



**COPPER LAKE**  
RESOURCES LTD

**COPPER LAKE RESOURCES LTD.**

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Telephone (416) 561-3626

**INFORMATION CIRCULAR**

**SOLICITATION OF PROXIES**

This information circular ("**Information Circular**") is furnished in connection with the solicitation of proxies by the management of Copper Lake Resources Ltd. (the "**Company**") for use at the annual general and special meeting of the shareholders (the "**Shareholders**") of the Company (the "**Meeting**") to be held on Thursday October 19, 2023 at 11:00 a.m. (Eastern time) at The Pilot, 22 Cumberland Street, Toronto, Ontario M4W 1J5, and at any adjournment or postponement thereof for the purposes set out in the accompanying notice of meeting (the "**Notice**").

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. All costs of this solicitation will be borne by the Company. The Company has made arrangements for intermediaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by those intermediaries and the Company may reimburse the intermediaries for reasonable fees and disbursements incurred by them in so doing.

Notice of the Meeting was provided to the securities commissions in each jurisdiction where the Company is a reporting issuer under applicable securities laws.

In this Information Circular, references to the "**Company**", "**we**" and "**our**" refer to Copper Lake Resources Ltd.; "**Common Shares**" means common shares in the authorized share structure 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 the Beneficial Shareholders.

**Date of Information Circular**

Information contained in this Information Circular is given as at September 14, 2023, unless otherwise indicated.

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## GENERAL PROXY INFORMATION

### Revocability 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 either:

- (a) executing a proxy bearing a later date; or
- (b) executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the shareholder's authorized attorney in writing, or, if the shareholder is a company, under its corporate seal by an officer or attorney duly authorized, and by depositing the Proxy bearing a later date with Odyssey Trust Company, or at the address of the registered office of the Company at Suite 4800 – 1 King Street West, Toronto, Ontario M5H 1A1 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 date that precedes any reconvening thereof, or to the chair of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (c) by the registered shareholder 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.

### Appointment of Proxyholders

A shareholder entitled to vote at the Meeting may, by means of a proxy, appoint a proxyholder or one or more alternate proxyholders, who need not be Shareholders, to attend and act at the Meeting for the shareholder on the shareholder's behalf.

The individuals named in the accompanying form of proxy (the “**Proxy**”) are directors and/or officers of the Company (the “**Management Designees**”). **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting other than either of the Management Designees. 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.**

A proxy will not be valid unless the completed, signed and dated form of proxy is delivered to the office of Odyssey Trust Company (“**Odyssey**”), at 702, 67 Yonge Street, Toronto, Ontario, M5E 1J8, or by internet at <https://login.odysseytrust.com/pxlogin> not less than 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the Proxy is to be used.

### Exercise of Discretion

The Management Designees named in the Proxy will vote or withhold from voting the shares represented thereby in accordance with the instructions of the shareholder on any ballot that may be called for. The Proxy will confer discretionary authority on the nominees 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 Management Designees will vote the Common Shares represented by the Proxy at their own discretion for the approval of such matter.**

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As of the date of this Information Circular, management of the Company knows of no amendment, variation or other matter that may come before the Meeting, but if any amendment, variation or other matter properly comes before the Meeting, each Management Designee intends to vote thereon in accordance with the Management Designee's best judgment.

### **Proxy Voting Options**

If you are a registered Shareholder, you may elect to submit a proxy in order to vote whether or not you are able to attend the Meeting in person. In order to vote by mail, you must complete, date and sign the Proxy and return it to the Company's transfer agent, Odyssey Trust Company ("Odyssey"), at 702, 67 Yonge Street, Toronto, Ontario, M5E 1J8, or by internet at <https://login.odysseytrust.com/pxlogin> any time up to and including 11:00 a.m. (EDT) on October 17, 2023.

### **Advice to Beneficial Holders of Common Shares**

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name. Beneficial Shareholders should note that only Proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Common Shares can be recognized and acted upon at the Meeting.

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 Company. Such Common Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In the United States, the vast majority of such 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), and in Canada 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).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings unless the Beneficial Shareholders have waived the right to receive meeting material. Every intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting.

If you are a Beneficial Shareholder, the form of proxy supplied to you by your broker (or its agent) is similar to the form of Proxy provided to registered Shareholders by the Company. However, its purpose is limited to instructing the intermediary how to vote on your behalf. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Communications Solutions Canada ("**Broadridge**") in the United States and in Canada. Broadridge mails a voting instruction form in lieu of a proxy provided by the Company. The voting instruction form will name the Management Designees to represent you at the Meeting. You have the right to appoint a person (who need not be a shareholder of the Company), other than the persons designated in the voting instruction form, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the voting instruction form. The completed voting instruction form 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. **If you receive a voting instruction form from Broadridge, you cannot use it to vote Common Shares directly at the Meeting. It must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.**

Although, as a Beneficial Shareholder, you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your broker (or agent of your broker), you may attend at the Meeting as proxyholder for your broker and vote the Common Shares in that capacity. If you wish to

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attend at the Meeting and indirectly vote your Common Shares as proxyholder for your broker or have a person designated by you to do so, you should enter our own name, or the name of the person you wish to designate, in the blank space on the voting instrument form provided to you and return the same to your broker (or your broker's agent) in accordance with the instructions provided by your broker (or agent), well in advance of the Meeting.

Alternatively, you may request in writing that your broker send you a legal Proxy which would enable you, or a person designed by you, to attend at the Meeting and vote your Common Shares.

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

None of the directors or executive officers of the Company, nor any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any 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 as disclosed herein.

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

The board of directors (the "**Board**") of the Company has fixed September 14, 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 Company is authorized to issue an unlimited number of Common Shares without par value of the Company. As of the Record Date, the Company had outstanding 236,635,770 fully paid and non-assessable Common Shares without par value, each carrying the right to one vote. The Company has no other classes of voting securities.

To the knowledge of the directors and executive officers of the Company, no one beneficial owner owns, directly or indirectly, or exercises control or direction over, shares carrying more than 10% of the outstanding voting rights of the Company.

### **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 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.

### **Recommendation of the Board**

The Board unanimously recommends that Shareholders vote in favour of all resolutions.

### **ELECTION OF DIRECTORS**

Pursuant to the Advance Notice Policy adopted by the Board of the Company on April 4, 2013 and subsequently, ratified and approved by shareholders at the annual general meeting held on May 9, 2013, any additional director nominations for the Meeting must have been received by the Company in compliance with the Advance Notice Policy no later than the close of business on September 18, 2023. As at the date of this Information Circular, no such nominations were received by the Company.

The Board of the Company currently consists of five (5) directors. Management proposes to fix the number of directors of the Company at five (5) and to nominate the persons listed below for election as directors. The Shareholders are required to elect the directors of the Company to hold office until the next annual meeting of the Shareholders or until the successors of such directors are elected or appointed.

Management does not contemplate that any of the nominees will be unable to serve as a director. In the event that prior to the Meeting any vacancies occur in the slate of nominees herein listed, it is intended that discretionary authority shall be exercised by the person named in the proxy as nominee to vote the Common Shares represented by proxy for the election of any other person or persons as directors.

#### *Current Member Slate*

The following table sets forth, for each of management's nominees, the person's name; their positions and offices with the Company; principal occupations; the period of time that they have been directors of the Company; and the number of Common Shares which each beneficially owns or over which control or direction is exercised as at the date of this Information Circular:

<b>Nominee Position with the Company and Province/State and Country of Residence</b>	<b>Occupation, Business or Employment<sup>(1)</sup></b>	<b>Director of the Company Since</b>	<b>Committee Membership</b>	<b>Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control of Direction is Exercised<sup>(2)</sup></b>
Terrence MacDonald Director, Corporate Secretary and Chief Executive Officer Ontario, Canada	Chartered Professional Accountant, Chief Executive Officer of the Company; formerly Assurance Partner at Smythe LLP from 2010 to 2014.	June 15, 2015	Audit Committee	6,001,200
Paul Mcgroary Director, England, UK	Former Director of Marshall Lake Mining PLC; Director, Silverdisc Limited (UK), Answerbank Limited (UK), Ethelburga Limited (UK), Treslow Limited (UK) and Presentlines Limited (UK)	September 29, 2016	Audit Committee; Compensation and Nominating Committee	14,133,029
Jeffery Malaihollo Director England, UK	Former Director of Marshall Lake Mining PLC; Director and Chairman, Edenville Energy PLC	September 29, 2016	Audit Committee; Compensation and Nominating Committee	727,090
Naomi Johnson Director Ontario, Canada	Self-employed businessperson; Vice President of Community Relations at Titan Mining Corporation from April 2018 to January 2019, prior thereto Partner and Senior Director, Community Relations, Barrick Gold Corporation, January 2016 to November 2017; prior thereto Senior Director, Community Relations, Barrick	April 27, 2020	Compensation and Nominating Committee	50,000
Douglas Cater Director Ontario, Canada	Director of Sierra Metals Inc. since June 2009; director of Exploits Discovery Corp. since July 2022; director of Gowest Gold Ltd. since March 2023; Vice President Exploration (Canada) of Kirkland Lake Gold Ltd. from February 2016 to January 2019.	August 22, 2023	N/A	Nil

(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 Company and has been furnished by the respective nominees. Each

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*nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years unless otherwise indicated.*

- (2) *The number of Common Shares beneficially owned by the above nominees for directors, directly or indirectly, is based on information furnished by Odyssey Trust Company, the registrar and transfer agent of the Company, insider reports filed on SEDI and by the nominees themselves.*

The Board unanimously recommends that the Shareholders vote in favour of the election of each of these nominees.

To the knowledge of the Company, no proposed director is, or has, within the 10 years before the date of this Information Circular, been a director, chief executive officer or chief financial officer of any company 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.

Other than as set out below, to the knowledge of the Company, no proposed director of the Company was, as at the date of the Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company (including Copper Lake Resources Ltd.) 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.

No proposed director of the Company has, within the 10 years before the date of the 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.

No proposed director of the Company has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a security regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for that proposed director.

## **COMPENSATION OF EXECUTIVE OFFICERS**

### **Compensation Discussion and Analysis**

The compensation of the Company's NEOs is determined by the Company's Board.

The general objectives of the Board's compensation decisions are:

- to encourage management to achieve a high level of performance and results with a view to increasing long-term shareholder value;
- to align management's interests with the long-term interest of shareholders;
- to provide compensation commensurate with peer companies in order to attract and retain highly qualified executives; and
- to ensure that total compensation paid takes into account the Company's overall financial position.

The Board's compensation program is designed to provide competitive levels of compensation, a significant portion of which is dependent upon individual and corporate performance and contribution to increasing

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shareholder value. The Board recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive's level of responsibility. In general, a NEO's compensation is comprised of management and stock option grants.

Stock option grants are designed to reward the NEOs for success on a similar basis as the shareholders of the Company, but these rewards are highly dependent upon the volatile stock market, much of which is beyond the control of the NEOs.

### **Share-Based and Option-Based Awards**

The Company does not grant share-based awards. The Board is responsible for granting options to the NEOs. Stock option grants are designed to reward the NEOs for success on a similar basis as the shareholders of the Company, but these rewards are highly dependent upon the volatile stock market, much of which is beyond the control of the NEOs. When new options are granted, the Board takes into account the previous grants of options, the number of stock options currently held, position, overall individual performance, anticipated contribution to the Company's future success and the individual's ability to influence corporate and business performance. The purpose of granting such stock options is to assist the Company in compensating, attracting, retaining and motivating the officers, directors and employees of the Company and to closely align the personal interest of such persons to the interest of the shareholders.

The exercise price of the stock options granted is generally determined by the market price at the time of grant, less any allowable discount.

### **Risk of Compensation Practices and Disclosure**

The Company has not formally considered the risks associated with the Company's compensation policies and practices. The Company's compensation policies and practices give greater weight toward long-term incentives to mitigate the risk of encouraging short term goals at the expense of long term sustainability. The discretionary nature of annual bonus awards and option grants are significant elements of the Company's compensation plans and provide the Board with the ability to reward historical performance and behaviour that the Board considers to be aligned with the Company's best interests. The Company has attempted to minimize those compensation practices and policies that expose the Company to inappropriate or excessive risks.

The Company's NEOs and directors are not permitted to purchase financial instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

### **Executive Compensation**

In this section "**Named Executive Officer**" or "**NEO**" means the CEO, the CFO and each of the three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed fiscal year and whose total compensation exceeds \$150,000 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an officer of the Company at the end of the most recently completed financial year end.

Terrence MacDonald, the Company's current CEO, and Paul McGroary, the Company's CFO until November 1, 2022, were the "**Named Executive Officers**" of the Company for the purposes of the following disclosure. There are no other executive officers of the Company whose total compensation exceeded \$150,000 during the financial year ended October 31, 2022. The compensation paid to the Named Executive Officers for the three most recently completed financial years of the Company is as set out below:

## Summary Compensation Table

In accordance with applicable legislation, the Company had the following Named Executive Officers during the financial year ended October 31, 2022. The following table sets forth particulars of all compensation paid to the Named Executive Officers during the years ended October 31, 2022, 2021 and 2020.

Name and principal position	Year ended Oct 31	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans		
Terrence MacDonald (CEO)	2022	24,000	N/A	110,985	N/A		Nil	134,985
	2021	24,000	N/A	154,266	N/A		Nil	178,266
	2020	24,000	N/A	13,300	N/A		Nil	37,300
Paul McGroary (CFO)	2022	Nil	N/A	55,493	N/A		Nil	55,493
	2021	Nil	N/A	90,634	N/A		Nil	90,634
	2020	Nil	N/A	6,650	N/A		Nil	6,650

## Outstanding Share-Based Awards And Option-Based Awards

The following tables provide information regarding all share-based and option-based awards held by the NEOs of the Company at October 31, 2022.

Name (a)	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#) (b)	Option exercise price (\$) (c)	Option expiration date (d)	Value of unexercised in-the-money options <sup>(1)</sup> (\$) (e)	Number of shares or units of shares that have not vested (#) (f)	Market or payout value of share-based awards that have not vested (\$) (g)
Terrence MacDonald CEO	400,000	0.05	Jan 18, 2023	12,000	N/A	N/A
	1,000,000	0.05	Dec 2, 2024	30,000		
	750,000	0.05	Aug 26, 2026	22,500		
	2,350,000	0.08	Oct 19, 2026	Nil		
	1,500,000	0.07	Oct 25, 2027	15,000		
Paul McGroary, CFO (until November 1, 2022)	200,000	0.05	Jan 18, 2023	6,000	N/A	N/A
	500,000	0.05	Dec 2, 2024	15,000		
	400,000	0.05	Aug 26, 2026	12,000		
	1,400,000	0.08	Oct 19, 2026	Nil		
	750,000	0.07	Oct 25, 2027	7,500		

(1) Based on the difference between the exercise price of the options and the closing price of the Company's common shares on the TSX Venture Exchange on October 31, 2022.

## Incentive Plan Awards - value vested or earned during the year

An "incentive plan" is any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period. An "incentive plan award" means compensation awarded, earned, paid or payable under an incentive plan.

Name (a)	Option-based awards – Value vested during the year <sup>(1)</sup> (\$) (b)	Share-based awards – Value vested during the year (\$) (c)	Non-equity incentive plan compensation – Value earned during the year (\$) (d)
Terrence MacDonald, CEO	\$110,985	N/A	N/A
Paul McGroary, CFO (until November 1, 2022)	\$55,493	N/A	N/A

(1) The fair value of the option-based awards was determined on the grant date using the Black-Scholes option pricing model. The Company uses the Black-Scholes option pricing model because it is a widely used and generally accepted method of estimating the fair value of stock options for accounting purposes.

### **Termination of Employment, Change in Responsibilities and Employment Contracts**

There are no employment contracts between the Company and the Named Executive Officers except as described under the heading "Management Contracts".

There are no compensatory plans, contracts or arrangements between the Company and any Named Executive Officer, where the Named Executive Officer is entitled to receive more than \$50,000 from the Company, including periodic payments or installments, in the event of:

- (a) the resignation, retirement or any other termination of employment of the Named Executive Officer's employment with the Company;
- (b) a change of control of the Company; or
- (c) a change of the Named Executive Officer's responsibilities following a change in control.

### **Pension Arrangements**

The Company does not have any pension arrangements in place for the Named Executive Officers.

## **COMPENSATION OF DIRECTORS**

For a description of the compensation paid to the Company's Named Executive Officer(s) who also act as directors, see "Summary Compensation Table".

Other than as disclosed elsewhere in this Information Circular, no director of the Company who is not a Named Executive Officer has received, during the most recently completed financial year, compensation pursuant to:

- (a) any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors except for the granting of stock options; or
- (c) any arrangement for the compensation of directors for services as consultants or experts.

The Company may grant incentive stock options to directors of the Company from time to time pursuant to the stock option plan of the Company and in accordance with the policies of the TSX Venture Exchange (the "TSX-V").

The compensation paid to the directors, other than the Named Executive Officers, during the Company's most recently completed financial year is as set out below:

Name (a)	Fees earned (\$) (b)	Share-based awards (\$) (c)	Option-based awards <sup>(1)</sup> (\$) (d)	Non-equity incentive plan compensation (\$) (e)	Pension value (\$) (f)	All other compensation (\$) (g)	Total (\$) (h)
Donald Bubar <sup>(2)</sup>	Nil	N/A	\$36,995	Nil	N/A	Nil	\$36,995
Jeffrey Malaihollo	Nil	N/A	\$36,995	Nil	N/A	Nil	\$36,995
Naomi Johnson	Nil	N/A	\$36,995	Nil	N/A	Nil	\$36,995

(1) The fair value of the option-based awards was determined on the grant date using the Black-Scholes option pricing model. The Company uses the Black-Scholes option pricing model because it is a widely used and generally accepted method of estimating the fair value of stock options for accounting purposes.

(2) Donald Bubar resigned from the Board on July 20, 2023.

## Narrative Discussion

Other than amounts already included in the above table, the Company has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Company or its subsidiaries for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultant or expert during the most recently completed financial year or subsequently, up to and including the date of this Information Circular.

The Company has a stock option plan for the granting of incentive stock options to the officers, employees and directors. The purpose of granting such options to the Company's directors is to assist the Company in compensating, attracting, retaining and motivating the directors and to closely align the personal interests of the directors to that of the Company's shareholders.

## Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information concerning all awards outstanding under incentive plans of the Company pursuant to which compensation that depends on achieving certain performance goals or similar conditions within a specified period, at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the Directors who are not a Named Executive Officers:

Director Name (a)	Option-based Awards				Share-based Awards <sup>(2)</sup>	
	Number of securities underlying unexercised options (#) (b)	Option exercise price (\$) (c)	Option expiration date (d)	Value of unexercised in- the-money options (\$) <sup>(1)</sup> (e)	Number of shares or units of shares that have not vested (#) (f)	Market or payout value of share- based awards that have not vested (\$) (g)
Donald Bubar <sup>(3)</sup>	1,000,000	0.05	Dec 13, 2024	\$30,000	Nil	Nil
	250,000	0.05	Aug 26, 2026	7,500		
	250,000	0.08	Oct 19, 2026	Nil		
	500,000	0.07	Oct 25, 2026	5,000		
Naomi Johnson	500,000	0.05	April 6, 2025	\$15,000	Nil	Nil
	250,000	0.05	Aug 26, 2026	7,500		
	750,000	0.08	Oct 19, 2026	Nil		
	500,000	0.07	Oct 25, 2026	5,000		
Jeffrey Malaihollo	250,000	0.05	Jan 18, 2023	\$7,500	Nil	Nil
	250,000	0.05	Aug 26, 2026	7,500		
	800,000	0.08	Oct 19, 2026	Nil		
	500,000	0.07	Oct 25, 2026	5,000		

(1) Based on the difference between the exercise price of the options and the closing price of the Company's common shares on the TSX Venture Exchange on October 31, 2022.

- (2) *The company has not granted any share-based awards.*  
(3) *Donald Bubar resigned from the Board on July 20, 2023.*

### **Incentive Plan Awards - value vested or earned during the year**

An "incentive plan" is any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period. An "incentive plan award" means compensation awarded, earned, paid or payable under an incentive plan. The Company does not currently have an incentive plan in place.

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

The only equity compensation plan that the Company has in place is a stock option plan (the "Plan"). The Plan was established to provide an incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the directors of the Company. The Plan provides that options will be issued pursuant to option agreements with directors, officers, employees or consultants of the Company or a subsidiary of the Company. The Plan provides that the number of Common Shares issuable under the Plan, together with all of the Company's other previously established or proposed share compensation agreements, may not exceed 10% of the total number of issued and outstanding Common Shares at the date of grant. All options expire on a date not later than five years after the issuance of such option.

The following table sets forth securities of the Company that are authorized for issuance under equity compensation plans as at the end of the Company's most recently completed fiscal year:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
<b>Equity compensation plans approved by securityholders</b>	20,800,000	\$0.067	1,198,741
<b>Equity compensation plans not approved by securityholders</b>	Nil	Nil	Nil
<b>Total</b>	<b>20,800,000</b>	<b>\$0.067</b>	<b>1,198,741</b>

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

No director, executive officer, employee or former director, executive officer or employee of the Company was indebted to the Company as at the date hereof or at any time during the most recently completed financial year of the Company. None of the proposed nominees for election as a director of the Company, or any associate of any director, executive officer or proposed nominee, was indebted to the Company as at the date hereof or at any time during the most recently completed financial year of the Company.

The Company has not provided any guarantees, support agreements, letters of credit or other similar arrangement or understanding for any indebtedness of any of the Company's directors, executive officers, proposed nominees for election as a director, or associates of any of the foregoing individuals as at the date hereof or at any time during the most recently completed financial year of the Company.

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## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

An “**informed person**” means: (a) a director or executive officer of the Company; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10% of the voting rights other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its shares.

## APPOINTMENT OF AUDITOR

Management recommends that Shareholders vote to appoint McGovern Hurley LLP, of Toronto, Ontario, as auditor for the Company and to authorize the directors to fix their remuneration. McGovern Hurley LLP has served as the Company's auditor since September 8, 2022. See "*External Auditor Service Fees*" under "*Audit Committee and Relationship With Auditor*".

## 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 executive officers of the Company.

## CORPORATE GOVERNANCE

### General

National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) requires issuers to disclose the corporate governance practices that they have adopted according to guidance provided pursuant to National Policy 58-201 *Corporate Governance Guidelines* (“**NP 58-201**”).

The Board believes that good corporate governance improves corporate performance and benefits all Shareholders. The Canadian Securities Administrators (the “**CSA**”) have adopted NP 58-201, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers. In addition, the CSA have implemented NI 58-101, which prescribes certain disclosure by reporting issuers of its corporate governance practices. This section sets out the Company’s approach to corporate governance and addresses the Company’s compliance with NI 58-101.

### Board of Directors

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 view of the Company’s Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The independent members of the current Board of Directors of the Company are Naomi Johnson, Jeffrey Malaihollo and Douglas Cater. The non-independent directors are Terrence MacDonald, the Secretary and CEO of the Company, and Paul McGroary, the CFO of the Company until November 1, 2022.

The Board has a stewardship responsibility to supervise the management of and oversee the conduct of the business of the Company, provide leadership and direction to Management, evaluate Management, set policies appropriate for the business of the Company and approve corporate strategies and goals. The day-to-day management of the business and affairs of the Company is delegated by the Board to the CEO. The Board will give direction and guidance through the CEO to Management and will keep Management informed of its evaluation of the senior officers in achieving and complying with goals and policies established by the Board.

The Board recommends nominees to the shareholders for election as directors and immediately following each annual general meeting appoints an Audit Committee. The Board establishes and periodically reviews and updates the committee mandates, duties and responsibilities of each committee, elects a chairperson of the Board and establishes his or her duties and responsibilities, appoints the CEO, CFO and President of the Company and establishes the duties and responsibilities of those positions and on the recommendation of the CEO, appoints the senior officers of the Company and approves the senior management structure of the Company.

The Board exercises its independent supervision over management by its policies that (a) periodic meetings of the Board be held to obtain an update on significant corporate activities and plans; and (b) all material transactions of the Company are subject to prior approval of the Board. The Board shall meet not less than three times during each year and will endeavour to hold at least one meeting in each fiscal quarter. The Board will also meet at any other time at the call of the CEO, or subject to the Articles of the Company, of any director.

The mandate of the Board, as prescribed by the *Business Corporations Act* (Ontario), is to manage or supervise management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company's affairs directly and through its committees.

### **Directorships**

The participation of the directors in other reporting issuers is described in the following table:

<b>Name of Director</b>	<b>Names of Other Reporting Issuers of which the Director is a Director</b>
Terrence MacDonald	N/A
Douglas Cater	Sierra Metals Inc., Mayfair Gold Corp., Exploits Discovery Corp
Naomi Johnson	Avalon Advanced Materials Inc., Titan Mining Corporation
Jeffrey Malaihollo	Edenville Energy PLC (UK)
Paul McGroary	N/A

### **Orientation and Continuing Education**

The Board's practice is to recruit for the Board only persons with extensive experience in business and public company matters and with an understanding of the mining and mining exploration business. Prospective new board members are provided a reasonably detailed level of background information, verbal and documentary, on the Company's affairs and plans prior to obtaining their consent to act as a director.

The Board provides training courses to the directors as needed, to ensure that the Board is complying with current legislative and business requirements.

### **Ethical Business Conduct**

To date, the Board has not adopted a formal written Code of Business Conduct and Ethics. However, the current limited size of the Company's operations, and the small number of officers and consultants, allow the Board to monitor on an ongoing basis the activities of management and to ensure that the highest standard of ethical conduct is maintained. As the Company grows in size and scope, the Board anticipates that it will formulate and implement a formal Code of Business Conduct and Ethics.

### **Nomination of Directors**

The Board identifies new candidates for board nomination by an informal process of discussion and consensus-building on the need for additional directors, the specific attributes being sought, likely

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prospects, and timing. Prospective directors are not approached until consensus is reached. This process takes place among Management and a majority of the non-executive directors.

### **Other Board Committees**

The Board has no committees other than the Audit Committee and the Compensation and Nomination Committee.

The Audit Committee provides an open avenue of communication between management, the Company's independent auditors and the Board and to assist the Board in its oversight of:

- (a) the integrity, adequacy and timeliness of the Company's financial reporting and disclosure practices;
- (b) the Company's compliance with legal and regulatory requirements related to financial reporting; and
- (c) the independence and performance of the Company's independent auditors.

The Audit Committee also performs any other activities consistent with the Audit Committee Charter, the Company's Articles and governing laws as the Audit Committee or Board deems necessary or appropriate. See "*Audit Committee and Relationship with Auditor*".

### **Assessments**

The Board annually reviews its own performance and effectiveness as well as the effectiveness and performance of its committees. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of individual directors are informally monitored by other Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

The Board monitors the adequacy of information given to directors, communication between Board and Management and the strategic direction and processes of the Board and its committees.

The Board believes its corporate governance practices are appropriate and effective for the Company, given its size and operations. The Company's corporate governance practices allow the Company to operate efficiently, with checks and balances that control and monitor Management and corporate functions without excessive administration burden.

### **Compensation**

The quantity and quality of the Board compensation is reviewed on an annual basis. At present, the Board is satisfied that the current compensation arrangements adequately reflect the responsibilities and risks involved in being an effective director of the Company. As well, the number of options to be granted is determined by the Board as a whole, which allows the independent directors to have input into compensation decisions.

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

National Instrument 52-110 *Audit Committees* of the CSA ("NI 52-110") requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee (the "**Audit Committee**") and its relationship with its independent auditors, as set forth in the following.

### **Audit Committee Charter**

The Company has adopted a charter (the "**Charter**") of the Audit Committee of the Board, which is attached as Schedule "A" to this Information Circular.

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## **Composition of the Audit Committee**

The current members of the Audit Committee are Terrence MacDonald, Jeffrey Malaihollo and Paul McGroary. Messrs. Malaihollo and McGroary are independent members of the Audit Committee and Mr. MacDonald is not independent. All of the members of the Audit Committee are considered to be financially literate.

## **Relevant Education and Experience**

### ***Mr. Terrence MacDonald***

Mr. MacDonald is a Chartered Professional Accountant (CPA, CA) with over 30 years experience in the financial and resource sectors including extensive international experience. He has extensive experience with public company financial reporting and regulatory filings, with a focus on the mining sector. Mr. MacDonald was an audit partner with a Vancouver-based accounting firm until December, 2014, where he provided accounting, audit and transaction services to numerous mining companies, and has since focused on restructuring of junior mining companies and advising on corporate governance practices.

### ***Mr. Jeffrey Malaihollo***

Mr. Malaihollo has a PhD in Geology and over 22 years' experience in varied roles within resource and finance having worked and consulted for Newcrest Mining, Rio Tinto, Billiton and Loeb Aron Financial Advisors. This was followed by several years of Chief Executive Officer and Managing Director roles with AIM-listed Central China Goldfields and Bullabulling Gold and ASX-listed Arc Exploration. He is the Chairman of Edenville Energy PLC as well as a director of several other private companies in the resources sector. He is a Fellow of the AusIMM, a Fellow of the Geological Society of London, a member of the Geological Society of America and a member of the Association of Mining Analysts.

### ***Mr. Paul McGroary***

Mr. McGroary was founder of UK based Marshall Lake Mining PLC which funded the initial acquisition and development of the Marshall Lake project in 2006 via a \$700,000 Ontario base metal generative Joint Venture program. Formerly a director of Latin American Copper PLC, which had oxide copper deposits properties in Northern Chile, as well as GGG Resources PLC, which explored for copper in Western China and gold in Kalgoorlie region of Western Australia. Beyond mining exploration, Mr McGroary has broad business experience and over the last twenty-five years and has been involved with public and private companies spanning oil, technology and marketing sectors.

## **Audit Committee Oversight**

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

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

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Company's Audit Committee Charter.

## **Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year 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 of NI 52-110.

## External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the nonaudited services provided by McGovern Hurley LLP for the year ended October 31, 2022 and Grant Thornton LLP, the former auditor to the Company to ensure auditor independence. Fees incurred for audit and nonaudit 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 October 31, 2022 <sup>(5)</sup>	Fees Paid to Auditor in Year Ended October 31, 2021 <sup>(6)</sup>
Audit Fees <sup>(1)</sup>	\$32,253	\$28,355
Audit-Related Fees <sup>(2)</sup>	Nil	Nil
Tax Fees <sup>(3)</sup>	\$5,564	\$3,210
All Other Fees <sup>(4)</sup>	Nil	Nil
<b>Total</b>	<b>\$37,817</b>	<b>\$31,565</b>

(1) “**Audit Fees**” include fees necessary to perform the annual audit of the Company’s 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 nonaudit services.

(5) Audit services by McGovern Hurley LLP.

(6) Audit services by Grant Thornton LLP, former auditor.

## Exemption in Section 6.1 of NI 52-110

The Company is relying on the exemption in Section 6.1 of NI 52-110 from the requirement of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations).

### PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Board of Directors of the Company, the only matters to be brought before the meeting are those matters set forth in the accompanying Notice of Meeting.

#### 1. Report and Financial Statements

The Board of Directors of the Company has approved all of the information in the audited financial statements of the Company for the year ended December 31, 2022 and the report of the auditor thereon, copies of which are delivered herewith.

#### 2. Number of Directors at this Meeting

Shareholders of the Company will be asked to consider and, if thought appropriate, to approve and adopt an ordinary resolution fixing the number of directors to be elected at the Meeting. In order to be effective, an ordinary resolution requires the approval of a majority of the votes cast by shareholders who vote in respect of the resolution.

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At the Meeting, it will be proposed that five (5) directors be elected to hold office until the next annual general meeting or until their successors are elected or appointed. **Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote in favour of the ordinary resolution fixing the number of directors to be elected at the Meeting at five (5).**

### 3. Election of Directors

The Company currently has five (5) directors. **Terrence MacDonald, Paul McGroary, Jeffery Malaihollo, Naomi Johnson, and Douglas Cater** are being nominated for election at the Meeting.

**Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote for the election of Terrence MacDonald, Paul McGroary, Jeffery Malaihollo, Naomi Johnson, and Douglas Cater to the Board of Directors.** Management does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, **proxies held by Management Designees will be voted for another nominee in their discretion unless the shareholder has specified in his form of proxy that his Common Shares are to be withheld from voting in the election of directors.** Each director elected will hold office until the next annual general meeting of shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws of the Company or the provisions of the *Business Corporations Act* (Ontario).

### 4. Appointment and Remuneration of Auditor

The shareholders of the Company will be asked to vote for the appointment of McGovern Hurley LLP, as auditor of the Company. **Unless directed otherwise by a proxy holder, or such authority is withheld, the Management Designees, if named as proxy, intend to vote the Common Shares represented by any such proxy in favour of a resolution appointing McGovern Hurley LLP, as auditor of the Company,** to hold office until the close of the next annual general meeting of shareholders or until McGovern Hurley LLP is removed from office or resigns as provided by the Company's by-laws, and the Management Designees also intend to vote the Common Shares represented by any such proxy in favour of a resolution authorizing the Board of Directors to fix the compensation of the auditor.

### 5. Approval of Stock Option Plan

The Company received Shareholder approval of its incentive stock option plan (the "**Plan**") on October 20, 2022. The Plan is a "rolling" stock option plan, under which a maximum of 10% of the issued shares of the Company, from time to time, may be reserved for issuance pursuant to the exercise of incentive stock options. The TSX-V requires listed companies that have a "rolling" stock option plan in place to obtain Shareholder approval for such plans on a yearly basis at the Company's annual general meeting of its Shareholders. Accordingly, Shareholders will be asked at the Meeting to ratify and approve the Plan.

The purpose of the Plan is to provide certain directors, officers, and key employees of the Company, and certain other persons who provide services to the Company, with an opportunity to purchase Common Shares of the Company and benefit from any appreciation in value of the Company's Common Shares. This will provide an increased incentive for these individuals to contribute to the future success of the Company, thus enhancing the value of the Common Shares for the benefit of all Shareholders, and increasing the ability of the Company to attract and retain skilled and motivated individuals in the service of the Company.

The Plan provides for a floating maximum limit of 10% of the Common Shares, subject to the policies of the TSX-V. As at the date of the Circular, this represents 23,663,577 Common Shares available under the Plan, of which 16,500,000 are issued and 7,163,577 are reserved and available for issuance under the Plan.

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Under the Plan, the option price must not be less than the exercise price permitted by the TSX-V. The current policies of the TSX-V state that the option price must not be less than the closing prices of the Common Shares listed on the TSX-V on the day immediately preceding the date of grant, less the applicable discount permitted, if any, by the policies of the TSX-V. An option must be exercised within 5 years of the date of grant. Within this period, the Board may determine the limitation period during which an option may be exercised. Any amendment to the Plan requires the prior approval of the TSX-V and may require further Shareholder approval.

The material terms of the Plan are as follows:

- the term of any options granted under the Plan will be fixed by the Board at the time such options are granted, provided that options will not be permitted to exceed a term of five years;
- the exercise price of any options granted under the Plan will be determined by the Board, in its sole discretion, but shall not be less than the closing price of the Common Shares on the day preceding the date on which the directors grant such options, less any discount permitted by the TSX-V, if any, or such other price as may be required by the TSX-V;
- no vesting requirements will apply to options granted under the Plan other than as required by the TSX-V; however, all options granted to individuals performing investor relations services or activities will vest in stages over a 12 month period, with no more than one quarter of the options granted vesting in any three month period. Additionally, a four month hold period may apply to shares issued under an option;
- all options will be non-assignable and non-transferable;
- no more than (a) 5% of the issued Common Shares may be granted to any one individual in any 12 month period; and (b) 2% of the issued Common Shares may be granted to a consultant or an employee performing investor relations services or activities in any 12 month period;
- if the option holder ceases to be a director of the Company or ceases to be employed or retained by the Company (other than by reason of death or disability), as the case may be, then the option granted shall expire on no later than the 60th day following the date that the option holder ceases to be a director, employee or consultant of the Company, as the case may be, subject to the terms and conditions set forth in the Plan. However, if the option holder is engaged in investor relations activities or services, the options held by such holder will expire within 30 days after the option holder ceases to be employed or retained by the Company to provide such investor relations activities or services, in accordance with the policies of the TSX-V;
- disinterested shareholder approval must be obtained for (a) any reduction in the exercise price of an outstanding option, if the option holder is an insider of the Company; (b) any grant of options to insiders, within a 12 month period, exceeding 10% of the Company's issued Common Shares; and (c) any grant of options to any one individual within a 12 month period exceeding 5% of the Company's issued Common Shares.

The Plan is subject to annual Shareholder approval and TSX-V acceptance to its filing. Shareholders will be asked at the Meeting to consider, and if thought fit, to approve an ordinary resolution ratifying and approving the Plan. The resolution is as follows:

**"RESOLVED that the Company's incentive stock option plan be and is hereby ratified and approved, and that in connection therewith a maximum of 10% of the issued and outstanding Common Shares at the time of each grant be approved for granting as options, and that the board of directors of the Company be and are hereby authorized, without further shareholder approval, to make such changes to the incentive stock option plan as may be required or approved by regulatory authorities."**

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The full text of the Plan will be made available at the registered office of the Company at 1 King Street West, Suite 4800, Toronto, Ontario M5H 1A1 until 4pm (Toronto time) on the business day immediately preceding the Meeting.

**Other Matters**

As of the date of this Information Circular, management knows of no other matters to be acted upon at the Meeting. However, should any other matters properly come before the Meeting, the Common Shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the Common Shares represented by the Proxy.

**Additional Information**

Additional information relating to the Company is available through the Company's profile on the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca).

Financial information on the Company is provided in the Company's comparative financial statements and management discussion and analysis of the most recently completed financial year ended October 31, 2022. Copies of the Company's financial statements and management discussion and analysis may be obtained upon request from the Company to the attention of: Terrence MacDonald at 1 King Street West, Suite 4800, Toronto, Ontario, M5H 1A1, Tel: 416-561-3626.

**APPROVAL AND CERTIFICATION**

The contents of this Information Circular have been approved and this mailing has been authorized by the Directors of the Company.

Where information contained in this Information Circular, rests specifically within the knowledge of a person other than the Company, the Company has relied upon information furnished by such person.

The foregoing contains no untrue statement of material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

Dated at Toronto, Ontario this 14<sup>th</sup> day of September, 2023.

**BY ORDER OF THE BOARD OF DIRECTORS**

"Terrence MacDonald"

Terrence MacDonald  
Director

**Schedule “A”**  
**COPPER LAKE RESOURCES LTD.**  
**AUDIT COMMITTEE CHARTER**

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The audit committee is a committee of the board of directors to which the board delegates its responsibilities for the oversight of the accounting and financial reporting process and financial statement audits.

The audit committee will:

- (a) review and report to the board of directors of the Company on the following before they are published:
  - (i) the financial statements and MD&A (management discussion and analysis) (as defined in National Instrument 51-102) of the Company;
  - (ii) the auditor’s report, if any, prepared in relation to those financial statements,
- (b) review the Company’s annual and interim earnings press releases before the Company publicly discloses this information,
- (c) satisfy itself that adequate procedures are in place for the review of the Company’s public disclosure of financial information extracted or derived from the Company’s financial statements and periodically assess the adequacy of those procedures,
- (d) recommend to the board of directors:
  - (i) the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company; and
  - (ii) the compensation of the external auditor,
- (e) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting,
- (f) monitor, evaluate and report to the board of directors on the integrity of the financial reporting process and the system of internal controls that management and the board of directors have established,
- (g) monitor the management of the principal risks that could impact the financial reporting of the Company,
- (h) establish procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
  - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters,
- (i) pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company’s external auditor,
- (j) review and approve the Company’s hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company, and

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- (k) with respect to ensuring the integrity of disclosure controls and internal controls over financial reporting, understand the process utilized by the Chief Executive Officer and the Chief Financial Officer to comply with National Instrument 52-109.

### **Composition of the Committee**

The committee will be composed of three directors from the Company's board of directors, a majority of whom will be independent. Independence of the Board members will be as defined by applicable legislation and as a minimum each committee member will have no direct or indirect relationship with the Company which, in the view of the board of directors, could reasonably interfere with the exercise of a member's independent judgment.

All members of the committee will be financially literate as defined by applicable legislation. If, upon appointment, a member of the committee is not financially literate as required, the person will be provided a three month period in which to achieve the required level of literacy.

### **Authority**

The committee has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties and the committee will set the compensation for such advisors.

The committee has the authority to communicate directly with and to meet with the external auditors and the internal auditor, without management involvement. This extends to requiring the external auditor to report directly to the committee.

### **Reporting**

The reporting obligations of the committee will include:

1. reporting to the board of directors on the proceedings of each committee meeting and on the committee's recommendations at the next regularly scheduled directors' meeting; and
2. reviewing, and reporting to the board of directors on its concurrence with, the disclosure required by Form 52-110F2 in any management information circular prepared by the Company.





