



ZACAPA RESOURCES LTD.
Information Circular
For the Annual General & Special Meeting of Shareholders

May 3, 2023

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ZACAPA RESOURCES LTD.

MANAGEMENT INFORMATION CIRCULAR (containing information as at May 3, 2023)

PART ONE – VOTING INFORMATION

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the Management of Zacapa Resources Ltd. (the “**Company**”), for use at the Annual General & Special Meeting (the “**Meeting**”), of the shareholders (“**Shareholders**”) of the Company, to be held on Tuesday June 12, 2023 at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof. The solicitation will be primarily by mail; however, proxies may be solicited personally or by telephone by the regular officers and employees of the Company. The cost of solicitation will be borne by the Company.

APPOINTMENT AND REVOCATION OF PROXIES

THE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY ARE DIRECTORS AND/OR OFFICERS OF THE COMPANY. A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR ON THEIR BEHALF AT THE MEETING OTHER THAN THE PERSONS NAMED IN THE ENCLOSED INSTRUMENT OF PROXY. TO EXERCISE THIS RIGHT, A SHAREHOLDER SHALL STRIKE OUT THE NAMES OF THE PERSONS NAMED IN THE INSTRUMENT OF PROXY AND INSERT THE NAME OF HIS NOMINEE IN THE BLANK SPACE PROVIDED, OR COMPLETE ANOTHER INSTRUMENT OF PROXY. A PROXY WILL NOT BE VALID UNLESS IT IS DEPOSITED WITH THE COMPANY’S REGISTRAR AND TRANSFER AGENT, OLYMPIA TRUST COMPANY CANADA, PO BOX 128 STN M, CALGARY, AB, T2P 2H6 OR BY EMAIL AT PROXY@OLYMPIATRUST.COM BY 10:00 A.M. (PACIFIC TIME) ON THURSDAY JUNE 8, 2023, OR IN THE EVENT OF AN ADJOURNMENT NOT LESS THAN 48 HOURS (EXCLUDING SATURDAYS, SUNDAYS AND HOLIDAYS) BEFORE THE TIME OF THE ADJOURNED MEETING.

The instrument of proxy must be signed by the shareholder or by his attorney in writing, or, if the shareholder is a Company, it must either be under its common seal or signed by a duly authorized officer and include a board resolution demonstrating authority to sign.

A shareholder who has given a proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the shareholder or by his attorney authorized in writing, or, if the shareholder is a corporation, it must either be under its common seal, or signed by a duly authorized officer and deposited at the Company’s Registrar and Transfer Agent, Olympia Trust Company, PO Box 128 Stn M, Calgary, AB, T2P 2H6 or by email at proxy@olympiatrust.com, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting, or any adjournment of it, at which the proxy is to be used. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

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

By choosing to send these materials to you directly, the issuer (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES

On any poll, the persons named in the enclosed instrument of proxy will vote the shares in respect of which they are appointed. Where directions are given by the shareholder in respect of voting for or against any resolution, the proxy holder will do so in accordance with such direction.

IN THE ABSENCE OF ANY INSTRUCTION IN THE PROXY, IT IS INTENDED THAT SUCH SHARES WILL BE VOTED IN FAVOUR OF THE MOTIONS PROPOSED TO BE MADE AT THE MEETING AS STATED UNDER THE HEADINGS IN THIS INFORMATION CIRCULAR. The instrument of proxy enclosed, when properly signed, confers discretionary authority with respect to amendments or variations to the matters which may properly be brought before the Meeting. At the time of printing this Information Circular, the Management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to the Management should properly come before the Meeting, the proxies hereby solicited will be voted on such matters in accordance with the best judgment of the nominee.

In order to approve a motion proposed at the Meeting, a majority of greater than 50% of the votes cast will be required (an “**Ordinary Resolution**”) unless the motion requires a Special Resolution, in which case a majority of not less than 66²/₃% of the votes cast will be required.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of the Shareholders do not hold their common shares in their own name. Shareholders holding their common shares through their brokers, intermediaries, trustees or other parties, or otherwise not holding their common shares in their own name (referred to in this Information Circular as “**Beneficial Shareholders**”) should note that only proxies deposited by Shareholders appearing on the records maintained by the Company’s transfer agent as registered holders of common shares will be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those common shares, in all likelihood, will **not** be registered in the shareholder’s name. 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. Common shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting common shares for the broker’s clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate party well in advance of the Meeting.**

Regulatory polices require brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by the Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. The form requesting such voting instructions (a “**VIF**”) supplied to the Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the Proxy provided directly to the registered Shareholders by the Company, however, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder.

Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable VIF, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge (by way of mail, the Internet or telephone). 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. **A Beneficial Shareholder cannot use a VIF to vote common shares directly at the Meeting or in person. The VIF must be returned to Broadridge (or instructions respecting the voting of common shares must otherwise be communicated to Broadridge) or other third party in accordance with the instructions on the VIF well in advance of the Meeting in order to have the common shares voted. If you have any questions respecting the voting of common shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

Although a Beneficial Shareholder may not be recognized directly at a Meeting for the purposes of voting common shares registered in the name of their broker, a Beneficial Shareholder may attend the Meeting as Proxyholder for the registered shareholder and vote the common shares in that capacity. **Beneficial Shareholders wishing to attend the Meeting and indirectly vote their common shares as Proxyholder for the registered shareholder, should enter their own names in the blank space on the VIF provided to them and return it in accordance with the instructions provided by such party on the VIF.**

RECORD DATE, VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Company consists of an unlimited number of common shares and an unlimited number of preferred shares having attached thereto the special rights and restrictions as set forth in the Articles of the Company.

On April 21, 2021, the Company completed a stock split whereby the shareholders of the Company received eight common shares of the Company for each common share held prior to the stock split.

On May 3, 2023 (the “**Record Date**”) 100,962,531 common shares were issued and outstanding, each share carrying the right to one vote. No Preferred shares have been issued. The Company has no other classes of voting shares.

Any shareholder of record at the close of business on May 3, 2023 shall be entitled to vote or to have such shareholder’s shares voted at the Meeting.

To the knowledge of the Directors and Senior Officers of the Company, as of the Record Date, no one person beneficially owns, or controls or directs, directly or indirectly, common shares carrying more than 10% of the voting rights attached to all outstanding common shares of the Company, except Ian Slater who directly and indirectly owns, or controls 10,000,000 common shares, representing 9.9%

of the issued and outstanding shares, as well as 800,000 stock options, and 1,511,110 share purchase warrants, which would represent 12.2% of the outstanding shares on a partially diluted basis.

PART TWO – BUSINESS OF MEETING

FINANCIAL STATEMENTS

The audited financial statements of the Company as at and for the year ended December 31, 2022 (the “**Financial Statements**”), together with the Auditor’s Report thereon, will be presented to Shareholders at the Meeting. The Financial Statements, together with the Auditor’s Report thereon and the Company’s Management Discussion and Analysis, were mailed only to those Shareholders on the supplemental mailing list maintained by the Company’s registrar and transfer agent. Copies of the Financial Statements, together with the Auditor’s Report thereon and the Company’s Management Discussion and Analysis, Notice of Meeting, Information Circular and Proxy will be available on the SEDAR website at www.sedar.com and at the Company’s registered and records office at Suite 905 – 1111 W. Hastings Street, Vancouver, B.C. V6E 2J3. A copy can be mailed to you free of charge by phoning +1-604-638-2545 X102 and providing your mailing address.

ELECTION OF DIRECTORS

Management proposes, and the persons named in the accompanying form of proxy intend to vote in favour of, fixing the number of Directors at three (3). Unless a proxy contains express instructions to vote otherwise, it is intended that all proxies received will be voted in favour of the election of Management’s nominees for director. Although Management is nominating three (3) individuals to stand for election, the names of further nominees for Directors may come from advance nomination process as laid out in the articles of the Company, and which is reproduced below:

In order to be eligible for election to the Board at any Annual Meeting or Special Meeting of shareholders, persons must be nominated in accordance with one of the following procedures:

- a) by or at the direction of the Board or an authorized officer, including pursuant to a notice of meeting;
- b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Business Corporations Act, or a requisition of the shareholders made in accordance with the provisions of the Business Corporations Act; or
- c) by any person (a "Nominating Shareholder"): (A) who, at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below in this Article 26.1 and at the close of business on the record date for notice of such meeting, is entered in the central securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in this Article 26.1.

In addition to any other requirements under applicable laws, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must give notice which is both timely (in accordance with article 26.1(3) below) and in proper written form (in accordance with Article 26.1(4) below) to the Secretary of the Company at the principal executive offices of the Company. A Nominating Shareholder's notice to the Secretary of the Company will be deemed to be timely if:

- a) in the case of an Annual Meeting of shareholders, such notice is made not less than 30 nor more than 65 days prior to the date of the Annual Meeting of Shareholders; provided, however, that in the event that the Annual Meeting of Shareholders is to be held on a date that is less than 50 days after the date (the "Notice Date") on which the first public announcement of the date of the Annual Meeting is made, notice by the Nominating Shareholder is made not later than the close of business on the tenth (10th) day following the Notice Date; and
- b) in the case of a Special Meeting (which is not also an Annual Meeting) of Shareholders called for the purpose of electing directors (whether or not called for other purposes), such notice is made not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the Special Meeting of Shareholders was made.
- c) Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement of this Article 26.1(3). For greater certainty, the time periods for the giving of notice by a Nominating Shareholder as aforesaid shall, in all cases, be

determined based on the original date of the applicable Annual Meeting or Special Meeting, and in no event shall any adjournment or postponement of an Annual Meeting or Special Meeting or the announcement thereof commence a new time period for the giving of such notice.

A Nominating Shareholder's notice to the Secretary of the Company will be deemed to be in proper form if:

- a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director, such notice sets forth: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person; (C) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws (as defined below); and
- b) as to the Nominating Shareholder giving the notice, such notice sets forth any proxy, contract, agreement, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote or direct the voting of any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws (as defined below).

The Company may require any proposed nominee for election as a Director to furnish such additional information as may reasonably be requested by the Company to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

Each Director of the Company is elected annually and holds 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 Articles of the Company. In the absence of instructions to the contrary, the shares represented by Proxy will be voted for the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a Director.

INFORMATION CONCERNING NOMINEES SUBMITTED BY MANAGEMENT

The Company expects all of its directors to demonstrate leadership and integrity and to conduct themselves in a manner that reinforces our corporate values and culture of transparency, teamwork and individual accountability. Above all, we expect that all directors will exercise their good judgment in a manner that keeps the interests of shareholders at the forefront of decisions and deliberations. Each candidate must have a demonstrated track record in several of the skills and experience requirements deemed important for a balanced and effective Board.

The following table sets out the names of the persons proposed to be nominated by Management for election as a Director, the province or state and country in which each person is ordinarily resident, the positions and offices which each presently holds with the Company, the period of time for which each person has been a Director of the Company, the respective principal occupations or employment during the past five years if such nominee is not presently an elected Director and the number of common shares of the Company which each beneficially owns, or controls or directs, directly or indirectly, as of the date of this Information Circular. The three nominees are currently Directors of the Company.

Name, Province and Country of Ordinary Residence	Positions Held with the Company	Principal Occupation and, IF NOT at Present an Elected Director, Occupation During the Past Five Years	Date First Became a Director	No. of common shares Beneficially Owned, Directly or Indirectly
Ian Slater * British Columbia, Canada	Chairman	Chairman, Slater Group	August 20, 2020	10,000,000 ¹

¹ These shares are held in the name of Slater Capital Corporation, a company owned by Ian Slater.

Name, Province and Country of Ordinary Residence	Positions Held with the Company	Principal Occupation and, IF NOT at Present an Elected Director, Occupation During the Past Five Years	Date First Became a Director	No. of common shares Beneficially Owned, Directly or Indirectly
Jay Sujir * British Columbia, Canada	Director	Partner, Farris LLP	January 9, 2017	400,000
Marc Boissonneault * Ontario, Canada	Director	Director	April 6, 2021	733,334

* Denotes members of the Audit Committee with Jay Sujir as Chair.

Cease Trade Orders, Bankruptcies and Penalties and Sanctions

Except as described below, no proposed director including, any personal holding company of a proposed director of the Company is, as at the date of this Information Circular, or was within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company), that:

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, 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 a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, 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.

Jay Sujir and Ian Slater were on the board of directors and Ian Slater was an officer of Red Eagle Mining Corporation which is subject to a cease-trade order issued by the British Columbia Securities Commission on November 20, 2018 for failure to file interim financial statements, management’s discussion and analysis, and certification of interim filings for the period ended September 30, 2018.

Other than as described below, no proposed director of the Company:

- (a) is, as at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 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.

Jay Sujir and Ian Slater were on the board of directors and Ian Slater was an officer of Red Eagle Mining Corporation (the “Red Eagle”) which owned and operated the Santa Rosa mine in Colombia. Due to start up issues Red Eagle had difficulty servicing its project debt and the mine was only able to commence commercial production on the basis of forbearances from the secured lenders. In August 2018 Red Eagle obtained a firm commitment from a third party to refinance the debt with substantial concessions and co-operation from the secured lenders, but in October 2018 the third party defaulted on its commitment and as a result, the secured lenders withdrew their forbearances and appointed a receiver-manager over the assets of Red Eagle.

No proposed director of the Company has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority since December 31, 2000 or before December 31, 2000 the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed director; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

The Company does not currently have an Executive Committee of its Board of Directors.

APPOINTMENT AND REMUNERATION OF AUDITORS

Davidson & Company LLP, Chartered Professional Accountants, will be nominated at the Meeting for appointment as independent auditors of the Company and remuneration to be fixed by the Board of Directors. Davidson & Company LLP have been the appointed auditors for the Company since May 10, 2021.

Unless contrary instructions are indicated on the proxy form or the voting instruction card, the persons designated in the accompanying form of proxy or voting instructions card intend to vote FOR the appointment of Davidson & Company LLP and to authorize the Board of Directors to fix their remuneration.

APPROVAL OF 10% ROLLING STOCK OPTION PLAN

The Company has a “rolling” Stock Option Plan (the “**Option Plan**”) pursuant to which the Board of Directors of the Company may, by resolution, grant options to directors, officers and employees of, and consultants to, the Company or its subsidiaries. The purpose of the Option Plan is to provide effective long-term incentives to such parties in order to align their interests with those of Shareholders.

The Company’s “rolling” Option Plan was originally adopted by its Shareholders on May 10, 2021. At the Company’s 2022 Annual General Meeting, Shareholders passed an Ordinary Resolution approving the Company’s amended Option Plan dated April 20, 2022. A copy of the amended Option Plan is available upon request from the Company’s registered and records office at Suite 905 – 1111 W. Hastings Street, Vancouver, B.C., V6E 2J3. Pursuant to the policies of the TSX Venture Exchange (the “**TSX-V**”), all stock option plans that reserve for issuance up to 10% (instead of a fixed number) of a listed company’s Shares need to be approved by its shareholders on an annual basis. The rules of the TSX-V require that the Option Plan be approved by an Ordinary Resolution passed by a majority of the votes cast by holder of Shares of the Company present or represented by proxy at the Meeting. At the Meeting, the Shareholders of the Company will be asked to vote to approve the “rolling” Option Plan, dated for reference as of April 20, 2022.

Summary of Rolling Option Plan

The exercise price of options is determined by the Company’s Board at the moment of the grant and may not be lower than the Discounted Market Price as calculated pursuant to the policies of the TSX-V, or such other minimum price as may be required or permitted by the TSX-V. The aggregate number of Common Shares reserved for issuance pursuant to the exercise of Options may not exceed 10% of the outstanding Common Shares at the time of the granting of an Option, less the aggregate number of Common Shares then reserved for issuance pursuant to any other share compensation arrangement. For the purposes of the Option Plan, a “other share compensation arrangement” includes any stock option plan, employee stock purchase plan, RSU plan, DSU plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares, including a share purchase from treasury which is financially assisted by the Company by way of a loan, guarantee or otherwise. The maximum period during which an option can be exercised is ten (10) years from the date of grant. Each option is personal to the optionee and may not be sold or transferred except by inheritance.

The Option Plan provides that if an Eligible Person (as defined in the Option Plan) (a) is terminated for cause, each option held by such person shall terminate and therefore cease to be exercisable upon such termination for cause (b) dies, each option held by such person shall be exercisable by the heirs or administrators of such optionee and will expire after the earlier of (i) the expiry date therefor; or (ii) six (6) months after the date of such optionee’s death; and (c) ceases to be an Eligible Person other than in the circumstances set out in subsection (a) or (b) above, each option held by such person shall terminate and shall therefore cease to be exercisable no later than the earlier of the expiry date therefor and the date which is 30 days after such event (provided that the Board may extend such period as provided under the Option Plan). At no time may an optionee exercise its rights beyond the maximum period of ten (10) years from the date of grant.

The Option Plan includes the following restrictions on Grants and Exercise of Options.

- (a) The number of Options granted to any one Eligible Person in any 12-month period under the Option Plan and any other share compensation arrangement shall not exceed 5% of the issued Common Shares at the time of the grant, unless the Company has obtained disinterested shareholder approval (as defined in the Option Plan) to exceed such limit.
- (b) The aggregate number of Options granted to any one consultant in any 12-month period under the Option Plan and any other share compensation arrangement shall not exceed 2% of the issued Common Shares at the time of the grant.

- (c) The aggregate value of Options granted to any one non-executive director in any 12-month period under the Option Plan:
 - i. shall not exceed \$100,000, at the time of the grant; and
 - ii. together with the aggregate value of awards to such non-executive under any other share compensation arrangement, shall not exceed \$150,000 at the time of the grant.
- (d) Unless the Company has received disinterested shareholder approval to do so:
 - i. the aggregate number of Common Shares reserved for issuance to Insiders under the Option Plan and any other share compensation arrangement shall not exceed 10% of the outstanding Common Shares at any point in time;
 - ii. the aggregate number of Common Shares issued to Insiders in any 12-month period under this Plan and any other share compensation arrangement shall not exceed 10% of the outstanding Common Shares at any point in time.

The Option Plan was amended to allow for Cashless Exercise, as defined in the Option Plan, excluding Stock Options granted to Investor Relations Service Providers, as either a “net exercise” procedure in which the Company issues to the optionee Common Shares equal to the number determined by dividing the product of the number of Stock Options being exercised multiplied by the difference between the VWAP of the underlying Common Shares, or a broker assisted “cashless exercise” in which the Company delivers a copy of irrevocable instructions to the broker to sell Common Shares and deliver promptly to the Company an amount equal to the aggregate exercise price together with the amount necessary to satisfy any applicable tax withholding or remittance obligations under applicable laws.

The Plan must be approved by the shareholders on a yearly basis at the annual general meeting.

Options granted to Investor Relations Service Providers must vest in stages over 12 months or more, and they may not receive any compensation involving the issuance or potential issuance of Common Shares, other than Options.

The Board may amend any Option with the consent of the affected optionee and the TSX-V, including any shareholder approval required by the TSX-V. In accordance with the requirements of the TSX-V, disinterested Shareholder approval shall be obtained for any amendment that results in:

- (a) any reduction in the exercise price of an Option if the Optionee is an insider at the time of the amendment;
- (b) any cancellation and reissuance of an Option;
- (c) an increase in the maximum number of Shares issuable pursuant to the Option Plan (other than pursuant to Section 2 of the Option Plan);
- (d) an extension of the Expiry Date for Options if the Optionee is an Insider at the time of the proposed extension;
- (e) any benefit to an Insider; and other types of compensation through Common Share issuance;
- (f) the addition of additional categories of Eligible Persons;
- (g) the method for determining the exercise price of an Option;
- (h) the maximum term of an Option;
- (i) the expiry and termination provisions applicable to an Option, including the addition of any blackout period; and
- (j) any amendments to this Option Plan that will increase the Company’s ability to amend the Option Plan without shareholder approval.

Other than amendments to fix typographical errors and clarify existing provisions, shareholder approval shall be obtained in accordance with the requirements of the Exchange including without limitation, any amendment that results in;

- a) any cancellation and reissuance of a Stock Option;
- b) the addition of additional categories of Eligible Person;
- c) an increase in the maximum number of Common Shares issuable pursuant to the Option Plan;
- d) the method for determining the exercise price of a Stock Option;
- e) the maximum term of a Stock Option;
- f) the expiry and termination provisions of a Stock Option, including the addition of a blackout period;
- g) any method or formula for calculating prices, values, or amounts under the Option Plan that may result in a benefit to an Optionee.

Shareholder Approval

The rules of the TSX-V require that the Option Plan be approved by an Ordinary Resolution passed by a majority of the votes cast by holders of Shares of the Company present or represented by proxy at the Meeting.

Shareholders will be asked at the Meeting to consider and, if deemed advisable, to pass, with or without variation, the Ordinary Resolution in the form set forth below:

"BE IT RESOLVED THAT AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS THAT:

1. Subject to the approval of the TSX Venture Exchange and any other regulatory approvals, if so required, the 10% rolling Option Plan as described in the Information Circular of the Company and all unallocated entitlements issuable pursuant to the existing Option Plan are hereby approved and authorized for issuance; and
2. Any one Director or officer of the Company is authorized and directed on behalf of the Company to execute all documents and to do all such other acts and things as such Director or officer may determine to be necessary or advisable to give effect to the foregoing provisions of this resolution."

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE OPTION PLAN RESOLUTION UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.

(This section intentionally left blank)

PART THREE – FORM 51-102F6V – STATEMENT OF EXECUTIVE COMPENSATION

DEFINITIONS

For the purposes of Part Three of this Information Circular:

“**CEO**” means an individual who acted as chief executive officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**CFO**” means an individual who acted as chief financial officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

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

- (a) a CEO;
- (a) a CFO;
- (b) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6), for that financial year; and
- (c) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year;

COMPENSATION DISCUSSION AND ANALYSIS

In accordance with the provisions of applicable securities legislation, the Company had five “Named Executive Officers” during the financial year ended December 31, 2022 (the “**most recently completed financial year**”), namely (i) Mr. Ian Slater, CEO & Chairman; (ii) Mr. Adam Melnik, former CEO and former director of the Company, (iii) Lisa Peterson, former CFO who was appointed on July 19, 2021 and served until September 9, 2022, (iv) Paul Taggar, former CFO, who served from September 9, 2022 to November 4, 2022, (v) Sunil Sharma, CFO, who was appointed on November 4, 2022, and (vi) Timothy MacIntyre, VP Exploration, who was appointed on August 16, 2021 and served until May 5, 2023.

The Company’s Board of Directors is responsible for adopting appropriate procedures with respect to the compensation of the Company’s executive officers. The Board of Directors aims to ensure that total compensation paid to all NEOs is fair and reasonable and is consistent with the Company’s compensation philosophy.

The Board of Directors is also responsible for recommending compensation for the directors and granting stock options or any other share-based compensation to the directors, officers and employees of, and consultants to, the Company.

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DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

The following table sets out certain information respecting the compensation paid to the directors and NEOs of the Company during the two most recently completed financial years.

Table of Compensation Excluding Compensation Securities

Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of All other Compensation (\$)	Total Compensation (\$)
Ian Slater ² CEO, Chairman & Director	2022	120,000	Nil	Nil	Nil	Nil	120,000
	2021	120,000	Nil	Nil	Nil	Nil	120,000
Adam Melnik, former CEO & former Director ³	2022	250,000	Nil	Nil	Nil	Nil	250,000
	2021	104,167	Nil	Nil	Nil	Nil	104,167
Sunil Sharma, CFO ⁴	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Jay Sujir, Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Marc Boissonneault, Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Tim MacIntyre, VP Exploration ⁵	2022	219,044	Nil	Nil	Nil	11,624	230,667
	2021	85,453	Nil	Nil	Nil	Nil	85,453
Lisa Peterson, former CFO	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Paul Taggar, former CFO	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil

Stock Options and Other Compensation Securities

No exercise of any compensation securities by directors or NEOs occurred during the year ended December 31, 2022.

² Ian Slater was appointed as CEO on March 17, 2023

³ Adam Melnik served as director and CEO until March 17, 2023

⁴ Sunil Sharma is an employee of Slater Corporate Services Corporation.

⁵ This amount for 2022 represents \$168,327 USD in salary and \$8,933 in health benefits in CAD at the Bank of Canada FX annual average rate of 1.3013.

The following table sets forth particulars of all compensation securities granted to the NEOs and directors in the most recently completed financial year ended December 31, 2022:

Compensation Securities							
Name and position	Type of Compensation Securities	Number of compensation securities, % of class	Date of issue or grant	Exercise price	Closing price of underlying security on date of grant	Closing price of underlying security at year end	Expiry Date
		# (%)		(\$)	(\$)	(\$)	
Ian Slater ⁶ CEO, Chairman & Director	Stock options	500,000	Jan 26, 2022	0.50	0.50	0.09	Jan 26, 2027
		300,000 (10.7%)	Dec 8, 2022	0.11	0.11		Dec 8, 2027
Adam Melnik ⁷ , former CEO & former Director	Stock options	1,000,000	Jan 26, 2022	0.50	0.50	0.09	April 17, 2023
		600,000 (21.5%)	Dec 8, 2022	0.11	0.11		April 17, 2023
Sunil Sharma ⁸ , CFO	Stock options	250,000 (3%)	Dec 8, 2022	0.11	0.11	0.09	Dec 8, 2027
Jay Sujir ⁹ , Director	Stock options	250,000 (3%)	Jan 26, 2022	0.50	0.50	0.09	Jan 26, 2027
	DSUs	150,000 (50%)	Dec 8, 2022	0.11	0.11		N/A
Marc Boissonneault ¹⁰ , Director	Stock options	250,000 (3%)	Jan 26, 2022	0.50	0.50	0.09	Jan 26, 2027
	DSUs	150,000 (50%)	Dec 8, 2022	0.11	0.11		N/A
Tim MacIntyre ¹¹ , VP Exploration	Stock Options	500,000	Jan 26, 2022	0.50	0.50	0.09	June 5, 2023
		300,000 (10.7%)	Dec 8, 2022	0.11	0.11		June 5, 2023
Lisa Peterson ¹² , former CFO	Stock Options	500,000 (6.7%)	Jan 26, 2022	0.50	0.50	0.09	Jan 26, 2027
Paul Taggar ¹³ , former CFO	Stock Options	25,000	Apr 8, 2022	0.70	0.70	0.09	Jan 26, 2027
		225,000 (3%)	Aug 15, 2022	0.23	0.23		Jan 26, 2027

The material terms of the Company stock option plan are described above in the section titled: *Summary of the Stock Option Plan*. The previous stock option plan was initially approved by shareholders at the annual general meeting on May 10, 2021.

External Management Contracts

Management functions of the Company are substantially performed by directors or executive officers of the Company, and not to any substantial degree by any other person with whom the Company has contracted, other than the following:

Under an agreement dated November 9, 2021, the Company agreed to reimburse Slater Corporate Services Corporation, which also acts as the registered and records address for the Company, for CFO, accounting, legal, IT, corporate secretary, management and administrative services, among other things. During the year ended December 31, 2022, the Company reimbursed Slater Corporate

⁶ Ian Slater had 800,000 stock options outstanding as of December 31, 2022

⁷ Adam Melnik had 1,600,000 stock options outstanding as of December 31, 2022

⁸ Sunil Sharma had 250,000 stock options outstanding as of December 31, 2022

⁹ Jay Sujir had 250,000 stock options and 150,000 DSUs outstanding as of December 31, 2022

¹⁰ Marc Boissonneault had 250,000 stock options and 150,000 DSUs outstanding as of December 31, 2022

¹¹ Tim MacIntyre had 800,000 stock options outstanding as of December 31, 2022

¹² Lisa Peterson had no stock options outstanding as of December 31, 2022

¹³ Paul Taggar had no stock options outstanding as of December 31, 2022

Services Corporation for \$330,000 (2021 - \$201,750), excluding GST. The Company entered into a revised agreement on April 1, 2022 with Slater Corporate Services Corporation. The agreement may be terminated at any time by providing 30 days' notice.

Sunil Sharma, CFO, is an employee of Slater Corporate Services Corporation, a company owned by Ian Slater, a director of the Company.

Employment, Consulting, and Management Agreements

The Company, through its subsidiary Zaya Resources Ltd., entered into an employment agreement with Dr. Timothy MacIntyre dated July 8, 2021, replaced by an agreement dated March 1, 2022 whereby Dr. MacIntyre agreed to act as Vice President, Exploration and, in consideration of which, the Company agreed to pay him US\$170,000 per year. The Company may terminate Dr. MacIntyre's employment by providing two months' notice or payment in lieu equivalent to two months' salary. The amount of notice the Company must give Dr. MacIntyre will increase by one month for each year that Dr. MacIntyre works for the Company to a maximum of three months' notice or pay in lieu. The agreement can be terminated by the employee on one month's notice. The agreement may be terminated for cause at any time without payment or notice. There are no change of control provisions, or other severance, termination or constructive dismissal provisions. If the agreement were terminated by the Company without cause as of December 31, 2022, Dr. MacIntyre would be entitled to up to US\$28,333 less applicable statutory deductions, or two months' notice or any combination thereof.

Oversight and Description of Director and Named Executive Officer Compensation

Philosophy

The philosophy of the Company in determining compensation is that the compensation should (i) reflect the Company's current state of development, (ii) reflect the Company's performance, (iii) reflect individual performance, (iv) align the interests of executives with those of the Shareholders, (v) assist the Company in retaining key individuals, and (vi) reflect the Company's overall financial status.

Compensation Components

The compensation of the NEOs comprises primarily (i) base salary; and (ii) long-term incentive in the form of stock options granted in accordance with the Option Plan.

In establishing levels of compensation, the Board of Directors relies on the experience of its members in assessing compensation levels taking into account the stage of development of the Company, the size of the Company's assets, available capital, revenues, as well as the particular officer's level of responsibility, duties, amount of time dedicated to the affairs of the Company and contribution to the Company's long-term success. The purpose of this process is to:

- understand the competitiveness of current pay levels for each executive position relative to other reporting issuers;
- identify and understand any gaps that may exist between actual compensation levels and market compensation levels; and
- establish a basis for developing salary adjustments and short-term and long-term incentive awards.

To date, no specific formulas have been developed to assign a weighting to each of these components. Instead, the independent directors consider the Company's performance and determine compensation based on this assessment.

The Board of Directors has not conducted a formal evaluation of the implications of the risks associated with the Company's compensation policies. Risk management is a consideration of the Board of Directors when implementing its compensation policies and the Board of Directors does not believe that the Company's compensation policies result in unnecessary or inappropriate risk-taking including risks that are likely to have a material adverse effect on the Company.

Base Salary

The Board of Directors approves the salary ranges for the NEOs. The base salary for each NEO is based on assessment of factors such as current competitive market conditions and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. The Board, using this information, together with budgetary guidelines and other internally generated planning and forecasting tools, performs an annual assessment of the compensation of all executive, director, and officer compensation levels.

The Company does not provide a pension plan to any director or officer or employee.

Option Based Awards

The Company adopted the Option Plan in order to provide effective incentives to directors, officers and senior management personnel and consultants of the Company and to enable the Company to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Company's Shareholders. The Option Plan is an important part of the Company's long-term incentive strategy for its executive officers. The Option Plan is intended to reinforce commitment to long-term growth in profitability and shareholder value. The Company also adopted the RSU/DSU plan which was approved by shareholders at the AGM on June 14, 2022. 300,000 DSUs have been granted during the year ended December 31, 2022 to directors.

All option grants are approved by the Board of Directors. The size of stock option grants to officers is dependent on each officer's level of responsibility, authority and importance to the Company and the degree to which such executive officer's long-term contribution will be key to the Company's long-term success. Previous grants of stock options are taken into account when considering new grants.

In addition to recommending the number of options to be granted pursuant to the methodology outlined above, the Board of Directors also makes the following determinations:

- the recommended exercise price for each option granted;
- the date on which each option is granted;
- the vesting terms for each option; and
- the other material terms and conditions of each option grant.
- The Board makes these determinations subject to, and in accordance with, the provision of the Option Plan.

Use of Financial Instruments

The Company does not have a policy that would prohibit a Named Executive Officer or director from purchasing financial instruments, including 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 Named Executive Officer or director. However, Management is not aware of any Named Executive or director purchasing such an instrument.

Compensation Governance

The Company has not established a compensation committee. The Board as a whole provides this function.

PART FOUR – OTHER INFORMATION

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information with respect to all compensation plans under which equity securities are authorized for issuance as of December 31, 2022:

Equity Compensation Plan Information

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by security holders	6,200,000	\$0.37	100,591
Equity compensation plans not approved by security holders	Nil	Nil	Nil
TOTAL	6,200,000	\$0.37	100,591

For further information on the Company’s equity compensation plans, refer to the heading “*Approval of Stock Option Plan*”.

There are no warrants or rights outstanding. The RSU/DSU plan came into effect after approval by the shareholders at the June 14, 2022 Annual General and Special Meeting.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date hereof, other than indebtedness that has been entirely repaid on or before the date of this information circular or “routine indebtedness” as defined in Form 51-102F5 of NI 51-102 none of:

- (a) the individuals who are, or at any time since the beginning of the last financial year of the Company were, a director or executive officer of the Company; or
- (b) the proposed nominees for election as a director of the Company; or
- (c) any associates of the foregoing persons,

is, or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or any subsidiary of the Company, or is a person whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any subsidiary of the Company.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed herein:

- (a) no person who has been a director or executive officer of the Company at any time since the beginning of the last financial year of the Company; or
- (b) no proposed nominee for election as a Director of the Company; or
- (c) 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 matters to be acted upon at the Meeting exclusive of the election of Directors or the appointment of auditors, or the approval of the share compensation plan.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For purposes of the following discussion, “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 a 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 percent of the voting rights attached to all outstanding voting securities of the Company, other than the voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Except as disclosed below, elsewhere herein or in the Notes to the Company’s financial statements for the financial year ended December 31, 2022, none of:

- (a) the Informed Persons of the Company;
- (b) the proposed nominees for election as a Director of the Company; or
- (c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, in any transaction since the commencement of the last financial year of the Company or in a proposed transaction which has materially affected or would materially affect the Company or any subsidiary of the Company.

AUDIT COMMITTEE DISCLOSURE

The charter of the Company’s audit committee and the other information required to be disclosed by Form 52-110F2 is attached to this Information Circular as Schedule A.

CORPORATE GOVERNANCE

The information required to be disclosed by National Instrument 58-101 – *Disclosure of Corporate Governance Practices* is attached to this information circular as Schedule B.

OTHER MATTERS

The Management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. 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 proxy.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Copies of the Company’s financial statements and MD&A may be obtained without charge upon request from the Company’s registered and records office at Suite 905 – 1111 West Hastings Street, Vancouver, BC, V6E 2J3, phone (604) 638-2545 X102. Financial information on the Company is provided in its audited financial statements and MD&A for the year ended December 31, 2022, which are also filed on SEDAR.

DIRECTOR APPROVAL

The contents of this Information Circular and the sending thereof to the Shareholders of the Company have been approved by the Board of Directors.

DATED at Vancouver, British Columbia, this 3rd day of May, 2023

ON BEHALF OF THE BOARD OF DIRECTORS

Ian Slater, CEO

SCHEDULE A
FORM 52-110F2 - AUDIT COMMITTEE DISCLOSURE

ITEM 1:

AUDIT COMMITTEE CHARTER

Purpose

The Audit Committee (the "Committee") is appointed by the Company's board of directors (the "Board") to assist the Board in overseeing and monitoring:

- the integrity of the financial statements of the Company;
- the compliance by the Company with legal and regulatory requirements;
- the independence and performance of the Company's independent auditors, which independent auditors shall report directly to the Audit Committee; and
- the auditing, accounting and financial reporting processes generally.

1. Composition, Procedures and Organization

- 1.1. The Committee shall consist of at least three (3) members of the Board. Members of the Committee shall be appointed by the Board and may be removed or replaced by the Board, from time to time, in its discretion. There shall be a chair of the Committee, who shall be appointed by the Board. The majority of the members of the Committee shall meet the independence and financial literacy requirements for Audit Committee members of applicable securities laws, including the National Instrument 52-110 *Audit Committees* and any exchange or quotation system upon which the Company's securities are listed or quoted. Members shall be appointed to the Committee at the Board meeting held immediately after the annual general meeting where directors are elected to the Board by shareholders of the Company.
- 1.2. The Committee shall review and reassess the adequacy of this Audit Committee Charter ("Charter") annually and recommend any proposed changes to the Board for approval.
- 1.3. The quorum for meetings shall be a majority of the members of the Committee, present in person or by videoconference, telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
- 1.4. The Committee shall have access to such officers, employees and consultants of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers being necessary or advisable in order to perform its duties and responsibilities.
- 1.5. Meetings of the Committee shall be conducted as follows:
 - i) the Committee shall meet as necessary to fulfill its duties and responsibilities at such times and at such locations as may be requested by the Chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
 - ii) the external auditors shall attend meetings at the request of the Chair of the Committee; and
 - iii) management representatives may be invited to attend meetings except private sessions with the external auditors.
 - iv) The external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee or consultant of the Company as it deems necessary, and any employee/consultant may bring before the Committee any concerns or a matter involving questionable, illegal or improper financial practices or transactions.
- 1.6. The Committee shall have the authority:
 - a. to engage independent counsel and other advisors as it determines necessary to carry out its duties,
 - b. to set and pay the compensation for any advisors employed by the Committee; and
 - c. to communicate directly with the external auditors.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. This is the responsibility of management and the independent auditor. Nor is it the duty of the Audit Committee to conduct investigations, to resolve disagreements, if any, between management and the independent auditor or to assure compliance with laws and regulations.

2. Overall Duties and Responsibilities

The overall duties and responsibilities of the Committee shall be as follows:

- 2.1. review and approval of the annual audited financial statements and the interim financial statements; and recommend to the Board of Directors the approval of the annual financial statements;
- 2.2. review of the Company's accounting principles, reporting practices and adequacy of internal controls at least annually;
- 2.3. review an analysis prepared by management and the independent auditor of significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including an analysis of the effect of alternative accounting methods, if any, on the Company's financial statements;
- 2.4. establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters;
- 2.5. establish a procedure for the confidential, anonymous submissions by employees or consultants or shareholders of the Company of concerns regarding questionable accounting or auditing matters;
- 2.6. establish and maintain a direct line of communication with the Company's external auditors and assess their performance annually, recommending the external auditors to the Board of Directors for the ensuing year to be included in the management information circular;
- 2.7. ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
- 2.8. report at least annually to the Board on the fulfillment of its duties and responsibilities.
- 2.9. review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
- 2.10. review and approve the financial sections of:
 - a) the annual report to shareholders;
 - b) the annual information form, and disclosure under Form 52-110F1 if required;
 - c) annual and interim MD&A;
 - d) prospectuses;
 - e) news releases discussing financial results of the Company; and
 - f) other public reports of a financial nature requiring approval by the Board, and report to the Board with respect thereto;
 - g) review regulatory filings and decisions as they relate to the Company's consolidated financial statements;
- 2.11. review the appropriateness of the accounting policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
- 2.12. review and report on the integrity of the Company's consolidated financial statements;
- 2.13. review the minutes of any audit committee meeting of subsidiary companies;
- 2.14. review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;
- 2.15. review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
- 2.16. develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.

3. External Auditors

- 3.1. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
- 3.2. recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors; review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
- 3.3. review the audit plan of the external auditors prior to the commencement of the audit;
- 3.4. review with the external auditors:
 - a) non-audit services provided by the external auditors;
 - b) the quality including the acceptability of the Company's accounting principles; and
 - c) procedures to ensure that the Committee meets with the external auditors at least annually in the absence of management.

4. Internal Controls

The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:

- 4.1. review the appropriateness and effectiveness of the Company's policies, internal controls, and business practices which have a financial impact on the Company, including those relating to insurance, accounting, information systems and financial controls, management reporting, tax and risk management;
- 4.2. review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
- 4.3. periodically review the Company's financial and internal control procedures and the extent to which recommendations made by the external auditors have been implemented.

ITEM 2: COMPOSITION OF THE AUDIT COMMITTEE

For the duration of the fiscal year ending December 31, 2022 the members of the Committee were Mr. Jay Sujir (Chair), James Hynes, who was replaced by Ian Slater, and Marc Boissonneault. All of the members of the Committee for the fiscal year ended December 31, 2022 were financially literate.

Pursuant to section 6.1.1 of NI 52-110, the majority of members of an audit committee of a venture issuer must not be executive officers, employees or control persons of the venture issuer or of an affiliate of the venture issuer. The Company's audit committee is composed of three directors, two of whom are not officers, employees or control persons of the Company: Jay Sujir, Marc Boissonneault and Ian Slater. Mr. Sujir is the Chair of the audit committee. Jay Sujir is not considered independent since he is a partner at Farris LLP, the solicitors for the Company. Ian Slater is the CEO & Executive Chairman of the Board.

ITEM 3: RELEVANT EDUCATION AND EXPERIENCE

The relevant education and/or experience of each member of the Audit Committee is as follows:

Mr. Jay Sujir, Chair

Mr. Sujir is a securities and natural resources lawyer who has extensive experience in advising and assisting public companies. He has been a partner with Farris LLP since May 2015. From 1991 to May 2015, Mr. Sujir was a partner at Anfield, Sujir Kennedy & Durno, LLP and its predecessor firms. Mr. Sujir obtained his Bachelor of Arts degree from the University of Victoria in 1981 with a double major in Economics and Philosophy and obtained his Bachelor of Law degree from the University of Victoria in 1985. He is a member of the Law Society of British Columbia and the Canadian Bar Association.

Ian Slater, Director

Mr. Slater is a serial entrepreneur who has founded numerous companies and been involved in the Mining industry for 25 years. Previously, Mr. Slater was the Managing Partner of both Ernst & Young's Canadian and Arthur Andersen's Central Asian Mining Practices. Mr. Slater is a Chartered Accountant.

Marc Boissonneault, Director

Mr. Boissonneault was formerly Head of Global Nickel Assets for Glencore where he oversaw the operations and major capital projects of the nickel business. With over 30 years experience in the mining and metals industry, operations under his responsibility were recognized for industry leading safety performance (multiple John T. Ryan Awards in Canada) and have performed to the highest standards environmentally. Along with fostering productive relationships with top government officials in multiple jurisdictions, he ensured the cultivation of constructive relations with associated aboriginal communities internationally. Mr. Boissonneault led the development of key business opportunities in the form of new geological discoveries, early-stage capital project developments and collaborative mine agreements between mining companies. He holds a Bachelor of Engineering, from McMaster University, an MBA from Queen's University, and is a current member of the PEO (Professional Engineers of Ontario).

ITEM 4: AUDIT COMMITTEE OVERSIGHT

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

ITEM 5: 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 following exemptions:

- (a) the exemption in section 2.4 of National Instrument 52-110 (*De Minimis Non-audit Services*);
- (b) the exemption in subsection 6.1.1(4) of National Instrument 52-110 (*Circumstance Affecting the Business or Operations of the Venture Issuer*);
- (c) the exemption in subsection 6.1.1(5) of National Instrument 52-110 (*Events Outside Control of Member*);
- (d) the exemption in subsection 6.1.1(6) of National Instrument 52-110 (*Death, Incapacity or Resignation*); or
- (e) an exemption from National Instrument 52-110, in whole or in part, granted under Part 8 of National Instrument 52-110 (*Exemption*).

ITEM 6: PRE-APPROVAL POLICIES AND PROCEDURES

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. However, the Company's Audit Committee Charter states that Audit Committee must pre-approve all non-audit services, including the fees and terms thereof, to be performed for the Company by the Auditor.

ITEM 7: EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)

Davidson & Company LLP, at Suite 1200 – 609 Granville Street, Vancouver, BC V7Y 1G6, were appointed as the Company's auditors as of May 10, 2021. Davidson & Company LLP are independent of the Company in accordance with the rules of professional conduct of the Institute of Chartered Professional Accountants of British Columbia.

The aggregate fees billed by the Company's auditors in fiscal 2022 and fiscal 2021 are detailed below.

Category	Year ended December 31, 2021	Year ended December 31, 2022
Audit Fees ⁽¹⁾	\$46,000	\$63,342
Audit-related Fees ⁽²⁾	\$10,000	\$-
Total	\$56,000	\$63,342

(1) "Audit Fees" include fees for services rendered by the external auditor in relation to the audit and review of the Company's consolidated annual financial statements (inclusive of disbursements), in connection with the Company's regulatory financial filings.

(2) "Audit-related Fees" primarily related to compliance with regulatory filing requirements related to prospectuses and other offering documents.

ITEM 8: EXEMPTION

The Company has relied upon the exemption provided by section 6.1 of NI 52-110, which exempts a venture issuer from the requirement to comply with the restrictions on the composition of its Audit Committee and the disclosure requirements of its Audit Committee in an annual information form as prescribed by NI 52-110.

SCHEDULE B
CORPORATE GOVERNANCE

Pursuant to Form 58-101F2 *Corporate Governance Disclosure (Venture Issuers)* the Company discloses its corporate governance practices as follows:

ITEM 1. BOARD OF DIRECTORS

The Board of Directors of the Company facilitates its exercise of independent supervision over the Company's management through regularly scheduled quarterly meetings of the Board.

The Board is currently comprised of four members. The rules of the Exchange requires that a minimum of two directors be "independent" directors. An "independent" director is a director who has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the board of directors, reasonably interfere with the exercise of a director's independent judgment. Marc Boissonneault is an independent director of the Company, as aside from Common Shares held by him, he has no ongoing interest or relationship with the Company other than serving as a director. Adam Melnik and Ian Slater are not independent directors because of their position as executive officers of the Company. Jay Sujir is not independent as he is a partner at Farris LLP, the solicitors for the Company.

ITEM 2. DIRECTORSHIPS

The directors of the Company are currently directors of the following other reporting issuers:

Name of Director	Name of Reporting Issuer
Ian Slater	Outcrop Silver & Gold Corporation Liberio Copper & Gold Corporation Audrey Capital Corporation
Jay Sujir	Audrey Capital Corporaiton Baltic 1 Acquisition Corp. Collingwood Resources Corp. Earthlabs Inc. Golden Lake Exploration Inc. Gotham Resource Corp. Intrepid Metals Corp. Kenorland Minerals Ltd. Kore Mining Ltd. Kraken Energy Corp. Kutcho Copper Corp. Liberio Copper & Gold Corporation Outcrop Silver & Gold Corporation Vanadian Energy Corp.
Marc Boissonneault	Frontier Lithium Inc.

ITEM 3. ORIENTATION AND CONTINUING EDUCATION

The Board of Directors of the Company briefs all new directors, and the CEO or the Chairman meets with them to provide other relevant corporate history and business information. The Board provides an overview of the Company's business activities, systems and business plan to all new directors. New director candidates have free access to any of the Company's records, employees or senior management in order to conduct their own due diligence and will be briefed on the strategic plans, short, medium and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing policies of the Company. The directors are encouraged to update their skills and knowledge by taking courses and attending professional seminars.

ITEM 4. 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 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.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the Board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Company or an affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction be approved by the Shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

ITEM 5. NOMINATION OF DIRECTORS

The Board of Directors is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of the shareholders.

New nominees must be eligible under the *Business Corporations Act* (British Columbia), have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, support for the Company's mission and strategic objectives, and a willingness to serve.

ITEM 6. COMPENSATION

The Company currently does not pay compensation to its directors and therefore does not have any process in place for determining compensation. The Board reviews the compensation of its directors and executive officers annually. The directors will determine compensation of directors and executive officers taking into account the Company's business ventures and the Company's financial position. See "*Executive Compensation*".

ITEM 7. OTHER BOARD COMMITTEES

The Board of Directors has no other committees other than the Audit Committee.

ITEM 8. ASSESSMENTS

The Board has not implemented a process for assessing its effectiveness. As a result of the Company's small size and the Company's stage of development, the Board considers a formal assessment process to be inappropriate at this time. The Board plans to continue evaluating its own effectiveness on an ad hoc basis.

The Board does not formally assess the performance or contribution of individual Board members or committee members.