



**INFORMATION CIRCULAR**  
**(as at January 27, 2025, unless indicated otherwise)**

**SOLICITATION OF PROXIES**

This Information Circular is provided in connection with the solicitation of proxies by the management of Prudent Minerals Corp. (the “Company”) for use at the Annual General Meeting of the shareholders of the Company to be held on Wednesday, February 26, 2025 (the “Meeting”), at the time and place and for the purposes set out in the accompanying notice of meeting and at any adjournment thereof. The solicitation will be made by mail and may also be supplemented by telephone or other personal contact to be made without special compensation by directors, officers and employees of the Company. The Company will bear the cost of this solicitation. The Company will not reimburse shareholders, nominees or agents for the cost incurred in obtaining from their principal’s authorization to execute forms of proxy.

**PERSONS OR COMPANIES MAKING THE SOLICITATION**

**The enclosed instrument of proxy (the “Proxy”) is solicited by management.** Solicitations will be made by mail and possibly supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Company. The Company may reimburse shareholders' nominees or agents (including brokers holding shares on behalf of clients) for the cost incurred in obtaining authorization from their principals to execute the Proxy. The cost of solicitation will be borne by the Company. None of the directors of the Company has advised management in writing that they intend to oppose any action intended to be taken by management as set forth in this Information Circular.

**APPOINTMENT AND REVOCATION OF PROXIES**

**Solicitation of Proxies**

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and employees of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the common shares held of record by those intermediaries and we will reimburse the intermediaries for their reasonable fees and disbursements in that regard.

**Appointment of Proxyholders**

The individuals named in the accompanying Proxy are officers and/or directors of the Company. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy. If your shares are held in physical (i.e. paper) form and are registered in your name, then you are a registered shareholder. However, if, like most shareholders, you keep your shares in a brokerage account, then you are a beneficial shareholder (the “Beneficial Shareholder”). The process for voting is different for registered and Beneficial Shareholders, and you will need to carefully read the instructions below.**

**Voting by Proxyholder**

The persons named in the Proxy will vote or withhold from voting the shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

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

In respect of a matter that properly comes before the Meeting and for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the shares represented by the Proxy in their discretion.

### **Registered Shareholders**

Registered shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person virtually. Registered shareholders electing to submit a Proxy may do so by:

- (a) completing, dating and signing the enclosed Proxy and returning it to the Company's transfer agent, Endeavor Trust Corporation ("**Endeavor**"), at their offices located at 702-777 Hornby Street, Vancouver, BC, V6Z 1S4, email to [proxy@endeavortrust.com](mailto:proxy@endeavortrust.com) or fax at 604-559-8908; or
- (b) using the internet at Endeavor's website, <https://www.eproxy.ca/auth/login>. Registered shareholders must follow the instructions that appear on the screen and refer to the enclosed Proxy for the holder's control number and password.

In all cases ensuring that the Proxy is received at least **48 hours** (excluding Saturdays, Sundays and holidays) before the Meeting or any adjournment thereof at which the proxy is to be used.

### **Beneficial Shareholders**

**The following information is of significant importance to shareholders who do not hold shares in their own name.** Beneficial Shareholders should note the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of Shares) or as set out in the following disclosure.

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

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

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

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

materials directly to you, your name, address and information about your holdings of securities, were obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

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

Management of the Company does not intend to pay for intermediaries to forward to objecting beneficial owners (“OBOs”) under NI 54-101 the proxy-related materials and Form 54-101F7 – Request for Voting Instructions Made by Intermediary, and, in the case of an OBO, the OBO will not receive the materials unless the OBO’s intermediary assumes the cost of delivery.

The form of proxy supplied to you by your broker will be similar to the proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“**Broadridge**”) in Canada and in the United States. Broadridge mails a Voting Instruction Form (“**VIF**”) in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company’s Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), different from the persons designated in the VIF, to represent your shares at the Meeting, and that person may be you. To exercise this right, insert the name of your desired representative (which may be you) in the blank space provided in the VIF. Once you have completed and signed your VIF return it to Broadridge by mail or facsimile, or deliver your voting instructions to Broadridge by phone or via the internet, in accordance with Broadridge’s instructions. Broadridge tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **If you receive a VIF from Broadridge, it must be completed and returned to Broadridge, in accordance with Broadridge’s instructions, well in advance of the Meeting in order to: (a) have your shares voted at the Meeting as per your instructions; or (b) have an alternate representative chosen by you duly appointed to attend and vote your shares at the Meeting.**

#### **Notice to Shareholders in the United States**

The solicitation of proxies in this Information Circular involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada and the securities laws of certain provinces of Canada. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the applicable provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia), as amended, certain of its directors and executive officers are residents of Canada and a substantial portion of the assets of such persons are located outside of the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

#### **Revocation of Proxies**

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

- (a) executing a Proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder’s authorized attorney in writing or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the Proxy bearing a later date to Endeavor at its address shown on the preceding page, or at the address of the registered office of the Company at 1120 – 625 Howe Street, Vancouver, British Columbia, V6C 2T6, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairperson of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) attending the Meeting in person virtually and voting the registered shareholder’s shares.

A revocation of a Proxy will not affect a matter on which a vote is taken before the revocation.

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

Other than as disclosed elsewhere in this Information Circular, none of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company’s last completed financial year and no associate or affiliate of any 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 upon at the Meeting.

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

The authorized capital of the Company consists of an unlimited number of common shares. On January 20, 2025 (the “Record Date”), the Company had 33,027,000 common shares outstanding. All common shares in the capital of the Company are of the same class and each carries the right to one vote. Only those shareholders of record on the Record Date are entitled to attend and vote at the Meeting.

To the knowledge of the directors and executive officers of the Company, as of the date of this Information Circular, there are no persons that beneficially own, directly or indirectly, or exercise control or direction over, 10% or more of the common shares of the Company.

### **STATEMENT OF EXECUTIVE COMPENSATION**

The following information is presented in accordance with National Instrument Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* for the most recently completed financial year ended February 29, 2024.

#### **General**

For the purposes of this Statement of Executive Compensation:

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

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

“Named Executive Officer” or “NEO” means each of the following individuals:

- (a) a CEO;
- (b) a CFO;

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

Based on the foregoing definition, during the recently completed financial year of the Company ended February 29, 2024, the Company had two NEOs, namely, Brett Matich, the CEO, and Alexander Helmel, the CFO.

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

The following is a summary of compensation (excluding compensation securities) paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, to the directors and NEOs for each of the Company’s two most recent completed financial years ending February 28<sup>th</sup> and February 29<sup>th</sup>, respectfully:

Table of compensation excluding compensation securities						
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of all other compensation (\$)	Total Compensation (\$)
<b>Brett Matich</b> President & CEO	2024	Nil	Nil	Nil	Nil	Nil
	2023	72,000 <sup>(1)</sup>	Nil	Nil	Nil	72,000
<b>Alexander Helmel</b> CFO & Director	2024	Nil	Nil	Nil	Nil	Nil
	2023	36,000 <sup>(2)</sup>	Nil	Nil	Nil	36,000
<b>Adrian Smith</b> Director	2024	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil
<b>Paul John</b> Director	2024	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil

Notes:

(1) The Company paid/accrued consulting fees to Mardu Investments Ltd., a company controlled by Mr. Matich.

(2) The Company paid/accrued consulting fees to Redonda Management Ltd., a company controlled by Mr. Helmel.

### Stock Options and Other Compensation Securities

During the financial year ended February 29, 2024, no NEOs or directors of the Company received compensation securities.

### Exercise or Redemption of Compensation Securities

During the financial year ended February 29, 2024, no NEOs or directors of the Company exercised or redeemed compensation securities.

### Stock Option Plan and Other Incentive Plans

For information about the material terms of the Company’s Stock Option Plan and Restricted Share Unit Plan, please refer to the heading below “Particulars of Matters to be Acted Upon”.

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

The Company has not entered into any agreement or arrangement under which compensation was provided during the most recently completed fiscal year ended February 29, 2024, or is payable in respect of services provided to the Company or any of its subsidiaries that were: (a) performed by a director or NEO, or (b) performed by any other party but are services typically provided by a director or a NEO.

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

### ***Compensation Program Objectives***

The objectives of the Company's executive compensation program are as follows:

- to attract, retain and motivate talented executives who create and sustain the Company's continued success;
- to align the interests of the Company's executives with the interests of the Company's shareholders; and
- to provide total compensation to executives that is competitive with that paid by other companies of comparable size engaged in similar business in appropriate regions.

Overall, the executive compensation program aims to design executive compensation packages that meet executive compensation packages for executives with similar talents, qualifications and responsibilities at companies with similar financial, operating and industrial characteristics. The Company is a junior mineral exploration company involved in exploration and development of early-stage mineral properties and will not be generating significant revenues from operations for a significant period of time. As a result, the use of traditional performance standards, such as corporate profitability, is not considered by the Company to be appropriate in the evaluation of the performance of the NEOs.

### ***Purpose of the Compensation Program***

The Company's executive compensation program has been designed to reward executives for reinforcing the Company's business objectives and values, for achieving the Company's performance objectives and for their individual performances.

### ***Elements of Compensation Program***

The executive compensation program consists of a combination of consulting fees, performance bonus and stock option and restricted share unit incentives.

### ***Purpose of Each Element of the Executive Compensation Program***

The consulting fees of a NEO is intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration.

In addition to a fixed consulting fee, each NEO is eligible to receive a performance-based bonus meant to motivate the NEO to achieve short-term goals. The pre-established, quantitative target(s) used to determine performance bonuses are set each fiscal year. Awards under this plan are made by way of cash payments only, which payment are made at the end of the fiscal year.

Options and RSUs may be awarded to NEOs based on performance measured against set objectives. The granting of incentive securities upon hire aligns NEOs' rewards with an increase in shareholder value over the long term. The use of Options and RSUs encourages and rewards performance by aligning an increase in each NEO's compensation with increases in the Company's performance and in the value of the shareholders' investments.

***Determination of the Amount of Each Element of the Executive Compensation Program, Compensation Risk and Compensation Governance***

The Board approves the compensation of the NEOs. The Company does not presently have a compensation committee and the Company has not retained any compensation advisor or compensation consultant in respect of its compensation policies.

A portion of the Company's executive compensation may consist of Options and RSUs granted under the Company's stock option and restricted share unit plans. Such compensation is both "long term" and "at risk" and, accordingly, is directly linked to the achievement of long-term value creation. As the benefits of such compensation, if any, are not realized by the executive until a significant period of time has passed, the ability of executives to take inappropriate or excessive risks that are beneficial to them from the standpoint of their compensation at the expense of the Company and its shareholders is limited.

The other two elements of compensation, consulting fees and performance bonuses, represent the remaining portion of an executive's total compensation. While neither salary nor bonus are "long term" or "at risk", as noted above, these components of compensation are not at a level of total compensation whereby an executive would take inappropriate or excessive risks at the expense of the Company and its shareholders that would be beneficial to them from the standpoint of their short-term compensation when their long-term compensation might be put at risk from their actions.

Due to the small size of the Company, and the current level of the Company's activity, the Board is able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular Board meetings during which, financial and other information of the Company are reviewed, and which includes executive compensation. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

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

*Consulting Fees*

Consulting Fees for NEOs are expected to continue to be set annually, having regard to the individual's job responsibilities, contribution, experience and proven or expected performance, as well as to market conditions. In setting base compensation levels, consideration is to be given to such factors as level of responsibility, experience and expertise. Subjective factors such as leadership, commitment and attitude are also to be considered. The Company has not established performance goals for its NEOs.

## Pension Arrangements

The Company does not have any pension arrangements in place for the NEOs and directors.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN

The following table sets out, as of the end of the most recently completed financial year ended February 29, 2024, all required information with respect to compensation plans under which equity securities of the Company are authorized for issuance:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	2,400,000 RSUs	N/A	902,700 RSUs 3,302,700 Options
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	2,400,000		4,205,400

## CORPORATE GOVERNANCE

### Board of Directors

The Board presently consists of three directors, two of whom are independent. The definition of independence used by the Company is that used by the Canadian Securities Administrators, which is set out in section 1.4 of National Instrument 52-110 *Audit Committees* (“NI 52-110”). A director is independent if he has no direct or indirect material relationship to 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 the director’s independent judgment. Certain types of relationships are by their very nature considered to be material relationships and are specified in section 1.4 of NI 52-110.

Paul John and Adrian Smith are considered to be independent directors. Alexander Helmel is not considered to be independent as he is an executive officer of the Company.

The Board believes that the principal objective of the Company is to generate economic returns with the goal of maximizing shareholder value, and that this is to be accomplished by the Board through its stewardship of the Company. In fulfilling its stewardship function, the Board’s responsibilities will include strategic planning, appointing and overseeing management, succession planning, risk identification and management, environmental oversight, communications with other parties and overseeing financial and corporate issues. Directors are involved in the supervision of management.

Pursuant to the *Business Corporations Act* (British Columbia), directors must declare any interest in a material contract or transaction or a proposed material contract or transaction. Further, the independent members of the Board meet independently of management members when warranted.



### *Other Directorships*

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

Alexander Helmel	Global Compliance Applications Corp. Silver Sands Resources Corp. Treviso Capital Corp. Ynvisible Interactive Inc. Atomic Minerals Corporation
Paul John	Mineral Road Discovery Inc. Max Resource Corp. Silicon Metals Corp.
Adrian Smith	Usha Resources Ltd. M3 Metals Corp. Xander Resources Inc. Live Energy Minerals Corp. First Atlantic Nickel Corp. Silicon Metals Corp. Miramis Mining Corp.

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

The Company has not yet developed an official orientation or training program for directors. If and when new directors are added, however, they have the opportunity to become familiar with the Company by meeting with other directors and with officers and employees of the Company. As each director has a different skill set and professional background, orientation and training activities are and will continue to be tailored to the particular needs and experience of each director. The Company's financial and legal advisers are also available to the Company's directors.

### ***Code of Ethics***

The Board strives to conduct itself with high business and moral standards and to follow all applicable legal and financial requirements. The Board have not adopted a written code of ethics for its directors, officers, employees and consultants.

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

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

The Company does not have a formal process or committee for proposing new nominees for election to the Board. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members.

### ***Compensation***

The Company does not have a compensation committee. The Board is responsible for determining all forms of compensation, including long-term incentives in the form of Options and RSUs to be granted to directors, officers and consultants of the Company. The Board is also responsible for reviewing recommendations for compensation of the Chief Executive Officer and other officers of the Company, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of its officers, the Board will consider: (i) recruiting and retaining officers critical to the success of the Company and the enhancement of shareholder value; (ii) providing fair and competitive

compensation (iii)balancing the interests of management and the Company's shareholders; and (iv) rewarding performance, both on an individual basis and with respect to operations in general.

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

The Board has not established any committees other than the Audit Committee.

### ***Assessments***

Any committee of the directors and individual directors are assessed on an ongoing basis by the Board in their entirety. The Board has not, as yet, adopted formal procedures for assessing the effectiveness of the Board, the audit committee or individual directors.

## **AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS**

### ***General***

The Audit Committee is a standing committee of the Board, the primary function of which is to assist the Board in fulfilling its financial oversight responsibilities, which will include monitoring the quality and integrity of the Company's financial statements and the independence and performance of the Company's external auditor, acting as a liaison between the Board and the Company's external auditor, reviewing the financial information that will be publicly disclosed and reviewing all audit processes and the systems of internal controls management and the Board have established.

### ***Audit Committee Charter***

The Board has adopted an Audit Committee Charter, which sets out the Audit Committee's mandate, organization, powers and responsibilities. The Audit Committee Charter is attached as Schedule "A" to this Information Circular.

### ***Composition***

As the shares of the Company are listed on the Canadian Securities Exchange (the "Exchange"), it is categorized as a venture issuer. As a result, the Company is exempt from the requirements of Part 3 (Composition of the Audit Committee) of NI 52-110.

The Audit Committee consists of three (3) directors, being Alexander Helm, Adrian Smith (Chair) and Paul John. Adrian Smith and Paul John are "independent" as that term is defined in National Instrument 52-110 Audit Committees ("NI 52-110"). Alexander Helm is not "independent" as he is an executive officer of the Company. All members of the audit committee are "financially literate" as that term is defined in NI 52-110.

### ***Relevant Education and Experience***

All members are "financially literate", meaning that they 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 be reasonably expected to be raised by the Company's financial statements.

**Alexander Helm** – Alexander Helm has gained financial literacy through participating in the management of publicly traded companies including serving for several of these in the capacity of CFO. He has also served as a member of audit committees of other reporting issuers.

**Adrian Smith (Chair)**– Adrian Smith has gained financial literacy through participating in the management of publicly traded companies. He has served as a member of audit committees of other reporting issuers.

**Paul John** – Paul John has gained financial literacy through participating in the management of publicly traded companies. He has served as a member of audit committees of other reporting issuers.

### **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 Certain Exemptions**

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 or an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*) of NI 52-110.

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

The audit committee is authorized by the Board to review the performance of the Company's external auditors and approve in advance, provision of services other than auditing and to consider the independence of the external auditors.

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

<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)</sup></b>	<b>All Other Fees<sup>(4)</sup></b>
February 29, 2024	\$28,000	Nil	\$2,000	Nil
February 28, 2023	\$20,000	\$9,100	\$3,000	Nil

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.
- (4) The aggregate fees billed for professional services other than those listed in the other three columns.

### **Exemption**

Pursuant to section 6.1 of NI 52-110, the Company is exempt from the requirements of Part 3 *Composition of the Audit Committee* and Part 5 *Reporting Obligations* of NI 52-110 because it is a venture issuer.

## **INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS**

None of the directors or executive officers of the Company or any subsidiary thereof, has more than "routine indebtedness" to the Company or any subsidiary thereof.

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

Unless otherwise disclosed herein, no informed person or proposed nominee for election as a director, or any associate or affiliate of any of the foregoing, has or has had any material interest, direct or indirect, in any transaction or proposed transaction since the commencement of the Company's most recently completed financial year, which has materially affected or will materially affect the Company or any of its subsidiaries, other than as disclosed by the Company during the course of the year or as disclosed herein.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### *Election of Directors*

The Board currently consists of three directors. The term of office for each of the present directors of the Company expires at the Meeting. It is proposed that the number of directors to be elected at the Meeting, for the ensuing year, be fixed at three (3). At the Meeting, the shareholders will be asked to consider and, if thought fit, approve an ordinary resolution fixing the number of directors to be elected at the Meeting, at three (3).

The directors of the Company are elected annually and hold office until the next annual general meeting of the Shareholders or until their successors are elected. The management of the Company proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are elected or appointed. **In the absence of instructions to the contrary, proxies given pursuant to the solicitation by the management of the Company will be voted FOR the nominees listed in this Information Circular.** Management does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, **proxies in favour of management designees will be voted for another nominee in their discretion unless the shareholder has specified in his proxy that his shares are to be withheld from voting in the election of directors.** Each director elected will hold office until the next annual Meeting of Shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the Articles of the Company.

The following table sets out the names of the nominees for election as directors, the offices they hold within the Company, their occupations, the length of time they have served as directors of the Company, and the number of Shares of the Company and its subsidiaries which each beneficially owns directly or indirectly or over which control or direction is exercised as of the date of the Information Circular:

<b>Name, jurisdiction of residence and office held</b>	<b>Principal occupation</b>	<b>Director since</b>	<b>Number of common shares beneficially owned directly or indirectly</b>
<b>Alexander Helmel</b> <sup>(1)</sup> British Columbia, Canada <i>Chief Financial Officer and Director</i>	Management consultant for Redonda Management Ltd., a private company owned by Mr. Helmel, that provides executive management services to public and private companies.	Dec 29, 2017	1,000,000
<b>Paul John</b> <sup>(1)</sup> British Columbia, Canada <i>Director</i>	Retired Businessman; Independent director of Max Resource Corp. Since September 2020, CEO and/or director of West Oak Gold Corp. and Crest Resources Inc.	Dec 29, 2020	Nil
<b>Adrian Smith</b> <sup>(1)</sup> British Columbia, Canada <i>Director</i>	Geologist with Divitiae Resources Ltd., a private company that provides geological consulting services. President of M3 Metals Corp. and CEO of First Atlantic Nickel Corp.,	Dec 29, 2020	250,000

<b>Name, jurisdiction of residence and office held</b>	<b>Principal occupation</b>	<b>Director since</b>	<b>Number of common shares beneficially owned directly or indirectly</b>
	both of which are listed on the TSX-V.		

Notes:

(1) Member of the audit committee.

The above information, including information as to common shares beneficially owned, has been provided by the respective directors individually.

No proposed director of the Company:

- (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 the subject:
    - (A) of a cease trade order;
    - (B) an order similar to a cease trade order; or
    - (C) an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days, while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
  - (ii) was subject to:
    - (A) a cease trade order;
    - (B) an order similar to a cease trade order; or
    - (C) an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days, after the proposed director was acting in the capacity as director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer, other than:
- (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;
- (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; or

- (d) 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 securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

### ***Re-Appointment of Auditor***

The management of the Company intends to re-appoint Crowe MacKay LLP of Vancouver, British Columbia, as auditors of the Company. Forms of proxy given pursuant to the solicitation of the management of the Company, will, on any poll, be voted as directed and, if there is no direction, be voted for the appointment of Crowe MacKay LLP of Vancouver, British Columbia at a remuneration to be fixed by the Board.

### ***Approval of Stock Option Plan***

On November 30, 2021, the Board approved an incentive stock option plan for eligible recipients who provide services to the Company (the "Stock Option Plan"), which was further ratified and approved by the shareholders at the Company's annual general meeting held on October 11, 2022. The Stock Option Plan is a "rolling" or "evergreen" plan pursuant to which the aggregate number of Common Shares reserved for issuance upon exercise of stock options granted under the Stock Option Plan will be a maximum of 10% of the issued and outstanding share capital of the Company at the date of grant. If any options granted under the Stock Option Plan expire or terminate for any reason without having been exercised in full, the unpurchased shares will again be available under the Stock Option Plan.

In accordance with the new policies of the Exchange which came into effect on May 27, 2024, the Company must obtain shareholder approval after institution of a new stock option plan and every three years thereafter in order to continue to grant Options. If the Stock Option Plan is not approved by the shareholders at the Meeting, all unallocated entitlements will be cancelled and the Company will not be permitted to grant further entitlements under the Stock Option Plan, until such time as shareholder approval is obtained. However, all allocated stock options under the Stock Option Plan, such as stock options that have been granted but not yet redeemed, will continue unaffected.

The purpose of the Stock Option Plan is to encourage ownership of the Common Shares by persons who are directors, senior officers and key employees of, as well as consultants and employees of management companies providing services to the Company. Management believes that the Stock Option Plan will advance the interests of the Company by providing incentive compensation to all eligible recipients through participation in the Company's growth and development.

The following summary is a brief description of the Stock Option Plan. A full copy of the Stock Option Plan is attached to this Information Circular as Schedule "B". Capitalized terms used but not defined have the meanings ascribed to them in the Stock Option Plan.

1. The maximum number of Common Shares that may be issued upon the exercise of stock options previously granted and those granted under the Stock Option Plan will be a maximum of 10% of the issued and outstanding Common Shares at the time of the grant.
2. Stock options can be issued to persons who are officers, director, employees, and consultants or management employees of the Company or its subsidiaries, if any.
3. The option price of any Common Share in respect of which an option may be granted under the Stock Option Plan shall be fixed by the Board of Directors but shall be not less than the minimum price permitted by the Exchange.
4. The number of options granted to any one individual may not exceed 5% of the outstanding listed Common Shares in any 12 month period unless the Company has obtained disinterested shareholder approval to exceed such limit.

5. The number of options granted to insiders, as a group, may not exceed 10% of the outstanding listed Common Shares in any 12 month period unless the Company has obtained disinterested shareholder approval to exceed such limit.

6. The number of options granted to any one consultant may not exceed 2% of the Company's outstanding listed Common Shares in any 12 month period.

7. The number of options granted to any individual providing investor relations activities may not exceed 1% of the Company's outstanding listed Common Shares in any 12 month period.

8. All options granted under the Stock Option Plan may be exercisable for a maximum of ten years from the date they are granted.

9. If the optionee is a director or officer of the Company and ceases to be (other than by reason of) an eligible Participant of options, then the option granted shall expire 90 days following the date that the option holder ceases to be eligible, subject to the terms and conditions set out in the Stock Option Plan.

10. If the optionee is an employee or consultant of the Company and ceases to be (other than by reason of death) an eligible Participant of options, then the option granted shall expire 30 days following the date that the option holder ceases to be eligible, subject to the terms and conditions set out in the Stock Option Plan.

11. If an optionee ceases to be an eligible Participant of options by reason of death, an optionee's heirs or administrators shall have until the earlier of:

- (a) 180 days from the death of the option holder; and
- (b) the expiry date of the options

in which to exercise any portion of options outstanding at the time of death of the optionee.

12. The Stock Option Plan will be administered by the Company's board of directors, a committee of the board or an administrator appointed in accordance with the Stock Option Plan.

13. The options are not assignable or transferable by an optionee.

14. The board of directors may from time to time, subject to regulatory approval or shareholder approval, amend or revise the terms of the Stock Option Plan.

At the Meeting, Shareholders will be asked to approve an ordinary resolution approving the Stock Option Plan. The text of the resolution to be considered and, if thought fit, approved at the Meeting is as follows:

“BE IT RESOLVED THAT:

1. subject to all required regulatory approvals, including the approval of the Canadian Securities Exchange (the “**CSE**”), as necessary, the Stock Option Plan of the Company presented to the Meeting and attached as Schedule “B” to the Information Circular and the grant of stock options (“**Options**”) thereunder in accordance therewith, is hereby ratified, confirmed and approved and shall continue and remain in effect until further ratification is required, being February 26, 2028 or three years from the date of prior receipt of shareholder approval, pursuant to the rules of the Canadian Securities Exchange or other applicable regulatory requirements;

2. the number of Common Shares reserved for issuance under the Stock Option Plan shall be no more than 10% of the Company's issued and outstanding share capital at the time of any Option grant;

3. the Company is hereby authorized and directed to issue all unallocated Options under the Stock Option Plan;

4. the Company is hereby authorized and directed to issue such Common Shares pursuant to the Stock

Option Plan as fully paid and non-assessable Common Shares of the Company;

5. the board of directors of the Company be authorized to make any changes to the Stock Option Plan, as may be required or permitted by the Canadian Securities Exchange; and

6. Any one director or officer of the Company is authorized and directed, on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to this ordinary resolution."

**A copy of the Stock Option Plan is attached as Schedule "B" to this Information Circular.**

In order to be effective, the foregoing ordinary resolutions must be approved by a simple majority of the votes cast by those shareholders of the Company who, being entitled to do so, vote in person or by proxy at the Meeting in respect of such resolution.

**It is the intention of the persons named in the accompanying Proxy, if not expressly directed to the contrary in such Proxy, to vote such proxies FOR the ordinary resolution authorizing the approval of the Stock Option Plan.**

The directors of the Company believe the passing of the foregoing ordinary resolution is in the best interests of the Company and recommend that shareholders of the Company vote in favour of the resolution.

**Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote FOR the approval of the Stock Option Plan.**

***Approval of Restricted Share Unit Plan***

On June 27, 2022, the Board approved adoption of a restricted share unit plan (the "**RSU Plan**"), which was further ratified and approved by the shareholders at the Company's annual general meeting held on October 11, 2022. The RSU Plan is designed to provide certain directors and officers (an "**Eligible Person**" or "**Participant**") of the Company and its related entities with the opportunity to acquire restricted share units ("**RSUs**") of the Company. The acquisition of RSUs allows an Eligible Person to participate in the long-term success of the Company thus promoting the alignment of an Eligible Person's interests with that of the Shareholders. Capitalized terms used but not defined have the meanings ascribed to them in the RSU Plan, a copy has been attached hereto as Schedule "C" to this Information Circular.

In accordance with the new policies of the Exchange which came into effect on May 27, 2024, the Company must obtain shareholder approval after institution of a new rolling equity compensation plan and every three years thereafter in order to continue to grant equity compensation under the plan. If the RSU Plan is not approved by the shareholders at the Meeting, all unallocated entitlements will be cancelled and the Company will not be permitted to grant further entitlements under the RSU Plan, until such time as shareholder approval is obtained. However, all allocated RSUs under the RSU Plan, such as RSUs that have been granted but not yet redeemed, will continue unaffected.

The RSU Plan allows the Company to award, in aggregate, up to a rolling 10% maximum of the issued and outstanding Shares from time to time, under and subject to the terms and conditions of the RSU Plan. The grant of an RSU Award pursuant to the RSU Plan entitles the Participant thereunder, the conditional right to receive for each RSU credited to the Participant's account, at the election of the Board, either (a) one Share of the Company, or (b) an amount in cash, net of applicable taxes and contributions to government sponsored plans, as determined by the Board, equal to the Market Price of one Share for each vested RSU credited. Fractional Shares will not be issued pursuant to the RSU Plan, and any fractional entitlement arising is to be settled by adjustment such that the Participant shall only have the right to receive the next lowest whole number of Shares.



The following summary assumes that the RSU Plan will be approved by the Shareholders at the Meeting and is subject to the specific provisions of the RSU Plan:

*Purpose of the RSU Plan*

The purpose of the Plan is to promote and advance the interests of the Company by (i) providing Eligible Persons with additional incentive through an opportunity to receive discretionary bonuses in the form of Common Shares of the Company, (ii) encouraging stock ownership by such Eligible Persons, (iii) increasing the proprietary interest of Eligible Persons in the success of the Company, and (iv) increasing the ability to attract, retain and motivate Eligible Persons.

*Nature and Administration of the RSU Plan*

All directors and officers are eligible to participate in the RSU Plan and the Company reserves the right to restrict eligibility or otherwise limit the number of persons eligible for participation as Participants in the RSU Plan. Eligibility to participate as a Participant in the RSU Plan does not confer upon any person a right to receive an award of RSUs.

Subject to certain restrictions, the Board or its appointed committee, can, from time to time, award RSUs to Eligible Persons. RSUs will be credited to an account maintained for each Participant on the books of the Company as of the award date. The number of RSUs to be credited to each Participant's account shall be determined at the discretion of the Board and pursuant to the terms of the RSU Plan.

RSUs and all other rights, benefits or interests in the RSU Plan are non-transferable and may not be pledged or assigned or encumbered in any way and are not subject to attachment or garnishment, except that if a Participant dies the legal representatives of the Participant will be entitled to receive the amount of any payment otherwise payable to the Participant hereunder in accordance with the provisions hereof.

*Credit for Dividends*

A Participant's account will be credited with additional RSUs as of each dividend payment date in respect of which cash dividends are paid on Shares. The number of additional RSUs to be credited to a Participant's account will be based on the actual amount of cash dividends that would have been paid to such Participant had he been holding such number of Shares equal to the number of RSUs credited to the Participant's Account on the date on which cash dividends are paid on the Shares and the Market Price of the Shares on the payment date.

*Resignation, Termination, Leave of Absence or Death*

If a Participant's employment or service is terminated for Cause, then all RSUs (whether vested or unvested) shall be terminated automatically upon termination.

If the Participant resigns from employment with the Company, then any RSUs credited to him or her under the RSU Plan which have not vested on or before the termination date are forfeited, cancelled and terminated without payment and the Participant shall have up to 90 days to settle any vested RSUs.

In the event a Participant is terminated without Cause or if the Participant dies, all unvested RSUs will immediately vest on the date of termination or death and the Participant will have up to 90 days to settle the RSUs.

*Change of Control*

In the event of a Change of Control, the Board may, in its discretion, without the necessity or requirement for the agreement or consent of any Participant: (i) accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of any RSU; (ii) permit the conditional settlement of any RSU, on such terms as it sees fit; (iii) otherwise amend or modify the terms of the RSU, including for greater certainty permitting Participants to settle any RSU, to assist the Participants to tender the underlying Shares to, or participate in, the actual or potential Change of Control Event or to obtain the advantage of holding the underlying Common Shares during such Change of Control Event; and (iv) terminate, following the successful completion of such Change of Control Event, on such terms as it sees fit, the RSUs not settled prior to the successful completion of such Change of Control Event, including, without limitation, for no payment or other compensation.

*Adjustments*

In the event of any dividend paid in Shares, Share subdivision, combination or exchange of Shares, merger, consolidation, spin-off or other distribution of Company assets to shareholders, or any other change in the capital of the Company affecting Shares, the Board will make adjustments with respect to the number of RSUs outstanding and any proportional adjustments as it, in its discretion, considers appropriate to reflect the change.

#### *Vesting*

The Board has discretion to grant RSUs to Eligible Persons as it determines appropriate, and can impose conditions on vesting as it sees fit in addition to other performance conditions, if any. Vesting occurs on the vesting date set by the Board at the time of the grant and the date upon which any relevant other performance condition or other vesting condition, if any, has been satisfied, subject to the limitations of the RSU Plan. The Board may accelerate the Vesting Date of any RSU, at its election.

#### *Shareholder Approval of Adoption of the RSU Plan*

Approval of the resolution to ratify, confirm and approve the RSU Plan (the “**RSU Plan Shareholder Resolution**”), must be confirmed by a simple majority of the votes cast by Shareholders voting on the resolution in person or by proxy at the Meeting. **The Board recommends that Shareholders vote in favour of the RSU Plan Shareholder Resolution.**

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve the following ordinary resolution to ratify, confirm and approve adoption of the RSU Plan:

“RESOLVED that:

1. subject to all required regulatory approvals, including the approval of the Canadian Securities Exchange (the “**CSE**”), as necessary, and the required shareholder approvals, adoption by the Company of the Restricted Stock Unit Plan (the “**RSU Plan**”) be and is hereby ratified, confirmed and approved, and the RSU Plan be forthwith implemented by the Company effective as of the date of approval by the Board of Directors of the Company (the “**Board**”), with such further deletions, additions and other amendments as are required by any securities regulatory authority or which are not substantive in nature and the Chief Executive Officer of the Company deems necessary or desirable, and shall continue and remain in effect until further ratification is required, being February 26, 2028, or three years from the date of prior receipt of shareholder approval, pursuant to the rules of the Canadian Securities Exchange or other applicable regulatory requirements;
2. the Board, or a committee to be determined by the Board, be and is hereby appointed to be the Administrator under the RSU Plan, such appointment to be effective until revoked by resolution of the Board;
3. the Company be and is hereby authorized to grant restricted share units (“**RSUs**”) under and subject to the terms and conditions of the RSU Plan, which RSUs may be exercised to purchase up to, in aggregate, a rolling maximum of 10% of the issued and outstanding Shares of the Company, from time to time;
4. the Company be and is hereby authorized and directed to issue all unallocated RSUs under the RSU Plan;
5. the RSU Plan Administrator be and is hereby authorized and directed to execute on behalf of the Company, the form of Restricted Share Unit Grant Letter, the form of which is attached as Schedule “A” to the RSU Plan, providing for the grant of RSUs to Eligible Persons pursuant to the RSU Plan; and
6. the Company be and is hereby authorized to allot and issue as fully paid and non-assessable that number of Shares specified in the Restricted Share Unit Grant Letter upon conversion of RSUs granted to Eligible Persons; AND THAT any two authorized persons of the Company be authorized to execute such treasury order or treasury orders as may be necessary to effect such Share issuance.”

**A copy of the RSU Plan is attached as Schedule “C” to this Information Circular.**

In order to be effective, the foregoing ordinary resolutions must be approved by a simple majority of the votes cast by those shareholders of the Company who, being entitled to do so, vote in person or by proxy at the Meeting in respect of such resolution.

**It is the intention of the persons named in the accompanying Proxy, if not expressly directed to the contrary in such Proxy, to vote such proxies FOR the ordinary resolution authorizing the approval of the RSU Plan.**

The directors of the Company believe the passing of the foregoing ordinary resolution is in the best interests of the Company and recommend that shareholders of the Company vote in favour of the resolution.

**Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote FOR the approval of the RSU Plan.**

#### **OTHER BUSINESS**

It is not known whether any other matters will come before the Meeting other than those set forth above and in the notice of meeting, but if any other matters do arise, the persons named in the proxy intend to vote on any poll, in accordance with their best judgment, exercising discretionary authority with respect to amendments or variations of matters ratified in the notice of meeting and other matters which may properly come before the Meeting or any adjournment.

#### **ADDITIONAL INFORMATION**

Additional information on the Company is available at [www.sedarplus.ca](http://www.sedarplus.ca). Financial information is provided in the Company's financial statements and management discussion and analysis, which are available on SEDAR+. The audited financial statements for the year ending February 29, 2024, together with the auditor's report will be presented at the Meeting. You may request copies of the Company's financial statements and management discussion and analysis by completing the request card included with this Information Circular, in accordance to the instructions therein.

DATED as of January 27, 2025.

ON BEHALF OF THE BOARD,

*“Brett Matich”*

---

Brett Matich  
President & Chief Executive Officer

**Schedule "A"**  
**AUDIT COMMITTEE CHARTER**

**ARTICLE 1 PURPOSE**

1.1 The Audit Committee (the "Committee") of the Board of Directors (the "Board") of Prudent Minerals Corp. (the "Company") shall assist the Board in fulfilling its financial oversight responsibilities. The overall purpose of the Committee is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Company and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. In performing its duties, the Committee will maintain effective working relationships with the Board, management, and the external auditors and monitor the independence of those auditors. To perform his or her role effectively, each member of the Committee will obtain an understanding of the responsibilities of the Committee membership as well as the Company's business, its operations and related risks.

**ARTICLE 2**

**COMPOSITION, PROCEDURE, AND ORGANIZATION**

- 2.1 The Committee shall consist of at least three members of the Board, the majority of whom are not officers or employees of the Company or of an affiliate of the Company.
- 2.2 All members of the Committee shall be financially literate as defined in NI 52-110 – Audit Committees or any successor policy.
- 2.3 The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
- 2.4 Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
- 2.5 The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
- 2.6 The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
- 2.7 Meetings of the Committee shall be conducted as follows:
- (a) the Committee shall meet at least four times annually at such times and at such locations as maybe requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
  - (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and
  - (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
- 2.8 The external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before

the Committee any matter involving questionable, illegal or improper financial practices or transactions.

### **ARTICLE 3**

#### **ROLES AND RESPONSIBILITIES**

- 3.1 The overall duties and responsibilities of the Committee shall be as follows:
- (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and interim consolidated financial statements and related financial disclosure;
  - (b) to establish and maintain a direct line of communication with the Company's external auditors and assess their performance;
  - (c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
  - (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
- 3.2 The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
- (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
  - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
  - (c) review the audit plan of the external auditors prior to the commencement of the audit;
  - (d) to review with the external auditors, upon completion of their audit:
    - (i) contents of their report;
    - (ii) scope and quality of the audit work performed;
    - (iii) adequacy of the Company's financial and auditing personnel;
    - (iv) co-operation received from the Company's personnel during the audit;
    - (v) internal resources used;
    - (vi) significant transactions outside of the normal business of the Company;
    - (vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
    - (viii) the non-audit services provided by the external auditors;
  - (e) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and
  - (f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.

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

- (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to insurance, accounting, information services and systems and financial controls, management reporting and risk management;
- (b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
- (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
- (d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the external auditors have been implemented.

3.4 The Committee is also charged with the responsibility to:

- (a) review and approve the Company's annual and interim financial statements and related Management's Discussion & Analysis ("MD&A"), including the impact of unusual items and changes in accounting principles and estimates;
- (b) review and approve the financial sections of any of the following disclosed documents prepared by the Company:
  - (i) the annual report to shareholders;
  - (ii) the annual information form;
  - (iii) annual MD&A;
  - (iv) prospectuses;
  - (v) news releases discussing financial results of the Company; and
  - (vi) other public reports of a financial nature requiring approval by the Board, and report to the Board with respect thereto;
- (c) review regulatory filings and decisions as they relate to the Company's consolidated financial statements;
- (d) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
- (e) review and report on the integrity of the Company's consolidated financial statements;
- (f) review the minutes of any audit committee meeting of subsidiary companies;
- (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;
- (h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and

- (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board following each annual general meeting of shareholders.

3.5 Without limiting the generality of anything in this Charter, the Committee has the authority:

- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
- (b) to set and pay the compensation for any advisors employed by the Committee, and
- (c) to communicate directly with the Auditor.

#### **ARTICLE 4**

##### **EFFECTIVE DATE**

4.1 This Charter was implemented by the Board on April 2, 2021.

**Schedule "B"**  
**STOCK OPTION PLAN**



**PRUDENT MINERALS CORP.**  
**STOCK OPTION PLAN**

Approved by the board of directors on November 30, 2021

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## STOCK OPTION PLAN

### SECTION 1 DEFINITIONS AND INTERPRETATION

#### 1.1 Definitions

As used herein, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the meanings set forth below:

- (a) “**Administrator**” means such Executive or Employee of the Company as may be designated as Administrator by the Committee from time to time, or, if no such person is appointed, the Committee itself.
- (b) “**Associate**” has the meaning ascribed to such term in the Securities Act.
- (c) “**Black-Out**” means a restriction imposed by the Company on all or any of its directors, officers, employees, insiders or persons in a special relationship whereby they are to refrain from trading in the Company's securities until the restriction has been lifted by the Company.
- (d) “**Board**” means the board of directors of the Company.
- (e) “**Change of Control**” means an occurrence when either:
  - (i) a Person, becomes a "control person" of the Company (as that term is defined in the Securities Act), other than any "control person" of the Company existing on date the Company becomes listed on the CSE; or
  - (ii) a majority of the directors elected at any annual or extraordinary general meeting of shareholders of the Company are not individuals nominated by the Company's then-incumbent Board.
- (f) “**Committee**” means a committee of the Board appointed in accordance with this Plan or if no such committee is appointed, the Board itself.
- (g) “**Company**” means Prudent Minerals Corp.
- (h) “**Consultant**” means, in relation to the Company or a Subsidiary, an individual or company, other than an Employee or Executive of the Company, that:
  - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or a Subsidiary of the Company, other than services provided in relation to a distribution;
  - (ii) provides the services under a written contract between the Company or a Subsidiary of the Company and the individual or the Consultant Company;
  - (iii) in the reasonable opinion of the Company, spends or shall spend a significant amount of time and attention on the affairs and business of the Company or a Subsidiary of the Company; and

- (iv) has a relationship with the Company or a Subsidiary of the Company that enables the individual to be knowledgeable about the business and affairs of the Company.
- (i) "**Consultant Company**" means a Consultant that is a company.
- (j) "**CSE**" means the Canadian Securities Exchange.
- (k) "**Disability**" means a medically determinable physical or mental impairment expected to result in death or to last for a continuous period of not less than 12 months, and which causes an individual to be unable to engage in any substantial gainful activity, or any other condition of impairment that the Committee, acting reasonably, determines constitutes a disability.
- (l) "**Disinterested Shareholder Approval**" means a majority of votes cast by all shareholders of the Company at a shareholders' meeting, excluding the votes of Persons who hold or shall hold the options which are the subject of the approval, and Associates of such Persons.
- (m) "**Eligible Person**" means a bona fide Executive, Employee, Consultant or Management Company Employee.
- (n) "**Employee**" means:
  - (i) an individual who works full-time or part-time for the Company or any Subsidiary and such other individual as may, from time to time, be permitted by applicable Regulatory Rules to be granted Options as an employee or as an equivalent thereto, and for whom income tax deductions are made at source; or
  - (ii) an individual who works for the Company or any Subsidiary, either full-time or on a continuing and regular basis for a minimum amount of time per week, providing services normally provided by an employee, and who is subject to the same control and direction by the Company or any Subsidiary over the details and methods of work as an employee of the Company or any Subsidiary, but for whom income tax deductions are not made at sourceand includes a corporation wholly owned by such individual.
- (o) "**Executive**" means an individual who is a director or officer of the Company or a Subsidiary, and includes a corporation wholly-owned by such individual.
- (p) "**Exercise Notice**" means the written notice of the exercise of an Option, in the form set out as Schedule "B" hereto, duly executed by the Option Holder.
- (q) "**Exercise Period**" means the period during which a particular Option may be exercised and is the period from and including the Grant Date through to and including the Expiry Time on the Expiry Date provided, however, that the Option has vested pursuant to the terms and conditions of this Plan and that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained.
- (r) "**Exercise Price**" means the price at which an Option is exercisable as determined in accordance with section 5.3.

- (s) "**Expiry Date**" means the date the Option expires as set out in the Option Agreement or as otherwise determined in accordance with sections 5.4, 6.2, 6.3, 6.4 or 11.4.
- (t) "**Expiry Time**" means the time the Option expires on the Expiry Date, which is 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date.
- (u) "**Grant Date**" means the date on which the Committee grants a particular Option, which is the date the Option comes into effect provided however that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained.
- (v) "**Insider**" has the meaning ascribed to that term in the Securities Act.
- (w) "**Investor Relations Activities**" has the meaning ascribed to that term in the Regulatory Rules;
- (x) "**Management Company Employee**" means an individual employed by a Person providing management services to the Company or its Subsidiaries, which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a Person engaged in Investor Relations Activities.
- (y) "**Option**" means an incentive share purchase option granted pursuant to this Plan, entitling the Option Holder to purchase Shares of the Company.
- (z) "**Option Agreement**" means the agreement, in substantially the form set out as Schedule "A" hereto, evidencing the Option.
- (aa) "**Option Holder**" means an Eligible Person to whom an Option has been granted under the terms of the Plan or, where applicable, the Personal Representative of such Eligible Person.
- (bb) "**Outstanding Issue**" means the number of Shares that are outstanding (on a non-diluted basis) immediately prior to the Share issuance or grant of Option in question.
- (cc) "**Person**" means any individual, natural person, corporation, government or political subdivision or agency of a government, and where two or more persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such partnership, limited partnership, syndicate or group shall be deemed to be a Person.
- (dd) "**Personal Representative**" means:
  - (i) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and
  - (ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder.
- (ee) "**Plan**" means this share purchase option plan as from time to time amended.
- (ff) "**Regulatory Approvals**" means any necessary approvals of the Regulatory Authorities, as may be required from time to time for the implementation, operation or amendment of this Plan, or for the Options granted from time to time hereunder.

- (gg) **"Regulatory Authorities"** means all organized trading facilities on which the Shares are listed, and all securities commissions or similar securities regulatory bodies having jurisdiction over the Company, this Plan or the Options granted from time to time hereunder.
- (hh) **"Regulatory Rules"** means all corporate and securities laws, regulations, rules, policies, notices, instruments and other orders of any kind whatsoever which may, from time to time, apply to the implementation, operation or amendment of this Plan or the Options granted from time to time hereunder including, without limitation, those of the applicable Regulatory Authorities.
- (ii) **"Securities Act"** means the *Securities Act* (British Columbia), RSBC 1996, c.418, as from time to time amended.
- (jj) **"Share"** or **"Shares"** means, as the case may be, one or more common shares without par value in the capital stock of the Company.
- (kk) **"Shareholder Approval"** means the approval of a majority of the votes cast at a meeting of all shareholders of the Company, and includes Disinterested Shareholder Approval as the context requires.
- (ll) **"Subsidiary"** means a wholly-owned or controlled subsidiary corporation of the Company.
- (mm) **"Tax Obligation"** has the meaning set out in section 7.4 of this Agreement.
- (nn) **"Triggering Event"** means:
  - (i) the proposed dissolution, liquidation or wind-up of the Company;
  - (ii) a proposed merger, amalgamation, arrangement or reorganization of the Company with one or more corporations as a result of which, immediately following such event, the shareholders of the Company as a group, as they were immediately prior to such event, are expected to hold less than a majority of the outstanding capital stock of the surviving corporation;
  - (iii) the proposed acquisition of all or substantially all of the issued and outstanding shares of the Company by one or more Persons or Entities;
  - (iv) a proposed Change of Control of the Company;
  - (v) the proposed sale or other disposition of all or substantially all of the assets of the Company; or
  - (vi) a proposed material alteration of the capital structure of the Company which, in the opinion of the Committee, is of such a nature that it is not practical or feasible to make adjustments to this Plan or to the Options granted hereunder to permit the Plan and Options granted hereunder to stay in effect.
- (oo) **"vest"** or **"vested"** or **"Vesting"** means that portion of the Option granted to the Option Holder which is available to be exercised by the Option Holder at any time and from time to time.

**1.2 Choice of Law**

The Plan is established under, and the provisions of the Plan shall be subject to and interpreted and construed in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable therein without giving effect to the conflicts of laws principles thereof and without reference to the laws in any other jurisdiction. The Company and each Option Holder hereby attorn to the exclusive jurisdiction of the Courts of British Columbia, in respect of any legal proceedings relating to the Plan or Options granted hereunder.

**1.3 Headings**

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

**SECTION 2  
GRANT OF OPTIONS**

**2.1 Grant of Options**

The Committee shall, from time to time in its sole discretion, grant Options to such Eligible Persons and on such terms and conditions as are permitted under this Plan.

**2.2 Record of Option Grants**

The Administrator shall be responsible for maintaining a record of all Options granted under this Plan and such record shall contain, in respect of each Option:

- (a) the name and address of the Option Holder;
- (b) the category (Executive, Employee or Consultant) under which the Option was granted to him, her or it;
- (c) the Grant Date and Expiry Date of the Option;
- (d) the number of Shares which may be acquired on the exercise of the Option and the Exercise Price of the Option;
- (e) the Vesting and other additional terms, if any, attached to the Option; and
- (f) the particulars of each and every time the Option is exercised.

**2.3 Effect of Plan**

All Options granted pursuant to the Plan shall be subject to the terms and conditions of the Plan, notwithstanding the fact that the Option Agreements issued in respect thereof do not expressly contain such terms and conditions, but instead incorporate them by reference to the Plan. A copy of the Plan may be requested pursuant to section 3.5.



### **SECTION 3 PURPOSE AND PARTICIPATION**

#### **3.1 Purpose of Plan**

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Eligible Persons, to incent such individuals to contribute toward the long term goals of the Company, and to encourage such individuals to acquire Shares of the Company as long term investments.

#### **3.2 Participation in Plan**

The Committee shall, from time to time and in its sole discretion, determine those Eligible Persons, if any, to whom Options are to be granted.

#### **3.3 Limits on Option Grants**

The following limitations shall apply to the Plan and all Options thereunder:

- (a) the maximum number of Options which may be granted to any one Option Holder under the Plan within any 12-month period from the Grant Date shall be 5% of the Outstanding Issue (unless the Company has obtained Disinterested Shareholder Approval);
- (b) the maximum number of Options which may be granted to Insiders (as a group) within any 12-month period shall not exceed 10% of the Outstanding Issue (including any Options which were previously granted and then exercised within that 12-month period, unless the Company has obtained Disinterested Shareholder Approval);
- (c) with respect to section 5.1, the Expiry Date of an Option shall be no later than the tenth anniversary of the Grant Date of such Option;
- (d) the maximum number of Options which may be granted to any one Consultant within any 12-month period from the Grant Date shall not exceed 2% of the Outstanding Issue;
- (e) the maximum number of Options which may be granted to all Option Holders providing Investor Relations Activities within any 12-month period from the Grant Date shall not exceed an aggregate of 1% of the Outstanding Issue;

#### **3.4 Notification of Grant**

Following the granting of an Option, the Administrator shall, within a reasonable period of time, notify the Option Holder in writing of the grant and shall enclose with such notice the Option Agreement granting the Option. In no case shall the Company be required to deliver an Option Agreement to an Option Holder until such time as the Company has obtained all necessary Regulatory Approvals for the grant of the Option.

#### **3.5 Copy of Plan**

Each Option Holder, concurrently with the notice of the grant of the Option, shall be provided with a copy of the Plan. A copy of any amendment to the Plan shall be promptly provided by the Administrator to each Option Holder.

### **3.6 Agreement**

By accepting an Option granted hereunder, the Option Holder has expressly agreed, together with the Company, to be bound by and subject to the terms and conditions of this Plan. If the Option Holder receives his, her or its Options pursuant to an oral or written agreement with the Company or a Subsidiary, regardless of what kind of agreement it is, the Option Holder acknowledges that in the event of any inconsistency between the terms relating to the grant of such Options in that agreement, and the terms attaching to the Options as provided for in this Plan, the terms provided for in this Plan shall prevail and the other agreement shall be deemed to have been amended accordingly.

### **3.7 Notice**

Any notice, delivery, or other forms of correspondence to be provided by the Company to an Option Holder shall be deemed to have been provided if provided to the last home address, fax number, or email address of the Option Holder in the records of the Company. The Company shall be under no obligation to confirm receipt or delivery.

## **SECTION 4 NUMBER OF SHARES UNDER PLAN**

### **4.1 Number of Shares**

Subject to adjustment as provided for herein, while the Company is listed on the CSE, the number of Shares which shall be available for purchase pursuant to Options granted pursuant to this Plan, shall not exceed 10% of the Outstanding Issue on the particular Grant Date (unless the Company has obtained Disinterested Shareholder Approval). If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of such expired or terminated Option shall again be available for the purposes of granting Options pursuant to this Plan.

### **4.2 Fractional Shares**

No fractional shares shall be issued upon the exercise of any Option and, if as a result of any adjustment, an Option Holder would become entitled to a fractional share, such Option Holder shall have the right to purchase only the next lowest whole number of Shares and no payment or other adjustment shall be made for the fractional interest.

## **SECTION 5 TERMS AND CONDITIONS OF OPTIONS**

### **5.1 Exercise Period of Option**

Subject to sections 5.4, 6.2, 6.3, 6.4 and 11.4, the Grant Date and the Expiry Date of an Option shall be the dates fixed by the Committee at the time the Option is granted, and shall be set out in the Option Agreement issued in respect of such Option.

### **5.2 Number of Shares Under Option**

The number of Shares which may be purchased pursuant to an Option shall be determined by the Committee, and shall be set out in the Option Agreement issued in respect of the Option.

### **5.3 Exercise Price of Option**

The Exercise Price at which an Option Holder may purchase a Share upon the exercise of an Option shall be determined by the Committee, and shall be set out in the Option Agreement issued in respect of the Option. The Exercise Price shall not be less than the minimum price determined in accordance with CSE policies, while the Company's Shares are listed on the CSE.

### **5.4 Termination of Option**

Subject to such other terms or conditions that may be attached to Options granted hereunder, an Option Holder may exercise an Option in whole or in part, at any time and from time to time, during the Exercise Period. Any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void, and of no effect as of the Expiry Time. The Expiry Date of an Option shall be the date so fixed by the Committee at the time the Option is granted as set out in the Option Agreement or, if no such date is set out in the Option Agreement for the applicable circumstances, the date established, if applicable, in paragraphs (a) or (b) below or sections 6.2, 6.3, 6.4, or 11.4 of this Plan:

- (a) *Ceasing to Hold Office* - If the Option Holder holds his or her Option as an Executive and such Option Holder ceases to hold such position other than by reason of death or Disability, the Expiry Date of the Option shall be, unless otherwise expressly provided for in the Option Agreement, the 90th day following the date the Option Holder ceases to hold such position unless the Option Holder ceases to hold such position as a result of:
  - (i) ceasing to meet the qualifications set forth in the corporate legislation applicable to the Company;
  - (ii) a special resolution having been passed by the shareholders of the Company removing the Option Holder as a director of the Company or any Subsidiary; or
  - (iii) an order made by any Regulatory Authority having jurisdiction to so order;

in which case the Expiry Date shall be the date the Option Holder ceases to hold such position;

OR

- (b) *Ceasing to be Employed or Engaged* - If the Option Holder holds his Option as an Employee, Consultant or Management Company Employee, including an Option Holder who is engaged in Investor Relations Activities, and such Option Holder ceases to hold such position other than by reason of death or Disability, the Expiry Date of the Option shall be, unless otherwise expressly provided for in the Option Agreement, the 30th day following the date the Option Holder ceases to hold such position, unless the Option Holder ceases to hold such position as a result of:
  - (i) termination for cause;
  - (ii) resigning or terminating his or her position; or
  - (iii) an order made by any Regulatory Authority having jurisdiction to so order;

in which case the Expiry Date shall be the date the Option Holder ceases to hold such position.

If the Option Holder ceases to hold the position of Executive, Employee, or Consultant for which the Option was originally granted, but comes to hold a different position as an Executive, Employee, or Consultant prior to the expiry of the Option, the Committee may, in its sole discretion, choose to permit the Option to stay in place for that Option Holder. Such Option shall then be treated as being held by that Option Holder in his or her new position, and such treatment shall not be considered to be an amendment to the Option in question requiring the consent of the Option Holder under section 9.3 of this Plan. Notwithstanding anything else contained herein, in no case shall an Option be exercisable later than the Expiry Date of the Option.

#### **5.5 Vesting of Option and Acceleration**

The vesting schedule for an Option, if any, shall be determined by the Committee and shall be set out in the Option Agreement issued in respect of the Option. The Committee may elect, at any time, to accelerate the vesting schedule of one or more Options including, without limitation, on a Triggering Event, and such acceleration shall not be considered an amendment to the Option in question.

#### **5.6 Additional Terms**

Subject to all applicable Regulatory Rules and all necessary Regulatory Approvals, the Committee may attach additional terms and conditions to the grant of a particular Option, such terms and conditions to be set out in a schedule attached to the Option Agreement. The Option Agreements shall be issued for convenience only, and in the case of a dispute with regard to any matter in respect thereof, the provisions of this Plan and the records of the Company shall prevail over the terms and conditions in the Option Agreement, save and except as noted below. Each Option shall also be subject to, in addition to the provisions of the Plan, the terms and conditions contained in the schedules, if any, attached to the Option Agreement for such Option. Should the terms and conditions contained in such schedules be inconsistent with the provisions of the Plan, such terms and conditions shall supersede the provisions of the Plan.

### **SECTION 6 TRANSFERABILITY OF OPTIONS**

#### **6.1 Non-transferable**

Except as provided otherwise in this section 6 or expressly set out in an Option Agreement, Options are non-assignable and non-transferable.

#### **6.2 Death of Option Holder**

In the event of the Option Holder's death, any Options held by such Option Holder shall pass to the Personal Representative of the Option Holder and shall be exercisable by the Personal Representative on or before the date which is the earlier of 180 days following the date of death and the applicable Expiry Date.

#### **6.3 Disability of Option Holder**

If the employment or engagement of an Option Holder as an Employee or Consultant, or the appointment of an Option Holder as an Executive, is terminated by the Company by reason of such Option Holder's Disability, any Options held by such Option Holder shall be exercisable by such Option Holder or the Personal Representative on or before the date, which is the earlier of 180 days following the termination of employment, engagement or appointment, and the applicable Expiry Date.

**6.4 Disability and Death of Option Holder**

If an Option Holder has ceased to be employed, engaged or appointed as an Employee, Consultant, or Executive by reason of such Option Holder's Disability, and such Option Holder dies within 180 days after the termination of such engagement, any Options held by such Option Holder that could have been exercised immediately prior to his or her death shall pass to the Personal Representative of such Option Holder. Such Options shall be exercisable by the Personal Representative on or before the date, which is the earlier of 180 days following the death of such Option Holder and the applicable Expiry Date.

**6.5 Vesting**

Notwithstanding any vesting schedule to which Options are subject, any Options which have not vested shall cease to vest immediately if the position of an Option Holder as an Employee, Consultant, Management Company Employee, or Executive is terminated for any reason whatsoever. In which case, the Option Holder may only exercise such number of Options that are vested as at the date of termination of such Option Holder's position.

**6.6 Deemed Non-Interruption of Engagement**

Employment or engagement by the Company shall be deemed to continue intact during any military or sick leave, or other *bona fide* leave of absence, if the period of such leave does not exceed 90 days. If longer, then for so long as the Option Holder's right to re-employment or re-engagement by the Company is guaranteed either by statute or by contract. If the period of such leave exceeds 90 days and the Option Holder's re-employment or re-engagement is not so guaranteed, then his or her employment or engagement shall be deemed to have terminated on the 91st day of such leave.

**SECTION 7  
EXERCISE OF OPTION**

**7.1 Exercise of Option**

An Option may be exercised only by the Option Holder or the Personal Representative of any Option Holder. An Option Holder or the Personal Representative of any Option Holder may exercise an Option in whole or in part, at any time and from time to time, during the Exercise Period up to the Expiry Time by delivering to the Administrator the required Exercise Notice; and a certified cheque or bank draft payable to the Company, in an amount equal to the aggregate Exercise Price of the Shares then being purchased, pursuant to the exercise of the Option. Notwithstanding anything else contained herein, Options may not be exercised during a Black-Out unless the Committee determines otherwise. Notwithstanding any other provision of this Plan, the Exercise Period of Options that would expire during a Black-Out shall be extended to the date that is 10 business days following the expiry of the applicable Black-Out.

**7.2 Issue of Share Certificates**

As soon as reasonably practicable following the receipt of the Exercise Notice, the Administrator shall cause to be delivered to the Option Holder a certificate (or DRS) for the Shares so purchased.

**7.3 No Rights as Shareholder**

Until the date of the issuance of the certificate (or DRS) for the Shares purchased pursuant to the exercise of an Option, no right to vote or receive dividends or any other rights as a shareholder of the Company

shall exist with respect to such Shares, notwithstanding the exercise of the Option, unless the Committee determines otherwise. In the event of any dispute over the date of the issuance of the certificate (or DRS), the decision of the Committee shall be final, conclusive and binding.

#### **7.4 Tax Withholding and Procedures**

Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law (the “**Tax Obligation**”), or the funding of related amounts for which liability may arise under such applicable law, provided such provisions comply with the policies of the CSE, and shall not potentially result in the alteration of the exercise price or in the cashless exercise of the Options. Without limiting the generality of the foregoing, an Option Holder who wishes to exercise an Option must, in addition to following the procedures set out in section 7.1 and elsewhere in this Plan, and as a condition of exercise:

- (a) deliver a certified cheque, wire transfer, or bank draft payable to the Company for the amount determined by the Company to be the appropriate amount on account of the Tax Obligation; or
- (b) otherwise ensure, in a manner acceptable to the Company (if at all) in its sole and unfettered discretion, that the amount of the Tax Obligation shall be securely funded;

and must in all other respects follow any related procedures and conditions imposed by the Company.

The Company, Board or Committee makes no representations or warranties of any nature or kind whatsoever to any Person regarding the tax treatment of Options, or payments on account of the Tax Obligation made under the Plan. None of the Company, Board or Committee, or any of the Employees or the Company’s representatives shall have any liability to an Option Holder (or its beneficiaries) with respect thereto.

### **SECTION 8 ADMINISTRATION**

#### **8.1 Board or Committee**

The Plan shall be administered by the Board, by a Committee of the Board appointed in accordance with section 8.2 below, or by an Administrator appointed in accordance with subsection 8.4(b).

#### **8.2 Appointment of Committee**

The Board may at any time appoint a Committee, consisting of not less than two of its members, to administer the Plan on behalf of the Board, in accordance with such terms and conditions as the Board may prescribe, consistent with this Plan. Once appointed, the Committee shall continue to serve until otherwise directed by the Board. From time to time, the Board may increase the size of the Committee and appoint additional members, remove members (with or without cause) and appoint new members in their place, fill vacancies however caused, or remove all members of the Committee, and thereafter directly administer the Plan.

#### **8.3 Quorum and Voting**

A majority of the members of the Committee shall constitute a quorum and, subject to the limitations in this section 8, all actions of the Committee shall require the affirmative vote of members who constitute a

majority of such quorum. Members of the Committee may vote on any matters affecting the administration of the Plan or the grant of Options pursuant to the Plan, except that no such member shall act upon the granting of an Option to himself or herself. However, any such member may be counted in determining the existence of a quorum at any meeting of the Committee, during which action is taken with respect to the granting of Options to that member. The Committee may approve matters by written resolution signed by a majority of the quorum.

#### **8.4 Powers of Committee**

The Committee (or the Board if no Committee is in place) shall have the authority to do the following:

- (a) administer the Plan in accordance with its terms;
- (b) appoint or replace the Administrator from time to time;
- (c) determine all questions arising in connection with the administration, interpretation, and application of the Plan;
- (d) correct any defect, supply any information, or reconcile any inconsistency in the Plan in such manner, and to such extent as shall be deemed necessary or advisable, to carry out the purposes of the Plan;
- (e) prescribe, amend, and rescind rules and regulations relating to the administration of the Plan;
- (f) determine the duration and purposes of leaves of absence from employment or engagement by the Company, which may be granted to Option Holders without constituting a termination of employment or engagement for purposes of the Plan;
- (g) with respect to the granting of Options:
  - (i) determine the Eligible Persons to whom Options shall be granted, based on the eligibility criteria set out in this Plan;
  - (ii) determine the terms of the Option to be granted to an Option Holder including, without limitation, the Grant Date, Expiry Dates, Exercise Price and, if applicable, any vesting schedule (which need not be identical with the terms of any other Option);
  - (iii) subject to section 9.3, amend the terms of any Options;
  - (iv) determine when Options shall be granted; and
  - (v) determine the number of Shares subject to each Option;
- (h) accelerate the vesting schedule of any Option previously granted, subject always to the limitations on the grant of Options generally in subsection 3.3;
- (i) make all other determinations necessary or advisable, in its sole discretion, for the administration of the Plan.

**8.5            Administration by Committee**

All determinations made by the Committee in good faith shall be final, conclusive, and binding upon all persons. The Committee shall have all powers necessary or appropriate to accomplish its duties under this Plan.

**8.6            Interpretation**

The interpretation by the Committee of any provisions of the Plan, and any determination by it pursuant thereto shall be final, conclusive and binding, and shall not be subject to dispute by any Option Holder. No member of the Committee or any Person acting pursuant to authority delegated by it hereunder shall be personally liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Committee and each such Person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

**SECTION 9  
APPROVALS AND AMENDMENT**

**9.1            Shareholder Approval of the Plan**

If required by a Regulatory Authority or by the Committee, this Plan and any grant of Options may be made subject to the approval of a majority of the votes cast at a meeting of the shareholders of the Company or by a majority of votes cast by disinterested shareholders at a meeting of shareholders of the Company.

**9.2            Disinterested Shareholder Approval of the Plan**

If Disinterested Shareholder Approval is required, any Options granted under this Plan shall not be exercisable or binding on the Company, unless and until such shareholder approval is obtained. Before obtaining Disinterested Shareholder Approval, the Company shall provide shareholders with all information as may be required by the Regulatory Rules.

**9.3            Amendment of the Plan**

Subject to any required Regulatory Approvals or Shareholder Approvals, the Committee may from time to time amend the Plan or the terms and conditions of any Option thereafter to be granted provided that any amendment does not affect the terms and conditions of any issued Option.

**SECTION 10  
CONDITIONS PRECEDENT TO ISSUANCE OF OPTIONS AND SHARES**

**10.1          Compliance with Laws**

An Option shall not be granted or exercised, and Shares shall not be issued pursuant to the exercise of any Option, unless the grant and exercise of such Option and the issuance and delivery of such Shares comply with all applicable Regulatory Rules, and such Options and Shares shall be subject to all applicable trading restrictions in effect pursuant to such Regulatory Rules and the Company shall be entitled to legend the Option Agreements and the certificate (or DRS) representing such Shares accordingly.



**10.2 Obligation to Obtain Regulatory Approvals or Shareholder Approval**

In administering this Plan, the Committee shall seek any Regulatory Approvals or Shareholder Approvals which may be required. The Committee shall not permit any Options to be granted without first obtaining the necessary Regulatory Approvals or Shareholder Approvals, if required, unless such Options are granted conditional upon such Regulatory Approvals or Shareholder Approvals being obtained. The Committee shall make all filings required with the Regulatory Authorities in respect of the Plan and each grant of Options hereunder. No Option granted shall be exercisable or binding on the Company, unless and until all necessary Regulatory Approvals or Shareholder Approvals have been obtained. The Committee shall be entitled to amend this Plan and the Options granted hereunder in order to secure any necessary Regulatory Approvals, and such amendments shall not require the consent of the Option Holders under section 9.3 of this Plan.

**10.3 Inability to Obtain Regulatory Approvals or Shareholder Approval**

The Company's inability to obtain Regulatory Approval from any applicable Regulatory Authority or Shareholder Approval, which Regulatory Approval or Shareholder Approval is deemed by the Committee to be necessary to complete the grant of Options hereunder, the exercise of those Options or the lawful issuance and sale of any Shares pursuant to such Options, shall relieve the Company of any liability with respect to the failure to complete such transaction.

**SECTION 11  
ADJUSTMENTS AND TERMINATION**

**11.1 Termination of Plan**

Subject to any necessary Regulatory Approvals, the Committee may terminate or suspend the Plan.

**11.2 No Grant During Suspension of Plan**

No Option may be granted during any suspension, or after termination, of the Plan. Suspension or termination of the Plan shall not, without the consent of the Option Holder, alter or impair any rights or obligations under any Option previously granted.

**11.3 Alteration in Capital Structure**

If there is a material alteration in the capital structure of the Company and the Shares are consolidated, subdivided, converted, exchanged, reclassified or in any way substituted for, the Committee shall make such adjustments to this Plan and to the Options then outstanding under this Plan, as the Committee determines to be appropriate and equitable under the circumstances. As a result, the proportionate interest of each Option Holder shall, to the extent practicable, be maintained as before the occurrence of such event. Such adjustments may include, without limitation:

- (a) a change in the number or kind of shares of the Company covered by such Options; and
- (b) a change in the Exercise Price payable per Share provided; however, the aggregate Exercise Price applicable to the unexercised portion of existing Options shall not be altered, it being intended that any adjustments made with respect to such Options shall apply only to the Exercise Price per Share and the number of Shares subject thereto.

For purposes of this section 11.3, and without limitation, neither:

- (c) the issuance of additional securities of the Company in exchange for adequate consideration (including services); nor
- (d) the conversion of outstanding securities of the Company into Shares

shall be deemed to be material alterations of the capital structure of the Company.

Any adjustment made to any Options pursuant to this section 11.3 shall not be considered an amendment requiring the Option Holder's consent for the purposes of section 9.3.

#### **11.4 Triggering Events**

Subject to the Company complying with section 11.5 and any necessary Regulatory Approvals, and notwithstanding any other provisions of this Plan or any Option Agreement, the Committee may, without the consent of the Option Holder or Holders in question:

- (a) cause all or a portion of any of the Options granted under the Plan to terminate upon the occurrence of a Triggering Event; or
- (b) cause all or a portion of any of the Options granted under the Plan to be exchanged for incentive stock options of another corporation upon the occurrence of a Triggering Event, in such ratio and at such exercise price as the Committee deems appropriate, acting reasonably.

Such termination or exchange shall not be considered an amendment requiring the Option Holder's consent for the purposes of section 9.3.

#### **11.5 Notice of Termination by Triggering Event**

If the Committee wishes to cause all or a portion of any of the Options granted under this Plan to terminate on the occurrence of a Triggering Event, it must give written notice to the Option Holders in question not less than 10 days prior to the consummation of a Triggering Event, to permit the Option Holder the opportunity to exercise the vested portion of the Options prior to such termination. Upon the giving of such notice and subject to any necessary Regulatory Approvals, all Options or portions thereof granted under the Plan, which the Company proposes to terminate, shall become immediately exercisable, notwithstanding any contingent vesting provision to which such Options may have otherwise been subject.

#### **11.6 Determinations to be Made by Committee**

Adjustments and determinations under this section 11 shall be made by the Committee, whose decisions as to what adjustments or determination shall be made, and the extent thereof, shall be final, binding, and conclusive.

**SCHEDULE "A"**

[Any applicable securities law resale restrictions to be added hereto.]

**PRUDENT MINERALS CORP.  
STOCK OPTION AGREEMENT**

THIS AGREEMENT made as of the ◆ day of ◆, 201◆.

BETWEEN:

◆, of [Address]

(the "Optionee")

AND:

**PRUDENT MINERALS CORP.**, a company validly existing under the laws of British Columbia and having its head office at Suite 830 - 1100 Melville Street, Vancouver, BC V6E 4A6

(the "Company")

**WHEREAS:**

- A. In accordance with the Company's Stock Option Plan (the "Plan"), the directors of the Company have authorized the grant of options to purchase shares in the capital stock of the Company to the Optionee; and
- B. This Agreement is made and entered into pursuant to and in accordance with the Plan.

**NOW THEREFORE THIS AGREEMENT WITNESSES:**

**DEFINITION**

1. In this Agreement, all terms used herein and which are defined in the Plan shall have the same meanings as assigned to them in the Plan.

**GRANTING OF OPTION**

2. The Company hereby grants to the Optionee a non-assignable, non-transferable option to purchase \_\_\_\_\_ Shares (the "Option") at a price of \$\_\_\_\_\_ per Share (the "Option Price").

**EXERCISE OF OPTION**

3. The Option, or any part thereof, may be exercised by the Optionee at any time and from time to time, until and including \_\_\_\_\_, 20\_\_\_\_, by notice in writing to the Company to that effect, [provided that the Option shall only vest, and therefore may only be

*exercised over time, in accordance with the following vesting schedule: insert any vesting provisions, if applicable]*

4. Any such notice given to the Company (an “**Exercise Notice**”) shall specify the number of Shares with respect to which the Option is then being exercised and shall be accompanied by a certified cheque, bank draft or money order in favour of the Company in full payment of the Option Price for the number of Shares then being purchased.

#### **DELIVERY OF SHARE CERTIFICATE**

5. The Company shall, within five (5) business days after receipt of an Exercise Notice, deliver to the Optionee a certificate (or DRS) representing the number of Shares with respect to which the Option was exercised and issued as of the date of the Exercise Notice.
6. An Exercise Notice shall be deemed to have been given, if delivered, on the date of delivery, or if mailed, on the third (3<sup>rd</sup>) day after the date of mailing in any post office in Canada. A mailed Exercise Notice shall be sent by prepaid registered mail addressed to the Company at its head office from time to time.

#### **OPTION ONLY**

7. Nothing in this Agreement contained or done pursuant hereto shall obligate the Optionee to purchase and/or pay for any Shares, except those Shares in respect of which the Optionee has exercised all or any part of the Option granted hereunder.
8. The Optionee shall not have any rights whatsoever as a shareholder of the Company or the holder of any of the Shares optioned hereunder other than in respect of optioned Shares for which the Optionee has exercised all or any part of the Option granted hereunder and which have been taken up and paid for in full.

#### **INCORPORATION OF TERMS AND CONDITIONS OF PLAN**

9. The Option has been granted in accordance with and subject to the terms and conditions of the Plan, all of which are incorporated herein by reference as fully as if each and every such term and condition were set forth in this Agreement. The Company shall provide a copy of the Plan to the Optionee upon request.

#### **TIME OF THE ESSENCE**

10. Time is and shall be of the essence of this agreement.

#### **SUCCESSORS**

11. This Agreement shall enure to the benefit of and be binding upon the heirs, executors and administrators of the Optionee and the successors and assigns of the Company.

IN WITNESS WHEREOF this Option Agreement has been executed by the parties hereto on the day and year first above written.

SIGNED, SEALED and DELIVERED by )  
«Name» in the presence of: )  
 )  
\_\_\_\_\_)  
Name )  
 )  
\_\_\_\_\_)  
Address )  
 )  
\_\_\_\_\_)  
 )  
\_\_\_\_\_)  
Occupation )

\_\_\_\_\_)  
«Name»

**PRUDENT MINERALS CORP.**

Per:

\_\_\_\_\_  
Authorized Signatory

**SCHEDULE "B"**

**NOTICE OF EXERCISE OF OPTION**

TO:                   The Administrator, Stock Option Plan  
                          Prudent Minerals Corp. (the "**Company**")  
                          Suite 830 - 1100 Melville Street, Vancouver, BC V6E 4A6

The undersigned hereby irrevocably gives notice, pursuant to the Company's Stock Option Plan (the "**Plan**"), of the exercise of the Option to acquire and hereby subscribes for (cross out inapplicable item):

- (a)       all of the Common Shares; or
- (b)       \_\_\_\_\_ of the Common Shares;

which are the subject of the Option Agreement attached hereto.

The undersigned tenders herewith a certified cheque or bank draft payable to "**PRUDENT MINERALS CORP.**" in an amount equal to the aggregate Exercise Price of the aforesaid Common Shares exercised and directs the Company to issue the certificate (or DRS) evidencing said Common Shares in the name of the undersigned to be mailed to the undersigned at the following address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

By executing this Notice of Exercise of Option the undersigned hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan. All terms not otherwise defined in this Notice of Exercise of Option shall have the meanings given to them under the Plan.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_\_.

\_\_\_\_\_  
Signature of Option Holder

**Schedule "C"**  
**RESTRICTED SHARE UNIT PLAN**

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**PRUDENT MINERALS CORP.**

**RESTRICTED SHARE UNIT PLAN**

EFFECTIVE AS OF JUNE 27, 2022

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# RESTRICTED SHARE UNIT PLAN

## ARTICLE 1 PURPOSE AND INTERPRETATION

### Section 1.1 Purpose

The purpose of the Plan is to promote and advance the interests of the Company by (i) providing Eligible Persons with additional incentive through an opportunity to receive discretionary bonuses in the form of Common Shares of the Company, (ii) encouraging stock ownership by such Eligible Persons, (iii) increasing the proprietary interest of Eligible Persons in the success of the Company, and (iv) increasing the ability to attract, retain and motivate Eligible Persons.

### Section 1.2 Definitions

For the purposes of this Plan, the following terms shall have the following meanings:

- (a) “Account” means a notional account maintained for each Participant on the books of the Company which will be credited with Restricted Share Units and Dividend RSUs, in accordance with the terms of the Plan;
- (b) “Affiliate” means any person that controls or is controlled by the Company or that is controlled by the same person that controls the Company;
- (c) “Associate” has the meaning ascribed to that term under the *Securities Act*, R.S.B.C. 1996, c. 418, as amended from time to time;
- (d) “Affiliated Companies”, “Controlled Companies” and “Subsidiary Companies” have the meanings ascribed to those terms under the *Securities Act*, R.S.B.C. 1996, c. 418, as amended from time to time;
- (e) “Black-Out Period” means the period during which designated directors and officers of the Company and, if applicable, any Subsidiary Company, cannot trade Common Shares pursuant to the Company’s insider trading policy which is in effect at that time (which, for certainty, does not include the period during which a cease trade order is in effect to which the Company, or in respect of a Reporting Insider, that Reporting Insider, is subject);
- (f) “Board” means the board of directors of the Company or such delegate as referred to by the term in Section 3.1(1);
- (g) “Business Day” means any day other than a Saturday, Sunday or a statutory or civic holiday in the City of Vancouver, British Columbia, on which the Stock Exchange is open for trading;

- (h) “Cause” means (i) if the Participant has a written agreement with the Company or Subsidiary Companies in which cause is defined, cause as defined therein; or otherwise (ii) (A) the inability of the Participant to perform his or her duties due to a legal impediment such as an injunction, restraining order or other type of judicial judgment, decree or order entered against the Participant; (B) the failure of the Participant to follow the Company’s reasonable instructions with respect to the performance of his or her duties; (C) any material breach by the Participant of his or her obligations under any code of ethics, any other code of business conduct or any lawful policies or procedures of the Company; (D) excessive absenteeism, flagrant neglect of duties, serious misconduct, or conviction of crime or fraud; and (E) any other act or omission of the Participant which would in law permit an employer to, without notice or payment in lieu of notice, terminate the employment of an employee;
- (i) “Change of Control Event” means:
  - (i) the acquisition of a sufficient number of voting securities in the capital of the Company so that the acquiror, together with Persons or Entities acting jointly or in concert with the acquiror, becomes entitled, directly or indirectly, to exercise more than 50% of the voting rights attaching to the outstanding voting securities in the capital of the Company (provided that, prior to the acquisition, the acquiror was not entitled to exercise more than 50% of the voting rights attaching to the outstanding voting securities in the capital of the Company);
  - (ii) the completion of a consolidation, merger, arrangement or amalgamation of the Company with or into any other entity whereby the voting securityholders of the Company immediately prior to the consolidation, merger, arrangement or amalgamation receive less than 50% of the voting rights attaching to the outstanding voting securities of the consolidated, merged, arranged or amalgamated entity;
  - (iii) the completion of a sale whereby all or substantially all of the Company’s undertakings and assets become the property of any other entity and the voting securityholders of the Company immediately prior to the sale hold less than 50% of the voting rights attaching to the outstanding voting securities of that other entity immediately following that sale; or
  - (iv) an occurrence when a majority of the directors elected at any annual or extraordinary general meeting of shareholders of the Company are not individuals nominated by the Company's then-incumbent Board.
- (j) “Common Shares” means the common shares in the share capital of the Company;
- (k) “Company” means Prudent Minerals Corp.;

- (l) “Dividend RSUs” means a bookkeeping entry credited to a Participant’s Account equivalent in value to the dividend, if any, paid on a Common Share in accordance with Section 4.2 of the Plan;
- (m) “Eligible Person” means:
  - (i) any director or officer of the Company or any of its Subsidiary Companies; and
  - (ii) any Personal Holding Company of any of the persons listed in Section 1.2(m)(i) above;who is designated by the Board as eligible to participate in the Plan;
- (n) “Expiry Date” means the date in which the RSUs shall terminate in accordance with Section 4.4;
- (o) “Market Price” means, with respect to any particular date, the volume weighted average trading price of the Common Shares as reported on the Stock Exchange for the five (5) trading days immediately preceding that date;
- (p) “Participant” means an Eligible Person to whom RSUs have been granted and are outstanding;
- (q) “Personal Holding Company” means a personal holding Company that is either wholly owned, or controlled by, any director or executive officer of the Company or its Affiliates, and the shares of which are held directly or indirectly by any such person or the person’s spouse, minor children and/or minor grandchildren;
- (r) “Person or Entity” means an individual, natural person, Company, government or political subdivision or agency of a government, and where two or more persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such partnership, limited partnership, syndicate or group shall be deemed to be a Person or Entity;
- (s) “Plan” means this Restricted Share Unit plan of the Company, as amended from time to time;
- (t) “Reporting Insider” means a reporting insider as defined under National Instrument 55-104 as may be amended from time to time;
- (u) “Restricted Share Unit” or “RSU” means a bookkeeping entry equivalent in value to a Common Share credited to a Participant’s Account and representing the right of a Participant to whom a grant of such restricted share units is made to receive one Common Share (or, pursuant to Section 4.3, an amount of cash equal to the Market Value thereof), pursuant and subject to the terms and conditions set forth in this Plan and in the applicable RSU Grant Letter;

- (v) “RSU Award” means the number of RSUs determined by the Board to be awarded to the Participant and credited to a Participant’s Account, as evidenced by a RSU Grant Letter;
- (w) “RSU Grant Letter” has the meaning given to that term in Section 3.1(3);
- (x) “*Securities Act*” means the *Securities Act* (British Columbia), RSBC 1996, c.418 as from time to time amended.
- (y) “Settlement Date” means the Business Day during the Settlement Period on which a Participant elects to settle an RSU in accordance with Section 4.3;
- (z) “Settlement Notice” has the meaning set out in Section 4.3;
- (aa) “Settlement Period” means the period starting on the Vesting Date and ending on the Expiry Date;
- (bb) “Shareholder” means a holder of a Common Share in the capital of the Company;
- (cc) “Share Compensation Arrangement” means any stock option, stock option plan, employee stock purchase plan, restricted share unit, or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares, including a share purchase from treasury which is financially assisted by the Company by way of a loan, guarantee or otherwise including, without limitation, this Plan;
- (dd) “Stock Exchange” means the Canadian Securities Exchange or if the Common Shares are not listed on the Canadian Securities Exchange, any stock exchange on which the Common Shares are listed or traded, as determined by the Board;
- (ee) “Termination Date” means the date on which a Participant ceases to be an Eligible Person. For greater certainty, in the case of a Participant whose employment or term of office with the Company or any Subsidiary Company terminates in the circumstances set out in Section 4.4(1)(a), Section 4.4(1)(b) or Section 4.4(1)(c), the date that is designated by the Company or any Subsidiary Company, as the last day of the Participant’s employment or term of office with the Company or such Subsidiary Company, provided that in the case of termination of employment or term of office by voluntary resignation by the Participant, such date shall not be earlier than the date notice of resignation was given, and “Termination Date” specifically does not include any period of reasonable notice that the Company or any Subsidiary Company may be required at law to provide to the Participant; and
- (ff) “Vesting Date” means the schedule as defined in Section 4.1 (6).

### **Section 1.3 Interpretation**

Words importing the singular number only shall include the plural and vice versa and words importing the masculine shall include the feminine.

### **Section 1.4 Governing Law**

This Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

### **Section 1.5 Severability**

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

## **ARTICLE 2 SHARE CAPITAL**

### **Section 2.1 Shares Reserved**

- (1) Subject to Section 5.3(1), the securities that may be acquired by Participants pursuant to RSUs granted under this Plan shall consist of authorized but unissued Common Shares.
- (2) The Company shall at all times during the term of this Plan ensure that the number of Common Shares it is authorized to issue shall be sufficient to satisfy the requirements of RSUs granted under this Plan.
- (3) The maximum number of Common Shares made available for issuance pursuant to the Plan shall be determined from time to time by the Board, but in any case, shall not exceed 10% of the Common Shares issued and outstanding from time to time, subject to adjustments as provided in the Plan.
- (4) The Plan shall be a “rolling plan” and therefore when RSUs are cancelled (whether or not upon payment with respect to vested RSUs) or terminated, the number of Common Shares in respect of such cancelled or terminated RSUs shall again be available for the purpose of granting RSU Awards pursuant to the Plan.

## **ARTICLE 3 ADMINISTRATION**

### **Section 3.1 General**

- (1) This Plan shall be administered by the Board. Notwithstanding the foregoing or any other provision contained herein, the Board shall have the right to delegate the administration and operation of this Plan, in whole or in part, to a committee of the Board and/or to any member of the Board. Any delegation pursuant to this Section 3.1 shall be documented in a resolution of the Board.
- (2) Subject to the terms and conditions set forth herein, the Board is authorized to provide for the awarding, granting, vesting, settlement and method of settlement of RSUs, all on such terms

(which may vary between RSUs granted from time to time) as it shall determine. In addition, the Board shall have the authority to:

- (a) select any directors or officers of the Company or Subsidiary Companies of the Company to participate in this Plan; provided that RSUs granted to any Participant shall be approved by the Shareholders if the rules of the Stock Exchange require such approval;
- (b) construe and interpret this Plan and all agreements entered into hereunder;
- (c) prescribe, amend and rescind rules and regulations relating to this Plan; and
- (d) make all other determinations necessary or advisable for the administration of this Plan. All determinations and interpretations made by the Board shall be binding on all Participants and on their legal, personal representatives and beneficiaries.

(3) An RSU Award shall be evidenced by a restricted share unit grant letter (“RSU Grant Letter”), a form of which is attached as Schedule A to this Plan, signed on behalf of the Company, subject to amendment by the Board from time to time, and which shall specify:

- (a) the number of RSUs subject to the RSU Award to be credited to the Participant’s Account;
- (b) the date of grant of the RSU Award;
- (c) the Vesting Date or Vesting Dates applicable to the RSUs subject to the RSU Award;
- (d) the Settlement Period and Expiry Date applicable to an RSU subject to the RSU Award;
- (e) the nature and duration of the restrictions, if any, to be imposed upon the sale or other disposition of Common Shares acquired upon settlement of the RSU;
- (f) the nature of the events, if any, and the duration of the period in which any Participant’s rights in respect of Common Shares acquired upon settlement of an RSU may be forfeited; and
- (g) such other terms, conditions and limitations permitted by and not inconsistent with this Plan as the Board may determine.

(4) No member of the Board (or person acting under delegated authority, nor the Company, will be liable for any action or determination taken or made in the administration, interpretation, construction or application of this Plan, any RSU Grant Letter or any RSU issued pursuant to this Plan, or otherwise in any way in respect of any Participant’s participation in this Plan or the holding or settlement of RSUs.

### **Section 3.2 Compliance with Legislation**

(1) The Plan, the terms of the issue or grant and the settlement of RSUs hereunder and the Company's obligation to sell and deliver Common Shares upon settlement of RSUs shall be subject to all applicable federal, provincial and foreign laws, rules and regulations, the rules and regulations of the Stock Exchange and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Company, be required. The Company shall not be obliged by any provision of the Plan or the grant of any RSU hereunder to issue or sell Common Shares in violation of such laws, rules and regulations or any condition of such approvals.

(2) No RSU shall be granted and no Common Shares issued or sold thereunder where such grant, issue or sale would require registration of the Plan or of Common Shares under the securities laws of any foreign jurisdiction and any purported grant of any RSU or issue or sale of Common Shares hereunder in violation of this provision shall be void.

(3) The Company shall have no obligation to issue any Common Shares pursuant to the Plan unless such Common Shares shall have been duly listed, upon official notice of issuance, with the Stock Exchange. Common Shares issued and sold to Participants pursuant to the settlement of RSUs may be subject to restrictions or limitations on sale or resale under applicable securities laws.

(4) If Common Shares cannot be issued to a Participant upon the settlement of an RSU due to legal or regulatory restrictions, the obligation of the Company to issue such Common Shares under the Plan shall terminate, at no cost to the Company nor obligation to otherwise compensate a Participant in any way.

### **Section 3.3 Miscellaneous**

(1) Nothing contained herein shall prevent the Board from adopting other or additional compensation arrangements, subject to any required approval.

(2) Nothing contained in the Plan nor in any RSU granted hereunder shall be deemed to give any Participant any interest or title in or to any Common Shares of the Company or any rights as a Shareholder or any other legal or equitable right against the Company whatsoever other than as set forth in the Plan and pursuant to the settlement of any RSU.

(3) The Plan does not give any Participant or any employee of the Company or any of its Affiliated Companies, Subsidiary Companies or Controlled Companies the right or obligation to continue to serve as a director or officer, as the case may be, of the Company or any of its Affiliated Companies, Subsidiary Companies or Controlled Companies. The awarding of RSUs to any Eligible Person is a matter to be determined solely in the discretion of the Board. The Plan shall not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issue of any Common Shares or any other securities in the capital of the Company or any of its Subsidiary Companies other than as specifically provided for in the Plan.

(4) The existence of any RSUs shall not affect in any way the right or power of the Company or its Shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Company or to create or issue any bonds, debentures, shares



or other securities of the Company or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Company or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

(5) No fractional Common Shares shall be issued upon the settlement of RSUs granted under the Plan and, accordingly, if a Participant would become entitled to a fractional Common Share upon the settlement of an RSU, or from an adjustment pursuant to Section 5.3(1) such Participant shall only have the right to receive the next lowest whole number of Common Shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

## **ARTICLE 4 RESTRICTED SHARE UNITS**

### **Section 4.1 Granting of RSUs**

(1) Where the Board determines to grant an RSU Award to an Eligible Person and sets the terms and conditions applicable to such RSU Award, the Company shall deliver to the Eligible Person a RSU Grant Letter, containing the terms and conditions applicable to such RSU Award.

(2) On the grant of an RSU Award, the Company will credit the Participant's Account with the number of RSUs granted to such Participant under the terms of the RSU Award.

(3) The grant of an RSU Award shall entitle the Participant to the conditional right to receive for each RSU credited to the Participant's Account, at the election of the Company, either one Common Share or an amount in cash, net of applicable taxes and contributions to government sponsored plans, as determined by the Board, equal to the Market Price of one Common Share for each RSU credited to the Participant's Account on the Settlement Date, subject to the conditions set out in the RSU Grant Letter and in the Plan, and subject to all other terms of this Plan.

(4) An Eligible Person may receive an RSU Award on more than one occasion under the Plan and may receive separate RSU Awards on any one occasion.

(5) RSUs granted under this Plan to an Eligible Person in a calendar year will (subject to any applicable terms and conditions) represent a right to a bonus or similar award to be received for services rendered by such Eligible Person to the Company or an Affiliate, as the case may be, in the fiscal year ending in, coincident with or before such calendar year, subject to any other determination by the Company.

(6) RSUs granted under this plan shall typically have a vesting term of three years, subject to the discretion of the Board to determine a different vesting schedule for any Grant.

### **Section 4.2 Dividends**

(1) Unless the Board determines otherwise, additional RSUs ("Dividend RSUs") will be credited to a Participant's Account where the Company declares and pays a dividend on Common Shares. The number of Dividend RSUs credited to a Participant's Account in connection with the payment of dividends on Common Shares will be based on the actual amount of cash dividends that would have been paid to such Participant had he been holding such number of Shares equal to

the number of RSUs credited to the Participant's Account on the date on which cash dividends are paid on the Shares and the Market Price of the Common Shares on the payment date.

(2) Dividend RSUs credited to a Participant's Account shall vest and be settled in the same manner and on the same date as the RSUs to which they relate.

### **Section 4.3 Settlement of Restricted Share Units**

(1) Subject to the provisions of the Plan and in particular Section 4.4 and Section 5.2 and any vesting limitations imposed by the Board in its sole unfettered discretion at the time of grant, RSUs subject to an RSU Award may be settled by a Participant during the Settlement Period applicable to the RSU by delivery to the Company of a notice (the "Settlement Notice") in a form attached to the RSU Grant Letter. As soon as practicable following the receipt of the Settlement Notice, RSUs will be settled by the Company through the delivery by the Company of such number of Common Shares equal to the number of RSUs then being settled or, at a Company's election, an amount in cash, net of applicable taxes and contributions to government sponsored plans, equal to the Market Price at the Settlement Date of one Common Share for each RSU then being settled. Where, prior to the Expiry Date, a Participant fails to elect to settle an RSU, the Participant shall be deemed to have elected to settle such RSUs on the day immediately preceding the Expiry Date.

(2) Notwithstanding the foregoing, if the Company elects to issue Common Shares in settlement of RSUs:

- (a) the Company may arrange for such number of the Common Shares to be sold as it deems necessary or advisable to raise an amount at least equal to its determination of such applicable taxes, with such amount being withheld by the Company; or
- (b) the Company may elect to settle for cash such number of RSUs as it deems necessary or advisable to raise funds sufficient to cover such withholding taxes with such amount being withheld by the Company; or
- (c) the Company may, as a condition of settlement in the form of Common Shares, require the Participant to pay the applicable taxes as determined by the Company or make such other arrangement acceptable to the Company in its discretion (if at all) as it deems necessary or advisable.

(3) Subject to the terms of the Plan, as soon as practicable after receipt of any of the amount, undertaking or election listed in Section 4.3(2), the Company will forthwith cause the transfer agent and registrar of the Common Shares to deliver to the Participant a certificate or certificates in the name of the Participant or a statement of account, at the discretion of the Company, representing in the aggregate Common Shares issued to the Participant.

(4) Notwithstanding any other provision of the Plan:

- (a) no RSU shall be capable of settlement after the Expiry Date; provided, however, that if the Expiry Date in respect of an RSU falls on, or within nine (9) Business Days immediately following, a date upon which such Participant is prohibited from exercising such RSU due to a Black-Out Period or other trading restriction imposed

by the Company, then the Expiry Date of such RSU shall be automatically extended to the tenth (10th) Business Day following the date the relevant Black-Out Period or other trading restriction imposed by the Company is lifted, terminated or removed. The foregoing extension applies to all RSUs regardless of the date of grant and shall not be considered an extension of the term thereof as otherwise referred to in the Plan;

- (b) the Settlement Period shall be automatically reduced in accordance with Section 4.4 upon the occurrence of any of the events referred to therein; and
- (c) no RSU in respect of which Shareholder approval is required under the rules of the Stock Exchange shall be settled until such time as such RSU has been so approved.

#### **Section 4.4 Termination of Service**

- (1) Except as otherwise determined by the Board:
  - (a) all RSUs held by the Participant (whether vested or unvested) shall terminate automatically upon the termination of the Participant's service with the Company or any Subsidiary Companies for any reason other than as set forth in paragraph (b) and (c) below;
  - (b) in the case of a termination of the Participant's service by reason of (A) termination by the Company or any Subsidiary Companies other than for Cause, or (B) the Participant's death, the Participant's unvested RSUs shall vest automatically as of such date, and on the earlier of the original Expiry Date and any time during the ninety (90) day period commencing on the date of such termination of service (or, if earlier, the Termination Date), the Participant (or his or her executor or administrator, or the person or persons to whom the Participant's RSUs are transferred by will or the applicable laws of descent and distribution) will be eligible to request that the Company settle his vested RSUs. Where, prior to the 90th day following such termination of service (or, if earlier, the Termination Date) the Participant fails to elect to settle a vested RSU, the Participant shall be deemed to have elected to settle such RSU on such 90th day (or, if earlier, the Termination Date) and to receive Common Shares in respect thereof;
  - (c) in the case of a termination of the Participant's services by reason of voluntary resignation, only the Participant's unvested RSUs shall terminate automatically as of such date, and any time during the ninety (90) day period commencing on the date of such termination of service (or, if earlier, the Termination Date), the Participant will be eligible to request that the Company settle his vested RSUs. Where, prior to the 90th day following such termination of service (or, if earlier, the Termination Date) the Participant fails to elect to settle a vested RSU, the Participant shall be deemed to have elected to settle such RSU on such 90th day (or, if earlier, the Termination Date) and to receive Common Shares in respect thereof;

- (d) for greater certainty, where a Participant's employment or term of office terminates by reason of termination by the Company or any Subsidiary Companies for Cause then any RSUs held by the Participant, whether or not vested at the Termination Date, immediately terminate and are cancelled on the Termination Date or at a time as may be determined by the Board, in its sole discretion;
- (e) a Participant's eligibility to receive further grants of RSUs under this Plan ceases as of the earliest of the date the Participant resigns from the Company or any Subsidiary Company and the date that the Company or any Subsidiary Company provides the Participant with written notification that the Participant's employment or term of office, as the case may be, is terminated, notwithstanding that such date may be prior to the Termination Date; and
- (f) for the purposes of the Plan, a Participant shall not be deemed to have terminated service where: (i) the Participant remains in employment or office within or among the Company or any Subsidiary Company or (ii) the Participant is on a leave of absence approved by the Board.

#### **Section 4.5 Non-transferability of RSUs**

RSUs shall not be transferable or assignable by the Participant otherwise than by will or the laws of descent and distribution, and shall be exercisable during the lifetime of a Participant only by the Participant and after death only by the Participant's legal representative.

#### **Section 4.6 Hold Period**

Pursuant to Stock Exchange Policies, where a hold period is applicable, the RSU Grant Letter will include a legend stipulating that the RSU Award is subject to a four-month hold period commencing from the date of grant of the RSU Award.

### **ARTICLE 5 TERMINATION, AMENDMENTS AND ADJUSTMENTS**

#### **Section 5.1 Amendment and Termination**

- (1) The Board may amend, suspend or terminate the Plan or any portion thereof at any time in accordance with applicable law, and subject to any required regulatory approval.
- (2) No such amendment, suspension or termination shall alter or impair any RSUs or any rights pursuant thereto granted previously to any Participant without the consent of such Participant.
- (3) If the Plan is terminated, the provisions of the Plan and any administrative guidelines, and other rules and regulations adopted by the Board and in force at the time of the Plan termination shall continue in effect during such time as an RSU or any rights pursuant thereto remain outstanding.
- (4) With the consent of the affected Participant, the Board may amend or modify any outstanding RSU in any manner to the extent that the Board would have had the authority to

initially grant such award as so modified or amended, including without limitation, to change the date or dates as of which the RSU becomes exercisable, subject to the prior approval of the Stock Exchange where necessary.

### **Section 5.2 Change of Control**

(1) Notwithstanding any other provision of this Plan, in the event of an actual or potential Change of Control Event, the Board may, in its discretion, without the necessity or requirement for the agreement or consent of any Participant: (i) accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of any RSU; (ii) permit the conditional settlement of any RSU, on such terms as it sees fit; (iii) otherwise amend or modify the terms of the RSU, including for greater certainty permitting Participants to settle any RSU, to assist the Participants to tender the underlying Common Shares to, or participate in, the actual or potential Change of Control Event or to obtain the advantage of holding the underlying Common Shares during such Change of Control Event; and (iv) terminate, following the successful completion of such Change of Control Event, on such terms as it sees fit, the RSUs not settled prior to the successful completion of such Change of Control Event, including, without limitation, for no payment or other compensation.

The determination of the Board in respect of any such Change of Control Event shall for the purposes of this Plan be final, conclusive and binding.

### **Section 5.3 Adjustments**

(1) If there is a change in the outstanding Common Shares by reason of any stock dividend or split, recapitalization, amalgamation, consolidation, combination or exchange of shares, or other corporate change, the Board shall make, subject to the prior approval of the Stock Exchange where necessary, appropriate substitution or adjustment in

- (a) the number or kind of Common Shares or other securities reserved for issuance pursuant to the Plan, and
- (b) the number and kind of Common Shares or other securities subject to unsettled and outstanding RSUs granted pursuant to the Plan;

provided, however, that no substitution or adjustment shall obligate the Company to issue fractional RSUs or Common Shares.

(2) If the Company is reorganized, amalgamated with another Company or consolidated, the Board shall make such provisions for the protection of the rights of Participants as the Board in its discretion deems appropriate.

## **ARTICLE 6 GENERAL**

### **Section 6.1 Effective Date**

The Plan shall be effective upon the approval of the Plan by the Board.

## **Section 6.2 Notice**

Any Notice required to be given by this Plan shall be in writing and shall be given by registered mail, postage prepaid, or delivered by courier or by facsimile transmission addressed, if to the Company, to the operations office of the Company in Vancouver, British Columbia, Attention: Corporate Secretary; or if to a Participant, to such Participant at his address as it appears on the books of the Company or in the event of the address of any such Participant not so appearing, then to the last known address of such Participant; or if to any other person, to the last known address of such person.

## **Section 6.3 Tax Withholdings**

The Company shall be entitled to withhold such number of Common Shares or amount of cash payable to a Participant, either under this Plan or otherwise, or make such other arrangement as are contemplated under Section 4.3(2), as it may deem necessary or advisable so as to ensure that the Company is in compliance with the applicable provisions of any federal, provincial or local law relating to the withholding or remittance of tax or other relevant amounts. It is the responsibility of the Participant to complete and file any tax returns which may be required within the periods specified under applicable laws as a result of the Participant's participation in the Plan. The Company shall not be responsible for any tax consequences to a Participant as a result of the Participant's participation in the Plan.

## **Section 6.4 Rights of Participants**

No person entitled to settle any RSU granted under this Plan shall have any of the rights or privileges of a Shareholder in respect of any Common Shares issuable upon settlement of such RSU until such Common Shares have been issued to such person.

## **Section 6.5 Right to Issue Other Shares**

The Company shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, issuing further Common Shares, varying or amending its share capital or corporate structure or conducting its business in any way whatsoever.

## **Section 6.6 Successors and Assigns**

The Plan shall be binding on all successors and assigns of the Company and a Participant, including without limitation, the legal representatives of such Participant or any receiver or trustee in bankruptcy or representative of the Participant's creditors.

## **Section 6.7 Funding of the Plan**

The Plan shall be unfunded. No funds will be set aside to guarantee the payment of RSUs, which will remain an unfunded liability recorded on the books of the Company.

**SCHEDULE A**

**RESTRICTED SHARE UNIT GRANT LETTER**

TO: [Name of Participant]

**Prudent Minerals Corp.** (the “**Company**”) hereby confirms a grant of restricted share units (“**RSU Units**”) to ### (the “**Participant**”) (as defined in the Company’s Restricted Share Unit Plan (the “**RSU Plan**”) described in the table below pursuant to the Company’s RSU Plan.

This grant is made pursuant to the terms and conditions of the Company’s RSU Plan, as amended from time to time, and is incorporated herein by reference and made a part of this letter agreement. Each RSU Unit granted to the Participant named herein represents the right of the Participant to receive one Common Share in the share capital of the Company on the date(s) or pursuant to the terms specified below. Capitalized terms not otherwise defined herein shall have the same meanings as in the RSU Plan.

No. of RSU Units	Grant Date

*[include any specific/additional vesting period or other conditions]*

**The Company and the undersigned Participant hereby confirms that the undersigned Participant is a bona fide Director or Officer, as the case may be.**

**DATED** \_\_\_\_\_, 20\_\_\_\_.

**PRUDENT MINERALS CORP.**

Per: \_\_\_\_\_  
Authorized Signatory

The undersigned hereby accepts such grant, acknowledges being a Participant under the RSU Plan, agrees to be bound by the provisions thereof and agrees that the RSU Plan will be effective

as an agreement between the Company and the undersigned with respect to the RSU Units granted or otherwise issued to him/her/it.

**DATED** \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Participant's Signature

\_\_\_\_\_  
\_\_\_\_\_  
Name of Participant (*print*)

**OR**

*[NAME OF COMPANY PARTICIPANT]*

By:

\_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Name of Authorized Signatory



**PRUDENT MINERALS CORP.**  
**RESTRICTED SHARE UNIT GRANT LETTER**

**TO:**           **PRUDENT MINERALS CORP.**

**DATE:**       \_\_\_\_\_

**RE:**           **Settlement Notice**

Capitalized terms shall have the meanings ascribed in the Restricted Share Unit Grant Letter dated \_\_\_\_\_ (the "RSU Grant Letter").

I hereby wish to settle \_\_\_\_\_ of the RSUs granted to me on \_\_\_\_\_.

If the Company elects to issue common shares in lieu of a cash payment, please prepare the stock certificate in the following name:

\_\_\_\_\_

Sincerely,

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print or type name