

**STERLING METALS CORP.**  
217 Queen Street West, Suite 401  
Toronto, Ontario M5V 0R2

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that an annual and special meeting (the “**Meeting**”) of the shareholders of **Sterling Metals Corp.** (the “**Company**”) will be held on **Wednesday, July 10, 2024**, at the hour of 10:00 a.m. (Eastern time), at the office of Irwin Lowy LLP at 217 Queen Street West, Suite 401, Toronto, Ontario M5V 0R2, for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Company for the year ended December 31, 2023, and the report of the auditors thereon;
2. to elect the directors of the Company;
3. to appoint the auditors of the Company and to authorize the directors to fix their remuneration;
4. to consider and, if deemed advisable, to pass, with or without variation, a special resolution to effect the consolidation of all of the issued and outstanding common shares of the Company on the basis of up to ten (10) pre-consolidation common shares for one (1) post-consolidation common share;
5. to approve and confirm the omnibus long-term incentive plan of the Company; and
6. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

The full text of the special resolution referred to in item 4 above is attached to this notice as Exhibit A.

A shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit his, her or its duly executed form of proxy with the Company’s transfer agent and registrar, Computershare Investor Services Inc., at 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1 not later than 10:00 a.m. (Eastern time) on Monday, July 8, 2024, or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays, preceding the time of such adjourned meeting.

Shareholders who are unable to attend the Meeting in person, are requested to date, complete, sign and return the enclosed form of proxy so that as large a representation as possible may be had at the Meeting.

The board of directors of the Company has by resolution fixed the close of business on Wednesday, June 5, 2024, as the record date, being the date for the determination of the registered holders of common shares of the Company entitled to receive notice of, and to vote at, the Meeting and any adjournment thereof.

The accompanying management information circular provides additional detailed information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this notice of annual and special meeting. Additional information about the Company and its financial statements are also available on the Company’s profile at [www.sedarplus.ca](http://www.sedarplus.ca).

**DATED** this 6<sup>th</sup> day of June, 2024.

**BY ORDER OF THE BOARD**

*“Mathew Wilson” (signed)*

Mathew Wilson  
President, Chief Executive Officer and Director

**EXHIBIT A**

**SPECIAL RESOLUTION OF THE SHAREHOLDERS**

**OF**

**STERLING METALS CORP.**

**AMENDMENT TO ARTICLES - CONSOLIDATION**

**“BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. the directors of the Company be authorized to effect the consolidation (the “**Consolidation**”) of all of the issued and outstanding common shares without par value in the capital of the Company (the “**Common Shares**”) on the basis of up to ten (10) pre-Consolidation Common Shares for one (1) post-Consolidation Common Share (10:1);
2. the directors of the Company be and are hereby authorized to fix the ratio of the pre-Consolidation to post-Consolidation Common Shares to be used in the Consolidation (the “**Final Consolidation Ratio**”), provided that the maximum Final Consolidation Ratio will not exceed ten (10) pre-Consolidation Common Shares for one (1) post-Consolidation Common Share (10:1);
3. any fractional Common Shares resulting from the Consolidation will be rounded down the nearest whole Common Share
4. upon the Consolidation being effected, any officer or director of the Company is authorized to cancel (or cause to be cancelled) any certificates evidencing the existing Common Shares and to issue (or cause to be issued) certificates representing the new Common Shares to the holders thereof;
5. the directors of the Company, in their sole and complete discretion, may act upon this resolution to effect the Consolidation or, if deemed appropriate and without any further approval from the shareholders of the Company, may choose not to act upon this resolution notwithstanding that this resolution has been duly passed by the shareholders of the Company, and in the latter case, the directors of the Company are hereby authorized and empowered to revoke this resolution in their sole discretion at any time prior to effecting the Consolidation; and
6. any director or officer of the Company be and he or she is hereby authorized and directed, for and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise and to deliver or to cause to be delivered all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts as in the opinion of such director or officer of the Company may be necessary or desirable to carry out the terms of the foregoing resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.”

**STERLING METALS CORP.**  
217 Queen Street West, Suite 401  
Toronto, Ontario M5V 0R2

**MANAGEMENT INFORMATION CIRCULAR**  
**As at June 6, 2024**

**SOLICITATION OF PROXIES**

**THIS MANAGEMENT INFORMATION CIRCULAR (“CIRCULAR”) IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY MANAGEMENT OF STERLING METALS CORP.** (the “**Company**”) of proxies to be used at the annual and special meeting of shareholders of the Company to be held on Wednesday, July 10, 2024, at the office of Irwin Lowy LLP at 217 Queen Street West, Suite 401, Toronto, Ontario M5V 0R2 at the hour of 10:00 a.m. (Eastern time), and at any adjournment or postponement thereof (the “**Meeting**”) for the purposes set out in the enclosed notice of meeting (the “**Notice**”). Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), arrangements have been made with brokerage houses and clearing agencies, custodians, nominees, fiduciaries or other intermediaries to send the Company’s proxy solicitation materials (the “**Meeting Materials**”) to the beneficial owners of the common shares of the Company (the “**Common Shares**”) held of record by such parties. The Company may reimburse such parties for reasonable fees and disbursements incurred by them in doing so. The costs of the solicitation of proxies will be borne by the Company. The Company may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the shareholders of the Company in favour of the matters set forth in the Notice.

**APPOINTMENT AND REVOCATION OF PROXIES**

A holder of Common Shares who appears on the records maintained by the Company’s registrar and transfer agent as a registered holder of Common Shares (each a “**Registered Shareholder**”) may vote in person at the Meeting or may appoint another person to represent such Registered Shareholder as proxy and to vote the Common Shares of such Registered Shareholder at the Meeting. In order to appoint another person as proxy, a Registered Shareholder must complete, execute and deliver the form of proxy accompanying this Circular, or another proper form of proxy, in the manner specified in the Notice.

The purpose of a form of proxy is to designate persons who will vote on the shareholder’s behalf in accordance with the instructions given by the shareholder in the form of proxy. The persons named in the enclosed form of proxy are officers or directors of the Company. **A REGISTERED SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON, WHO NEED NOT BE A SHAREHOLDER OF THE COMPANY, TO REPRESENT HIM, HER OR IT AT THE MEETING MAY DO SO BY FILLING IN THE NAME OF SUCH PERSON IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER PROPER FORM OF PROXY.** A Registered Shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must, in all cases, deposit the completed form of proxy with the Company’s transfer agent and registrar, Computershare Investor Services Inc. (the “**Transfer Agent**”), not later than 10:00 a.m. (Eastern time) on Monday, July 8, 2024, or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays, preceding the time of such adjourned Meeting at which the form of proxy is to be used. A form of proxy should be executed by the Registered Shareholder or his or her attorney duly authorized in writing or, if the Registered Shareholder is a corporation, by an officer or attorney thereof duly authorized.

Proxies may be deposited with the Transfer Agent using one of the following methods:

<b>By Mail or Hand Delivery:</b>	Computershare Investor Services Inc. 100 University Avenue, 8 <sup>th</sup> Floor, Toronto, Ontario M5J 2Y1
<b>Telephone:</b>	1-866-732-VOTE (8683) Toll Free You will need to provide your 15 digit control number (located on the form of proxy accompanying this Circular)
<b>By Internet:</b>	<a href="http://www.investorvote.com">www.investorvote.com</a> You will need to provide your 15 digit control number (located on the form of proxy accompanying this Circular)

A Registered Shareholder attending the Meeting has the right to vote in person and, if he or she does so, his or her form of proxy is nullified with respect to the matters such person votes upon at the Meeting and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof.

A Registered Shareholder who has given a form of proxy may revoke the form of proxy at any time prior to using it: (a) by depositing an instrument in writing, including another completed form of proxy, executed by such Registered Shareholder or by his or her attorney authorized in writing or, if the Registered Shareholder is a corporation, by an authorized officer or attorney thereof, to (i) the registered office of the Company, located at 217 Queen Street West, Suite 401, Toronto, Ontario M5V 0R2, at any time prior to 5:00 p.m. (Eastern time) on the last business day preceding the day of the Meeting or any adjournment thereof or (ii) with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof; or (b) in any other manner permitted by law.

#### **EXERCISE OF DISCRETION BY PROXIES**

The Common Shares represented by proxies in favour of management nominees will be voted or withheld from voting in accordance with the instructions of the Registered Shareholder on any ballot that may be called for and, if a Registered Shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the Common Shares represented by the proxy shall be voted accordingly. Where no choice is specified, the proxy will confer discretionary authority and will be voted for the election of directors, for the appointment of auditors and the authorization of the directors to fix their remuneration and for each item of special business, as stated elsewhere in this Circular.

The enclosed form of proxy also confers discretionary authority upon the persons named therein to vote with respect to any amendments or variations to the matters identified in the Notice and with respect to other matters which may properly come before the Meeting in such manner as such nominee in his judgment may determine. At the time of printing this Circular, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

#### **ADVICE TO NON-REGISTERED SHAREHOLDERS**

**The information set forth in this section is of significant importance to many shareholders of the Company, as a substantial number of shareholders of the Company do not hold Common Shares in their own name.** Only Registered Shareholders or the persons they appoint as their proxies are permitted to attend and vote at the Meeting and only forms of proxy deposited by Registered Shareholders will be recognized and acted upon at the Meeting. Common Shares beneficially owned by a beneficial holder of Common Shares who does not appear on the records maintained by the Company's registrar and transfer agent as a registered holder of Common Shares (each a "**Non-Registered Holder**") are registered either: (i) in the name of an intermediary (an "**Intermediary**") with whom the Non-Registered Holder deals in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) (a "**Clearing Agency**") of which the Intermediary is a participant. Accordingly, such Intermediaries and Clearing Agencies would be the Registered Shareholders and would appear as such on the list maintained by the Transfer Agent. Non-Registered Holders do not appear on the list of the Registered Shareholders maintained by the Transfer Agent.

### ***Distribution of Meeting Materials to Non-Registered Holders***

In accordance with the requirements of NI 54-101, the Company has distributed copies of the Meeting Materials to the Clearing Agencies and Intermediaries for onward distribution to Non-Registered Holders as well as directly to NOBOs (as defined below).

Non-Registered Holders fall into two categories, those who object to their identity being known to the issuers of securities which they own (“**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities which they own (“**NOBOs**”). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their NOBOs from Intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials to such NOBOs. If you are a NOBO and the Company or its agent has sent the Meeting Materials directly to you, your name, address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding the Common Shares on your behalf.

The Company’s OBOs can expect to be contacted by their Intermediary. The Company does not intend to pay for Intermediaries to deliver the Meeting Materials to OBOs and it is the responsibility of such Intermediaries to ensure delivery of the Meeting Materials to their OBOs.

### ***Voting by Non-Registered Holders***

The Common Shares held by Non-Registered Holders can only be voted or withheld from voting at the direction of the Non-Registered Holder. Without specific instructions, Intermediaries or Clearing Agencies are prohibited from voting Common Shares on behalf of Non-Registered Holders. Therefore, each Non-Registered Holder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

The various Intermediaries have their own mailing procedures and provide their own return instructions to Non-Registered Holders, which should be carefully followed by Non-Registered Holders in order to ensure that their Common Shares are voted at the Meeting.

Non-Registered Holders will receive either a voting instruction form or, less frequently, a form of proxy. The purpose of these forms is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Non-Registered Holders should follow the procedures set out below, depending on which type of form they receive.

*Voting Instruction Form.* In most cases, a Non-Registered Holder will receive, as part of the Meeting Materials, a voting instruction form (a “**VIF**”). If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder’s behalf), the VIF must be completed, signed and returned in accordance with the directions on the form.

or,

*Form of Proxy.* Less frequently, a Non-Registered Holder will receive, as part of the Meeting Materials, a form of proxy that has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder’s behalf), the Non-Registered Holder must complete and sign the form of proxy and in accordance with the directions on the form.

### ***Voting by Non-Registered Holders at the Meeting***

Although a Non-Registered Holder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of an Intermediary or a Clearing Agency, a Non-Registered Holder may attend the Meeting as proxyholder for the Registered Shareholder who holds Common Shares beneficially owned by

such Non-Registered Holder and vote such Common Shares as a proxyholder. A Non-Registered Holder who wishes to attend the Meeting and to vote their Common Shares as proxyholder for the Registered Shareholder who holds Common Shares beneficially owned by such Non-Registered Holder, should (a) if they received a VIF, follow the directions indicated on the VIF; or (b) if they received a form of proxy strike out the names of the persons named in the form of proxy and insert the Non-Registered Holder's or its nominees name in the blank space provided. Non-Registered Holders should carefully follow the instructions of their Intermediaries, including those instructions regarding when and where the VIF or the form of proxy is to be delivered.

All references to shareholders in the Meeting Materials are to Registered Shareholders as set forth on the list of registered shareholders of the Company as maintained by the Transfer Agent, unless specifically stated otherwise.

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

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value. As of Wednesday, June 5, 2024 (the "**Record Date**"), there were a total of 224,051,935 Common Shares issued and outstanding. Each Common Share outstanding on the Record Date carries the right to one vote at the Meeting.

Only Registered Shareholders as of the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting. On a show of hands, every Registered Shareholder and proxy holder will have one vote and, on a poll, every Registered Shareholder present in person or represented by proxy will have one vote for each Common Share held.

To the knowledge of the Company's directors and executive officers, as of the date hereof, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Common Shares carrying more than 10% of the voting rights attached to the outstanding Common Shares.

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

Except as set out under the heading "*Particulars of Matters to be Acted Upon*" below, no person who has been a director or an officer of the Company at any time since the beginning of its last completed financial year or any associate of any such director or officer has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except as disclosed in this Circular.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

To the knowledge of the board of directors of the Company (the "**Board**"), the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice.

### **1. RECEIPT OF FINANCIAL STATEMENTS**

The audited consolidated financial statements of the Company for the year ended December 31, 2023, and the report of the auditors thereon will be placed before the shareholders at the Meeting. No vote will be taken on the financial statements. The financial statements and additional information concerning the Company are available under the Company's profile at [www.sedarplus.ca](http://www.sedarplus.ca).

### **2. ELECTION OF DIRECTORS**

The Board currently consists of three (3) directors. The following table states the names of the persons nominated by management for election as directors at the Meeting, any offices with the Company currently held by them, their principal occupations or employment, the period or periods of service as directors of the Company and the approximate number of voting securities of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised as of the date hereof.

Name, province or state and country of residence and position, if any, held in the Company	Principal Occupation	Served as Director of the Company since	Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed at present <sup>(1)</sup>	Percentage of Voting Shares Owned or Controlled
Mathew Wilson <sup>(2)(4)</sup> Ontario, Canada  President, Chief Executive Officer and Director	President, Chief Executive Officer and Director of the Company	September 11, 2017	2,057,852	0.92%
Stephen Keith <sup>(2)(3)</sup> Ontario, Canada  Director	Head of Brazilian and African Operations, Itafos Inc., a phosphate and specialty fertilizer company and Lead Director, Board of Directors of Aura Minerals Inc., a gold and copper mining company	June 29, 2016	90,000	0.04%
Mark Goodman <sup>(2)(3)(5)</sup> Ontario, Canada  Chairman and Director	Interim President, Interim Chief Executive Officer and Executive Chairman of Copper Road Resources Inc.	May 27, 2024	1,270,318	0.57%

Notes:

- (1) The information as to voting securities beneficially owned, controlled or directed, not being within the knowledge of the Company, has been furnished by the respective nominees individually.
- (2) Member of the Audit Committee.
- (3) Member of the Compensation Committee.
- (4) 1,898,646 Common Shares are held directly and 159,206 Common Shares are held by Centrys Inc., a corporation controlled by Mr. Wilson.
- (5) The principal occupation of Mr. Mark Goodman, the director nominee who was not previously elected by the shareholders of the Company, during the past five years is as follows:

**Mark Goodman:** Mr. Goodman has been Executive Chairman of Copper Road Resources Inc. since December 2002. Mr. Goodman was appointed Interim President and Interim Chief Executive Officer in May 2024.

The term of office of each director will be from the date of the annual meeting of the shareholders of the Company at which he is elected until the next annual meeting of the shareholders of the Company, or until his successor is elected or appointed.

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF THE ABOVE-NAMED NOMINEES, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.** Management has no reason to believe that any of the nominees will be unable to serve as a director but, **IF A NOMINEE IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE REMAINING NOMINEES AND MAY BE VOTED FOR A SUBSTITUTE NOMINEE UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE ELECTION OF DIRECTORS.**

#### ***Corporate Cease Trade Orders or Bankruptcies***

No proposed director, within 10 years before the date of this Circular, has been a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively an “**Order**”) and 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.

No proposed director, within 10 years before the date of this Circular, has been a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed director 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.

#### ***Personal Bankruptcies***

None of the proposed directors of the Company have, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

#### ***Penalties and Sanctions***

None of the proposed directors of the Company have been subject to 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 or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### **3. APPOINTMENT OF AUDITORS**

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF BAKER TILLY WM LLP, CHARTERED PROFESSIONAL ACCOUNTANTS, AS AUDITOR OF THE COMPANY TO HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING OF SHAREHOLDERS AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THEIR REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.** Baker Tilly WM LLP, Chartered Professional Accountants were first appointed as the auditors of the Company on November 23, 2020.

### **4. AMENDMENT TO ARTICLES – CONSOLIDATION**

At the Meeting, shareholders are being asked to consider and, if deemed advisable, to pass, with or without variation, a special resolution, the text of which is attached as Exhibit A to the Notice (the “**Consolidation Resolution**”), which would authorize the Company to effect a consolidation of all of the issued and outstanding Common Shares on the basis of up to ten (10) pre-consolidation Common Shares, or such lesser number of pre-consolidation Common Shares as the directors of the Company in their discretion may determine, for one (1) post-consolidation Common Share (the “**Consolidation**”). In the event that shareholders pass the Consolidation Resolution and the Board determines to consolidate on a maximum 10:1 basis, the presently issued and outstanding 224,051,935 Common Shares will be consolidated into approximately 22,405,193 Common Shares. If the Board determines to consolidate the Common Shares on a lesser basis, more Common Shares will remain outstanding following the Consolidation. Any fractional Common Shares arising from the Consolidation will be rounded down to the nearest whole Common Share. In all other respects, the post-consolidated Common Shares will have the same attributes as the existing Common Shares.

The Company believes that the Consolidation will both enhance the marketability of the Company as an investment and better position the Company to raise the funds necessary for the continued development of its business and the growth of the Company.

In order to pass, the Consolidation Resolution must be approved by at least two thirds of the votes cast by the shareholders, present at the Meeting in person or represented by proxy. If the Consolidation Resolution does not receive the requisite shareholder approval, the Company will continue with its present share capital.

The Board recommends that shareholders vote in favour of the Consolidation Resolution.

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

## **5. APPROVAL AND CONFIRMATION OF OMNIBUS LONG-TERM INCENTIVE PLAN**

The Company has adopted an omnibus long-term incentive plan (the “**LTIP**”) which provides for a variety of equity-based awards that may be granted, including performance share units (“**PSUs**”) and restricted share units (“**RSUs**” and together with PSUs, the “**Share Units**”) and stock options (“**Options**” and together with the PSUs and RSUs, “**Awards**”) to certain directors, officers, employees, consultants and management company employees providing ongoing services to the Company and its affiliates. Each Option represents the right to receive Common Shares and each Share Unit represents the right to receive Common Shares, or the market value of such Common Shares in cash, or a combination of the two, in accordance with the terms of the LTIP. The LTIP was approved by the shareholders at the annual and special meeting of shareholders held on October 18, 2023.

The LTIP is a “rolling” plan which sets the total number of Common Shares reserved and available for grant and issuance pursuant to Awards at an amount not to exceed 10% of the Common Shares at the date of grant, or such other number as may be approved by the TSX Venture Exchange (“**TSXV**”) and the shareholders from time to time. For the purposes of calculating the maximum number of Common Shares reserved for issuance under the LTIP and all other share compensation arrangements, any issuance from treasury by the Company that is issued in reliance upon an exemption under applicable stock exchange rules applicable to equity-based compensation arrangements used as an inducement to person(s) or company(ies) not previously employed by and not previously an insider of the Company shall not be included. All of the Common Shares covered by the exercised, cancelled or terminated Awards or Common Shares underlying an Award that have been settled in cash will automatically become available Common Shares for the purposes of Awards that may be subsequently granted under the LTIP. As a result, the LTIP is considered an “evergreen” plan.

The principal features of the LTIP are described in more detail below in the section entitled “*Statement of Executive Compensation – Securities Authorized for Issuance Under Equity Compensation Plans*”.

The LTIP is a “rolling” equity compensation plan and, under Policy 4.4 of the TSXV, a listed company on the TSXV is required to obtain the approval of its shareholders for a “rolling” equity compensation plan at each annual meeting of shareholders. Accordingly, shareholders will be asked to approve the following resolution:

**“BE IT RESOLVED THAT:**

1. the omnibus long-term incentive plan of the Company as described in the management information circular dated June 6, 2024, be and it is hereby approved, confirmed and ratified.”

In accordance with the policies of the TSXV, the LTIP must be approved by the majority of votes cast at the Meeting on the resolution.

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL AND CONFIRMATION OF THE LTIP UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.**

## STATEMENT OF EXECUTIVE COMPENSATION

Under applicable securities legislation, the Company is required to disclose certain financial and other information relating to the compensation of the Chief Executive Officer, the Chief Financial Officer and the most highly compensated executive officer of the Company as at December 31, 2023 whose total compensation was more than \$150,000 for the financial year of the Company ended December 31, 2023 (collectively the “Named Executive Officers”) and for the directors of the Company.

### Summary Compensation Table

The following table provides a summary of compensation paid, directly or indirectly, for each of the two most recently completed financial years to the Named Executive Officers and the directors of the Company. The following table does not disclose any information regarding Mr. Mark Goodman, Chairman and a director of the Company, as he was appointed to his positions with the Company after the financial year of the Company ended December 31, 2023.

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES <sup>(1)</sup>							
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 (\$)
Mathew Wilson <sup>(2)</sup> President, Chief Executive Officer and Director	2023	230,000	nil	nil	nil	nil	230,000
	2022	221,667	50,000	nil	nil	nil	271,667
Dennis Logan <sup>(3)</sup> Chief Financial Officer	2023	108,000	nil	nil	nil	nil	108,000
	2022	84,000	15,000	nil	nil	nil	99,000
Jeremy Niemi <sup>(4)</sup> SVP Exploration and Evaluation	2023	180,000	nil	nil	nil	nil	nil
	2022	nil	nil	nil	nil	nil	nil
Richard Patricio <sup>(5)</sup> Chairman and Director	2023	24,000	nil	nil	nil	nil	24,000
	2022	24,000	nil	nil	nil	nil	24,000
Stephen Keith Director	2023	24,000	nil	nil	nil	nil	24,000
	2022	24,000	nil	nil	nil	nil	24,000

Notes:

- (1) This table does not include any amount paid as reimbursement for expenses.
- (2) None of the compensation paid to Mr. Wilson was paid for being a director of the Company. The fees are paid to Creason Inc., a company controlled by Mr. Wilson, in accordance with the consulting agreement of Mr. Wilson as described under the heading “Employment, Consulting and Management Agreements”.
- (3) The fees are paid to 9703373 Canada Inc., a company controlled by Mr. Logan, in accordance with the consulting agreement of Mr. Logan as described under the heading “Employment, Consulting and Management Agreements”.
- (4) Mr. Jeremy Niemi was appointed SVP Exploration and Evaluation on January 24, 2023. The fees are paid to One Above Three Below Advisory Inc., a company controlled by Mr. Niemi, in accordance with the consulting agreement of Mr. Niemi as described under the heading “Employment, Consulting and Management Agreements”.
- (5) Mr. Richard Patricio resigned as a director on May 27, 2024, and Mr. Mark Goodman was appointed in his stead.

### Stock Options and Other Compensation Securities

The following table provides a summary of all compensation securities granted or issued to each Named Executive Officer and to each director of the Company during the most recently completed financial year of the Company for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries:

COMPENSATION SECURITIES							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and % of class <sup>(3)</sup>	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on the date immediately prior to the date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Mathew Wilson <sup>(4)</sup> President, Chief Executive Officer and Director	Options <sup>(1)</sup>	350,000 exercisable for 350,000 Common Shares representing 0.31% of the outstanding number of Common Shares	January 24, 2023	0.21	0.21	0.05	January 24, 2025
	Options <sup>(2)</sup>	2,000,000 exercisable for 2,000,000 Common Shares representing 1.78% of the outstanding number of Common Shares	May 8, 2023	0.15	0.125	0.05	May 8, 2025
Dennis Logan <sup>(5)</sup> Chief Financial Officer	Options <sup>(1)</sup>	200,000 exercisable for 200,000 Common Shares representing 0.18% of the outstanding number of Common Shares	January 24, 2023	0.21	0.21	0.05	January 24, 2025
	Options <sup>(2)</sup>	500,000 exercisable for 500,000 Common Shares representing 0.44% of the outstanding number of Common Shares	May 8, 2023	0.15	0.125	0.05	May 8, 2025
Jeremy Niemi <sup>(6)</sup> SVP Exploration and Evaluation	Options <sup>(1)</sup>	350,000 exercisable for 350,000 Common Shares representing 0.31% of the outstanding number of Common Shares	January 24, 2023	0.21	0.21	0.05	January 24, 2025
	Options <sup>(2)</sup>	2,000,000 exercisable for 2,000,000 Common Shares representing 1.78% of the outstanding number of Common Shares	May 8, 2023	0.15	0.125	0.05	May 8, 2025

COMPENSATION SECURITIES							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and % of class <sup>(3)</sup>	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on the date immediately prior to the date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Richard Patricio <sup>(7)</sup> Chairman and Director	Options <sup>(1)</sup>	200,000 exercisable for 200,000 Common Shares representing 0.18% of the outstanding number of Common Shares	January 24, 2023	0.21	0.21	0.05	January 24, 2025
	Options <sup>(2)</sup>	500,000 exercisable for 500,000 Common Shares representing 0.44% of the outstanding number of Common Shares	May 8, 2023	0.15	0.125	0.05	May 8, 2025
Stephen Keith <sup>(8)</sup> Director	Options <sup>(1)</sup>	100,000 exercisable for 100,000 Common Shares representing 0.09% of the outstanding number of Common Shares	January 24, 2023	0.21	0.21	0.05	January 24, 2025
	Options <sup>(2)</sup>	150,000 exercisable for 150,000 Common Shares representing 0.13% of the outstanding number of Common Shares	May 8, 2023	0.15	0.125	0.05	May 8, 2025

Notes:

- (1) The fair value of each stock option at the date of grant was estimated using the Black-Scholes option pricing model to be consistent with the audited consolidated financial statements of the Company and included the following assumptions: share price \$0.21, dividend yield 0.00%, expected volatility 105.38% (based on the historical price history of the Common Shares), risk-free interest rate 3.64% and an expected life of 2.00 years.
- (2) The fair value of each stock option at the date of grant was estimated using the Black-Scholes option pricing model to be consistent with the audited consolidated financial statements of the Company and included the following assumptions: share price \$0.13, dividend yield 0.00%, expected volatility 103.66% (based on the historical price history of the Common Shares), risk-free interest rate 3.76% and an expected life of 2.00 years.
- (3) Calculated on a partially diluted basis as at December 31, 2023.
- (4) As at December 31, 2023, Mr. Wilson held 2,900,000 stock options exercisable to purchase 2,900,000 Common Shares.
- (5) As at December 31, 2023, Mr. Logan held 1,050,000 stock options exercisable to purchase 1,050,000 Common Shares.
- (6) As at December 31, 2023, Mr. Niemi held 2,850,000 stock options exercisable to purchase 2,850,000 Common Shares.
- (7) As at December 31, 2023, Mr. Patricio held 1,000,000 stock options exercisable to purchase 1,000,000 Common Shares. Mr. Patricio resigned as a director on May 27, 2024. The 1,000,000 stock options held by Mr. Patricio at the time of his resignation will termination in accordance with the terms of the LTIP.
- (8) As at December 31, 2023, Mr. Keith held 740,000 stock options exercisable to purchase 740,000 Common Shares.

No compensation securities were exercised by any Named Executive Officer or any director of the Company during the most recently completed financial year of the Company.

## **Stock Option Plan and other Incentive Plans**

The Company adopted the LTIP which provides for a variety of Awards to certain directors, officers, employees, consultants and management company employees providing ongoing services to the Company and its affiliates. Each Option represents the right to receive Common Shares and each Share Unit represents the right to receive Common Shares, or the market value of such Common Shares in cash, or a combination of the two, in accordance with the terms of the LTIP.

Under the terms of the LTIP, the Board, may grant Awards to eligible participants, as applicable. Participation in the LTIP is voluntary and, if an eligible participant agrees to participate, the grant of Awards will be evidenced by a grant agreement with each such participant. The interest of any participant in any Award is not assignable or transferable, whether voluntary, involuntary, by operation of law or otherwise, other than by will or the laws of descent and distribution.

The LTIP provides that appropriate adjustments, if any, will be made by the Board in connection with a reclassification, reorganization or other change of the Common Shares, share split or consolidation, distribution, merger or amalgamation, in the Common Shares issuable or amounts payable to preclude a dilution or enlargement of the benefits under the LTIP.

The LTIP is a “rolling” plan which sets the total number of Common Shares reserved and available for grant and issuance pursuant to Awards at an amount not to exceed 10% of the Common Shares at the date of grant, or such other number as may be approved by the TSXV and the shareholders from time to time.

The maximum number of Common Shares reserved for issuance, in the aggregate, under the LTIP and all other share compensation arrangements will be 10% of the aggregate number of Common Shares issued and outstanding at the date of grant, which represents 22,405,193 Common Shares as of the date hereof. As of the date hereof, there are 10,580,000 Options outstanding, representing approximately 4.72% of the issued and outstanding Common Shares of the Company.

For the purposes of calculating the maximum number of Common Shares reserved for issuance under the LTIP and all other share compensation arrangements, any issuance from treasury by the Company that is issued in reliance upon an exemption under applicable stock exchange rules applicable to equity-based compensation arrangements used as an inducement to person(s) or company(ies) not previously employed by and not previously an insider of the Company shall not be included. All of the Common Shares covered by the exercised, cancelled or terminated Awards or Common Shares underlying an Award that have been settled in cash will automatically become available Common Shares for the purposes of Awards that may be subsequently granted under the LTIP. As a result, the LTIP is considered an “evergreen” plan.

The maximum number of Common Shares that may be: (i) issued to insiders of the Company within any one-year period; or (ii) issuable to insiders of the Company at any time, in each case, under the LTIP alone, or when combined with all of the Company’s other security-based compensation arrangements, cannot exceed 10% of the aggregate number of Common Shares issued and outstanding at the date of grant determined on a non-diluted basis, unless disinterested shareholder approval is obtained in accordance with the terms of the LTIP.

In addition, unless expressly permitted and accepted by the TSXV, the aggregate number of Common Shares issuable pursuant to Awards together with all other share compensation arrangements to: (a) any one eligible participant within any 12-month period, cannot exceed 5% of the issued and outstanding Common Shares issued and outstanding at the date of grant; (b) to any one eligible participant that is a Consultant (as defined in the LTIP) within any 12-month period cannot exceed 2% of the issued and outstanding Common Shares issued and outstanding at the date of grant; (c) to all Investor Relations Service Providers (as defined in the LTIP) within any 12-month period cannot exceed 2% of the issued and outstanding Common Shares issued and outstanding at the date of grant; and (d) to Eligible Charitable Organizations (as defined in the LTIP) shall not exceed 1% of the issued and outstanding Common Shares issued and outstanding at the date of grant.

### *Options*

An Option will be exercisable during a period established by the Board which will commence on the date of the grant and terminate no later than ten years after the date of the granting of the Option or such shorter period as the Board may determine. The minimum exercise price of an Option will be determined based on the closing price of the Common Shares on the TSXV on the last trading day before the date such Option is granted. The LTIP provides that the exercise period of an Option will automatically be extended if the date on which it is scheduled to terminate falls during a black-out period that is formally imposed by the Company. In such cases, the extended exercise period will terminate 10 business days after the last day of the black-out period. In order to facilitate the payment of the exercise price of the Options, the LTIP has a cashless exercise feature pursuant to which a participant may elect to undertake either a broker assisted “cashless exercise” or a “net exercise” subject to the procedures set out in the LTIP, including the consent of the Board, where required.

### *Share Units*

A Share Unit is an RSU or PSU entitling the recipient to acquire Common Shares, subject to such restrictions and conditions as the Board may determine at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives. The terms and conditions of grants of RSUs and PSUs, including the quantity, type of award, grant date, vesting conditions, vesting periods, settlement date and other terms and conditions with respect to these Awards, will be set out in the eligible participant’s grant agreement. In the event that an Award is granted based on a dollar amount relative to market value, the market value may not be less than the closing market price of the Common Shares on the day immediately preceding the grant of the Award, subject to permitted discounts in accordance with the policies of the TSXV.

Subject to applicable vesting, performance criteria and other conditions set forth in the grant agreement, the Board is entitled to determine whether RSUs and/or PSUs awarded to an eligible participant will entitle such participant to receive Common Shares, the cash equivalent of Common Shares underlying the Award based on the prevailing market value of the Common Shares on the stock exchange on which the Common Shares are then listed, or a combination of the two.

No Share Unit may vest before the date that is one year following the applicable date of grant, provided that this limitation shall not apply in the case of an eligible participant’s death, or in connection with a change of control of the Company, takeover bid, reverse takeover transaction, or any similar transaction. PSUs will vest upon the achievement of specific performance criteria established by the Board, and any other vesting conditions that may be set forth in the applicable grant agreement. For each award of PSUs, the Board will establish the period in which any performance criteria and other vesting conditions must be met in order for an eligible participant to be entitled to receive Common Shares in exchange for all or a portion of the PSUs held by such participant, provided that such period must not be longer than December 31 of the calendar year which is three years after the calendar year in which such PSU was granted.

In the event that a Share Unit Settlement Date (as defined in the LTIP) falls during a blackout period that is formally imposed by the Company, the Share Unit Settlement Date will be automatically extended to the 10th business day following the last day of the black-out period.

Under the terms of the LTIP, each non-employee director of the Company may elect to receive all or a portion his or her annual retainer fee in the form of a grant of RSUs in each fiscal year. At all time while the Common Shares are listed on the TSXV, no Investor Relations Service Provider and no Eligible Charitable Organization may receive Share Units.

### *Termination of Employment*

The following table describes the impact of certain events upon the rights of holders of Options and Share Units under the LTIP, including termination for cause, retirement, resignation, ceasing to be an eligible participant for any

reason (other than for cause resignation or death), and death, subject to the terms of an eligible participant's employment agreement, grant agreement and the change of control provisions described below:

Event Provisions	Provisions
Termination for cause	Immediate termination of all vested and unvested Options and/or Share Units on the date of termination.
Retirement	All unvested Options and/or Share Units will vest in accordance with their vesting schedules, and all vested Options and/or Share Units held may be exercised until the earlier of the expiry date of such Options and/or Share Units or one year following the date that the holder ceases to be an eligible participant under the LTIP, subject to certain exceptions.
Resignation	All vested Options and/or Share Units will vest on the earlier of the original expiry date and 90 days after resignation, or such longer period as the Board may determine in its sole discretion. All unvested Options and/or Share Units terminate on the effective date of resignation.
Ceasing to be an eligible participant for any reason (other than for "cause", retirement, resignation, death or in connection with a change of control)	In the event a participant ceases to be an eligible participant for any reason (other than for cause, retirement, resignation, death or in connection with a change of control), all unvested Options and/or Share Units may vest subject to pro ration over the applicable vesting or performance period and will expire on the earlier of 90 days after the effective date of termination, or the expiry date of such Option and/or Share Unit.
Death	All unvested Options and/or Share Units immediately vest and expire 180 days after the death of such eligible participant.
Change of Control	resigns for good reason during the 12 month period following a change of control, or after the Company has signed a written agreement to effect a change of control but before the change of control is completed, then any unvested Options and/or Share Units will immediately vest and may be exercised prior to the earlier of 30 days after such date or the expiry date of such Options and/or Share Units.

In connection with a change of control of the Company, the Board will take such steps as are reasonably necessary or desirable to cause the conversion or exchange or replacement of outstanding Awards into, or for, rights or other securities of substantially equivalent (or greater) value in the continuing entity, as applicable. If the surviving successor or acquiring entity does not assume the outstanding Awards, or if the Board otherwise determines in its discretion, the Company will give written notice to all participants advising that the LTIP will be terminated effective immediately prior to the change of control and all Awards, as applicable, will be deemed to be vested and, unless otherwise exercised, settle, forfeited or cancelled prior to the termination of the LTIP, will expire or, with respect to the RSUs and PSUs be settled, immediately prior to the termination of the LTIP. In the event of a change of control, the Board has the power to: (i) make such other changes to the terms of the Awards as it considers fair

and appropriate in the circumstances, provided such changes are not adverse to the participants; (ii) otherwise modify the terms of the Awards to assist the participants to tender into a takeover bid or other arrangement leading to a change of control, and thereafter; and (iii) terminate, conditionally or otherwise, the Awards not exercised or settled, as applicable, following successful completion of such change of control. If the change of control is not completed within the time specified therein (as the same may be extended), the Awards which vest will be returned by the Company to the participant and, if exercised or settled, as applicable, the Common Shares issued on such exercise or settlement will be reinstated as authorized but unissued Common Shares and the original terms applicable to such Awards will be reinstated.

#### *Termination and Amendments*

The Board may, in its sole discretion, suspend or terminate the LTIP at any time, or from time to time, amend, revise or discontinue the terms and conditions of the LTIP or of any securities granted under the LTIP and any grant agreement relating thereto, subject to any required regulatory and TSXV approval, provided that such suspension, termination, amendment, or revision will not adversely alter or impair any Award previously granted except as permitted by the terms of the LTIP or as required by applicable laws.

The Board may amend the LTIP or any securities granted under the LTIP at any time without the consent of a participant provided that such amendment: (i) does not adversely alter or impair any Award previously granted except as permitted by the terms of the LTIP; (ii) is in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the TSXV; and (iii) is subject to shareholder approval, where required by law, the requirements of the TSXV or the LTIP, provided however that shareholder approval will not be required for the following amendments and the Board may make any changes which may include but are not limited to: (i) amendments which are of a typographical, grammatical, clerical nature only; and (ii) amendments to clarify existing provisions of the Plan that do not have the effect of altering the scope, nature and intent of such provisions.

The foregoing information is intended to be a brief description of the LTIP and is qualified in its entirety by the full text of the LTIP. The Company has no equity compensation plans other than the LTIP.

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

The Company has in place the following employment, consulting or management agreements between the Company or any subsidiary or affiliate thereof and its Named Executive Officers:

##### ***Mathew Wilson, President, Chief Executive Officer and Director***

The Company entered into a consulting agreement with Creason Inc., a company controlled by Mr. Wilson, for his services as the President and Chief Executive Officer of the Company on August 1, 2017 (the “**Creason Consulting Agreement**”). Pursuant to the Creason Consulting Agreement, Mr. Wilson receives remuneration in the amount of \$10,000 per month. On January 1, 2021, the Company entered into a revised consulting agreement with Creason Inc. (the “**Revised Creason Consulting Agreement**”). Pursuant to the Revised Creason Consulting Agreement, Mr. Wilson receives remuneration in the amount of \$15,000 per month. On March 1, 2022, Mr. Wilson’s remuneration was increased to \$19,166.67 per month. (“**Wilson Base Remuneration**”). The Creason Consulting Agreement is automatically renewed, subject to termination. The Company may terminate the Creason Consulting Agreement (i) at any time for just cause, in which case the Company is required to pay all amounts owed to Mr. Wilson with respect to services performed up to the date of termination; or (ii) upon 60 days written notice, in which case the Company is required to pay all amounts owed to Mr. Wilson with respect to services performed up to the date of notice of termination and an additional amount equal to twelve-months of the Wilson Base Remuneration. Mr. Wilson may terminate the Creason Consulting Agreement upon 60 days written notice, in which case the Company is required to pay all amounts owed to Mr. Wilson with respect to services performed up to the date of notice of termination.

### ***Dennis Logan, Chief Financial Officer***

The Company entered into a consulting services agreement with 9703373 Canada Inc., a company controlled by Mr. Logan, for his services as the Chief Financial Officer of the Company on September 1, 2017, as amended (the “**9703373 Consulting Agreement**”). Pursuant to the 9703373 Consulting Agreement, Mr. Logan received remuneration in the amount of \$7,000 per month. As of January 1, 2023, Mr. Logan’s remuneration was increased to \$9,000 per month. The 9703373 Consulting Agreement is automatically renewed on a monthly basis, continues from year to year and may be terminated by the Company or Mr. Logan with 30 days written notice.

### ***Jeremy Niemi, SVP Exploration and Evaluation***

The Company entered into a consulting services agreement with One Above Three Below Advisory Inc., a company controlled by Mr. Niemi, for his services as the SVP Exploration and Evaluation of the Company on January 24, 2023 (the “**OATB Consulting Agreement**”). Pursuant to the OATB Consulting Agreement, Mr. Niemi received remuneration in the amount of \$15,000 per month. The OATB Consulting Agreement is automatically renewed on a monthly basis, continues from year to year and may be terminated by the Company or Mr. Niemi with 30 days written notice.

There are no employment agreements in place with any of the directors of the Company.

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

### ***Compensation of Directors***

The Board has adopted a charter for its Compensation Committee which sets out its mandate and purpose, as well as its duties and responsibilities. Currently, the function of the Compensation Committee is carried on by the Board.

The Board, at the recommendation of the management of the Company, determines the compensation payable to the directors of the Company and reviews such compensation periodically throughout the year. For their role as directors of the Company, each director of the Company who is not a Named Executive Officer may, from time to time, be awarded Awards under the provisions of the LTIP. There are no other arrangements under which the directors of the Company who are not Named Executive Officers were compensated by the Company or its subsidiaries during the most recently completed financial year end for their services in their capacity as directors of the Company.

### ***Compensation of Named Executive Officers***

#### *Principles of Executive Compensation*

The Company believes in linking an individual’s compensation to his or her performance and contribution as well as to the performance of the Company as a whole. The primary components of the Company’s executive compensation are base salary and option-based awards. The Board believes that the mix between base salary and incentives must be reviewed and tailored to each executive based on their role within the organization as well as their own personal circumstances. The overall goal is to successfully link compensation to the interests of the shareholders. The following principles form the basis of the Company’s executive compensation program:

1. align interest of executives and shareholders;
2. attract and motivate executives who are instrumental to the success of the Company and the enhancement of shareholder value;
3. pay for performance;

4. ensure compensation methods have the effect of retaining those executives whose performance has enhanced the Company's long term value; and
5. connect, if possible, the Company's employees into principles 1 through 4 above.

The Board is responsible for the Company's compensation policies and practices. The Board has the responsibility to review and make recommendations concerning the compensation of the directors of the Company and the Named Executive Officers. The Board also has the responsibility to make recommendations concerning annual bonuses and grants to eligible persons under the Stock Option Plan. The Board also reviews and approves the hiring of executive officers.

#### Base Salary

Base salary compensates executives for fulfilling their roles and responsibilities within the organization and aims to retain such executives. The Board determines the amount of base salaries for each of the Named Executive Officers, taking into consideration the recommendation of the Chief Executive Officer, the individual's performance and contributions to the success of the Company, competitive industry pay practices for comparable positions and internal equities among positions. No specific weightings are assigned to each factor, but rather, a subjective determination is made based on a general assessment of the performance of the individual relative to such factors.

#### Annual Incentives

The Named Executive Officers have an opportunity to earn annual incentive compensation payable as a cash bonus. The annual incentive compensation is intended to link pay to annual performance that will drive shareholder value. Award opportunities vary based on the individual's position and contributions to the performance of the Company. Annual incentive compensation is tied to corporate and individual performance. The determination of corporate and personal performance and final bonus payouts is based on a subjective assessment of such performance and requires considerable discretion.

#### Compensation and Measurements of Performance

It is the intention of the Board to approve targeted amounts of annual incentives for each Named Executive Officer at the beginning of each financial year. The targeted amounts will be determined by the Board based on a number of factors, including comparable compensation of similar companies.

Achieving predetermined individual and/or corporate targets and objectives, as well as general performance in day to day corporate activities, will trigger the award of a bonus payment to the Named Executive Officers. The Named Executive Officers will receive a partial or full incentive payment depending on the number of the predetermined targets met and the Board's assessment of overall performance. The determination as to whether a target has been met is ultimately made by the Board and the Board reserves the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate.

#### Long Term Compensation

The Company currently has no long-term incentive plans, other than Awards granted from time to time by the Board under the provisions of the LTIP.

#### **Pension Disclosure**

There are no pension plan benefits in place for the Named Executive Officers or the directors of the Company.

## Termination and Change of Control Benefits

The Company does not have in place any pension or retirement plan. The Company has not provided compensation, monetary or otherwise, during the preceding fiscal year, to any person who now acts or has previously acted as a Named Executive Officer or director of the Company in connection with or related to the retirement, termination or resignation of such person. The Company has not provided any compensation to such persons as a result of a change of control of the Company, its subsidiaries or affiliates. The Company is not party to any compensation plan or arrangement with a Named Executive Officer or a director of the Company resulting from the resignation, retirement or the termination of employment of such person.

## SECURITIES AUTHORIZED FOR ISSUE UNDER EQUITY COMPENSATION PLANS

### Equity Compensation Plan Information

The following table sets forth information with respect to all compensation plans of the Company under which equity securities are authorized for issue as of December 31, 2023 pursuant to the Stock Option Plan. As at December 31, 2023, the Company did not adopt any security compensation plans other than the Stock Option Plan:

Plan Category	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 (#)
Equity compensation plans approved by securityholders <sup>(1)</sup>	10,580,000	0.19	669,942
Equity compensation plans not approved by securityholders	nil	nil	nil
<b>Total</b>	<b>10,580,000</b>	<b>0.19</b>	<b>669,942</b>

Note:

(1) *The maximum number of Common Shares reserved for issuance pursuant to the exercise of Options in the aggregate, under the LTIP will be 10% of the aggregate number of Common Shares issued and outstanding from time to time, which represents 22,405,193 Common Shares as of the date of this Circular. As of the date of this Circular, a total of 10,580,000 Options are issued and outstanding.*

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No director, executive officer or principal shareholder of the Company, or associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year end or in any proposed transaction that has materially affected or will materially affect the Company.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or officer of the Company or person who acted in such capacity in the last financial year of the Company, or any other individual who at any time during the most recently completed financial year of the Company was a director of the Company or any associate of the Company, is indebted to the Company, nor is any indebtedness of any such person to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

## **AUDIT COMMITTEE INFORMATION REQUIRED IN THE INFORMATION CIRCULAR OF A VENTURE ISSUER**

National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) requires that certain information regarding the Audit Committee of a “venture issuer” (as that term is defined in NI 52-110) be included in the management information circular sent to shareholders in connection with the issuer’s annual meeting. The Company is a “venture issuer” for the purposes of NI 52-110.

### **Audit Committee Charter**

The full text of the charter of the Company’s Audit Committee is attached hereto as Appendix A (the “**Charter**”).

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

The Audit Committee members are currently Mathew Wilson, Mark Goodman and Stephen Keith, each of whom is a director and financially literate. Messrs. Goodman and Keith are deemed to be “independent” for the purposes of NI 52-110, while Mr. Wilson, President and Chief Executive Officer of the Company, is not considered to be “independent” for the purposes of NI 52-110.

### **Relevant Education and Experience**

The following is a description of the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

1. an understanding of the accounting principles used by the Company to prepare its financial statements;
2. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
3. experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements, or experience actively supervising one or more persons engaged in such activities; and
4. an understanding of internal controls and procedures for financial reporting.

***Mathew Wilson, President, Chief Executive Officer and Director*** – Mr. Wilson is an active investor and executive consultant. Mr. Wilson was previously a Principal at Pinetree Capital Ltd. (“**Pinetree**”), a diversified investment fund focused primarily on the small cap mining sector. Mr. Wilson has previously acted as the chief financial officer for several private venture capital companies and as a director for public TSX Venture Exchange listed companies. Mr. Wilson holds a Masters in Finance from Queens University and is a CFA Charterholder.

***Mark Goodman, Chairman and Director*** – Mr. Goodman has over 25 years public and mining company experience. Most recently he was President of Dundee Corporation, a TSX listed public mining merchant bank, until December 2018. He has served on several public company boards and executive positions of both public and private companies.

***Stephen Keith, Director – Stephen Keith, Director*** – Mr. Keith is Head of Brazilian and African Operations, Itafos Inc. and Lead Director and Chair of the Audit Committee on the Board of Directors of Aura Minerals Inc. (ORA:T). Prior to this, Mr. Keith was and is the Chief Executive Officer of Labrador Uranium Inc., President and Chief Executive Officer of GrowMax Resources Corp., and has held the positions of Managing Director, FertoZ Ltd.; President and Chief Executive Officer of Search Minerals Inc.; and, founder, President and Chief Executive Officer of Rio Verde Minerals Development Corp., a company he took from concept to listing onto the Toronto Stock

Exchange and led until its acquisition by B&A Fertilizers Limited in March 2013. As an engineer, Mr. Keith has worked with mining and energy companies on projects through feasibility study, engineering design, project management and construction. In finance and investment banking, he has engaged in over C\$2 billion in financing and merger and acquisition deals for natural resource projects. He holds a BSc, Applied Science (Queen's University), an International MBA (York University, Schulich School of Business) and a Professional Engineer in Ontario (Active) and British Columbia (Retired).

### **Audit Committee Oversight**

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

### **Reliance on Exemptions in NI 52-110**

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

1. the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 (which exempts all non-audit services provided by the Company's auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Company, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit);
2. the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*) of NI 52-110 (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company if a circumstance arises that affects the business or operations of the Company and a reasonable person would conclude that the circumstance can be best addressed by a member of the Audit Committee becoming an executive officer or employee of the Company);
3. the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*) (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company if an Audit Committee member becomes a control person of the Company or of an affiliate of the Company for reasons outside the member's reasonable control);
4. the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*) (an exemption from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company if a vacancy on the Audit Committee arises as a result of the death, incapacity or resignation of an Audit Committee member and the Board was required to fill the vacancy); or
5. an exemption from the requirements of NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of NI 52-110.

The Company is a "venture issuer" for the purposes of NI 52-110. Accordingly, the Company is relying upon the exemption in section 6.1 of NI 52-110 providing that the Company is exempt from the application of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

### **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 Charter.

## Audit Fees

The following table provides details in respect of audit, audit related, tax and other fees billed by the external auditor of the Company for professional services rendered to the Company during the fiscal years ended December 31, 2023 and December 31, 2022.

	Audit Fees (\$)	Audit-Related Fees (\$)	Tax Fees (\$)	All Other Fees (\$)
Year ended December 31, 2023	57,596	nil	nil	nil
Year ended December 31, 2022	56,925	nil	nil	nil

Audit Fees – aggregate fees billed for professional services rendered by the auditor for the audit of the Company’s annual financial statements as well as services provided in connection with statutory and regulatory filings.

Audit-Related Fees – aggregate fees billed for professional services rendered by the auditor and were comprised primarily of audit procedures performed related to the review of quarterly financial statements and related documents.

Tax Fees – aggregate fees billed for tax compliance, tax advice and tax planning professional services. These services included reviewing tax returns and assisting in responses to government tax authorities.

All Other Fees – aggregate fees billed for professional services which included accounting advice.

## REPORT ON GOVERNANCE

The Company believes that adopting and maintaining appropriate governance practices is fundamental to a well-run company, to the execution of its chosen strategies and to its successful business and financial performance. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and National Policy 58-201 – *Corporate Governance Guidelines* (collectively the “**Governance Guidelines**”) of the Canadian Securities Administrators set out a list of non-binding corporate governance guidelines that issuers are encouraged to follow in developing their own corporate governance guidelines. In certain cases, the Company’s practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. In 2006 the Company adopted a Corporate Governance Policies and Procedures Manual and the Company will continue to review and implement corporate governance guidelines as the business of the Company progresses and becomes more active in operations.

The following disclosure is required by the Governance Guidelines and describes the Company’s approach to governance and outlines the various procedures, policies and practices that the Company and the Board have implemented.

### Board of Directors

The Board is currently composed of three directors. At the Meeting it is proposed that three directors be elected. Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)* (“**Form 58-101F2**”) requires disclosure regarding how the Board facilitates its exercise of independent supervision over management of the Company by providing the identity of directors who are independent and the identity of directors who are not independent and the basis for that determination. NI 52-110 provides that a director is independent if he or she has no direct or indirect “material relationship” with the company. “Material relationship” is defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment. In addition, under NI 52-110, an individual who is, or has been within the last three years, an employee or executive officer of an issuer, is deemed to have a “material relationship” with the issuer. Accordingly, of the proposed

director nominees, Mr. Mathew Wilson, the President and Chief Executive Officer of the Company is considered not to be “independent”. The remaining two proposed nominees are considered by the Board to be “independent”, within the meaning of NI 52-110. In assessing Form 58-101F2 and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors.

### **Directorships**

The following table sets forth the directors, and proposed directors, of the Company who currently hold directorships with other reporting issuers:

<b>Name of Director</b>	<b>Reporting Issuer</b>
Mark Goodman	Cranstown Capital Corp. and Copper Road Resources Inc.
Stephen Keith	Aura Minerals Inc.

### **Orientation and Continuing Education**

To provide orientation to new directors regarding the role of the Board and its committees, the Board provides copies of its mandate, committee charters, policies and other relevant corporate documents. To orient new directors on the nature and operation of the Company’s business, the Board provides new directors with copies of the most recent public filings of the Company. New directors also meet with the Chief Executive Officer to review in detail the business of the Company. With respect to continuing education, the Board has no formal continuing education program. From time to time, the Chief Executive Officer meets with directors to update them on issues relating to the business and, in between Board meetings, the Chief Executive Officer also provides updates to the directors regarding the Company’s business to ensure that the directors maintain the knowledge regarding the Company and its industry necessary for them to meet their obligations as directors. Directors are individually responsible for updating their skills necessary to meet their obligations as directors. Several directors have either public company experience or experience on other boards of directors.

### **Ethical Business Conduct**

The Board has adopted a written Code of Business Conduct and Ethics (the “**Code of Ethics**”) that applies to all directors, officers and employees of the Company and its subsidiaries, as well as those companies that provide administrative, accounting or other services to the Company in respect of their dealings with the Company. A copy of the Code of Ethics was filed by the Company on June 12, 2006 and is available on SEDAR+ under the profile of the Company at [www.sedarplus.ca](http://www.sedarplus.ca). The Board is responsible for monitoring compliance with the Code of Ethics. To facilitate the Board’s monitoring of compliance, the Code of Ethics requires all employees to promptly report any problems or concerns and any actual or potential violations to their manager or to the Chairperson of the Audit Committee. The Code of Ethics also provides for confidential reporting of violations by employees to the Audit Committee, directly or via the Chief Financial Officer and establishes a channel for direct or confidential reporting of any violations by officers and directors who become aware of any violation.

### **Nomination of Directors**

At present, the Board performs the functions of a nominating committee with responsibility for the appointment and assessment of directors. The Board believes that this is a practical approach at this stage of the Company’s development and given the small size of the Board.

While there are no specific criteria for Board membership, in identifying new candidates for Board nomination, the Board considers a mix of competencies and skills in different areas, such as business, mineral exploration and development and other areas which could be useful in guiding management of the Company.

## **Diversity of the Board and Senior Management**

As a federal distributing corporation, incorporated under the *Canada Business Corporations Act*, the Company is required to disclose information annually to its shareholders and Corporations Canada on the diversity of its Board and senior management on the representation of women, Indigenous peoples (First Nations, Inuit and Metis), persons with disabilities, members of visible minorities or otherwise self-represent as being within designated groups (as that term is defined in the *Employment Equity Act* (Canada) (the “**Designated Groups**”). The information below is provided as of September 14, 2023.

### ***Diversity of the Board and Senior Management***

The Company has not adopted a formal written policy regarding the diversity of the Board or senior management. The Company does not believe a formal policy would increase the representation of Designated Groups beyond how the Company currently nominates and appoints individuals to the Board and senior management. The Company considers all qualified individuals for each position that may arise.

While the Company believes that nominations to the Board and appointments to senior management should be based on merit, the Company recognizes that diversity supports balanced debate and discussion which, in turn, enhances decision-making and the level of representation of members of the Designated Groups is one factor taken into consideration during the search process for directors and members of the senior management.

In assessing potential directors and members of the senior management, the Company focuses on the skills, expertise, experience and independence which the Company requires to be effective. Due to the small size of the Board and the management team, and the stage of development of the Company’s business, the Board believes that the qualifications and experience of proposed new directors and members of senior management should remain the primary consideration in the selection process. The Company will include diversity (including the level of representation of members of Designated Groups) as a factor in its future decision-making when identifying and nominating candidates for election or re-election to the Board and for senior management positions.

### ***Director Term Limits and Other Mechanism of Board Renewal***

The Company has not adopted term restrictions for directors or other mechanism of Board renewal that would limit the time an individual could serve on the Board. Imposing a term limit would require the Company to remove an individual that has acquired an extensive knowledge and understanding of the operations of the Company. Accordingly, the Company believes that removing an individual solely on length of service would not benefit the shareholders of the Company. Each member of the Board is put forth, for election or re-election, to shareholders annually.

### ***Quotas or Targets for Representation of Designated Groups on the Board and among Senior Management***

The Company has not established quotas or targets for representation of individuals from the Designated Groups to the Board or senior management. The Company believes that focusing on a quota or target rather than on skills and experience would limit the Company’s ability to provide shareholders with a Board or senior management that meets the qualifications and needs of the Company and its shareholders.

### ***Representation of Designated Groups among Board and Senior Management***

As of the date hereof, there are no members of a Designated Group that hold a position on the Board or among senior management.

## **Other Board Committees**

In addition to the Audit Committee, the Company has established a Compensation Committee.

## Assessments

At present, the Board is responsible for assessing the effectiveness of the Board, its committees and individual directors. The Board is sufficiently small to permit all directors to have input on matters on a regular basis and to informally assess the performance of the Board throughout the year.

## OTHER MATTERS

The management of the Company knows of no other matters to come before the Meeting other than as set forth in the Notice. **However, if other matters which are not known to management should properly come before the Meeting, the accompanying form of proxy will be voted on such matters in accordance with the best judgment of the person or persons voting the proxy.**

## ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Shareholders may contact the Company in order to request copies of copies of: (i) this Circular; and (ii) the Company's financial statements and the related management's discussion and analysis (the "MD&A") which will be sent to the shareholder without charge upon request. Financial information is provided in the Company's financial statements and MD&A for the financial year of the Company ended December 31, 2022.

## APPROVAL OF THE BOARD OF DIRECTORS

The contents of this Circular have been approved, and the delivery of it to each shareholder entitled thereto and to the appropriate regulatory agencies has been authorized by the Board.

**DATED** this 6<sup>th</sup> day of June, 2024.

## BY ORDER OF THE BOARD

*"Mathew Wilson" (signed)*

Mathew Wilson  
President, Chief Executive Officer and Director

## APPENDIX A

### STERLING METALS CORP.

#### CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

##### 1. Mandate and Purpose of the Committee

The Audit Committee (the “**Committee**”) of the board of directors (the “**Board**”) of Sterling Metals Corp. (the “**Company**”) is a standing committee of the Board whose primary function is to assist the Board in fulfilling its oversight responsibilities relating to:

- (a) the integrity of the Company’s financial statements;
- (b) the Company’s compliance with legal and regulatory requirements, as they relate to the Company’s financial statements;
- (c) the qualifications, independence and performance of the Company’s auditor;
- (d) internal controls and disclosure controls;
- (e) the performance of the Company’s internal audit function; and
- (f) performing the additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

##### 2. Authority

The Committee has the authority to:

- (a) engage and compensate independent counsel and other advisors as it determines necessary or advisable to carry out its duties; and
- (b) communicate directly with the Company’s auditor.

The Committee has the authority to delegate to individual members or subcommittees of the Committee.

##### 3. Composition and Expertise

The Committee shall be composed of a minimum of three members, each whom is a director of the Company and a majority of whom are not employees, Control Persons or officers of the Company or any of its Associates or Affiliates, as such terms are defined in Policy 1.1 of the TSX Venture Exchange Corporate Finance Manual. Each Committee member must be “independent” and “financially literate” as such terms are defined in applicable securities legislation.

Committee members shall be appointed annually by the Board at the first meeting of the Board following each annual meeting of shareholders. Committee members hold office until the next annual meeting of shareholders or until they are removed by the Board or cease to be directors of the Company.

The Board shall appoint one member of the Committee to act as Chair of the Committee. If the Chair of the Committee is absent from any meeting, the Committee shall select one of the other members of the Committee to preside at that meeting.

#### **4. Meetings**

Any member of the Committee or the auditor may call a meeting of the Committee. The Committee shall meet at least four times per year and as many additional times as the Committee deems necessary to carry out its duties. The Chair shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and senior management.

Notice of the time and place of every meeting shall be given in writing to each member of the Committee, at least 48 hours (excluding holidays) prior to the time fixed for such meeting. The Company's auditor shall be given notice of every meeting of the Committee and, at the expense of the Company, shall be entitled to attend and be heard thereat. If requested by a member of the Committee, the Company's auditor shall attend every meeting of the Committee held during the term of office of the Company's auditor.

A majority of the Committee shall constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present in person or by means of such telephonic, electronic or other communications facilities as to permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously.

The Committee may invite such directors, officers and employees of the Company and advisors as it sees fit from time to time to attend meetings of the Committee.

The Committee shall meet without management present whenever the Committee deems it appropriate.

The Committee shall appoint a Secretary who need not be a director or officer of the Company. Minutes of the meetings of the Committee shall be recorded and maintained by the Secretary and shall be subsequently presented to the Committee for review and approval.

#### **5. Committee and Charter Review**

The Committee may conduct an annual review and assessment of its performance, effectiveness and contribution, including a review of its compliance with this Charter. The Committee shall conduct such review and assessment in such manner as it deems appropriate and report the results thereof to the Board.

The Committee may also review and assess the adequacy of this Charter on an annual basis, taking into account all legislative and regulatory requirements applicable to the Committee, as well as any guidelines recommended by regulators or the TSX Venture Exchange and shall recommend changes to the Board thereon.

#### **6. Reporting to the Board**

The Committee shall report to the Board in a timely manner with respect to each of its meetings held. This report may take the form of circulating copies of the minutes of each meeting held.

#### **7. Duties and Responsibilities**

##### **(a) Financial Reporting**

The Committee is responsible for reviewing and recommending approval to the Board of the Company's annual and interim financial statements, MD&A and related news releases, before they are released.

The Committee is also responsible for:

- (i) being satisfied 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, other than the public disclosure referred to in the preceding paragraph, and for periodically assessing the adequacy of those procedures;

- (ii) engaging the Company's auditor to perform a review of the interim financial statements and receiving from the Company's auditor a formal report on the auditor's review of such interim financial statements;
- (iii) discussing with management and the Company's auditor the quality of generally accepted accounting principles ("GAAP"), not just acceptability of GAAP;
- (iv) discussing with management any significant variances between comparative reporting periods; and
- (v) in the course of discussion with management and the Company's auditor, identifying problems or areas of concern and ensuring such matters are satisfactorily resolved.

(b) Auditor

The Committee is responsible for recommending to the Board:

- (i) the 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 Company's auditor.

The Company's auditor reports directly to the Committee. The Committee is directly responsible for overseeing the work of the Company's 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 Company's auditor regarding financial reporting.

(c) Relationship with the Auditor

The Committee is responsible for reviewing the proposed audit plan and proposed audit fees. The Committee is also responsible for:

- (i) establishing effective communication processes with management and the Company's auditor so that it can objectively monitor the quality and effectiveness of the auditor's relationship with management and the Committee;
- (ii) receiving and reviewing regular feedback from the auditor on the progress against the approved audit plan, important findings, recommendations for improvements and the auditor's final report;
- (iii) reviewing, at least annually, a report from the auditor on all relationships and engagements for non-audit services that may be reasonably thought to bear on the independence of the auditor; and
- (iv) meeting in camera with the auditor whenever the Committee deems it appropriate.

(d) Accounting Policies

The Committee is responsible for:

- (i) reviewing the Company's accounting policies to ensure completeness and acceptability with GAAP as part of the approval of the financial statements;
- (ii) discussing and reviewing the impact of proposed changes in accounting standards or securities policies or regulations;
- (iii) reviewing with management and the auditor any proposed changes in major accounting policies and key estimates and judgments that may be material to financial reporting;
- (iv) discussing with management and the auditor the acceptability, degree of aggressiveness/conservatism and quality of underlying accounting policies and key estimates and judgments; and
- (v) discussing with management and the auditor the clarity and completeness of the Company's financial disclosures.

(e) Risk and Uncertainty

The Committee is responsible for reviewing, as part of its approval of the financial statements:

- (i) uncertainty notes and disclosures; and
- (ii) MD&A disclosures.

The Committee, in consultation with management, will identify the principal business risks and decide on the Company's "appetite" for risk. The Committee is responsible for reviewing related risk management policies and recommending such policies for approval by the Board. The Committee is then responsible for communicating and assigning to the applicable Board committee such policies for implementation and ongoing monitoring.

The Committee is responsible for requesting the auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are managed or controlled.

(f) Controls and Control Deviations

The Committee is responsible for reviewing:

- (i) the plan and scope of the annual audit with respect to planned reliance and testing of controls; and
- (ii) major points contained in the auditor's management letter resulting from control evaluation and testing.

The Committee is also responsible for receiving reports from management when significant control deviations occur.

(g) Compliance with Laws and Regulations

The Committee is responsible for reviewing regular reports from management and others (e.g. auditors) concerning the Company's compliance with financial related laws and regulations, such as:

- (i) tax and financial reporting laws and regulations;

- (ii) legal withholdings requirements;
- (iii) environmental protection laws; and
- (iv) other matters for which directors face liability exposure.

**8. Non-Audit Services**

All non-audit services to be provided to the Company or its subsidiary entities by the Company's auditor must be pre-approved by the Committee.

**9. Submission Systems and Treatment of Complaints**

The Committee is responsible for establishing procedures for:

- (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
- (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

**10. Hiring Policies**

The Committee is responsible for reviewing and approving the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditor of the Company.