

## **TURMALINA METALS CORP.**

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Telephone: (604) 802-8492 Email: info@turmalinametals.com

### **INFORMATION CIRCULAR**

as at June 23, 2023 (*except as otherwise indicated*)

**This Information Circular is furnished in connection with the solicitation of proxies by the management of Turmalina Metals Corp. for use at the annual general meeting (the “Meeting”) of its shareholders to be held on July 31, 2023 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.**

In this Information Circular, references to “**the Company**”, “**we**” and “**our**” refer to Turmalina Metals Corp. “**Common Shares**” means common shares in the capital of the Company. “**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. “**Registered Shareholders**” means shareholders who hold Common Shares registered in their own name, and may include intermediaries. “**Shareholders**” means all shareholders who hold Common Shares.

### **GENERAL PROXY INFORMATION**

#### **Solicitation of Proxies**

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged 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 officers and/or directors of the Company. **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 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 by choosing one of the following methods:

- (a) By Email to [proxy@odysseytrust.com](mailto:proxy@odysseytrust.com); or
- (b) By mail or personal delivery to Odyssey Trust Company, Attn: Proxy Department, Suite 702, 67 Yonge St., Toronto, ON M5E 1J8; or
- (c) By fax to Odyssey, to the attention of the Proxy Department at 1-800-517-4553 (toll free within Canada and the U.S.) or 416-263-9524 (international); or
- (d) By internet and follow the online voting instructions given to you. To vote your proxy online please visit: <https://login.odysseytrust.com/pxlogin> and click on VOTE. You will require the CONTROL NUMBER printed with your address to the right on your proxy form. If you vote by Internet, do not mail this proxy.

In either case you must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or the adjournment thereof. Failure to complete or deposit a proxy properly may result in its invalidation. The time limit for the deposit of proxies may be waived by the Chair of the Meeting. **Please note that in order to vote your Common Shares in person at the Meeting, you must attend the Meeting and register with the Scrutineer before the Meeting. If you have already submitted a Proxy, but choose to change your method of voting and attend the Meeting to vote, then you should register with the Scrutineer before the Meeting and inform them that your previously submitted proxy is revoked and that you personally will vote your Common Shares at the Meeting.**

## Beneficial Shareholders

**The following information is of significant importance to shareholders who do not hold Common Shares in their own name.** Beneficial Shareholders should note 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 Company 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 Beneficial Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. 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 of America (the "U.S." or the "United States") the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (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 shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

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

These securityholder materials are sent to both registered and non-registered (beneficial) owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent 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.

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“**Broadridge**”) in Canada and in the United States. Broadridge mails a Voting Instruction Form (“**VIF**”) in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company’s Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), different from the persons designated in the VIF, to represent your Common Shares at the Meeting, and that person may be you. To exercise this right insert the name of your desired representative (which may be you) in the blank space provided in the VIF. Once you have completed and signed your VIF return it to Broadridge by mail or facsimile, or deliver your voting instructions to Broadridge by phone or via the internet, in accordance with Broadridge’s instructions. Broadridge tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **If you receive a VIF from Broadridge, it must be completed and returned to Broadridge, in accordance with Broadridge’s instructions, well in advance of the Meeting in order to: (a) have your Common Shares voted at the Meeting per your instructions; or (b) have an alternate representative chosen by you duly appointed to attend and 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 is being effected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of British Columbia. The proxy solicitation rules under the United States *Securities Exchange Act of 1934*, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of British Columbia. Shareholders should be aware that disclosure requirements under the securities laws of British Columbia 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 Company is incorporated under the *Business Corporations Act* (British Columbia), as amended (the “**BCBCA**”), certain of its directors and its executive officers are residents of Canada and 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 emailing the proxy bearing a later date to Odyssey at email address [proxy@odysseytrust.com](mailto:proxy@odysseytrust.com) 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 Company, or any person who has held such a position since the beginning of the last completed financial year of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, as further described below.

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

The Company's board of directors (the "**Board**") has fixed June 23, 2023 as the record date (the "**Record Date**") for determining 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 Common Shares of the Company are listed on the TSX Venture Exchange (the "**TSXV**") and the Company is authorized to issue an unlimited number of Common Shares. As of June 23, 2023, there were **78,010,629** Common Shares without par value 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.

To the knowledge of the directors and executive officers of the Company, there are no persons or corporations who 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 of the Company as at June 23, 2023.

### **VOTES NECESSARY TO PASS RESOLUTIONS**

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions to elect directors and to appoint the auditor. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, 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.

In accordance with TSXV policies, a simple majority of affirmative votes of disinterested shareholders of the Company is required to pass the resolutions to approve the continuation of the Option Plan and the adoption of the RSU Plan.

### **FINANCIAL STATEMENTS**

The audited financial statements for the year ended December 31, 2022 and the report of the auditor thereon will be placed before Shareholders at the Meeting for their consideration. No formal action will be taken at the Meeting to approve the financial statements. If any Shareholder has questions regarding such financial statements, such questions may be brought forward at the Meeting. Copies of the audited financial statements

and relevant management discussion and analysis have been filed under the Company's SEDAR profile on April 18, 2023 at [www.sedar.com](http://www.sedar.com).

## **ELECTION OF DIRECTORS**

The size of the Board was last set at five and the Board has determined to propose the number of directors to be elected to the Board at the Meeting at four (4) directors.

The Board will nominate the four (4) individuals set out below to be elected to the Board at the Meeting.

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless a director's office is vacated earlier in accordance with the provisions of the BCBCA, each director elected at the Meeting will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

As of the date of this Information Circular, the current directors of the Company are: Bryan Slusarchuk, Francisco Azevedo, Laura Bastias, Latika Prasad, and James Rogers.

### *Advance Notice Provision*

Pursuant to the Advance Notice Provisions contained in the Articles, the Board has determined that notice of nominations of persons for election to the Board at the Meeting must be made following the requirements of such Advance Notice Provisions. To the date of this Information Circular, the Company has not received notice of a nomination in compliance with the Articles and, subject to the timely receipt of any such nomination, any nominations other than nominations by or at the direction of the Board or an authorized officer of the Company will be disregarded at the Meeting.

Among other things, the Advance Notice Provision fixes a deadline by which holders of Common Shares must submit director nominations to the Company 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 Company for the notice to be in proper written form.

The Advance Notice Provision also requires all proposed director nominees to deliver a written representation and agreement that such candidate for nomination, if elected as a director of the Company, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such person's term in office as a director.

The foregoing is merely a summary of the Advance Notice Provision, is not comprehensive and is qualified by the full text of the Company's Articles, a copy of which was filed under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

### **Management Director Nominees**

The following table sets out the names of management's nominees for election as director, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's current principal occupation, business or employment (for the five preceding years for each new nominee), the period of time during which each has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at June 23, 2023.

Nominee Position with the Company and Province or State and Country of Residence	Occupation, Business or Employment <sup>(1)</sup>	Period as a Director of the Company	Common Shares Beneficially Owned or Controlled <sup>(1)(2)</sup>
<p><b>Francisco Azevedo</b> Director Sao Paulo, Brazil</p>	<p>South America Exploration Manager, Gold Fields Ltd. From 2006 to February 2017.</p> <p>Executive Vice President, Business Development, Turmalina Metals Corp, April 2017 to January 2019. (Reappointed July 2020 to present)</p> <p>Director of Turmalina Metals Corp. (May 2019 to present)</p>	<p>Since May 16, 2019</p>	<p>2,400,000<sup>(5)</sup></p>
<p><b>Laura Bastias</b><sup>(3)(4)</sup> Director San Juan, Argentina</p>	<p>Attorney &amp; Partner, Bastias Yacante Abogados.</p> <p>Director of Turmalina Metals Corp. (January 2021 to present)</p>	<p>Since January 29, 2021</p>	<p>Nil<sup>(6)</sup></p>
<p><b>Latika Prasad</b><sup>(3)(4)</sup> Director British Columbia, Canada</p>	<p>Self-employed Consultant (2010 to present)</p> <p>Director of X1 Entertainment Group Ltd. (January 2020 to present)</p> <p>Corporate Secretary of Realgold Resources Corp. (December 2016 to present)</p> <p>Director of Southern Empire Resources Corp. (March 12, 2020 to June 9, 2021)</p> <p>Director &amp; Corporate Secretary of Turmalina Metals Corp. May 2017 to July 2019. (Reappointed July 2021 to present)</p>	<p>Since July 28, 2021</p>	<p>344,000<sup>(7)</sup></p>
<p><b>James Rogers</b><sup>(3)</sup> Director and CEO British Columbia, Canada</p>	<p>CEO, President &amp; Director of Longford Exploration Services Ltd. (March 2013 to present)</p> <p>President &amp; Director, Global UAV Technologies Ltd. (April 2017 to present)</p> <p>CEO &amp; Director, Clarity Gold Corp. (November 2019 to present)</p> <p>Director, Contigo Resources Ltd. (Sept. 2016 to present)</p>	<p>Since July 20, 2022</p>	<p>138,000<sup>(8)</sup></p>

Nominee Position with the Company and Province or State and Country of Residence	Occupation, Business or Employment <sup>(1)</sup>	Period as a Director of the Company	Common Shares Beneficially Owned or Controlled <sup>(1)(2)</sup>
	CEO & Director of Longford Capital Ltd. (January 2018 to present)  CEO & Director of Turmalina Metals Corp. (July 2022 to present)		

Notes:

- (1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of management of the Company and has been furnished by the respective nominees, or obtained from information available on SEDI.
- (2) On an undiluted basis.
- (3) Member of the Audit Committee.
- (4) Member of the Compensation Committee.
- (5) Mr. Azevedo also holds options to purchase 575,000 Common Shares at an exercise price of \$0.50 each, expiring August 9, 2024, and options to purchase 325,000 Common Shares at an exercise price of \$1.30 each, expiring June 24, 2025.
- (6) Ms. Bastias holds options to purchase 200,000 Common Shares at an exercise price of \$0.91 each, expiring July 7, 2026.
- (7) Ms. Prasad also holds options to purchase 200,000 Common Shares at an exercise price of \$0.50 each, expiring August 9, 2024, and options to purchase 50,000 Common Shares at an exercise price of \$1.30 each, expiring June 24, 2025.
- (8) 10,000 of the Common Shares held by Mr. Rogers are held through Longford Capital Corp. Mr. Rogers also holds options to purchase 1,000,000 Common Shares at an exercise price of \$0.35 each, expiring August 11, 2027.

## Biographies of Director Nominees

### *Francisco Azevedo – Director*

Mr. Azevedo is a graduate in geology by the University of Brasilia, Brazil, and has 38 years of experience, specializing in the discovery and development of mineral deposits. He started his career initially in Brazil, with Unamgen, a company of GENCOR Group, of South Africa, from 1983 to 1996. He also held the position of Exploration Manager for IAMGOLD Corp, based in Mendoza, Argentina, until 2006. He was in charge of the exploration programs for Gold Fields Limited in South America, from 2006 to 2017, when two important discoveries were made and developed: Chucapaca (now San Gabriel), in Perú, and Salares Norte, in Chile. Mr. Azevedo brings his extensive experience in all processes required for the discovery and development of mineral deposits across South America. Mr. Azevedo is the President-Elect of the Society of Economic Geologists for 2021.

### *Laura Bastias – Director*

Ms. Bastias is a lawyer with over 12 years' experience in mining law. She is currently a partner at San Juan legal firm Bastias Yacante Abogados, where she acts as the mining legal advisor to numerous major and junior mining firms operating in the region. She has also held various legal, environmental and permitting roles with Minera Los Pelambres, Golden Mining S.A. and Sable Resources Ltd. Laura has particular experience in legal and legislative analysis, due diligence, negotiations, structuring agreements and capital risk analysis

### *Latika Prasad – Director*

Ms. Prasad has been an Officer and/or a Director of private and publicly traded companies for over 30 years. She is currently a director with X1 Entertainment Group Ltd. (CSE: XONE) since January 2020 and the Corporate Secretary of Realgold Resources Corp. since December 2016. She was a Director and Corporate Secretary of Turmalina Metals Corp. from April 2017 to July 2019 (TSXV: TBX), and previously, Director and Assistant Corporate Secretary at Wabi Exploration Inc. (CNSX: WAB) from September 2015 to July

2017. She served as the Chief Financial Officer of Azincourt Resources Inc. (TSXV: AAZ) from October 2011 until June 2013 and as a Director from May 2011 to April 2013.

*James Rogers - Director and CEO*

James Rogers is a resource professional and entrepreneur active in the exploration and mining sector for over 13 years. He has a unique background with technical, corporate and capital markets experience. James brings publicly listed CEO experience in the exploration and technology sector as well as global operational experience with a focus on the Americas and Africa. James is highly proficient in both Corporate and Technical aspects of capital markets and exploration. Corporately James specializes in M&A, initial public offerings, qualifying transactions, governance, disclosure, compliance and finance. Technically, he specializes in project generation, grassroots exploration program design and execution, small scale production and artisanal mining formalization and ore purchasing. James has significant public Board experience in Canada, primarily in the resource sector and during corporate restructuring periods. He has completed the sale or option of over one hundred mineral exploration projects through Longford Capital Corp. and Contigo Resources Ltd. Being raised in a mining family in addition to an entrepreneurial and hands-on background in aircraft mechanics, business operation and construction management, he is able to complement his technical skills offering a multifaceted hands-on approach to project management and problem solving in operations.

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the election of the Nominees.**

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE FOR THE ELECTION OF THE ABOVE NOMINEES AS DIRECTORS.**

**Penalties, Sanctions and Cease Trade Orders**

No proposed director is, as at the date of this Information Circular, or has been, within ten (10) years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company, in respect of which the Information Circular is being prepared) that:

- (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (c) 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
- (d) has, within the ten (10) years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

## APPOINTMENT OF AUDITOR

Davidson & Company LLP, Chartered Professional Accountants, of 1200 – 609 Granville Street., Vancouver, British Columbia V7Y 1G6 will be nominated at the Meeting for re-appointment as auditor for the ensuing year.

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the appointment of Davidson & Company LLP, Chartered Professional Accountants, as auditor of the Company until the close of the next annual general meeting.**

## AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

The Company is a venture issuer as defined under National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) and each venture issuer is required to disclose annually in its Information Circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor, as set forth below.

### The Audit Committee’s Charter

A copy of the Company’s Audit Committee Charter was attached as Schedule E to the Company’s Non-Offering Prospectus dated November 21, 2019 and filed on SEDAR on November 25, 2019. The Audit Committee Charter was adopted by the Board on October 9, 2019 and the actions and decisions of the Audit Committee have been governed by the Audit Committee Charter since then, and continue to be so.

### Composition of the Audit Committee

The current Audit Committee members are Laura Bastias, James Rogers and Latika Prasad. Ms. Bastias is not independent as she is a partner in Bastias Yacante Abogados, which provides legal services to the Company. Mr. Rogers is not independent as he is Chief Executive Officer of the Company. Latika Prasad is, and is expected to remain, the sole independent member of the audit committee, and Laura Bastias and Latika Prasad are not executive officers, employees, or control persons of the Company or any affiliate to the Company. Pursuant to section 6.1.1(3) of NI 52-110, a majority of the members of the audit committee must not be executive officers, employees, or control persons of the Company. All Audit Committee members are considered to be financially literate. It is anticipated that following the Meeting, the Audit Committee will consist of Laura Bastias, Latika Prasad and James Rogers.

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the Board’s reasonable opinion, interfere with the exercise of a member’s independent judgement.

A member of the Audit Committee is considered financially literate if he or she has the ability to read and understand a set of financial statements presenting a breadth and level of complexity of accounting issues generally comparable to the breadth and complexity of issues one can reasonably expect to be raised by the Company.

### Relevant Education and Experience

Each member of the Company’s Audit Committee has adequate education and experience relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that provides the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) 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 Company’s financial statements or experience actively supervising individuals engaged in such activities; and

- (c) an understanding of internal controls and procedures for financial reporting.

See *Biographies of Director Nominees* above, in particular the biographies of each Audit Committee member, for more information concerning each Audit Committee member’s education and experience.

### **Audit Committee Oversight**

The Audit Committee has not made any recommendations to the Board to nominate or compensate any auditor other than Davidson & Company LLP.

### **Reliance on Certain Exemptions**

[At no time since the commencement of the Company's two most recently completed financial years has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-Audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*).]

The Company is a venture issuer and is exempt from the requirements of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of NI 52-110.

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

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

### **External Auditor Service Fees**

The Audit Committee has reviewed the nature and amount of the non-audit services provided by the Company’s current auditor, Davidson & Company LLP, Chartered Professional Accountants, (the “**Auditor**”) to the Company to ensure auditor independence. Fees incurred with the Auditor, for audit and non-audit services in the last two fiscal years are outlined in the following table:

<b>Nature of Services</b>	<b>Fees Paid to Auditor in Year Ended December 31, 2021</b>	<b>Fees Paid to Auditor in Year Ended December 31, 2022</b>
Audit Fees <sup>(1)</sup>	\$25,000	\$30,366
Audit-Related Fees <sup>(2)</sup>	\$Nil	\$Nil
Tax Fees <sup>(3)</sup>	\$5,000	\$5,750
All Other Fees <sup>(4)</sup>	\$5,000	\$Nil
<b>Total</b>	<b>\$35,000</b>	<b>\$36,116</b>

Notes:

- (1) “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of the Company’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 Company is a “venture issuer” as defined in NI 52-110 and relies on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

## CORPORATE GOVERNANCE

### General

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") requires issuers to disclose their corporate governance practices and National Policy 58-201 – *Corporate Governance Guidelines* ("**NP 58-201**") provides guidance on corporate governance practices. This section sets out the Company's approach to corporate governance and addresses the Company's compliance with NI 58-101.

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the Company's Shareholders. Corporate governance encourages establishing a reasonable degree of independence of the Board from executive management and the adoption of policies to ensure the Board 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

Management is delegated the responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board facilitates its independent supervision over management by reviewing and approving long-term strategic, business and capital plans, material contracts and business transactions, and all debt and equity financing transactions. Through its Audit Committee, the Board examines the effectiveness of the Company's internal control processes and management information systems. The Board reviews executive compensation and approves Option grants based on recommendations from the Compensation Committee.

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

The sole independent member of the Board is Latika Prasad. Bryan Slusarchuk, James Rogers and Francisco Azevedo are not independent as they are officers of the Company. Laura Bastias is not independent as she is a partner in Bastias Yacante Abogados, which provides legal services to the Company.

### Directorships

**Certain members of the Board are currently serving on boards of directors of other reporting companies (or equivalent) as set out below:**

<b>Name of Director</b>	<b>Name of Reporting Issuer</b>	<b>Exchange</b>
Bryan Slusarchuk	Fosterville South Exploration Ltd.	TSXV
	Zacatecas Silver Corp.	TSXV
Latika Prasad	X1 Entertainment Group Inc. (formerly, X1 Esports and Entertainment Ltd.)	CSE
James Rogers	GLOBAL UAV TECHNOLOGIES LTD.	CSE
	Clarity Metals Corp.	CSE
	Silverfish Resources Inc.	CSE

### Orientation and Continuing Education

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company's properties, business, technology and industry and on the responsibilities of directors.

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

### **Ethical Business Conduct**

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

### **Nomination of Directors**

The Board considers its size each year when it considers the number of directors to recommend 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 Company, this policy will be reviewed.

### **Compensation**

The Board acting through its Compensation Committee determines compensation for the directors and the procedures for this determination are described under Statement of Executive Compensation below. With respect to compensation paid to the Chief Executive Officer, please refer to Statement of Executive Compensation below.

### **Other Board Committees**

In addition to the Audit Committee, the Board also has a Compensation Committee.

#### *Compensation Committee*

The Board has established a Compensation Committee consisting of Bryan Slusarchuk, Laura Bastias and Latika Prasad. The recommendations of the Committee are considered by the Board in determining compensation for the directors, the CEO and other senior executives and consultants.

### **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 on an ongoing basis.

## **STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUERS**

### **GENERAL**

The following compensation information is provided as required under Form 51-102F6V for Venture Issuers (the "Form"), as such term is defined in NI 51-102.

For the purposes of this Statement of Executive Compensation:

“**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; and

“**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, as determined in accordance with subsection 1.3(5), 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, requirements and was not acting in a similar capacity, at the end of that financial year.

### Director and Named Executive Officer Compensation

During the years ended December 31, 2022 and December 31, 2021 the following persons are the NEOs: James Rogers, Chief Executive Officer and director, Bryan Slusarchuk, President and director, Francisco Azevedo, Vice-President of Business Development and director, Johnathan Richards, Chief Financial Officer, Corporate Secretary, and Rohan Wolfe, former Chief Executive Officer and director.

During the years ended December 31, 2022 and December 31, 2021, the following persons were directors of the Company who were not also NEOs: Laura Bastias (director), Latika Prasad (director).

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

The following compensation table, excluding options and compensation securities, provides a summary of the compensation paid by the Company to NEOs and members of the board of directors of the Company (the “Board”) for the two most recently completed financial years ended December 31, 2022 and December 31, 2021. Options and compensation securities are disclosed under the heading “Share Options and Other Compensation Securities” below.

<u>Table of compensation excluding compensation securities</u>							
<u>Name and position</u>	<u>Year</u>	<u>Salary, consulting fee, retainer or commission (\$)</u>	<u>Bonus (\$)</u>	<u>Committee or meeting fees (\$)</u>	<u>Value of perquisites (\$)</u>	<u>Value of all other compensation (\$)</u>	<u>Total compensation (\$)</u>
<b>James Rogers</b> <sup>(1)</sup> Chief Executive Officer and Director	2022	\$107,389	Nil	Nil	Nil	Nil	\$107,389
	2021	Nil	Nil	Nil	Nil	Nil	Nil
<b>Rohan Wolfe</b> <sup>(2)</sup> Former Chief Executive Officer and Director	2022	\$136,304	Nil	Nil	Nil	Nil	\$136,304
	2021	\$228,531	Nil	Nil	Nil	Nil	\$228,531
<b>Bryan Slusarchuk</b> <sup>(3)</sup> President and Director	2022	\$158,970	Nil	Nil	Nil	Nil	\$158,970
	2021	\$151,546	Nil	Nil	Nil	Nil	\$151,546
<b>Francisco Azevedo</b> <sup>(3)</sup> VP Business Development and Director	2022	\$197,598	Nil	Nil	Nil	Nil	\$197,598
	2021	\$189,218	Nil	Nil	Nil	Nil	\$189,218
<b>Jonathan Richards</b> <sup>(4)</sup> Chief Financial Officer, Corporate Secretary	2022	\$78,678	Nil	Nil	Nil	Nil	\$78,678
	2021	\$75,542	Nil	Nil	Nil	Nil	\$75,542
<b>Mark Eaton</b> <sup>(5)</sup> Former Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	\$17,085	Nil	Nil	Nil	Nil	\$17,085

<b>Table of compensation excluding compensation securities</b>							
<b><u>Name and position</u></b>	<b><u>Year</u></b>	<b><u>Salary, consulting fee, retainer or commission (\$)</u></b>	<b><u>Bonus (\$)</u></b>	<b><u>Committee or meeting fees (\$)</u></b>	<b><u>Value of perquisites (\$)</u></b>	<b><u>Value of all other compensation (\$)</u></b>	<b><u>Total compensation (\$)</u></b>
Latika Prasad <sup>(6)</sup> Director	2022	\$60,000	Nil	Nil	Nil	Nil	\$60,000
	2021	\$25,000	Nil	Nil	Nil	Nil	\$25,000
Laura Bastias <sup>(7)</sup> Director	2022	\$47,545	Nil	Nil	Nil	\$18,909	\$66,454
	2021	\$41,776	Nil	Nil	Nil	\$22,608	\$64,384

Notes:

- (1) Mr. Rogers was appointed as CEO and as a director on July 22, 2022.
- (2) Mr. Wolfe was appointed to the board of directors on May 16, 2019 and resigned July 20, 2022, and served as CEO from February 1, 2019 to July 20, 2022.
- (3) Mr. Slusarchuk and Azevedo were each appointed as NEO's on February 1, 2019 and as directors on May 16, 2019.
- (4) Mr. Richards was appointed CFO on February 1, 2019 and as Corporate Secretary on December 2, 2019.
- (5) Mr. Eaton was appointed to the board of directors on July 15, 2019 and resigned on May 14, 2021.
- (6) Ms. Prasad was elected to the board of directors on July 28, 2021. Ms. Prasad receives a director fee of \$5,000 per month.
- (7) Ms. Bastias was appointed to the board of directors on January 29, 2021. Ms. Bastias receives a director fee of US\$3,000 per month. In addition, a law firm in which she is a partner of, Bastias Yacante Abogados, received \$18,909.

### Share Options and Other Compensation Securities

The Company has a share option plan in place, which was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. Management proposes stock option (“**Option**”) grants to the Board based on such criteria as performance, previous grants, and hiring incentives. All grants require Board approval. The share option plan is administered by the Board and provides that Options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company.

**The following table discloses all compensation securities granted or issued to each director and NEO by the Company, or a subsidiary of the Company, in the most recently completed financial year for services or to be provided, directly or indirectly, to the Company, or a subsidiary of the Company.**

<b>Compensation Securities</b>							
<b><u>Name and Position</u></b>	<b><u>Type of Compensation Security</u></b>	<b><u>Number of Compensation Securities, underlying securities and percentage of class (#)<sup>(1)</sup></u></b>	<b><u>Date of Grant or Issue (mm/dd/yy)</u></b>	<b><u>Issue, conversion or exercise price (\$)</u></b>	<b><u>Closing price of security or underlying security on date of grant (\$)<sup>(2)</sup></u></b>	<b><u>Closing price of security or underlying security at year end (\$)</u></b>	<b><u>Expiry Date (mm/dd/yy)</u></b>
James Rogers <sup>(2)</sup> Chief Executive Officer and Director	Options	1,000,000 (% 0.01)	08/11/22	\$0.35	\$0.35	\$0.71	08/11/2027

Notes:

- 1) As of December 31, 2022.
- 2) Mr. Rogers holds options to purchase 1,000,000 Common Shares at an exercise price of \$0.35 each, expiring August 11, 2027.

### Exercise of Compensation Securities by NEOs and Directors

**During the Company's fiscal year ended December 31, 2022, no options were exercised by an NEO or director of the Company.**

## Stock Option Plans and other Incentive Plans

### *Share Option Plan*

The Company has a Share Option Plan dated for reference August 12, 2022 (the “**Option Plan**”). The principal purpose of the Option Plan is to advance the interests of the Company by encouraging the directors, employees and consultants of the Company and of its subsidiaries or affiliates, if any, by providing them with the opportunity, through Options, to acquire Common Shares in the share capital of the Company, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs.

The Option Plan provides that the aggregate number of securities reserved for issuance under the Option Plan, together with all other security based compensation plans, will be 10% of the number of Common Shares of the Company issued and outstanding from time to time.

The Option Plan is administered by the Board of Directors of the Company, which has full and final authority with respect to the granting of all Options thereunder.

Options may be granted under the Option Plan to such service providers of the Company and its affiliates, if any, as the Board of Directors may from time to time designate. The exercise prices will be determined by the Board of Directors, but will, in no event, be less than the Discounted Market Price, as such defined by the policies of the TSXV. All Options granted under the Option Plan will expire not later than the date that is ten years from the date that such Options are granted. Options granted under the Option Plan are not transferable or assignable other than by testamentary instrument or pursuant to the laws of succession.

As at June 23, 2023 there were 6,670,000 options outstanding under the Option Plan. As at June 23, 2023 there were 78,010,629 issued and outstanding Common Shares and accordingly, there are a further 1,131,063 Common Shares available for reserve for grant of Options. At the December 31, 2022 financial year end there were 6,670,000 options outstanding pursuant to the Option Plan.

The Board is of the view that the Option Plan permits the Company to attract and maintain the services of executives, employees and other service providers with other companies in the industry, and therefore will seek Shareholder approval at the Meeting of the Plan.

### *Material Terms of the Plan*

The following is a summary of the material terms of the Option Plan. All terms capitalized but not defined below shall have the meanings ascribed to such terms in the Option Plan.

- (a) Persons who are Service Providers to the Company or its affiliates, or who are providing services to the Company or its affiliates, are eligible to receive grants of options under the Plan;
- (b) Investor Relations Service Providers may not receive any Security Based Compensation other than Options.
- (c) Options granted under the Plan are non-assignable, and non-transferable;
- (d) For options granted to Service Providers, the Company must ensure that the proposed Option holder (an “**Optionee**”) is a bona fide Service Provider of the Company or its affiliates;
- (e) An Option granted to any Service Provider will expire within 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 Company, 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 Company;
- (f) 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;
  - (g) 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;
  - (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 Company 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 Company or its affiliates during the vesting period; or (ii) the Service Provider remaining as a Director of the Company or its affiliates during the vesting period;
  - (i) Subject to approval from the TSXV, 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;
  - (j) Disinterested shareholder approval will be required to approve any extensions or reductions of exercise price to stock options granted to individuals that are Insiders at the time of the proposed amendment;
  - (k) The Plan includes specific restrictions with respect to adjustments to security based compensation. Any adjustment to stock options granted or issued (except in relation to a consolidation or share split) is subject to the prior acceptance of the TSXV; and
  - (l) The Plan provides for the following limits on grants, unless otherwise permitted pursuant to the policies of the TSXV:
    - 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 Company 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 Company (as a group) pursuant to all Security Based Compensation of the Company 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 Company (as a group) pursuant to all Security Based Compensation of the Company 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 Company pursuant to all Security Based Compensation of the Company 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; and
- 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.

The Option Plan also allows for option holders to exercise options on a “Cashless Exercise” or “Net Exercise” basis. “Cashless Exercise” is a method of exercising Options in which a securities dealer loans funds to the Optionee or sells the same shares as those underlying the Option, prior to or in conjunction with the exercise of Options, to allow the Optionee to fund the exercise of some or all of their Options. “Net Exercise” is a method of Option exercise under which the Optionee does not make any payment to the issuer for the exercise of their Options and receives on exercise a number of Common Shares equal to the intrinsic value (current market price less the exercise price) of the Option valued at the current market price. Pursuant to the policies of the TSXV, 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.

Refer to heading below - *“Particulars of Matters to be Acted Upon – Continuation of the Option Plan”*

#### ***Restricted Share Unit Plan***

On June 26, 2023, the Board adopted a restricted share unit plan (the “**RSU Plan**”) as an alternative to stock options and as a means of compensating directors, officers, employees and consultants of the Company. Pursuant to the RSU Plan a maximum of 7,801,062 restricted share units (“**RSUs**”) may be awarded.

For a description of the material terms of the RSU Plan, refer to heading below - *“Particulars of Matters to be Acted Upon – Adoption of Restricted Share Unit Plan”*

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

**During the financial years ended December 31, 2022 and to date, the Company has no agreements of compensatory plans or arrangements, except as disclosed herein, with any of its NEOs concerning severance payments of cash or equity compensation resulting from the resignation, retirement or any other termination of employment or other agreement with the Company or as a result of a change of control of the Company.**

Bryan Slusarchuk entered into an agreement with the Company dated April 1, 2019 pursuant to his role as President, and is to perform the duties and responsibilities commonly associated with the position. The Company pays Mr. Slusarchuk compensation comparable within the industry, and the Board believes the fees payable under the agreement and fair and reasonable and are on convention terms. Mr. Slusarchuk is paid a monthly fee of \$10,000 USD in connection with his position.

Longford Capital Ltd., a company controlled by James Rogers, entered into an agreement with the Company dated July 20, 2022 pursuant to his role as Chief Executive Officer, and is to perform the duties and responsibilities commonly associated with the position. The Company pays Mr. Rogers compensation comparable within the industry, and the Board believes the fees payable under the agreement and fair and reasonable and are on convention terms. Mr. Rogers is paid a monthly fee of \$15,000 USD in connection with his position.

## **Oversight and Description of Director and Named Executive Officer Compensation**

### *Elements of the Compensation Program*

The responsibilities relating to executive and director compensation, including reviewing and determining compensation of the Company's officers and employees and overseeing the Company's base compensation structure and equity-based compensation program is performed by the Board as a whole based on recommendations from the Compensation Committee. The Compensation Committee assumes responsibility for reviewing and monitoring the long-range compensation strategy for the Company's senior management. The Compensation Committee generally reviews the compensation of senior management on an annual basis taking into account compensation paid by other issuers of similar size and activity and the performance of officers generally and in light of the Company's goals and objectives.

The Company is a small junior resource company with limited resources. The compensation for executives and senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including: (a) attracting and retaining talented, qualified and effective executives; (b) motivating the short and long-term performance of executives; and (c) better aligning the interests of executive officers with those of the Company's Shareholders. In the Board's view, paying salaries which are competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. Competitive salary information on comparable companies is compiled from a variety of sources, including national and international publications.

The Board determines compensation of the Company's executives based on recommendations from the Compensation Committee. In each case, the Compensation Committee takes into consideration the prior experience of the executive, industry standards, competitive salary information on comparable companies of similar size and stage of development, the degree of responsibility and participation of the executive in the day-to-day affairs of the Company, and the Company's available cash resources.

In the Board's view, to attract and retain qualified and effective executives, the Company must pay base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which the Company operates.

The Board has assessed the Company's compensation plans and programs for its executive officers to ensure alignment with the Company's business plan and to evaluate the potential risks associated with those plans and programs. The Board has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Company. The Board considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

The Company has not adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the knowledge of the Company, none of the executive officers or directors has purchased such financial instruments.

### ***Executive Compensation***

There are no arrangements under which NEOs were compensated by the Company during the two most recently completed financial years for their services in their capacity as NEOs, directors or consultants.

### ***Director Compensation***

During the two most recently completed financial years, the directors received no cash compensation for acting in their capacity as directors of the Company.

Except for the potential grant to directors of share options, there were no arrangements under which directors were compensated by the Company during the two most recently completed financial years for their services in their capacity as directors.

### **Pension Disclosure**

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

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

The only equity compensation plan which the Company has in place is the Option Plan which was approved by the Board on June 29, 2022. The Option Plan has been established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Option Plan is administered by the Board of the Company. The Option Plan provides that Options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company. The Option Plan provides that the number of Common Shares issuable under the Option Plan, together with all of the Company's other previously established or proposed share compensation arrangements, may not exceed 10% of the total number of issued and outstanding Common Shares. All Options expire on a date not later than 10 years after the date of grant of such option.

At the meeting, Shareholders will be asked to approve the Option Plan for continuation as discussed above under the heading “*Statement of Executive Compensation - Stock Options and Other Compensation Securities*”.

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

### ***Equity Compensation Plan Information***

	<b>Number of securities to be issued upon exercise of outstanding options</b>	<b>Weighted-average exercise price of outstanding options</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
<b>Plan Category</b>	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>
Equity compensation plans approved by securityholders - the Plan	6,670,000	0.23	19,951
Equity compensation plans not approved by securityholders	0	0	0
<b>Total</b>			<b>19,951</b>

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as at the Company's most recently completed financial year ended December 31, 2022, or as at the date hereof.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

An informed person is one who, generally speaking, is a director or executive officer or a 10% shareholder of the Company. To the knowledge of management of the Company, no informed person or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director

had any material interest, direct or indirect, in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries since the commencement of the Company's most recently completed financial year, other than as disclosed in Item 6 – Related Party Transactions in the Company's annual financial statements for the financial year ended December 31, 2022.

## MANAGEMENT CONTRACTS

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

### PARTICULARS OF MATTERS TO BE ACTED UPON

- A. **Election of Directors** – see “*Election of Directors*” above (pages 4 - 9).
- B. **Appointment of Auditor** – see “*Appointment of Auditor*” above (page 9).
- C. **Continuation of Stock Option Plan** – see “*Continuation of 10% Rolling Stock Option Plan*” below.
- D. **Adoption of Restricted Share Unit Plan** – see “*Adoption of Restricted Share Unit Plan*” below.

### Continuation of 10% Rolling Share Option Plan

The Option Plan is described above in this information circular under “Statement of Executive Compensation – Stock Options and Other Incentive Plans”.

To comply with the policies of the TSXV covering “rolling” option plans, rolling plans, such as the Option Plan must be approved annually by the shareholders of the Company. At the Meeting Shareholders will be asked to approve the Option Plan for continuation until the next annual general meeting of the Company.

The Option Plan is described in more detail, including the material terms of the Plan, above; see *Statement of Executive Compensation – Share Options and Other Compensation Securities*.

### Shareholder Approval

To comply with the policies of the TSXV regarding security based compensation, the ordinary resolution to approve the continuation of the Option Plan must be passed by a simple majority of the votes of disinterested shareholders of the Company. The text of the resolution is set out below. All Shareholders of the Company are entitled to vote on this resolution, but all votes cast by Insiders and associates of Insiders on the resolution will be removed from the vote tally.

The Board is of the view that the Option Plan provides the Company with the flexibility to attract and maintain the services of executives, employees and other service providers in competition with other companies in the industry. At the Meeting, this ordinary resolution must be approved by a majority of the votes of disinterested Shareholders of the Company:

“**RESOLVED** as an ordinary resolution of disinterested Shareholders of the Company, that the Company's Option Plan dated for reference August 12, 2022, be and is hereby approved for continuation until the next annual general meeting of the Company.”

A copy of the Option Plan will be available for inspection by any Shareholder at the Meeting and was filed under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com) on August 18, 2022.

**THE BOARD UNANIMOUSLY RECOMMENDS SHAREHOLDERS VOTE IN FAVOUR OF THE ABOVE RESOLUTION APPROVING THE CONTINUATION OF THE OPTION PLAN.**

**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.**

### **Adoption of Restricted Share Unit Plan**

The RSU Plan was established to provide certain directors, officers, employees, and consultants (each, an “**Eligible Person**”) of the Company and its related entities with the opportunity to acquire RSUs of the Company in order to enable them to participate in the long-term success of the Company and to promote a greater alignment of their interests with the interests of the Company’s Shareholders.

The RSU Plan allows the Company to grant RSUs, under and subject to the terms and conditions of the RSU Plan, which may be exercised to purchase up to a maximum of 7,801,062 Common Shares.

The RSU Plan is subject to the approval of the TSXV and no RSU’s may be granted while the Company is listed on the NEX.

The following is a summary of the material terms of the RSU Plan. All terms capitalized but not defined below shall have the meanings ascribed to such terms in the RSU Plan.

#### *Nature and Administration of the RSU Plan*

All Eligible Persons are eligible to participate in the RSU Plan (those who are granted RSUs being referred to as “**Participants**”), however, the actual participation of any person is at the discretion of the Board or the Committee. Eligibility to participate as a Participant in the RSU Plan does not confer upon any person a right to receive an award of RSUs. It shall be the responsibility of the Company and the Eligible Person to ensure that such Eligible Person is a *bona fide* Eligible Person.

Subject to the provisions of the RSU Plan and other such terms and conditions as the Committee or Board may prescribe, the Committee, may, from time to time, award RSUs to any Eligible Person. RSUs so awarded shall be credited to an Account maintained for each Participant on the books of the Company as of the Award Date. The number of RSUs to be credited to each Participant’s Account in respect of a fiscal year shall be determined by dividing: (a) the dollar amount of the portion of the Participant’s compensation which the Committee, in its sole discretion, determines to be paid as RSUs (including, for greater certainty, such portion of the Participant’s compensation which the Participant has elected to be paid as RSUs in advance of an award in accordance with any rules as may be adopted and communicated by the Committee in this regard at its discretion, if the Committee in its discretion determines to do so), by (b) the Fair Market Value per Common Share on the Award Date.

An RSU is personal to the Participant and is non-assignable. No RSU granted under the RSU Plan shall be pledged, hypothecated, charged, transferred, assigned or otherwise encumbered or disposed of by the Participant, whether voluntarily or by operation of law, otherwise than by testate succession or the laws of descent and distribution, and any attempt to do so will cause such RSU to be null and void. A vested RSU shall be redeemable only by the Participant and, upon the death of a Participant, the person to whom the rights shall have passed by testate succession or by the laws of descent and distribution may redeem any vested RSUs in accordance with the provisions of the RSU Plan.

#### *Credit for Dividends*

A Participant’s account will be credited with additional RSUs as of each dividend payment date in respect of which cash dividends are paid on Common Shares. The number of additional RSUs to be credited to a Participant’s account is computed by dividing: (a) the dividends that would have been paid to such Participant if each RSU in the Participant’s Account on the relevant dividend record date had been one Common Share, by (b) the Fair Market Value of the Common Shares determined as of the date of payment of such dividend. However, the Company is not obligated to pay dividends on Common Shares and nothing in the RSU Plan shall be interpreted as creating such an obligation.

### *Resignation or Termination*

If (a) a Participant's employment or service is terminated, whether or not for Cause, or (b) a Participant resigns from employment or service with the Company, then any RSUs granted to the Participant under the RSU Plan which have not yet vested or been deemed to be vested, on or before the Separation Date for the Participant are forfeited and cancelled effective on the Separation Date and shall terminate without payment and shall be of no further force or effect from and after the Separation Date.

The Participant may, but only within the next 30 days following the Separation Date, deliver a completed Notice of Acquisition to the Company to acquire Common Shares for previously vested RSUs (if any) and following such 30 day period, any vested RSUs in respect of which the Participant has not delivered a completed Notice of Acquisition to the Company shall be forfeited and cancelled effective at 4:00 p.m. (Vancouver time) on such 30th day and shall terminate without payment and shall be of no further force or effect from and after such time.

### *Leave of Absence*

In the event a Participant takes a leave of absence other than an Approved Leave of Absence, all RSUs granted to the Participant under the RSU Plan that have not then vested shall terminate and be null and void, subject to the Board's sole and absolute discretion to determine otherwise and applicable law.

### *Death of Participant*

Subject to any express resolution passed by the Committee, upon the death of a Participant, any RSUs granted to the Participant under the RSU Plan, which, as of the date of the death of a Participant have not yet vested, shall immediately vest. Upon the death of a Participant, any RSUs granted to the Participant under the RSU Plan shall be forfeited and cancelled effective at 4:00 p.m. (Vancouver time) on the first year anniversary of the death of the Participant and shall be terminated without payment and shall be of no further force or effect from and after such time. If a Participant's heirs or administrators are entitled to any portion of the Participant's outstanding RSUs, the period in which they shall be entitled to make a claim in respect of such RSUs may not exceed one year from the Participant's death.

### *Control Change*

In the circumstances where the Company has entered into an agreement relating to, or otherwise becomes aware of, a transaction which, if completed, would result in a Control Change, the Company shall give written notice of the proposed transaction to the Participants, together with a description of the effect of such Control Change on outstanding RSUs. Such notice shall be given not less than ten Business Days prior to the closing of the transaction resulting in the Control Change.

### *Adjustments*

In the event of any subdivision, consolidation, stock dividend, capital reorganization, reclassification, exchange, or other change with respect to the Common Shares, or a consolidation, amalgamation, merger, spin-off, sale, lease or exchange of all or substantially all of the property of the Company or other distribution of the Company's assets to Shareholders (other than the payment of dividends in respect of the Common Shares), the Committee may choose to adjust the Account of each Participant and the RSUs outstanding under the RSU Plan in such manner, if any, as the Committee may in its discretion deem appropriate (taking into account any tax consequences to the extent considered relevant by the Committee) to preserve the Account of each Participant and the RSUs outstanding under the RSU Plan shall be adjusted in such manner, if any, as the Committee may in its discretion deem appropriate to preserve, proportionally, the interests of Participants under the RSU Plan.

### *Vesting*

Each Award will vest on the dates and/or the satisfaction of the Performance Criteria (each a "**Vesting Date**") specified by the Committee on the Award Date, and reflected in the Award Notice. The RSU Term shall be determined by the Committee on the Award Date, and reflected in the Award Notice, and shall end no later than December 31st of the third calendar year following the Award Date.

However, the Committee may, in its sole discretion, subject to such terms and conditions (if any) established by the Committee in its sole discretion, at any time prior to or following the events contemplated therein, permit:

- (a) persons previously entitled to participate in the RSU Plan to continue to be a Participant for purposes of the RSU Plan;
- (b) the vesting or accelerated vesting of any or all RSUs held by a Participant; and
- (c) the payment of the Payment Amount in respect of such RSUs in the manner and on the terms authorized by the Committee.

*Limits on Issuances*

The RSU Plan provides for the following limits on grants unless otherwise permitted pursuant to Exchange Policies:

- (a) unless Disinterested Shareholder Approval is obtained, the aggregate number of Common Shares reserved for issuance under the RSU Plan, together with any other Security Based Compensation Plan, for Insiders (as a group) at any point in time may not exceed 10% of the issued and outstanding Common Shares from time to time;
- (b) unless Disinterested Shareholder Approval is obtained, the maximum number of RSUs that may be granted to Insiders (as a group) under the RSU Plan, together with any other Security Based Compensation Plan, within a 12 month period, may not exceed 10% of the issued and outstanding Common Shares, calculated on the Award Date;
- (c) unless Disinterested Shareholder Approval is obtained, the maximum number of RSUs that may be granted to any one Eligible Person (and companies wholly owned by that Eligible Person) under the RSU Plan, together with any other Security Based Compensation Plan, within a 12 month period, may not exceed 5% of the issued and outstanding Common Shares, calculated on the Award Date;
- (d) the maximum number of RSUs that may be granted to any one Consultant under the RSU Plan, together with any other Security Based Compensation Plan, within a 12 month period, may not exceed 2% of the issued and outstanding Common Shares, calculated on the Award Date; and
- (e) RSUs granted under the RSU Plan are subject to a four-month hold period, in accordance with Exchange Policies.

*Amendment or Termination of RSU Plan*

Subject to Exchange approval, the Committee may from time to time amend or suspend the RSU Plan in whole or in part and may at any time terminate the RSU Plan without prior notice. However, any such amendment, suspension or termination shall not adversely affect the RSUs previously granted to a Participant at the time of such amendment, suspension or termination, without the consent of the affected Participant.

The Company will be required to obtain Shareholder approval in accordance with Exchange Policies for any amendment of the RSU Plan related to:

- (a) the number or percentage issued and outstanding Common Shares available for grant under the Plan;
- (b) a change in method of calculation of redemption of RSUs held by Eligible Persons; and
- (c) an extension to the term for redemption of RSUs held by Eligible Persons.

If the Committee suspends or terminates the RSU Plan, no new RSUs will be credited to the account of a Participant; however, previously credited RSUs shall remain outstanding but shall not be entitled to dividend credits following suspension or termination unless at the time of suspension or termination the Committee determines that the entitlement to dividend credits during suspension or after termination, as applicable, should be continued.

#### *Shareholder Approval*

To comply with the policies of the TSXV regarding security based compensation, the ordinary resolution to approve the adoption of the RSU Plan must be passed by a simple majority of the votes of disinterested shareholders of the Company. The text of the resolution is set out below. All Shareholders of the Company are entitled to vote on this resolution, but all votes cast by Insiders and associates of Insiders on the resolution will be removed from the vote tally.

The Board is of the view that the RSU Plan provides the Company with an alternative option for granting compensation to Eligible Persons and the flexibility to attract and maintain the services of executives, employees and other service providers. At the Meeting, this ordinary resolution must be approved by a simple majority of the votes of disinterested Shareholders of the Company:

**“RESOLVED** as an ordinary resolution of disinterested Shareholders of the Company, that:

1. the Company’s RSU Plan dated for reference June 26, 2023, be and is hereby approved, subject to regulatory approval, until the next annual general meeting of the Company; and
2. any one director or officer of the Company be and is hereby authorized and directed to perform all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in their opinion may be necessary or desirable to give effect to this resolution, including, without limitation, making any changes to the RSU Plan required by applicable securities regulatory authorities and to complete all transactions in connection with the administration of the RSU Plan.”

A copy of the RSU Plan will be available for inspection by any Shareholder at the Meeting.

**THE BOARD UNANIMOUSLY RECOMMENDS SHAREHOLDERS VOTE IN FAVOUR OF THE ABOVE RESOLUTION APPROVING THE ADOPTION OF THE RSU PLAN.**

**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.**

#### **ADDITIONAL INFORMATION**

Financial information is provided in the Company’s audited financial statements for the year ended December 31, 2022 and the related management’s discussion and analysis (the “**Financial Statements**”). The Financial Statements will be placed before the Meeting.

Additional information relating to the Company and a copy of the Financial Statements may be obtained under the Company’s SEDAR at [www.Sedar.com](http://www.Sedar.com) or upon request from the Company at Suite 488, 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7, Telephone No.: 604-687-7130 or Fax No.: 604-608-9110. The Company may require payment of a reasonable charge from any person or company who is not a securityholder of the Company, 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 Information Circular.

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

**DATED** at Vancouver, British Columbia this 23<sup>rd</sup> day of June, 2023.

**BY ORDER OF THE BOARD**

*“James Rogers”*

**James Rogers**  
**Director**