

**FIRST TELLURIUM CORP.**  
Suite 381 - 1440 Garden Place  
Delta, BC V4M 3Z2  
(Telephone: 604.789.5653)

**MANAGEMENT INFORMATION CIRCULAR**  
as at **April 4, 2025** (except as indicated)

This information circular ("**Information Circular**") is provided in connection with the solicitation of proxies by the management of **First Tellurium Corp.** (the "**Company**") for use at the Annual General Meeting of the shareholders of the Company (the "**Meeting**") to be held on **Friday, May 9, 2025**, at 5946 – 12 Avenue, Delta, BC V4L 1C7 at 9:00 a.m. (Vancouver Time) and at any adjournments thereof for the purposes set forth in the enclosed Notice of Annual General Meeting ("**Notice of Meeting**").

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. All costs of this solicitation will be borne by the Company. The Company has made arrangements for intermediaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by those intermediaries and the Company may reimburse the intermediaries for reasonable fees and disbursements incurred by them in so doing.

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

In this Information Circular, references to "**the Company**", "**we**" and "**our**" refer to First Tellurium Corp. "**Common Shares**" means common shares in the authorized share structure of the Company. "**Beneficial Shareholders**" means Shareholders who do not hold Common Shares in their own name and "intermediaries" refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

**Date of Information Circular**

Information contained in this Information Circular is given as at April 4, 2025, unless otherwise indicated.

**GENERAL PROXY INFORMATION**

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by either:

- (a) executing a proxy bearing a later date; or
- (b) executing a proxy bearing a later date; or executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the shareholder's authorized attorney in writing, or, if the shareholder is a company, under its corporate seal by an officer or attorney duly authorized, and by depositing the Proxy bearing a later date with Odyssey Trust Company, or at the address of the registered office of the Company at 5<sup>th</sup> Floor - 410 West Georgia Street, Vancouver, British Columbia, V6B 1Z3, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the date that precedes any reconvening thereof, or to the chair of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (c) by the registered shareholder personally attending the Meeting and voting the registered shareholder's Common Shares. A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

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### ***Appointment of Proxyholder***

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

The individuals named in the accompanying form of proxy (the “**Proxy**”) are directors and/or officers of the Company (the “**Management Designees**”). **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting other than either of the Management Designees. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

A proxy will not be valid unless the completed, signed and dated form of proxy is delivered to the office of **Odyssey Trust Company**, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the Proxy is to be used, **by any of the following methods:**

1. **by mail or personal delivery: United Kingdom Building, 350 - 409 Granville Street, Vancouver, British Columbia V6C 1T2;**
2. **by fax to the attention of the Proxy Department at 1-800-517-4553 (toll-free within North America) or 416-263-9524 (international);**
3. **by email to [proxy@odysseytrust.com](mailto:proxy@odysseytrust.com); or**
4. **by internet by going to <https://login.odysseytrust.com/pxlogin> and clicking on VOTE. You will require the Control and following the online voting instructions given to you.**

### ***Exercise of Discretion***

The Management Designees named in the Proxy will vote or withhold from voting the shares represented thereby in accordance with the instructions of the shareholder on any ballot that may be called for. The Proxy will confer discretionary authority on the nominees named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified other than the appointment of an auditor and the election of directors,
- (b) any amendment to or variation of any matter identified therein, and
- (c) any other matter that properly comes before the Meeting.

**In respect of a matter for which a choice is not specified in the Proxy, the Management Designees will vote the Common Shares represented by the Proxy at their own discretion for the approval of such matter.**

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

### ***Proxy Voting Options***

If you are a registered shareholder, you may elect to submit a proxy in order to vote whether or not you are able to attend the Meeting in person. In order to vote by mail, you must complete, date and sign the Proxy and return it to the Company's transfer agent, Odyssey Trust Company at United Kingdom Building, 350 - 409 Granville Street, Vancouver, British Columbia V6C 1T2, or by fax within North America to 1-800-517-4553 or 416-263-9524 (international), by email to [proxy@odysseytrust.com](mailto:proxy@odysseytrust.com) or by internet at <https://login.odysseytrust.com/pxlogin> any time up to and including 9:00 a.m. (Vancouver time) on May 7, 2025.

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

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

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In the United States, the vast majority of such shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

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

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

Although, as a Beneficial Shareholder, you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your broker (or agent of your broker), you may attend at the Meeting as proxyholder for your broker and vote the Common Shares in that capacity. If you wish to attend at the Meeting and indirectly vote your Common Shares as proxyholder for your broker or have a person designated by you to do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the voting instrument form provided to you and return the same to your broker (or your broker's agent) in accordance with the instructions provided by your broker (or agent), in advance of the Meeting.

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

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

None of the directors or executive officers of the Company, nor any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than as disclosed herein.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the “Board”) of the Company has fixed April 4, 2025, as the record date (the “Record Date”) for determination of persons entitled to receive notice of the Meeting. Only Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

As of April 4, 2025, the Company had outstanding 115,218,834 fully paid and non-assessable Common Shares without par value, each carrying the right to one vote. The Company has no other classes of voting securities. To the knowledge of the Directors and executive officers of the Company, no one beneficial owner owns, directly or indirectly, or exercises control or direction over, shares carrying more than 10% of the outstanding voting rights of the Company.

## VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the ordinary resolutions described herein. If there are more nominees for election as directors or appointment of the Company’s auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled all such nominees will be declared elected or appointed by acclamation.

### *Recommendation of the Board*

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

## DIRECTOR AND EXECUTIVE COMPENSATION

The Company is a “venture issuer” as defined under National Instrument 51-102 – *Continuous Disclosure Obligations* and is disclosing its director and executive compensation in accordance with Form 51-102F6V – *Statement of Executive Compensation-Venture Issuers* (“**Form 51-102F6V**”).

### *Definitions*

In this Information Circular:

- ◆ “**Board**” means the board of directors of the Company.
- ◆ “**Chief Executive Officer**” or “**CEO**” means an individual who served as chief executive officer of the Company, or performed functions similar to a chief executive officer, for any part of the most recently completed financial year.
- ◆ “**Chief Financial Officer**” or “**CFO**” means an individual who served as chief financial officer of the Company, or performed functions similar to a chief financial officer, for any part of the most recently completed financial year.
- ◆ “**Exchange**” means the Canadian Securities Exchange.
- ◆ “**Named Executive Officer**” or “**NEO**” means each of the following individuals:
  - (i) a CEO;
  - (ii) a CFO;
  - (iii) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the CEO and CFO at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V for that financial year; and

- (iv) each individual who would be an NEO under paragraph (iii) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

***Director and Named Executive Officer Compensation, Excluding Compensation Securities***

The following table sets out a summary of compensation (excluding compensation securities) paid, awarded to or earned by the Named Executive Officers and any non-NEO directors of the Company for the periods noted therein:

Table of compensation excluding compensation securities							
Name and position	Year Ended July 31	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
<b>Tyrone Docherty</b> <i>President, CEO &amp; Director</i>	2024	240,000 <sup>(1)</sup>	Nil	Nil	Nil	Nil	240,000
	2023	220,000 <sup>(1)</sup>	\$20,000 <sup>(1)</sup>	Nil	Nil	Nil	240,000 <sup>(1)</sup>
	2022	165,000 <sup>(1)</sup>	Nil	Nil	Nil	Nil	165,000 <sup>(1)</sup>
<b>Pamela Saulnier</b> <i>CFO &amp; Corporate Secretary</i>	2024	48,000 <sup>(2)</sup>	Nil	Nil	Nil	Nil	48,000 <sup>(2)</sup>
	2023	48,000 <sup>(2)</sup>	Nil	Nil	Nil	Nil	48,000 <sup>(2)</sup>
	2022	36,000 <sup>(2)</sup>	Nil	Nil	Nil	Nil	36,000 <sup>(2)</sup>
<b>Josef Fogarassy</b> <i>Former Chairperson &amp; Director<sup>(3)</sup></i>	2024	45,000		Nil	Nil	Nil	60,000
	2023	60,000	Nil	Nil	Nil	Nil	60,000
	2022	60,000	Nil				
<b>Allen Schwabe</b> <i>Director</i>	2024	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	5,000	Nil	Nil	5,000
<b>Matt Wayrynen</b> <i>Director</i>	2024	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
<b>Frederick Jung</b> <i>Director<sup>(4)</sup></i>	2024	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

- (1) Paid to Docherty Capital Corp., a private company owned by Tyrone Docherty, for providing President & CEO services to the Company.  
(2) Paid to Saulnier Business Consulting LLC, a private entity owned by Pamela Saulnier, for providing CFO and corporate secretarial services to the Company.  
(3) Mr. Fogarassy resigned as a director of the Company on May 5, 2024.  
(4) Mr. Jung was appointed as a director of the Company on January 10, 2024.

### ***Stock Options and Other Compensation Securities***

The following table sets out information on compensation securities that were granted or issued to the directors and NEOs of the Company in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Company:

Table of compensation securities							
Name and position	Type of Compensation Security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant(\$)	Closing price of security or underlying security at year end (\$)	Expiry date
<b>Tyrone Docherty<sup>(1)</sup></b>	Options	-	-	-	-	-	-
<b>Matt Wayrynen<sup>(2)</sup></b>	Options	-	-	-	-	-	-
<b>Allen Schwabe<sup>(3)</sup></b>	Options	-	-	-	-	-	-
<b>Frederick Jung<sup>(4)</sup></b>	Options	250,000	Jan. 10, 2024	\$0.10	\$0.105	\$0.115	Jan. 10, 2034
<b>Pamela Saulnier<sup>(5)</sup></b>	Options	-	-	-	-	-	-

(1) As at July 31, 2024, Mr. Docherty owned an aggregate 1,200,000 compensation securities, each of which is exercisable into one common share.

(2) As at July 31, 2024, Mr. Wayrynen owned no compensation securities.

(3) As at July 31, 2024, Mr. Schwabe owned an aggregate 350,000 compensation securities, each of which is exercisable into one common share.

(4) As at July 31, 2024, Mr. Jung owned an aggregate 250,000 compensation securities, each of which is exercisable into one common share.

(5) As at July 31, 2024, Ms. Saulnier owned an aggregate 200,000 compensation securities, each of which is exercisable into one common share.

During the Company's most recently completed financial year, no compensation securities were exercised by a director or NEO.

### ***External Management Companies***

During the year ended July 31, 2024, no management functions of the Company were to any substantial degree performed by a person other than the directors or Named Executive Officers of the Company.

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

The Company has entered into agreements or arrangements under which it pays its NEOs and non-NEO directors, as follows:

#### **Named Executive Officers**

##### ***1. Tyrone Docherty - President, CEO and a director of the Company***

During the financial year ended July 31, 2024, the Company had a verbal agreement with Docherty Capital Corp., a private entity owned by Mr. Tyrone Docherty, pursuant to which Docherty Capital Corp. was paid \$20,000/month for providing the services of Mr. Docherty with respect to his role as President and CEO of the Company. The fee is reviewed annually and adjusted by the Company, in its sole discretion, to reflect general economic conditions, performance and changes to Mr. Docherty's position, duties and responsibilities.

##### ***2. Pamela Saulnier – CFO & Corporate Secretary***

During the financial year ended July 31, 2024, the Company had a verbal arrangement with Saulnier Business Consulting LLP, a private entity owned by Ms. Pamela Saulnier, pursuant to which Saulnier Business Consulting LLP was paid \$4,000/month for providing the services of Ms. Saulnier with respect to her role as CFO of the Company. The fee is reviewed annually and adjusted by the Company, in its sole discretion, to reflect general economic conditions, performance and changes to Ms. Saulnier's position, duties and responsibilities.

3. *Josef Fogarassy – Chairperson & Director of the Company*

During the financial year ended July 31, 2024, the Company had a verbal arrangement with Mr. Josef Fogarassy, whereby he was paid \$5,000/month with respect to consulting services provided to the Company for corporate development purposes. Mr. Fogarassy resigned as a director on May 5, 2024.

NEOs are entitled to participate in the Stock Option Plan.

Non-NEO Directors

1. Non-NEO director fees are payable on an ad hoc basis at the discretion of the Board. During the year ended July 31, 2024, the Company paid no directors' fees to the non-NEO directors.
2. Non-NEO directors are entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors.
3. Non-NEO directors are entitled to participate in the Stock Option Plan.

***Oversight and Description of Director and NEO Compensation***

Director Compensation

The Company has no standard arrangements pursuant to which directors are compensated by the Company for their services in their capacity as directors, except for the granting from time to time of incentive stock options in accordance with the Stock Option Plan and the policies of the Exchange and ad hoc awards of director fees from time to time. Currently, no formalized fee structure has been implemented with respect to the payment of fees to directors for serving as directors of the Company. From time to time, the Board as a whole determines the compensation payable to the non-NEO directors of the Company, taking into consideration the Company's financial circumstances and general industry standards for companies similar to the Company and the time and efforts provided to the Company by each non-NEO director.

The Board believes that the granting of incentive stock options provides a reward to directors for achieving results that improve Company performance and thereby increase shareholder value, where such improvement is reflected in an increase in the Company's share price. In making a determination as to whether a grant of long-term incentive stock options is appropriate and if so, the number of options that should be granted, the Board considers: the number and terms of outstanding incentive stock options held by each director; the aggregate value in securities of the Company that the Board intends to award as compensation; the potential dilution to shareholders; general industry standards and the limits imposed by the terms of the Stock Option Plan and Exchange policies. The granting of incentive stock options allows the Company to reward directors for their efforts to increase value for shareholders without requiring the Company to use cash from its treasury. The terms and conditions of the Company's stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Stock Option Plan, which are described under "*Stock Options and Other Compensation Securities*" above and "*Securities Authorized for Issuance under Equity Compensation Plans*" below.

The directors may be reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as directors.

Named Executive Officer Compensation

The Company is a junior exploration-stage resource company listed on the Exchange. The Company has, as of yet, no significant revenues from operations and from time to time operates with limited financial resources to ensure that funds are available to complete scheduled programs, if any. As a result, the directors of the Company have to consider not only the financial situation of the Company at the time of the determination of executive compensation, but also the estimated financial situation of the Company in the mid and long term.

The general objectives of the Company's compensation strategy are to (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interests of shareholders; (c) provide a compensation package that enables the Company to attract and retain talent; and (d) ensure that the total compensation

package is designed in a manner that takes into account the financial constraints that the Company is under by virtue of the fact that it is an advanced exploration-stage resource company without a history of earnings.

All consulting or other compensation arrangements between the Company and its NEOs are considered and approved by the independent members of the Board. In considering the compensation of its NEOs, the independent Board members consider how the Company can best balance the interests of the Company and provide competitive compensation to attract and retain officers who will contribute to the success of the Company, while mindful of the financial constraints of the Company. The independent Board members take into account the types of compensation and the amounts paid to directors and officers of comparable publicly traded Canadian companies.

An important element of executive compensation is that of stock options, which do not require cash disbursements by the Company. The Board believes that the granting of incentive stock options provides a reward to NEOs for achieving results that improve Company performance and thereby increase shareholder value, where such improvement is reflected in an increase in the Company's share price. In making a determination as to whether a grant of long-term incentive stock options is appropriate and if so, the number of options that should be granted, the Board considers: the number and terms of outstanding incentive stock options held by each NEO; the aggregate value in securities of the Company that the Board intends to award as compensation; the potential dilution to shareholders; general industry standards and the limits imposed by the terms of the Stock Option Plan and Exchange policies. The granting of incentive stock options allows the Company to reward NEOs for their efforts to increase value for shareholders without requiring the Company to use cash from its treasury. The terms and conditions of the Company's stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Stock Option Plan, which are described under "*Stock Options and Other Compensation Securities*" above and "*Securities Authorized for Issuance under Equity Compensation Plans*" below.

Other than as described above, there are no other perquisites provided to the NEOs. The Company does not use specific benchmark groups in determining compensation or any element of compensation.

See "*Statement of Executive Compensation – Employment, Consulting and Management Agreements*" above for a description of the Company's consulting arrangements involving Tyrone Docherty, CEO & President of the Company, Pamela Saulnier, CFO of the Company, and Josef jun

### ***Pension Disclosure***

No pension is provided to a director or Named Executive Officer of the Company.

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

The following table sets forth details of the Company's stock option plan (the "**Stock Option Plan**"), being the Company's only equity compensation plan, as of July 31, 2024. The Stock Option Plan was most recently approved by the Company's shareholders at its last annual general meeting on December 29, 2023.

<b>Plan Category</b>	<b>Number of common shares to be issued upon exercise of outstanding options (a)</b>	<b>Weighted average exercise price of outstanding options (b)</b>	<b>Number of common shares remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by shareholders	6,750,000	\$0.11	2,426,033
Equity compensation plans not approved by shareholders	Nil	N/A	N/A
<b>TOTAL:</b>	<b>6,750,000</b>		<b>2,426,033</b>



### ***Description of the Stock Option Plan***

The key terms of the Stock Option Plan are as follows:

- ◆ The aggregate number of optioned shares that may be issued upon the exercise of stock options granted under the Stock Option Plan may not exceed 10% of the number of issued and outstanding common shares of the Company at the time of granting of options.
- ◆ No more than 5% of the common shares outstanding at the time of grant may be reserved for issuance to any one individual in any 12 month period (unless disinterested shareholder approval is obtained where permitted by applicable regulators).
- ◆ If required by applicable regulators, no more than 2% of the common shares outstanding at the time of grant may be reserved for issuance to any consultant in any 12 month period.
- ◆ No more than an aggregate of 1% of the common shares outstanding at the time of grant may be reserved for issuance to all employees conducting investor relations activities in any 12 month period (which percentage interest may be increased if permitted by applicable regulators).
- ◆ Where permitted by applicable regulators, vesting provisions are at the sole discretion of the Board except that options granted to consultants performing investor relations activities shall vest over a minimum of 12 months with no more than 1/4 of such options vesting in any 3 month period.
- ◆ The number of common shares that may be reserved for issuance to the insiders of the Company (i) at the time of grant; or (ii) within a one year period, may not exceed 10% of the outstanding common shares calculated at the time of the grant, unless disinterested shareholder approval has been obtained.
- ◆ The exercise price of a stock option shall be fixed by the Board; however, the minimum exercise price of a stock option cannot be less than the closing price of the Company's common shares on the trading day immediately prior to the date of grant less allowable discounts if permitted under applicable exchange policies.
- ◆ Options may have a maximum exercise period of ten (10) years.
- ◆ Options are non-assignable and non-transferable.
- ◆ Where required by exchange policies, any reduction in exercise price of an option previously granted to an insider requires disinterested shareholder approval. All other terms of an option may only be amended in compliance with applicable exchange policies in effect at the time of the proposed amendment.
- ◆ If an optionee ceases to be an eligible recipient of options by reason of death, an optionee's heirs or administrators shall have until the earlier of (i) one year from the date of death of the optionee; and (ii) the expiry date of the options, in which to exercise any portion of the vested options outstanding at the time of death of the optionee.
- ◆ Options granted to an optionee may be exercised in whole or in part by the optionee within a reasonable period of time following the date the optionee ceases to be employed with or provide services to the Company as determined by the Board, in its sole discretion, on the date of such termination, which date will be no later than the earlier of one year and the expiry date otherwise applicable to such options, but only to the extent that such options are vested at the date the optionee ceases to be so employed or provide services to the Company.
- ◆ In the case of an optionee dismissed from employment/service for cause, such options, whether vested or not, will immediately terminate without right to exercise same.
- ◆ The Stock Option Plan contains provisions for adjustment in the number of common shares or other property issuable on exercise of a stock option in the event of a share consolidation, split, reclassification or other capital reorganization, or a stock dividend, amalgamation, merger or other relevant corporate transaction, or any other relevant change in or event affecting the Company's common shares.

- ◆ The Company has the authority to deduct and withhold, or require an optionee to remit to the Company, the amount of any taxes or other required source deductions which the Company is required by law or regulation of any governmental authority whatsoever to remit in connection with any issuance of shares upon the exercise of options.

A copy of the Stock Option Plan is available for review upon request (refer to “*Additional Information*” below).

As the Stock Option Plan is a “rolling” stock option plan, it must receive approval of the Company’s shareholders yearly at the Company’s annual general meeting. Refer to “*Particulars of Matters to be Acted Upon – 5. Re -Approval of the Stock Option Plan*” below.

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

No (a) director; (b) executive officer; (c) proposed nominee for election as a director; (d) associate of a director, executive officer or proposed nominee for election as a director; (e) employee; or (f) former director, executive officer or employee of the Company, is, as at the Record Date, or was at any time during the Company’s last completed financial year, indebted to the Company or any of its subsidiaries.

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

Other than transactions carried out in the normal course of business of the Company or any of its affiliates, no informed person and none of the proposed directors of the Company or any associate or affiliate of any informed person or proposed director had any material interest, direct or indirect, in any transaction since the commencement of the Company’s most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

Applicable securities legislation defines “**informed person**” to mean any of the following: (a) a director or executive officer of a reporting issuer; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of a reporting issuer; (c) any person or company who beneficially owns, directly or indirectly, voting securities of a reporting issuer or who exercises control or direction over voting securities of a reporting issuer or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the reporting issuer other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) a reporting issuer that has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

## **MANAGEMENT CONTRACTS**

During year ended July 31, 2024, no management functions of the Company were to any substantial degree performed by a person other than the directors or executive officers of the Company.

## **CORPORATE GOVERNANCE DISCLOSURE**

Corporate governance relates to activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) requires that each reporting company disclose its corporate governance practices on an annual basis. The Company’s general approach to corporate governance is summarized below.

## **Board of Directors**

### ***Independence***

The Company's Board is comprised of four (4) directors: Tyrone Docherty, Frederick Jung, Allen Schwabe and Matt Wayrynen.

Section 1.4 of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) sets out the standard for director independence. Under NI 52-110, a director is independent if he has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. NI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship to the Company.

Applying the definition set out in section 1.4 of NI 52-110, three of the four members of the Board are independent. The members who are independent are Frederick Jung, Allen Schwabe and Matt Wayrynen. Tyrone Docherty is not independent by virtue of the fact that he is an executive officer of the Company (President & CEO).

In order to facilitate its exercise of independent judgment in carrying out the responsibilities of the Board, the Board ensures that the independent directors attend all Board meetings.

### ***Other Directorships***

Certain directors of the Company serve as directors of one or more other reporting issuers or reporting issuer equivalents, as follows:

Name of Director	Reporting Issuer(s) or Equivalent(s)
Tyrone Docherty	Berkley Renewables Inc. (CSE: BKS)
Matt Wayrynen	Berkley Renewables Inc. (CSE: BKS) WestKam Gold Corp. (TSXV:WKG)

### ***Orientation and Continuing Education***

The Company has not adopted a formalized process of orientation for new Board members. Orientation of new directors has been and will be conducted on an ad hoc basis through discussions and meetings with other directors, officers and employees where a thorough description of the Company's business, assets, operations and strategic plans and objectives are discussed. New Board members receive an orientation packages which includes reports on operations and results and public disclosure filings made by the Company. Orientation activities have been and will be tailored to the particular needs and experiences of each director and the overall needs of the Board.

The Board does not take any formal measures to provide continuing education for the directors. The current directors are all mining professionals with prior public company experience. Directors are kept informed as to matters impacting, or which may impact, the Company's operations through reports and presentations at the Board meetings. Directors are also provided the opportunity to meet with senior management, advisors and other directors who can answer any questions that may arise.

At this stage in the Company's development, and having regard to the background and experience of its directors, the Board does not feel it necessary to have such policies or programs in place.

### ***Ethical Business Conduct***

The Board has not adopted a formal written Code of Business Conduct and Ethics. In recruiting new Board members, the Board considers only persons with a demonstrated record of ethical business conduct.

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

### ***Nomination of Directors***

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of view and experience. The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

The Board has not adopted a written mandate or formal procedure with respect to the nomination of directors. Nominees have historically been recruited by the efforts of existing Board members, and the recruitment process has involved both formal and informal discussions among committee and Board members. New nominees must have at track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the required time, show support for the Company's mission and strategic objectives and have a willingness to serve.

### ***Compensation***

The Board has not adopted a written mandate or formal procedure with respect to determining compensation for the directors and NEOs. Refer to "*Oversight and Description of Director and NEO Compensation*" above for a detailed description of the Company's compensation policies.

### ***Other Board Committees***

At the present time, the Company's only standing committee is the audit committee (the "**Audit Committee**") (see "*Audit Committee*" below).

### ***Assessments***

The Board regularly monitors the adequacy of information given to directors, communications between the Board and management and the strategic direction and processes of the Board and its committees. The Board monitors, but does not formally assess, the performance of individual Board members and their contributions. The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Company's size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time.

### ***Audit Committee***

NI 52-110 requires the Company's Audit Committee to meet certain requirements. It also requires the Company to disclose in this Information Circular certain information regarding the Audit Committee. That information is disclosed below.

#### ***Overview***

The Audit Committee's mandate includes reviewing: (i) the financial statements, reports and other financially-based information provided to shareholders, regulators and others; (ii) the internal controls that management and the Board have established; and (iii) the audit, accounting and financial reporting processes generally. In meeting these responsibilities, the Audit Committee monitors the financial reporting process and internal control system, reviews and appraises the work of the external auditors, and provides an open avenue of communication between the external auditors, senior management and the Board.

### *The Audit Committee Charter*

The Company's Board has adopted an Audit Committee Charter which sets out the Audit Committee's mandate, organization, powers and responsibilities. A copy of the Audit Committee Charter is attached hereto as Schedule "A".

### *Composition of the Audit Committee*

The Company's Audit Committee is comprised of three directors consisting of Matt Wayrynen, Frederick Jung and Allen Schwabe. The following table sets out the names of the members of the Audit Committee and whether they are 'independent' and 'financially literate' for the purposes of NI 52-110.

<b>Name of Member</b>	<b>Independent<sup>(1)</sup></b>	<b>Financially Literate<sup>(2)</sup></b>
Matt Wayrynen	Yes	Yes
Frederick Jung	Yes	Yes
Allen Schwabe	Yes	Yes

Notes:

- (1) To be independent, a member of the Audit Committee must not have any direct or indirect 'material relationship' with the Company. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment. Accordingly, an executive officer of the Company is not independent, nor is a director that is paid consulting fees for non-director services provided to the Company.
- (2) To be considered financially literate, a member of the Audit Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

### *Relevant Education and Experience*

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:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements;
- (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
- (c) 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
- (d) an understanding of internal controls and procedures for financial reporting, are as follows:

<b>Member</b>	<b>Education/Experience</b>
Matt Wayrynen	Mr. Wayrynen is a former stock broker and has extensive experience in venture capital management, start up financing and mergers and acquisitions. Mr. Wayrynen is currently involved as: President and CEO of Solar Flow Through Funds (since December 2012; and President and Chief Executive Officer of Berkley Renewables Inc. (since May 2007), a publicly-traded diversified company listed on the CSE.
Frederick Jung	Mr. Jung obtained his Bachelor of Commerce from the University of British Columbia and holds both the Chartered Professional Accountant and Chartered Financial Analyst designations. He is a seasoned financial executive, having served with publicly-listed and private entities across multiple industries.
Allen Schwabe	Mr. Schwabe has over 30 years of experience as a businessman and is a realtor and member in good standing of the Real Estate Council of British Columbia.

### *Audit Committee Oversight*

Since the commencement of the Company's most recent 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 – Audit Committee Composition & Reporting Obligations*

Since the Company is a “venture issuer” (as such term is defined in NI 52-110), it is relying on the exemption contained in section 6.1 of NI 52-110 from the requirements of Part 3 *Composition of the Audit Committee* (as described in “*Composition of the Audit Committee*” above) and Part 5 *Reporting Obligations* of NI 52-110 (which requires certain prescribed disclosure about an audit committee in the Company's Annual Information Form, if any, and this Information Circular).

### *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 Audit Committee Charter, attached hereto as Schedule “A”.

### *External Auditor Service Fees (By Category)*

The following table discloses the fees billed to the Company by its external auditor during the last two financial years.

<b>Financial Year Ending</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit Related Fees<sup>(2)</sup></b>	<b>Tax Fees<sup>(3)(4)</sup></b>	<b>All Other Fees<sup>(5)</sup></b>
July 31, 2024	\$53,646	Nil	\$4,000 <sup>(6)</sup>	Nil
July 31, 2023	\$46,764	Nil	\$4,000	Nil <sup>(6)</sup>

#### Notes:

- (1) The aggregate fees billed by the Company's auditor for audit fees.
- (2) The aggregate fees billed for assurance and related services by the Company's auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed in the 'Audit Fees' column.
- (3) The aggregate fees billed for professional services rendered by the Company's auditor for tax compliance, tax advice and tax planning. These services include the filing of the Company's annual tax returns.
- (4) The tax fees for the financial year ended July 31, 2024 are estimated.
- (5) The aggregate fees billed for professional services other than those listed in the other three columns.
- (6) Estimated for financial year ended July 31, 2024 for audit and tax related fees.

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

### **1. Financial Statements and Auditor's Report**

The Board has approved the audited financial statements for the fiscal year ended July 31, 2024, together with the auditor's report thereon, copies of which have been sent to those shareholders who had requested receipt of same. Copies of these materials are available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **2. Re-Appointment of Auditors**

Shareholders of the Company will be asked to vote for the re-appointment of Davidson & Company LLP, Chartered Professional Accountants, of Vancouver, British Columbia, as the Company's auditors, to hold office until the next annual general meeting of the shareholders, at a remuneration to be fixed by the directors.

**Management recommends a vote “FOR” the approval of the foregoing resolution. In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed form of proxy intend to vote FOR the approval of the foregoing resolution.**

### 3. Set Number of Directors

Management of the Company intends to propose a resolution to set the number of directors at four (4).

**Management recommends a vote “FOR” the approval of the foregoing resolution. In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed form of proxy intend to vote FOR the approval of the foregoing resolution.**

### 4. Election of Directors

It is proposed that the below-stated nominees be elected at the Meeting as directors of the Company for the ensuing year. **The persons designated in the enclosed form of proxy, unless instructed otherwise, intend to vote FOR the election of the nominees listed below to the Board.** Each director elected will hold office until the close of the next annual general meeting or until his successor is duly elected or appointed, unless his office is earlier vacated.

The following table sets out the names of management’s nominees for election as directors, all offices in the Company each now holds, each nominee’s current principal occupation, business or employment, the period of time during which each has been a director of the Company and the number of common shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the Record Date. Management of the Company does not contemplate that any of the nominees will be unable to serve as a director but, if that should occur for any reason prior to the Meeting, the persons designated in the enclosed form of proxy reserve the right to vote for other nominees in their discretion.

<b>Name, Province or State and Country of Residence and Position Held</b>	<b>Principal Occupation for the Past Five (5) Years</b>	<b>Director of the Company Since</b>	<b>Number of Shares Beneficially Owned or Controlled<sup>(1)</sup></b>
<b>TYRONE DOCHERTY</b> British Columbia, Canada <i>President, CEO &amp; Director</i>	President and CEO of the Company (since October 2008)	Oct. 15, 2008	10,030,290
<b>FREDERICK JUNG<sup>(2)</sup></b> British Columbia, Canada <i>Director</i>	CPA, CFA and CFO of Solar Flow-Through Funds	Jan. 10, 2024	-
<b>ALLEN SCHWABE<sup>(2)</sup></b> British Columbia, Canada <i>Director</i>	Practicing realtor and businessman	July 7, 2016	293,000
<b>MATT WAYRYNEN<sup>(2)</sup></b> British Columbia, Canada <i>Director</i>	President and CEO of Solar Flow Through Funds (since December 2012); President of Berkley Renewables Inc. (since May 2007) and Chief Executive Officer of Berkley Renewables Inc. (since June 2002); and former President and CEO of WestKam Gold Corp. (from October 2011 – March 2022)	July 13, 2009	-

Notes:

- (1) This information has been furnished by the respective directors.  
(2) Member of Audit Committee.

### Corporate Cease Trade Orders or Bankruptcies

To the knowledge of the Company, no proposed director:

- (a) is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (ii) 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;

except that:

- ◆ on January 30, 2017, a Cease Trade Order for failure to file audited and interim financial statements was issued by the British Columbia Securities Commission (“**BCSC**”) against the Company. A full revocation of the Cease Trade Order was issued by the BCSC on January 25, 2018; and
  - ◆ on May 7, 2019, a Cease Trade Order for failure to file audited financial statements was issued by the BCSC against Berkley Renewables Inc. (“**Berkley**”), a company listed on the Canadian Securities Exchange. Mr. Matt Wayrynen was at the time and remains President, CEO and director of Berkley. Mr. Docherty was at the time and remains a director of Berkley. The Cease Trade Order is still in effect;
- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
  - (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

## Penalties and Sanctions

To the knowledge of the Company, no proposed director:

- (a) has 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
- (b) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company.

## 5. Re-Approval of Stock Option Plan

During the past year, the Company maintained a 10% rolling stock option plan which was approved by the shareholders of the Company at the last annual general meeting on December 29, 2023. As the Stock Option Plan is a “rolling” stock option plan, it must receive approval of the Company’s shareholders yearly at the Company’s annual general meeting. Therefore, shareholders will be asked at the Meeting to consider, and if thought fit, to approve the following ordinary resolution ratifying and re-approving the Company’s existing Stock Option Plan.

“BE IT RESOLVED, as an ordinary resolution, that, subject to regulatory approval:

- 1. the stock option plan (the “**Plan**”) of First Tellurium Corp. (the “**Company**”), details of which are set forth in the Company’s Information Circular dated April 4, 2024, including the reservation for issuance under the Plan at any time of a maximum of 10% of the issued common shares of the



Company, be, and is hereby re-approved and confirmed for continuation until the next annual general meeting of the Company or until the board of directors of the Company (the “**Board**”) sooner terminates such Plan, in its sole discretion;

2. the Board be, and is hereby authorized in its absolute discretion, to administer the Plan and to make such amendments or modifications to the Plan from time to time as the Board may, in its discretion, consider appropriate, provided that such amendments will be subject to the approval of all applicable regulatory authorities and, if required, the shareholders;
3. the Board, or any committee of the Board created to administer the Plan, be and is hereby authorized in its absolute discretion to grant stock options under the Plan; and
4. any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the Plan required by applicable regulatory authorities and to complete all transactions in connection with the implementation of the Plan.”

**Management recommends a vote “FOR” the approval of the foregoing resolution. In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed form of proxy intend to vote FOR the approval of the foregoing resolution.**

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company concerning the Company and its operations is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information concerning the Company is provided in its comparative financial statements and management’s discussion and analysis for the Company’s most recently completed financial year. Copies of this information are available either on SEDAR or by contacting the Company at its offices located at Suite 381 – 1440 Garden Place, Delta, British Columbia V4M 3Z2; Attn: President; Phone: (604) 789-5653.

#### **OTHER MATTERS TO BE ACTED UPON**

Management of the Company is not aware of any matter to come before the Meeting other than the matters referred to in the Notice of the Meeting. However, if any other matter properly comes before the Meeting, the accompanying form of proxy confers discretionary authority to vote with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters that properly may come before the Meeting.

#### **BOARD APPROVAL**

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

#### **ON BEHALF OF THE BOARD OF DIRECTORS**

*“Tyrone Docherty”*

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**Tyrone Docherty**  
President, CEO & Director

**Schedule “A”  
to Information Circular of  
First Tellurium Corp. (April 4, 2025)**

**AUDIT COMMITTEE CHARTER  
First Tellurium Corp.**

(Dated for Reference April 4, 2025)

**1. Purpose of the Committee**

- 1.1 The purpose of the Audit Committee is to assist the Board in its oversight of the integrity of the Company’s financial statements and other relevant public disclosures, the Company’s compliance with legal and regulatory requirements relating to financial reporting, the external auditors’ qualifications and independence and the performance of the internal audit function and the external auditors.

**2. Members of the Audit Committee**

- 2.1 At least one Member must be “financially literate” as defined under NI 52-110, having sufficient accounting or related financial management expertise to read and understand a set of financial statements, including the related notes, that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.
- 2.2 The Audit Committee shall consist of no less than three Directors.
- 2.2 At least one Member of the Audit Committee must be “independent” as defined under NI 52-110, while the Company is in the developmental stage of its business.

**3. Relationship with External Auditors**

- 3.1 The external auditors are the independent representatives of the shareholders, but the external auditors are also accountable to the Board of Directors and the Audit Committee.
- 3.2 The external auditors must be able to complete their audit procedures and reviews with professional independence, free from any undue interference from the management or directors.
- 3.2 The Audit Committee must direct and ensure that the management fully co-operates with the external auditors in the course of carrying out their professional duties.
- 3.3 The Audit Committee will have direct communications access at all times with the external auditors.

**4. Non-Audit Services**

- 4.1 The external auditors are prohibited from providing any non-audit services to the Company, without the express written consent of the Audit Committee. In determining whether the external auditors will be granted permission to provide non-audit services to the Company, the Audit Committee must consider that the benefits to the Company from the provision of such services, outweighs the risk of any compromise to or loss of the independence of the external auditors in carrying out their auditing mandate.
- 4.2 Notwithstanding section 4.1, the external auditors are prohibited at all times from carrying out any of the following services, while they are appointed the external auditors of the Company:
- (i) acting as an agent of the Company for the sale of all or substantially all of the undertaking of the Company; and

- (ii) performing any non-audit consulting work for any director or senior officer of the Company in their personal capacity, but not as a director, officer or insider of any other entity not associated or related to the Company.

## **5. Appointment of Auditors**

- 5.1 The Company's auditors, Davidson & Company LLP, Chartered Accountants were appointed effective July 21, 2009.
- 5.2 The external auditors will be appointed each year by the shareholders of the Company at the annual general meeting of the shareholders.
- 5.3 The Audit Committee will nominate the external auditors for appointment, such nomination to be approved by the Board of Directors.

## **6. Evaluation of Auditors**

- 6.1 The Audit Committee will review the performance of the external auditors on at least an annual basis, and notify the Board and the external auditors in writing of any concerns in regards to the performance of the external auditors, or the accounting or auditing methods, procedures, standards, or principles applied by the external auditors, or any other accounting or auditing issues which come to the attention of the Audit Committee.

## **7. Remuneration of the Auditors**

- 7.1 The remuneration of the external auditors will be determined by the Board of Directors, upon the annual authorization of the shareholders at each general meeting of the shareholders.
- 7.2 The remuneration of the external auditors will be determined based on the time required to complete the audit and preparation of the audited financial statements, and the difficulty of the audit and performance of the standard auditing procedures under generally accepted auditing standards and generally accepted accounting principles of Canada.

## **8. Termination of the Auditors**

- 8.1 The Audit Committee has the power to terminate the services of the external auditors, with or without the approval of the Board of Directors, acting reasonably.

## **9. Funding of Auditing and Consulting Services**

- 9.1 Auditing expenses will be funded by the Company. The auditors must not perform any other consulting services for the Company, which could impair or interfere with their role as the independent auditors of the Company.

## **10. Role and Responsibilities of the Internal Auditor**

- 10.1 At this time, due to the Company's size and limited financial resources, the Corporate Secretary, of the Company shall be responsible for implementing internal controls and performing the role as the internal auditor to ensure that such controls are adequate.

## **11. Oversight of Internal Controls**

- 11.1 The Audit Committee will have the oversight responsibility for ensuring that the internal controls are implemented and monitored, and that such internal controls are effective.

**12. Continuous Disclosure Requirements**

- 12.1 At this time, due to the Company's size and limited financial resources, the Corporate Secretary of the Company is responsible for ensuring that the Company's continuous reporting requirements are met and in compliance with applicable regulatory requirements.

**13. Other Auditing Matters**

- 13.1 The Audit Committee may meet with the Auditors independently of the management of the Company at any time, acting reasonably.
- 13.2 The Auditors are authorized and directed to respond to all enquiries from the Audit Committee in a thorough and timely fashion, without reporting these enquiries or actions to the Board of Directors or the management of the Company.

**14. Annual Review**

- 14.1 The Audit Committee Charter will be reviewed annually by the Board of Directors and the Audit Committee to assess the adequacy of this Charter.

**15. Independent Advisers**

- 15.1 The Audit Committee shall have the power to retain legal, accounting or other advisors to assist the Committee.