occurrence of a transaction requiring approval of the Corporation's security holders whereby the Corporation is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any person or any group of two or more persons acting jointly or in concert (other than an exchange of securities with a wholly-owned subsidiary of the Corporation);

(iv) a majority of the Board consists of individuals which management of the Corporation has not nominated for election or appointment as directors; or

(v) the Board passes a resolution to the effect that an event comparable to an event set forth in this definition has occurred;

(f) **Common Shares** means the common shares without par value in the capital of the Corporation providing such class is listed on the TSX Venture;

(g) **Corporation** means the company named at the top hereof and includes, unless the context otherwise requires, all of its successors according to law;

(h) **Consultant** means, in relation to the Corporation, an individual (other than a Director, Officer or Employee of the Corporation or any of its subsidiaries) or Corporation that:

(i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to any of its subsidiaries, other than services provided in relation to a Distribution;

(ii) provides the services under a written contract between the Corporation or any of its subsidiaries and the individual or the Corporation, as the case may be; and

(iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or of any of its subsidiaries;

(i) **Date of Termination** means, for a Participant, the last day that the Participant actively provides services to the Corporation or a subsidiary of the Corporation without regard to any notice of termination or pay in lieu of notice thereof, deemed or notional notice period, or period during which the Participant receives pay in lieu of notice, termination pay, severance payments, or salary continuance, whether pursuant to statute, agreement, common law or otherwise;

(j) **Director** means a director (as defined under applicable securities laws) of the Corporation or any of its subsidiaries;

- (k) **Discounted Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (l) **Disinterested Shareholder Approval** has the meaning assigned by Policy 4.4 Sections 5.3(b) and (c) of the TSX Venture Policies;
- (m) **Distribution** has the meaning assigned by the Securities Act, and generally refers to a distribution of securities by the Corporation from treasury;
- (n) **Effective Date** for an Option means the date of grant thereof by the Board;
- (o) **Employee** means:
 - (i) an individual who is considered an employee of the Corporation or of its subsidiary under the *Income Tax Act* (Canada) and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source;
 - (ii) an individual who works full-time for the Corporation or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or its subsidiary over the details and methods of work as an employee of the Corporation or of the subsidiary, as the case may be, but for whom income tax deductions are not made at source; or
 - (iii) an individual who works for the Corporation or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or its subsidiary over the details and methods of work as an employee of the Corporation or of the subsidiary, as the case may be, but for whom income tax deductions are not made at source;
- (p) **Exchange Hold Period** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (q) **Exercise Price** means the amount payable per Common Share on the exercise of an Option, as determined in accordance with the terms hereof;
- (r) **Expiry Date** means the day on which an Option lapses as specified in the Option Commitment therefor or in accordance with the terms of this Plan;
- (s) **Insider** means an insider as defined in the TSX Venture Policies or as defined in securities legislation applicable to the Corporation;
- (t) **Investor Relations Service Provider** means any Consultant that performs Investor Relations Activities and any Director, Officer, Employee or Management Corporation Employee whose role and duties primarily consist of Investor Relations Activities;
- (u) **Investor Relations Activities** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;

- (v) **Management Company Employee** means an individual employed by a company providing management services to the Corporation which services are required for the ongoing successful operation of the business enterprise of the Corporation;
- (w) **Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (x) **Officer** means an officer (as defined under applicable securities laws) of the Corporation or any of its subsidiaries;
- (y) **Option** means the right to purchase Common Shares granted hereunder to a Participant under this Security Based Compensation Plan;
- (z) **Option Commitment** means the notice of grant of an Option delivered by the Corporation hereunder to a Participant and substantially in the form of Schedule A attached hereto;
- (aa) **Optioned Shares** means Common Shares that may be issued in the future to a Participant upon the exercise of an Option;
- (bb) **Optionee** means the recipient of an Option hereunder;
- (cc) **Outstanding Shares** means at the relevant time, the number of issued and outstanding Common Shares of the Corporation from time to time;
- (dd) **Participant** means a Service Provider that is the recipient of Security Based Compensation granted or issued by the Corporation;
- (ee) **Person** includes a company, any unincorporated entity, or an individual;
- (ff) **Plan** means this security based share option plan, the terms of which are set out herein or as may be amended;
- (gg) **Plan Shares** means the total number of Common Shares which may be reserved for issuance as Optioned Shares under this Plan as provided in §2.2;
- (hh) **Regulatory Approval** means the approval of the TSX Venture and any other securities regulatory authority that has lawful jurisdiction over this Plan and any Options issued hereunder;
- (ii) **Securities Act** means the Securities Act, R.S.B.C. 1996, c. 418, or any successor legislation;
- (jj) **Security Based Compensation** has the meaning given to such term in TSX Venture Policy 4.4 – *Security Based Compensation*;
- (kk) **Security Based Compensation Plan** has the meaning given to such term in TSX Venture Policy 4.4 – *Security Based Compensation*;
- (ll) **Service Provider** means a Person who is a Director, Officer, Employee, Management Company Employee, or Consultant, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers;

(mm) **Shareholder Approval** means approval by a majority of the votes cast by eligible shareholders of the Corporation at a duly constituted shareholders' meeting;

(nn) **Take Over Bid** means a take over bid as defined in National Instrument 62-104 (Take-over Bids and Issuer Bids) or the analogous provisions of securities legislation applicable to the Corporation;

(oo) **TSX Venture** means the TSX Venture Exchange and any successor thereto;

(pp) **TSX Venture Policies** means the rules and policies of the TSX Venture as amended from time to time; and

(qq) **VWAP** means the volume-weighted average trading price of the Common Shares on the TSX Venture calculated by dividing the total value by the total volume of the Common Shares traded for the five trading days immediately preceding the exercise of the subject Option, provided that the TSX Venture may exclude internal crosses and certain other special terms trades from the calculation.

Other Words and Phrases

1.3 Words and phrases used in this Plan but which are not defined in this Plan, but are defined in the TSX Venture Policies, will have the meaning assigned to them in the TSX Venture Policies.

Gender

1.4 Words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

ARTICLE 2 SHARE OPTION PLAN

Establishment of Share Option Plan

2.1 This Plan is hereby established to recognize contributions made by Service Providers and to create an incentive for their continuing assistance to the Corporation and its Affiliates.

Maximum Plan Shares

2.2 The maximum aggregate number of Common Shares that may be reserved for issuance under this Plan, together with all other Security Based Compensation Plans, at any point in time is up to 10% of the Outstanding Shares as at the date of grant or issuance of any Security Based Compensation under any of such Security Based Compensation Plans.

Eligibility

2.3 Options to purchase Common Shares may be granted hereunder to Participants from time to time by the Board. Participants that are not individuals will be required to undertake in writing not to effect or permit any transfer of ownership or option of any of its securities, or to issue more of its securities (so as to indirectly transfer the benefits of an Option), as long as such Option remains outstanding, unless the written permission of the TSX Venture and the Corporation is obtained.

Options Granted Under this Plan

2.4 All Options granted under this Plan will be evidenced by an Option Commitment substantially in the form attached as Schedule A (or in such other form as determined by the Corporation) showing the number of Optioned Shares, the term of the Option, a reference to vesting terms, if any, and the Exercise Price.

2.5 Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of an Option Commitment made hereunder.

Limitations on Participation

2.6 This Plan provides for the following limits on grants unless otherwise permitted pursuant to the policies of the TSX Venture:

- (i) unless Disinterested Shareholder Approval is obtained, the maximum aggregate number of Common Shares that may be issuable to any one Participant (and where permitted pursuant to the policies of the TSX Venture, any company that is wholly-owned by the Participant) pursuant to all Security Based Compensation of the Corporation granted or issued within any twelve (12) month period may not exceed 5% of the Outstanding Shares calculated on the date of grant of any Security Based Compensation;
- (ii) unless Disinterested Shareholder Approval is obtained, the maximum aggregate number of Common Shares that may be issuable to Insiders of the Corporation (as a group) pursuant to all Security Based Compensation of the Corporation granted or issued within any twelve (12) month period may not exceed 10% of the Outstanding Shares calculated on the date of grant of any Security Based Compensation;
- (iii) unless Disinterested Shareholder Approval is obtained, the maximum aggregate number of Common Shares that may be issuable to Insiders of the Corporation (as a group) pursuant to all Security Based Compensation of the Corporation may not exceed 10% of the Outstanding Shares at any point in time;
- (iv) the maximum aggregate number of Common Shares that may be issuable to any Consultant of the Corporation pursuant to all Security Based Compensation of the Corporation granted or issued within any twelve (12) month period may not exceed 2% of the Outstanding Shares calculated on the date of grant of any Security Based Compensation;
- (v) the maximum aggregate number of Common Shares that may be issuable to all Investor Relations Services Providers pursuant to Options granted or issued within any twelve (12) month period may not exceed 2% of the Outstanding Shares calculated on the date of grant of any Options and Investor Relations Services Providers may not received any Security Based Compensation other than Options; and
- (vi) Options may not be issued to Investor Relations Services Providers while the Corporation is listed on the NEX Board of the TSX Venture Exchange.

Exercised and Unexercised Options

2.7 In the event an Option granted under this Plan is exercised, expires unexercised or is otherwise lawfully cancelled prior to exercise of the Option, the Optioned Shares that were issuable thereunder will be returned to this Plan and will be eligible for re-issuance.

Administration of this Plan

2.8 The Board will be responsible for the general administration of this Plan and the proper execution of its provisions, the interpretation of this Plan and the determination of all questions arising hereunder. Without limiting the generality of the foregoing, the Board has the power to

- (a) allot Common Shares for issuance in connection with the exercise of Options;
- (b) grant Options hereunder;
- (c) subject to any necessary Regulatory Approval, amend, suspend, terminate or discontinue this Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of this Plan will, without the prior written consent of all Optionees, alter or impair any Option previously granted under this Plan unless the alteration or impairment occurred as a result of a change in the TSX Venture Policies or the Corporation's tier classification thereunder; and
- (d) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of this Plan so delegated to the same extent as the Board is hereby authorized so to do.

Amendment of this Plan by the Board of Directors

2.9 Subject to the requirements of the TSX Venture Policies and the prior receipt of any necessary Regulatory Approval, the Board may in its absolute discretion, amend or modify this Plan or any Option granted as follows:

- (a) amendments which are of a typographical, grammatical, clerical nature only;
- (b) amendments of a housekeeping nature;
- (c) amendments necessary as a result in changes in securities laws applicable to the Corporation or any requested changes by the TSX Venture; and
- (d) if the Corporation becomes listed or quoted on a stock exchange or stock market senior to the TSX Venture, amendments as may be required by the policies of such senior stock exchange or stock market.

Amendments Requiring Disinterested Shareholder Approval

2.10 The Corporation will be required to obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:

(a) this Plan, together with any other Security Based Compensation Plans, or any particular grant or issue of Security Based Compensation, could result in:

(i) the aggregate number of Common Shares issuable pursuant to Security Based Compensation to Insiders (as a group) exceeding 10% of the Outstanding Shares at any time;

(ii) the aggregate number of Common Shares issuable pursuant to Security Based Compensation granted or issued within any 12 month period to Insiders (as a group) exceeding 10% of the Outstanding Shares calculated at the date of grant or issue; or

(iii) the aggregate number of Common Shares issuable pursuant to Security Based Compensation granted or issued within any 12 month period to any one Participant exceeding 5% of the Outstanding Shares calculated at the date of grant or issue; or

(b) any reduction in the Exercise Price or the extension of the term of an Option held by an Insider or any other amendment to an Option that results in a benefit to an Insider.

Options Granted Under the Corporation's Previous Share Option Plans

2.11 Any option granted pursuant to a stock option plan previously adopted by the Board which is outstanding at the time this Plan comes into effect shall be deemed to have been issued under this Plan and shall, as of the date this Plan comes into effect, be governed by the terms and conditions hereof.

ARTICLE 3 TERMS AND CONDITIONS OF OPTIONS

Exercise Price

3.1 The Exercise Price of an Option will be set by the Board at the time such Option is allocated under this Plan, and cannot be less than the Discounted Market Price.

Term of Option

3.2 The term of an Option will be set by the Board at the time such Option is allocated under this Plan. An Option can be exercisable for a maximum of 10 years from the Effective Date.

Option Amendment

3.3 Subject to §2.10(b), the Exercise Price of an Option may be amended only if at least six (6) months have elapsed since the later of the date of commencement of the term of the Option, the date the Common Shares commenced trading on the TSX Venture, or the date of the last amendment of the Exercise Price.

3.4 An Option must be outstanding for at least one year before the Corporation may extend its term, subject to the limits contained in §3.2.

3.5 In respect of any proposed amendment to the terms of an Option, and except as otherwise provided under TSX Venture Policies:

- (a) any amendment must be approved by the TSX Venture, and be subject to shareholder approval, where applicable, prior to the exercise of such Option; and
- (b) the Corporation must issue a news release outlining the terms of the amendment.

Vesting of Options

3.6 Subject to §3.7, vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under this Plan, in the absence of a vesting schedule being specified at the time of grant, all such Options shall vest immediately. Where applicable, vesting of Options will generally be subject to:

- (a) the Participant remaining employed by or continuing to provide services to the Corporation or any of 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 any of its Affiliates during the vesting period; or
- (b) the Participant remaining as a Director of the Corporation or any of its Affiliates during the vesting period.

Vesting of Options Granted to Investor Relations Service Providers

3.7 Notwithstanding §3.6, Options granted to Investor Relations Service Providers will vest such that:

- (a) no more than 25% of the Options vest no sooner than three months after the Options were granted;
- (b) no more than another 25% of Options vest no sooner than six months after the Options were granted;
- (c) no more than 25% of Options vest no sooner than nine months after the Options were granted; and
- (d) the remainder of the Options vest no sooner than 12 months after the Options were granted.

Effect of Take-Over Bid

3.8 If a Take Over Bid is made to the shareholders generally then the Corporation shall immediately upon receipt of notice of the Take Over Bid, notify each Optionee currently holding an Option of the Take Over Bid, with full particulars thereof whereupon such Option may, notwithstanding §3.6 or any vesting requirements set out in the Option Commitment, be immediately exercised in whole or in part by the Optionee, subject to approval of the TSX Venture for vesting requirements imposed by the TSX Venture Policies.

Acceleration of Vesting on Change of Control

3.9 In the event of a Change of Control occurring, Options granted and outstanding, which are subject to vesting provisions, shall be deemed to have immediately vested upon the occurrence of the Change of Control, excluding Options granted to a Person engaged in Investor Relations Activities.

Notwithstanding the foregoing, no acceleration to the vesting schedule of one or more Options granted to an Investor Relations Service Provider can be made without the prior written acceptance of the TSXV.

Extension of Options Expiring during Black-out Period

3.10 Should the Expiry Date for an Option fall within a Black-out Period, such Expiry Date shall be automatically extended without any further act or formality to that day which is the tenth (10th) Business Day after the end of the Black-out Period, such tenth Business Day to be considered the Expiry Date for such Option for all purposes under the Plan, provided that such automatic extension of the Expiry Date for an Option will not apply where the Participant or the Corporation is subject to a cease trade order (or similar order under securities laws) in respect of the Corporation's securities.

Optionee Ceasing to be Director, Employee or Service Provider

3.11 Options may be exercised after the Participant has left his/her employ/office or has been advised by the Corporation or its subsidiary, as applicable, that his/her services are no longer required or his/her service contract has expired, until the term applicable to such Options expires, except as follows:

- (a) in the case of the death of an Optionee, any vested Option held by him 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;
- (b) an Option granted to any Participant will expire 90 days (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 Termination Date, and only to the extent that such Option was vested at the Termination Date; and
- (c) 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 on the Termination Date without right to exercise same.

Non-assignable

3.12 Subject to §3.11(a), all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

Adjustment of the Number of Optioned Shares

3.13 The number of Common Shares subject to an Option will be subject to adjustment in the events and in the manner following:

- (a) in the event of a subdivision of Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a greater number of Common Shares, the Corporation will thereafter deliver at the time of purchase of Optioned Shares hereunder, in addition to the number of Optioned Shares in respect of which the right to purchase is then being exercised, such additional number of Common Shares as result from the subdivision without an Optionee making any additional payment or giving any other consideration therefor;

- (b) in the event of a consolidation of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a lesser number of Common Shares, the Corporation will thereafter deliver and an Optionee will accept, at the time of purchase of Optioned Shares hereunder, in lieu of the number of Optioned Shares in respect of which the right to purchase is then being exercised, the lesser number of Common Shares as result from the consolidation;
- (c) in the event of any change of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, the Corporation will thereafter deliver at the time of purchase of Optioned Shares hereunder the number of shares of the appropriate class resulting from the said change as an Optionee would have been entitled to receive in respect of the number of Common Shares so purchased had the right to purchase been exercised before such change;
- (d) in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Corporation, a consolidation, merger or amalgamation of the Corporation with or into any other company or a sale of the property of the Corporation as or substantially as an entirety at any time while an Option is in effect, an Optionee will thereafter have the right to purchase and receive, in lieu of the Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option, the kind and amount of shares and other securities and property receivable upon such capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale which the holder of a number of Common Shares equal to the number of Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option would have received as a result thereof. The subdivision or consolidation of Common Shares at any time outstanding (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of the Corporation for the purposes of this §3.13;
- (e) an adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this section are cumulative;
- (f) the Corporation will not be required to issue fractional shares in satisfaction of its obligations hereunder. Any fractional interest in a Common Share that would, except for the provisions of this §3.13, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Corporation;
- (g) if any questions arise at any time with respect to the Exercise Price or number of Optioned Shares deliverable upon exercise of an Option in any of the events set out in this §3.13, such questions will be conclusively determined by the Corporation's auditors, or, if they decline to so act, any other firm of Chartered Accountants, in Vancouver, British Columbia (or in the city of the Corporation's principal executive office) that the Corporation may designate and who will be granted access to all appropriate records and such determination will be binding upon the Corporation and all Optionees; and
- (h) any adjustment, other than in connection with a security consolidation or security split, to Options granted or issued under this Plan is subject to the prior acceptance of the TSX Venture, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization.

ARTICLE 4

COMMITMENT AND EXERCISE PROCEDURES

Option Commitment

4.1 Upon grant of an Option hereunder, an authorized officer of the Corporation will deliver to the Optionee an Option Commitment detailing the terms of such Options and upon such delivery the Optionee will be subject to this Plan and have the right to purchase the Optioned Shares at the Exercise Price set out therein subject to the terms and conditions hereof, including any additional requirements contemplated with respect to the payment of required withholding taxes on behalf of Optionees.

Manner of Exercise

4.2 An Optionee who wishes to exercise his Option may do so by delivering:

- (a) a written notice to the Corporation specifying the number of Optioned Shares being acquired pursuant to the Option; and
- (b) a certified cheque, wire transfer or bank draft payable to the Corporation for the aggregate Exercise Price for the Optioned Shares being acquired, plus any required withholding tax amount subject to §4.5.

Cashless Exercise

4.3 Subject to the provisions of this Plan (including, without limitation, Section 4.5 and, upon prior approval of the Board, once an Option has vested and become exercisable, an Optionee may elect to exercise such Option by either:

- (a) excluding Options held by any Investor Relations Service Provider, a “net exercise” procedure in which the Corporation issues to the Optionee, Common Shares equal to the number determined by dividing (i) the product of the number of Options being exercised multiplied by the difference between the VWAP of the underlying Common Shares and the exercise price of the subject Options by (ii) the VWAP of the underlying Common Shares; or
- (b) a broker assisted “cashless exercise” in which the Corporation delivers a copy of irrevocable instructions to a broker engaged for such purposes by the Corporation to sell the Common Shares otherwise deliverable upon the exercise of the Options and to deliver promptly to the Corporation an amount equal to the Exercise Price and all applicable required withholding obligations as determined by the Corporation against delivery of the Common Shares to settle the applicable trade.

An Option may be exercised pursuant to this §4.3 from time to time by delivery to the Corporation, at its head office or such other place as may be specified by the Corporation of (i) written notice of exercise specifying that the Optionee has elected to effect such a cashless exercise of such Option, the method of cashless exercise, and the number of Options to be exercised and (ii) the payment of an amount for any tax withholding or remittance obligations of the Optionee or the Corporation arising under applicable law and verified by the Corporation to its satisfaction (or by entering into some other arrangement acceptable to the Corporation in its discretion, if any). The Participant shall comply with Section 4.5 of this Plan with regard to any applicable required withholding obligations and with such other procedures

and policies as the Corporation may prescribe or determine to be necessary or advisable from time to time including prior written consent of the Board in connection with such exercise.

4.4 In the event of a net exercise pursuant to §4.3(a) or a cashless exercise pursuant to §4.3(b), the number of Options exercised, surrendered or converted, and not the number of Common Shares actually issued by the Corporation, must be included in calculating the limits set forth in §2.2, §2.6 and §2.10 of this Plan.

Tax Withholding and Procedures

4.5 Notwithstanding anything else contained in this Plan, the Corporation may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an Optionee who wishes to exercise an Option must, in addition to following the procedures set out in §4.5 and elsewhere in this Plan, and as a condition of exercise:

- (a) deliver a certified cheque, wire transfer or bank draft payable to the Corporation for the amount determined by the Corporation to be the appropriate amount on account of such taxes or related amounts; or
- (b) otherwise ensure, in a manner acceptable to the Corporation (if at all) in its sole and unfettered discretion, that the amount will be securely funded;

and must in all other respects follow any related procedures and conditions imposed by the Corporation.

Delivery of Optioned Shares and Hold Periods

4.6 As soon as practicable after receipt of the notice of exercise described in §4.2 or §4.3, as applicable, and payment in full for the Optioned Shares being acquired, the Corporation will direct its transfer agent to issue to the Optionee the appropriate number of Optioned Shares. An Exchange Hold Period will be applied from the date of grant for all Options granted to:

- (a) Insiders; or
- (b) where Options are granted to any Participants, including Insiders, where the Exercise Price is at a discount to the Market Price.

4.7 Pursuant to TSX Venture Policies, where the Exchange Hold Period is applicable, the certificate representing the Optioned Shares or written notice in the case of uncertificated shares will include a legend stipulating that the Optioned Shares issued are subject to a four-month Exchange Hold Period commencing the Effective Date of the grant of the Options.

ARTICLE 5 GENERAL

Employment and Services

5.1 Nothing contained in this Plan will confer upon or imply in favour of any Optionee any right with respect to office, employment or provision of services with the Corporation or a subsidiary of

the Corporation, or interfere in any way with the right of the Corporation or a subsidiary of the Corporation to lawfully terminate the Optionee's office, employment or service at any time pursuant to the arrangements pertaining to same. Participation in this Plan by an Optionee is voluntary.

No Representation or Warranty

5.2 The Corporation makes no representation or warranty as to the future market value of Common Shares issued in accordance with the provisions of this Plan or to the effect of the *Income Tax Act* (Canada) or any other taxing statute governing the Options or the Common Shares issuable thereunder or the tax consequences to a Participant. Compliance with applicable securities laws as to the disclosure and resale obligations of each Participant is the responsibility of each Participant and not the Corporation.

Interpretation

5.3 This Plan will be governed and construed in accordance with the laws of the Province of British Columbia.

Continuation of Plan

5.4 This Plan will become effective from and after June 26, 2023, and will remain effective provided that this Plan, or any amended version thereof, receives Shareholder Approval at each annual general meeting of the holders of Common Shares of the Corporation subsequent to such effective date.

Amendment of this Plan

5.5 The Board reserves the right, in its absolute discretion, to at any time amend, modify or terminate this Plan with respect to all Common Shares in respect of Options which have not yet been granted hereunder. Any amendment to any provision of this Plan will be subject to any necessary Regulatory Approvals and Shareholder Approval.

SCHEDULE A
SHARE OPTION PLAN
OPTION COMMITMENT

Notice is hereby given that, effective this _____ day of _____, 20_____, pursuant to the provisions of the Share Option Plan (the “**Plan**”) of GFM Resources Limited (the “**Corporation**”), the Corporation has granted to _____ (the “**Optionee**”), an Option to acquire _____ Common Shares (“**Optioned Shares**”) up to 5:00 p.m. (Vancouver Time) on the _____ day of _____, 20_____, (the “**Expiry Date**”), or such earlier date as determined in accordance with the terms of this Plan, at an Exercise Price of Cdn\$_____ per share.

[Optioned Shares are to vest immediately.]

OR

[Optioned Shares will vest (*INSERT VESTING SCHEDULE AND TERMS*)]

The grant of the Option evidenced hereby is made subject to the terms and conditions of the Plan, which are hereby incorporated herein and form part hereof. This Option Commitment and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan. This Option Commitment is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Corporation shall prevail.

To exercise the Option, (1) deliver a written notice in the form attached as Schedule B to the Plan (or in such other form as established by the Corporation) specifying the number of Optioned Shares you wish to acquire, together with a certified cheque, wire transfer or bank draft payable to the Corporation for the aggregate exercise price, or (2) if the Optionee wishes to exercise the Option on a “net exercise” basis or “cashless exercise” basis in accordance Section 4.3(a) or Section 4.3(b) of the Plan and the Corporation’s Board of Directors approves the exercise on a “net exercise” basis or “cashless exercise” basis, deliver a written notice and comply with such other conditions as established by the Corporation for a “net exercise” or “cashless exercise”. A certificate, or a written notice in the case of uncertificated shares, for the Optioned Shares so acquired will be issued by the Corporation or its transfer agent, if applicable, as soon as practicable thereafter and may bear a restrictive legend if required under applicable securities laws or the policies of the TSX Venture Exchange.

[Note: If a four month hold period is applicable under the policies of the TSX Venture Exchange, the following legend must be placed on the certificate or the written notice in the case of uncertificated shares.]

“WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL *[insert date 4 months from the date of grant of the Options]*.”

The Corporation and the Optionee represent that the Optionee, under the terms and conditions of the Plan, is a bona fide Service Provider (as defined in the Plan), entitled to receive Options under TSX Venture Policies.

The Optionee also acknowledges and consents to the collection and use of Personal Information (as defined in the TSX Venture Policies) by both the Corporation and the TSX Venture Exchange as more particularly set out in the Acknowledgement - Personal Information form in use by the TSX Venture Exchange on the date of this Option Commitment.

GFM RESOURCES LIMITED

Per:

Authorized Signatory

[insert name and title of authorized signatory]

The Optionee acknowledges receipt of a copy of the Plan and represents to the Corporation that the Optionee is familiar with the terms and conditions of the Plan, and hereby accepts this Option subject to all of the terms and conditions of the Plan. The Optionee agrees to execute, deliver, file and otherwise assist the Corporation in filing any report, undertaking or document with respect to the awarding of the Option and exercise of the Option, as may be required by applicable regulatory authorities.

OPTIONEE:

Signature

Date signed:

Print Name

Address

SCHEDULE B

SHARE OPTION PLAN

NOTICE TO EXERCISE OPTIONS

GFM RESOURCES LIMITED

Attention: Share Option Plan Administrator

Suite 1100 - 1111 Melville Street

Vancouver, B.C. V6E 3V6

Re: Employee Share Option Exercise

Attn: Share Option Plan of GFM Resources Limited (the "Corporation")

This letter is to inform the Administrator of the Corporation's Share Option Plan that I,
_____, wish to exercise _____ options, at _____ per share, on this ____ day of
_____, 20____.

Payment issued in favour of *[insert the name of the Corporation]* for the amount of \$ _____
will be forwarded, including withholding tax amounts.

Please register the share certificate in the name of:

Name of Optionee: _____

Address: _____

Please send share certificate to:

Name: _____

Address: _____

Sincerely,

Signature of Optionee

Date

SIN Number (for T4)