

**NEWPATH RESOURCES INC.**  
Unit 220, 333 Terminal Avenue  
Vancouver, British Columbia, Canada, V6A 4C1

**MANAGEMENT INFORMATION CIRCULAR  
AS AT DECEMBER 11, 2023**

This management information circular (“Information Circular”) is furnished in connection with the solicitation of proxies by management of Newpath Resources Inc. (the “Company”) for use at the annual general meeting (the “Meeting”) of the shareholders of the Company (the “Shareholders”) to be held on January 26, 2024 at 10:00 a.m. (Vancouver Time) and any adjournment or postponement thereof, for the purposes set forth in the attached Notice of Annual General Meeting (the “Notice of Meeting”). Except where otherwise indicated, the information contained herein is stated as of December 11, 2023.

In this Information Circular, references to the “Company” and “we” refer to Newpath Resources Inc. “Common Shares” means common shares without par value in the capital of the Company. “Registered Shareholders” means Shareholders whose names appear on the records of the Company as the registered holders of Common Shares. “Non-Registered Shareholders” means Shareholders who do not hold Common Shares in their own name. “Intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Non-Registered Shareholders. Unless otherwise indicated, all references to “\$” or “dollars” in this Information Circular means Canadian Dollars.

**GENERAL PROXY INFORMATION**

**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 regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged to send meeting materials directly to Registered Shareholders, as well as Non-Registered Shareholders who have consented to their ownership information being disclosed by the Intermediary holding the Common Shares on their behalf (non-objecting beneficial owners). We have not arranged for Intermediaries to forward the meeting materials to Non-Registered Shareholders who have objected to their ownership information being disclosed by the Intermediary holding the Common Shares on their behalf (objecting beneficial owners) under National Instrument 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer (“NI 54-101”). As a result, objecting beneficial owners will not receive the Information Circular and associated meeting materials unless their Intermediary assumes the costs of delivery.

**Appointment and Revocation of Proxies**

The individuals named in the accompanying form of proxy (the “Proxy”) are officers of the Company. **If you are a Registered Shareholder, you have the right to attend the Meeting or vote by proxy and to appoint a person or company other than the person 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 you are a Registered Shareholder you may wish to vote by proxy whether or not you are able to attend the Meeting. Registered Shareholders electing to submit a proxy may do so by completing, dating and signing the enclosed form of proxy and returning it to the Company’s transfer agent, Odyssey Trust Company (“Odyssey”), in accordance with the instructions on the Proxy. Alternatively, Registered Shareholders may vote their shares via the internet or by telephone as per the instructions provided on the Proxy.

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

Every Proxy may be revoked by an instrument in writing:

- (i) executed by the Shareholder or by his/her attorney authorized in writing or, where the Shareholder is a company, by a duly authorized officer or attorney of the company; and

- (ii) delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting or any adjournment or postponement thereof, at which the Proxy is to be used, or to the chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof,

or in any other manner provided by law.

**Only Registered Shareholders have the right to revoke a Proxy. Non-Registered Shareholders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries to revoke the Proxy on their behalf.** If you are a Non-Registered Shareholder, see “Voting by Non-Registered Shareholders” below for further information on how to vote your Common Shares.

### **Exercise of Discretion by Proxyholder**

If you vote by Proxy, the persons named in the Proxy will vote or withhold from voting the Common 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 Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (i) each matter or group of matters identified therein for which a choice is not specified;
- (ii) any amendment to or variation of any matter identified therein;
- (iii) any other matter that properly comes before the Meeting; and
- (iv) exercise of discretion of the proxyholder.

**In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.** Management is not currently aware of any other matters that could come before the Meeting.

### **Voting by Non-Registered Shareholders**

The following information is of significant importance to Shareholders who do not hold Common Shares in their own name. Non-Registered Shareholders should note that the only Proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders.

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

If you have consented to disclosure of your ownership information, you will receive a request for voting instructions from the Company or Broadridge Financial Solutions, Inc. (“**Broadridge**”). If you have declined to disclose your ownership information, you may receive a request for voting instructions from your Intermediary if they have assumed the cost of delivering the Information Circular and associated meeting materials. Every Intermediary has its own mailing procedures and provides its own return instructions to clients. However, most Intermediaries now delegate responsibility for obtaining voting instructions from clients to Broadridge in the United States and in Canada.

If you are a Non-Registered Shareholder, you should carefully follow the instructions on the voting instruction form received from Broadridge in order to ensure that your Common Shares are voted at the Meeting. The voting instruction form supplied to you will be similar to the Proxy provided to the Registered Shareholders by the Company. However, its purpose is limited to instructing the Intermediary on how to vote on your behalf.

The voting instruction form sent by Broadridge will name the same persons as the Company’s proxy to represent you at the Meeting. **Although as a Non-Registered Shareholder you may not be recognized directly at the Meeting for the purposes**

**of voting Common Shares registered in the name of your Intermediary, you, or a person designated by you (who need not be a Shareholder), may attend at the Meeting as Proxyholder for your Intermediary and vote your Common Shares in that capacity.** To exercise this right to attend the Meeting or appoint a Proxyholder of your own choosing, you should insert your own name or the name of the desired representative in the blank space provided in the voting instruction form. Alternatively, you may provide other written instructions requesting that you or your desired representative attend the Meeting as Proxyholder for your Intermediary. The completed voting instruction form or other written instructions must then be returned in accordance with the instructions on the form.

**If you receive a voting instruction form from Broadridge, you cannot use it to vote Common Shares directly at the Meeting – the voting instruction form must be completed as described above and returned in accordance with its instructions well in advance of the Meeting in order to have the Common Shares voted.**

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

Except as disclosed herein, no person has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of directors. For the purpose of this paragraph, “person” shall include each of the following persons or companies: (a) if the solicitation is made by or on behalf of management of the Company, each person who has been a director, senior officer or insider of the Company at any time since the beginning of the Company’s last financial year; (b) if the solicitation is made other than by or on behalf of management of the Company, each person or company by whom, or on whose behalf, directly or indirectly, the solicitation is made; (c) each proposed nominee for election as a director of the Company; or (d) each associate or affiliate of any of the persons or companies included in subparagraphs (a) to (c).

#### **RECORD DATE AND QUORUM**

The board of directors of the Company (the “**Board**”) has fixed the record date for the Meeting as the close of business on December 11, 2023 (the “**Record Date**”). Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote their Common Shares at the Meeting, except to the extent that any such Shareholder transfers any Common Shares after the Record Date and the transferee of those Common Shares establishes that the transferee owns the Common Shares and demands, not less than ten (10) days before the Meeting, that the transferee’s name be included in the list of Shareholders entitled to vote at the Meeting, in which case, only such transferee shall be entitled to vote such Common Shares at the Meeting.

Under the Articles of the Company, the quorum for the transaction of business at a meeting of Shareholders is one person who is, or who represents by proxy, one or more shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the Meeting.

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

The Company’s authorized capital consists of an unlimited number of Common Shares without par value. On the Record Date there were 18,822,748 Common Shares issued and outstanding, with each Common Share carrying the right to one vote. Only Shareholders of record at the close of business on the Record Date will be entitled to vote in person or by proxy at the Meeting or any adjournment or postponement thereof.

To the knowledge of the directors and executive officers of the Company, as of the date of this Information Circular, there are no Shareholders who beneficially own, or exercises control or direction over Common Shares, directly or indirectly, carrying 10% or more of the voting rights attached to Common Shares.

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

To the knowledge of the Company’s directors, the only matters to be placed before the Meeting are those set forth in the accompanying Notice of Meeting and discussed below.

#### **PRESENTATION OF FINANCIAL STATEMENTS**

The audited annual financial statements of the Company for the financial year ended April 30, 2023, and the auditor’s report thereon, will be placed before the Meeting. The Company’s financial statements are available on the System of Electronic Document Analysis and Retrieval (SEDAR+) website at [www.sedarplus.ca](http://www.sedarplus.ca).

## ELECTION OF DIRECTORS

The Company proposes to fix the number of directors of the Company at three (3) and to nominate the persons listed below for election as directors. Each director will hold office until the next annual general meeting of the Company or until his or her successor is elected or appointed, unless his or her office is earlier vacated. Management does not contemplate that any of the nominees will be unable to serve as a director.

The following table sets out the names of the director nominees; their positions and offices in the Company, the period of time that they have been directors of the Company, their principal occupations or employment, and the number of Common Shares that each beneficially owns or over which control or direction is exercised, directly and indirectly.

Name, Residence and Present Position within the Company	Director Since	Number of Common Shares Beneficially Owned or Over Which Control or Direction is Exercised, Directly or Indirectly <sup>(1)</sup>	Principal Occupation, Business or Employment <sup>(1)</sup>
<b>Alex McAulay<sup>(2)</sup></b> <i>British Columbia, Canada</i> Chief Executive Officer and Director	February 9, 2022	1,572,429 <sup>(3)</sup>	Chartered Accountant, Chief Executive Officer of Treewalk Consulting Inc. since 2016 to present; Interim CFO of Ambari Brands Inc. since December 2023; CFO, and Director of Hybrid Power Solutions Inc.; CFO of Pacific Arc Resources Ltd. since August 2021; CFO of FRNT Financial Inc. since March 2022; Director of Lite Access Technologies Inc. since July 2022; CFO of Medaro Mining Corp. since August 2021.
<b>Darren Collins<sup>(2)</sup></b> <i>Ontario, Canada</i> Director	June 1, 2021	507,500	Chief Financial Officer, Corporate Secretary and Director of Hercules Silver Corp. (formerly, Bald Eagle Gold Corp.) (March 2021 until July 2023); Chief Executive Officer, VP of Business Development and Director of Westbridge Energy Corp. (July 2013 until January 2021); Self-employed consultant (since January 2006); Chief Financial Officer and Corporate Secretary of Khiron Life Sciences Corp. (from February 2017 until June 2019); Chief Financial Officer, Executive Vice President of Corporate Development and Advisor of Namaste Technologies Inc. (from June 2015 to February 2017); Chief Executive Officer and Director at US Critical Metals Corp.
<b>Gerhard Merkel<sup>(2)</sup></b> <i>British Columbia, Canada</i> Director	Oct. 12, 2021	171,428	CEO and CFO of Metex (Germany) Trading Company from 1994 to 2005. From 2005 to present, CFO and COO of CGM Import-Export Ltd (Portugal) Import/Export, a wholesale and retail of catering equipment company and producer of catering accessories.

**Notes:**

- (1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of management of the Company and has been furnished by the respective nominees. Unless otherwise stated above, any nominees named above have held the principal occupation or employment indicated for at least the five preceding years.
- (2) Member of the audit committee of the Company.
- (3) Includes 1,532,429 Common Shares held indirectly through Treewalk Consulting Inc.

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

Other than as disclosed below, to the best of the Company's knowledge, no proposed director or executive officer of the Company is, at the date of this Information Circular, or was within the 10 years prior to the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to an order that was issued while the proposed director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or
- (b) was subject to an order that was issued after the proposed director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of the foregoing, "**order**" means

- (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,

that was in effect for a period of more than 30 consecutive days.

Alex McAulay was chief financial officer of CBD Global Sciences Inc. (CSE: CBDN ) on May 3, 2021, when a management cease trade order was issued against CBD Global Sciences Inc. for failing to file its audited financial statements and the related management's discussion and analysis for the fiscal year ended December 31, 2020. On July 23, 2021, the management cease trade order was revoked, and a cease trade order was issued against CBD Global for failing to file its audited and unaudited financial statements and related management's discussion and analysis for the fiscal year ended December 31, 2020 and the interim period ended March 31, 2021. On September 22, 2021, CBD Global Sciences Inc. received a revocation letter from the ASC. On June 17, 2020, a cease trade order was issued against CBD Global for failing to file its audited financial statements for the year ended December 31, 2019 and the related management's discussion and analysis. The cease trade order was revoked on August 6, 2020 upon CBD Global making the required filings.

Alex McAulay was chief financial officer of Vegano Foods Inc. (CSE:VAGN) on May 3, 2022, when a management cease trade order was issued against Vegano Foods Inc. by the British Columbia Securities Commission ("BCSC") for failing to file its audited financial statements and the related management's discussion and analysis for the fiscal year ended December 31, 2021. On June 16, 2022, Vegano Foods Inc. received a revocation letter from the BCSC upon making the required filings.

Alex McAulay was chief financial officer of Comprehensive Healthcare Systems Inc. (TSXV:CHS) on May 6, 2022, when a failure-to-file cease trade order was issued against Comprehensive Healthcare Systems Inc. by the Alberta Securities Commission ("ASC") and the Ontario Securities Commission ("OSC") as a result of the Company not having filed, on or before May 2, 2022, the annual financial statements, annual management's discussion and analysis and certification of the annual filings for the year ended December 31, 2022. On May 19, 2022, Comprehensive Healthcare Systems Inc. received a revocation letter from the ASC and OSC upon making the required filings.

To the best of the Company's knowledge, no proposed director or executive officer of the Company, nor any shareholder holding sufficient securities of the Company to affect materially the control of the Company, nor any personal holding company of any such person:

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

- (b) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

### ***Penalties or Sanctions***

To the best of the Company's knowledge, no director or executive officer of the Company, nor any shareholder holding sufficient securities of the Company to materially affect control of the Company has been subject to:

- (a) any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

### **APPOINTMENT OF AUDITOR**

At the Meeting, Shareholders will be asked to approve the appointment of the auditor of the Company. Management is recommending that Shareholders vote to re-appoint Smythe LLP (formerly, Smythe Ratcliffe LLP), Chartered Professional Accountants, of #1700 – 475 Howe St., Vancouver, BC V6C 2B3 as auditor of the Company to hold office until the next annual general meeting of Shareholders, or until its successor has been appointed, and to authorize the directors to fix the remuneration of the auditor.

### **OTHER BUSINESS**

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

### **STATEMENT OF EXECUTIVE COMPENSATION**

For the purposes of this Statement of Executive Compensation, a “**Named Executive Officer**” or “**NEO**” means each of the following individuals:

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer (“**CEO**”), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer (“**CFO**”), including an individual performing functions similar to a CFO;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V *Statement of Executive Compensation – Venture Issuers*, for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

During the Company's fiscal year ended April 30, 2023, the following individuals were the Named Executive Officers of the Company:

- Alex McAulay, CEO and director;
- Philip Ellard, CFO; and
- Douglas Turnbull, COO

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

### Table of Compensation Excluding Compensation Securities

The following table provides a summary of compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company or a subsidiary of the Company to each Named Executive Officer and director of the Company during the fiscal years ended April 30, 2023 and 2022, other than stock options and other compensation securities.

Table of Compensation Excluding Compensation Securities							
Name and position	Financial Year	Salary, consulting fee, retainer or commission	Bonus	Committee or meeting fees	Value of perquisites <sup>(1)</sup>	Value of all other compensation	Total compensation
<b>Alex McAulay</b> <i>Chief Executive Officer, Corporate Secretary and director</i>	2023	\$172,644 <sup>(2)</sup>	\$50,000	Nil	Nil	Nil	\$222,644
	2022	\$189,059 <sup>(3)</sup>	Nil	Nil	Nil	Nil	\$189,059
<b>Christian Scovenna</b> <sup>(4)</sup> <i>Former Chief Executive Officer and director</i>	2023	Nil	Nil	Nil	Nil	\$5,705	\$5,705
	2022	\$120,000	\$50,000	Nil	Nil	Nil	\$170,000
<b>Philip Ellard</b> <i>Chief Financial Officer</i>	2023	\$18,720	Nil	Nil	Nil	Nil	\$18,720
	2022	\$5,571	Nil	Nil	Nil	Nil	\$5,571
<b>Douglas Turnbull</b> <sup>(5)</sup> <i>Chief Operating Officer</i>	2023	\$76,377 <sup>(6)</sup>	Nil	Nil	Nil	Nil	\$76,377
	2022	n/a	n/a	n/a	n/a	n/a	n/a
<b>Darren Collins</b> <i>Director</i>	2023	\$36,000	Nil	Nil	Nil	Nil	\$36,000
	2022	\$33,000	Nil	Nil	Nil	Nil	\$33,000
<b>Gerhard Merkel</b> <i>Director</i>	2023	\$18,000	Nil	Nil	Nil	Nil	\$18,000
	2022	Nil	Nil	Nil	Nil	Nil	Nil
<b>Christopher Reynolds</b> <sup>(7)</sup> <i>Former Director</i>	2023	\$42,000	Nil	Nil	Nil	Nil	\$42,000
	2022	Nil	Nil	Nil	Nil	Nil	Nil
<b>Christopher Huggins</b> <sup>(8)</sup> <i>Former Director</i>	2023	\$9,500	Nil	Nil	Nil	Nil	\$9,500
	2022	Nil	Nil	Nil	Nil	Nil	Nil

#### Notes:

- (1) "Perquisites" include perquisites provided to an NEO or director that are not generally available to all employees and that, in aggregate, are: (a) \$15,000, if the NEO or director's total salary for the financial year is \$150,000 or less, (b) 10% of the NEO or director's salary for the financial year if the NEO or director's total salary for the financial year is greater than \$150,000 but less than \$500,000, or (c) \$50,000 if the NEO or director's total salary for the financial year is \$500,000 or greater.
- (2) Treewalk Consulting Inc., a company controlled by Mr. McAulay, received \$115,444 for services rendered under the Treewalk Agreement. Mr. McAulay received \$57,200 personally under his employment agreement as Chief Executive Officer for the financial year ended April 30, 2023.
- (3) Treewalk Consulting Inc., a company controlled by Mr. McAulay, received \$170,735 for services rendered under the Treewalk Agreement. Mr. McAulay received \$18,324 personally under his employment agreement as Chief Executive Officer for the financial year ended April 30, 2022.
- (4) Mr. Scovenna resigned as Chief Executive Officer on January 14, 2022 and resigned as director of the company on May 24, 2022.
- (5) Mr. Turnbull was appointed as Chief Operating Officer on February 27, 2023.
- (6) Mr. Turnbull received \$37,400 personally under his employment agreement as Chief Operating Officer. Lakehead Geological Services Inc., a company controlled by Mr. Turnbull, received \$38,977 for services provided. Prior to Mr. Turnbull's appointment as Chief Operating Officer, Lakehead Geological Services Inc. also received \$110,490.
- (7) Mr. Reynolds resigned as a director of the Company subsequent to the financial year ended April 30, 2023, on August 23, 2023.
- (8) Mr. Huggins resigned as a director of the Company subsequent to the financial year ended April 30, 2022, on August 10, 2022.

### Stock Options and Other Compensation Securities

There were no compensation securities granted or issued to any director and/or NEO of the Company or any subsidiary thereof in the year ended April 30, 2023 for services provided, or to be provided, directly or indirectly, to the Company or any subsidiary thereof. During the financial year ended April 30, 2023, the Company completed a 5:1 share consolidation effective August 15, 2022.

### Exercise of Compensation Securities by Directors and NEOs

No director or NEO exercised any compensation securities, being solely comprised of stock options, during the year ended April 30, 2023.

## **Option Plans and Other Incentive Plans**

On February 14, 2023, the Board of Directors approved the Company's 2023 Omnibus Equity Incentive Compensation Plan (the "Plan"). The purpose of the Plan is to provide an incentive to directors, officers, employees and consultants to acquire a proprietary interest in the Company, to continue their participation in the affairs of the Company and to increase their efforts on behalf of the Company.

The Plan will be administered by the Board (or a committee thereof) and will provide that the Board may from time to time, in its discretion, and in accordance with CSE requirements, grant to eligible Participants (as defined in the Plan), non-transferable awards (the "Awards"). Such Awards include options ("Options"), RSUs, SARs, DSUs, and PSUs.

The number of Common Shares reserved for issuance pursuant to Options granted under the Plan will not, in the aggregate, exceed 10% of the then issued and outstanding Common Shares on a rolling basis. In addition, the maximum number of Common Shares issuable pursuant to SARs, RSUs, DSUs and PSUs issued under the Plan shall not exceed 1,581,775, in the aggregate.

The maximum number of Common Shares for which Awards may be issued to any one Participant in any 12-month period shall not exceed 5% of the outstanding Common Shares, unless disinterested shareholder approval as required by the policies of the CSE is obtained, or 2% in the case of a grant of Awards to any consultant or persons (in the aggregate) retained to provide Investor Relations Activities (as defined by the CSE). Further, unless disinterested shareholder approval as required by the policies of the CSE is obtained: (i) the maximum number of Common Shares for which Awards may be issued to insiders of the Company (as a group) at any point in time shall not exceed 10% of the outstanding Common Shares; and (ii) the aggregate number of Awards granted to insiders of the Company (as a group), within any 12-month period, shall not exceed 10% of the outstanding Common Shares.

On a Change of Control (as defined in the Plan) of the Company, the Board shall have discretion as to the treatment of Awards, including whether to (i) accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of any Awards; (ii) permit the conditional exercise of any Awards, on such terms as it sees fit; (iii) otherwise amend or modify the terms of any Awards; and (iv) terminate, following the successful completion of a Change of Control, on such terms as it sees fit, the Awards not exercised prior to the successful completion of such Change of Control. If there is a Change of Control, any Awards held by a Participant shall automatically vest following such Change of Control, on the Termination Date (as defined in the Plan), if the Participant is an employee, officer or a director and their employment, or officer or director position is terminated or they resign for Good Reason (as defined in the Plan) within 12 months following the Change of Control, provided that no acceleration of Awards shall occur in the case of a Participant that was retained to provide Investor Relations Activities unless the approval of the CSE is either obtained or not required.

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

Other than as disclosed below, the Company did not have any employment, consulting or management agreements or arrangements with any of the Company's current NEOs or directors during the most recently completed financial year.

The Company and its subsidiaries have entered into, or had entered into, the following consulting or employment agreements with the NEOs:

### **Alex McAulay Agreement**

Alex McAulay provides his services to the Company pursuant to an employment agreement (the "McAulay Agreement"), pursuant to which he performs duties normally performed by a chief executive officer. Mr. McAulay is required to report to the Board of Directors and to keep the Board informed of all relevant matters concerning his services and must act faithfully, honestly and diligently and use his best efforts to promote the best interests of the Company and utilize maximum professional skill and care to ensure his services are rendered to the satisfaction of the Company. The Company is required to reimburse Mr. McAulay for documented expenses reasonably incurred by him as well as an annual base salary of \$60,000 per year. Mr. McAulay is also eligible for a cash bonus, the awarding of which is to be assessed by the Board of Directors in its sole discretion against an annual operational plan. Mr. McAulay is subject to confidentiality obligations under the McAulay Agreement, and the McAulay Agreement is terminable by the parties, by either party on 14 days' advance written notice, or by the Company without notice in the event of a breach of the McAulay Agreement by Mr. McAulay, neglect of his duties, dishonest or reputationally damaging conduct; moral turpitude, or if Mr. McAulay commits certain acts of bankruptcy. The Company may terminate the McAulay Agreement without cause, and without further obligation, by providing Mr. McAulay with two (2) weeks' notice or salary in lieu of notice, plus one (1) additional week of notice or salary in lieu of notice for each complete and consecutive year of employment



with the Company, up to a maximum of twelve (12) weeks' notice or salary in lieu of notice in total.

#### Philip Ellard Agreement

Philip Ellard provides his services to the Company pursuant to an employment agreement (the "Ellard Agreement"), pursuant to which he performs duties normally performed by a chief financial officer. Mr. Ellard is required to report to the Board of Directors and to keep the Board informed of all relevant matters concerning his services and must act faithfully, honestly and diligently and use his best efforts to promote the best interests of the Company and utilize maximum professional skill and care to ensure his services are rendered to the satisfaction of the Company. The Company is required to reimburse Mr. Ellard for documented expenses reasonably incurred by him as well as an annual base salary of \$18,000 per year. Mr. Ellard is also eligible for a cash bonus, the awarding of which is to be assessed by the Board of Directors in its sole discretion against an annual operational plan. Mr. Ellard is subject to confidentiality obligations under the Ellard Agreement, and the Ellard Agreement is terminable by the parties, by either party on 14 days' advance written notice, or by the Company without notice in the event of a breach of the Ellard Agreement by Mr. Ellard, neglect of his duties, dishonest or reputationally damaging conduct; moral turpitude, or if Mr. Ellard commits certain acts of bankruptcy. The Company may terminate the Ellard Agreement without cause, and without further obligation, by providing Mr. Ellard with two (2) weeks' notice or salary in lieu of notice, plus one (1) additional week of notice or salary in lieu of notice for each complete and consecutive year of employment with the Company, up to a maximum of twelve (12) weeks' notice or salary in lieu of notice in total.

#### Douglas Turnbull Agreement

Douglas Turnbull provides his services to the Company pursuant to an employment agreement (the "Turnbull Agreement"), pursuant to which he performs duties normally performed by a chief operating officer. Mr. Turnbull is required to report to the CEO and to keep the CEO informed of all relevant matters concerning his services and must act faithfully, honestly and diligently and use his best efforts to promote the best interests of the Company and utilize maximum professional skill and care to ensure his services are rendered to the satisfaction of the Company. The Company is required to reimburse Mr. Turnbull for documented expenses reasonably incurred by him as well as a base salary that is as follows: (i) \$17,000 per month in the first two (2) months of the Executive's employment and (ii) \$20,000 per month for the following ten (10) months of the Executive's employment, payable in a combination of cash and/or restricted share units ("RSUs"). The monthly grant will be calculated by the closing price of the Company's common shares trading on the Canadian Securities Exchange (the "CSE") on the last day of the preceding month. Notwithstanding the foregoing, the Company will issue Mr. Turnbull up to a maximum of 1,581,775 RSUs in a given 12-month period. The RSUs will vest as granted and are subject to the Company's 2023 Omnibus Equity Incentive Plan. Mr. Turnbull is also eligible for a cash bonus, the awarding of which is to be assessed by the Board of Directors in its sole discretion against an annual operational plan. Mr. Turnbull is subject to confidentiality obligations under the Turnbull Agreement, and the Turnbull Agreement is terminable by Mr. Turnbull on four (4) weeks' advance written notice, or by the Company without notice in the event of a breach of the Turnbull Agreement by Mr. Turnbull, neglect of his duties, dishonest or reputationally damaging conduct, or moral turpitude. The Company may terminate the Turnbull Agreement without cause, and without further obligation, by providing Mr. Turnbull (i) with four (4) additional months of salary in lieu of notice during the first twelve (12) months of employment, or (ii) six (6) additional months of salary in lieu of notice after twelve (12) months of employment.

#### Consulting Agreement with Treewalk Consulting Inc.

The Company entered into a consulting agreement dated for reference September 29, 2020, with Treewalk Consulting Inc. (formerly, ACM Management Inc.) ("Treewalk"), pursuant to which Treewalk provides accounting, financial, and administrative services to the Company (the "Treewalk Agreement"). Treewalk is a private British Columbia company beneficially owned by Alex McAulay. During the financial year ended April 30, 2023, the Company paid Treewalk \$115,444 for its services.

Pursuant to the terms of the Treewalk Agreement, the Company or Treewalk may terminate the agreement immediately for failure of the other party to meet its obligations thereunder. Should the Company terminate the Treewalk Agreement without cause before the services have been fully provided, the Company will compensate Treewalk in accordance with the terms of the Treewalk Agreement for the services provided and expenses incurred through the effective date of termination.

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

Compensation payable to directors, officers and employees of the Company is currently determined by the Board of Directors. The Board relies on the experience of its members to ensure that total compensation paid to the Company's management is fair and reasonable and is both in-line with the Company's financial resources and competitive with companies at a similar stage of development.

The Company does not have a compensation committee. All tasks related to developing and monitoring the Company's approach to the compensation of executive officers of the Company are performed by members of the Board. The Board meets to discuss and determine management compensation as required, without reference to formal objectives, criteria, or analysis.

During the financial year ended April 30, 2023, cash compensation in the aggregate amount of \$105,500 was paid to certain directors of the Company for their services as a director. The compensation of directors is reviewed by the Board and the independent members of the Board, together with recommendations by the CEO and CFO of the Company, approve the annual compensation levels, if any, for the directors. Currently, the Company has no standard arrangement pursuant to which directors are compensated for their services in their capacity as directors.

The Company does not have any arrangements, standard or otherwise, pursuant to which directors are compensated by the Company for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultants or experts. The Board intends to compensate directors primarily through the grant of stock options and reimbursement of expenses incurred by such persons acting as directors of the Company.

### Compensation Philosophy

The Company has taken a forward-looking approach for the compensation of its directors, officers, employees, and consultants to ensure that the Company can continue to build and retain a successful and motivated discovery and development team and, importantly, align the Company's future success with that of the Company's shareholders.

The Company's compensation strategy is to attract and retain talent and experience with focused leadership in the operations, financing and asset management of the Company with the objective of maximizing the value of the Company. The Company compensates its NEOs based on their skill and experience levels and the existing stage of development of the Company. NEOs are rewarded on the basis of the skill and level of responsibility involved in their position, the individual's experience and qualifications, the Company's resources, industry practice, and regulatory guidelines regarding executive compensation levels.

Under the Company's compensation policies and practices, NEOs and directors are not prevented from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

The Company has not currently identified specific performance goals or benchmarks as such relating to executive compensation. The stage of the Company's development and the size of its specialized management team allow frequent communication and constant management decisions with the interest of developing shareholder value as a primary goal.

The Board believes that the compensation policies and practices of the Company do not encourage executive officers to take unnecessary or excessive risk; however, the Board intends to review from time to time and, at least once annually, the risks, if any, associated with the Company's compensation policies and practices at such time.

### Compensation Components

The Board has implemented three levels of compensation to align the interests of the NEOs with those of the Company's shareholders. First, NEOs may be paid a monthly salary or consulting fee. Second, the Board may award NEOs long-term incentives in the form of stock options. Finally, and only in special circumstances, the Board may award cash or share bonuses for exceptional performance that results in a significant increase in shareholder value. The Company does not provide medical, dental, pension or other benefits to NEOs. To date, no specific formulas have been developed to assign a specific weighting to each of these components.

### Base Salary

The base compensation of the NEOs is reviewed and set annually by the Board. The salary review for each NEO is based on an assessment of factors, such as:

- current competitive market conditions;
- level of responsibility and importance of the position within the Company; and
- particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual.

Using this information, together with budgetary guidelines and other internally generated planning and forecasting tools, the Board intends to perform an annual assessment of all executive officer compensation levels and then set the base salaries or consulting fees of the NEOs, in accordance with such assessment.

### Annual Incentive Plan

The Company has no formal annual incentive plan.

### Long-term Compensation

Long-term compensation is paid to NEOs in the form of grants of Awards pursuant to the Plan.

### **Pension Plan Benefits**

The Company has no pension, defined benefit or defined contribution plans in place.

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

The following table sets out information as at the end of the Company's most recently completed financial year ended April 30, 2023 with respect to compensation plans under which equity securities of the Company are authorized for issuance.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plan (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by Shareholders (Omnibus Equity Incentive Plan)	1,095,000	\$0.24	1,606,775
Equity compensation plans not approved by Shareholders	Nil	Nil	Nil
<b>Total:</b>	1,095,000	\$0.24	1,606,775

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

None of the directors, executive officers, employees, proposed nominees for election as directors or their associates, or any former executive officers, directors and employees of the Company or any of its subsidiaries, is, as at the date of this Information Circular, or at any time since the beginning of the Company's most recently completed financial year have been, indebted to the Company or any of its subsidiaries.

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

Other than as disclosed herein, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

## **MANAGEMENT CONTRACTS**

Management functions of the Company or any of its subsidiaries are not to any substantial degree performed by anyone other than by the directors or the executive officers of the Company or subsidiary.

## **CORPORATE GOVERNANCE**

### **Corporate Governance**

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and charged with the day to day management of the Company. The Canadian Securities Administrators ("CSA") have adopted National Policy 58-201 Corporate Governance Guidelines, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, the CSA has implemented National Instrument 58-101 Disclosure of Corporate Governance Practices ("NI 58-101"), which prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

### **Board of Directors**

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

All members of the Board are considered to be independent, except for Alex McAulay (Chief Executive Officer).

The Board facilitates its independent supervision over Management by having regular Board meetings and by establishing and implementing prudent corporate governance policies and procedures.

### **Other Directorships**

The following table sets forth the directors of the Company who are directors of other reporting issuers:

<b>Name</b>	<b>Name of other reporting issuer</b>
Alex McAulay	Hybrid Power Solutions Inc. Lite Access Technologies Inc.
Darren Collins	US Critical Metals Corp. (formerly Holly Street Capital Ltd.) Harmony Acquisitions Corp.
Gerhard Merkel	Galleon Gold Corp.

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

The Board does not have a formal policy relating to the orientation of new directors and continuing education for directors. The appointment of a new director is a relatively infrequent event in the Company's affairs, and each situation is addressed on its merits on a case-by-case basis. The Board, with the assistance of counsel, keeps itself apprised of changes in the duties and responsibilities of directors and deals with material changes of those duties and responsibilities as and when the circumstances warrant. The Board will implement an informal orientation program for new directors that suits their relative experiences. The

Board will evaluate these positions, and if changes appear to be justified, formal policies will be developed and followed.

Board meetings are generally held virtually and, from time to time, are combined with presentations by management to give the directors additional insight into the Company's business. In addition, management makes itself available for discussion with the Board members.

### ***Assessments***

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

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

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

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

The Board will consider its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board duties effectively and to maintain a diversity of views and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

### ***Compensation***

Management will conduct an annual review of the compensation of the Company's directors and executive officers and make recommendations to the Board. The Board determines compensation for the directors and executive officers.

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

The Board has no committees other than the Audit Committee.

### ***Board Assessments***

The Company does not conduct formal assessments of the Board or its committees as it is at an early stage of development and believes that it can assess Board and committee performance informally through discussions at Board meetings, with input from management. The Board monitors the adequacy of information given to directors, communication between the Board and Management and the strategic direction and processes of the Board and its committees. The Company may consider adopting formal assessment procedures if required.

## **AUDIT COMMITTEE**

### **Audit Committee Disclosure**

Pursuant to Section 224(1) of the *Business Corporations Act* (British Columbia) and National Instrument 52-110 of the Canadian Securities Administrators ("NI 52-110") the Company is required to have an audit committee (the "**Committee**") comprising of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company. NI 52-110 requires the Company as a venture issuer, to disclose annually in its Information Circular certain information concerning the composition of its audit committee and its relationship with its independent auditor, as set forth below.

The primary function of the Committee is to assist the Board in fulfilling its financial oversight responsibilities by: (i) reviewing the financial reports and other financial information provided by the Company to regulatory authorities and Shareholders; (ii) reviewing the systems for internal corporate controls which have been established by the Board and management; and (iii)

overseeing the Company's financial reporting processes generally. In meeting these responsibilities, the Committee monitors the financial reporting process and internal control system; reviews and appraises the work of external auditors and provides an avenue of communication between the external auditors, senior management and the Board. The Committee is also mandated to review and approve all material related party transactions.

### **The Audit Committee's Charter**

The Company has adopted a Charter of the Audit Committee of the Board a copy of which is annexed hereto as Schedule "A".

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

The Company's Audit Committee is composed of the following:

<b>Name</b>	<b>Independence<sup>(1)</sup></b>	<b>Financial Literacy<sup>(2)</sup></b>
Alex McAulay	Not Independent	Yes
Darren Collins	Independent	Yes
Gerhard Merkel	Independent	Yes

**Notes:**

- (1) A member of an audit committee is independent if, in addition to meeting other regulatory requirements, the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment pursuant to NI 52-110.
- (2) An individual is financially literate if they have the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

### **Relevant Education and Experience**

Each member of the Company's Audit Committee has adequate education and experience that is relevant to his performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of such principles in connection with the accounting for estimates, accruals and provisions;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

#### *Alex McAulay*

Alex McAulay CPA, CA is an entrepreneur and experienced public company CFO and director. Mr. McAulay's firm, Treewalk Consulting Inc., is solely dedicated to providing fractional CFO and regulatory guidance to assist companies in going public. Mr. McAulay has served as the CFO of several listed companies and has assisted dozens of issuers in navigating the public markets.

#### *Darren Collins*

Mr. Collins has over 15 years of corporate experience as an executive, director advisor of private and public companies. His expertise spans mergers and acquisitions, debt and equity financings, go-public transactions, commercial partnerships, accounting, and corporate governance. In recent engagements with corporate issuers, he has coordinated and executed on fundraisings totaling over \$200 million in equity capital and launched active M&A programs for early-stage companies. Prior to his current corporate activities, Darren worked for several investment and merchant banks, including Alegro Capital LP in London, UK, Scotia Capital Inc., and Quest Capital Corp. (now known as Sprott Resource Lending Corp.) in Toronto, Canada. Mr. Collins holds a Bachelor of Commerce degree in finance from Dalhousie University. This experience has provided Mr.

Collins with an understanding of the accounting principles used by the Company to prepare its financial statements. Mr. Collins' experience also allows him to analyze or evaluate the Company's financial statements.

*Gerhard Merkel*

Mr. Merkel has extensive senior executive experience. He was the CEO and CFO of Metex (Germany) trading company from 1994 to 2005. From 2005 to present, he has been CFO and COO of CGM Import- Export Ltd (Portugal) Import/ Export, a wholesale and retail of catering equipment company and producer of catering accessories. As such, Mr. Merkel is familiar with financial statements and complex accounting issues and is financially literate.

In addition to the foregoing, the Company also makes third-party experts available to its audit committee members, including representatives of the Company's auditors, to address any questions the committee members may have regarding the preparation of the Company's financial statements.

### **Audit Committee Oversight**

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

### **Reliance on Certain Exemptions**

Since the commencement of the Company's most recently completed financial period, the Company has not relied on the exemptions contained in Section 2.4, 6.1.1(4), 6.1.1(5), 6.1.1(6), or Part 8 of NI 52-110.

### **Pre-approval Policies and Procedures**

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

### **External Auditor Service Fees**

In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The fees paid by the Company to its auditor in each of the last two fiscal years, by category, are as follows:

<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>
2023	\$43,525	N/A	\$6,500	N/A
2022	\$37,427	N/A	\$3,400	N/A

**Notes:**

- (1) "**Audit Fees**" include fees necessary to perform the annual audit and quarterly reviews of the Company's financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "**Audit-Related Fees**" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "**Tax Fees**" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "**All Other Fees**" include all other non-audit services.

**Exemption**

The Company is relying on section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

**ADDITIONAL INFORMATION**

Additional information relating to the Company is available on the SEDAR website at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company's comparative annual financial statements and management's discussion and analysis for its most recently completed financial year, and available online at [www.sedar.com](http://www.sedar.com). Shareholders may request additional copies by mail to the Company's Registered and Records office at 220 – 333 Terminal Avenue, Vancouver, BC V6A 4C1.

**ON BEHALF OF THE BOARD OF DIRECTORS**

*"Alex McAulay"*

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Alex McAulay

Chief Executive Officer



## **SCHEDULE “A”**

### **AUDIT COMMITTEE CHARTER**

The primary function of the audit committee (the “**Audit Committee**”) is to assist the Company’s board of directors (the “**Board**”) in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company’s systems of internal controls regarding finance and accounting, and the Company’s auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels.

The Committee’s primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company’s financial reporting and internal control systems and review the Company’s financial statements;
- review and appraise the performance of the Company’s external auditors; and
- provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board.

#### **Composition**

The Audit Committee shall be comprised of three directors as determined by the Board, the majority of whom shall be free from any relationship that, in the opinion of the Board, would reasonably interfere with the exercise of his or her independent judgement as a member of the Audit Committee. At least one member of the Audit Committee shall have accounting or related financial management expertise. All members of the Audit Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of this Audit Committee Charter, the definition of “financially literate” is 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 presumably be expected to be raised by the Company’s financial statements. The members of the Audit Committee shall be elected by the Board at its first meeting following the annual shareholder’s meeting.

#### **Meetings**

The Audit Committee shall meet at least four times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Audit Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

#### **Responsibilities and Duties**

To fulfill its responsibilities and duties, the Audit Committee shall:

##### *Documents/Reports Review*

- (a) Review and update this Audit Committee Charter annually.
- (b) Review the Company’s financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including certification, report, opinion, or review rendered by the external auditors.
- (c) Confirm that adequate procedures are in place for the review of the Company’s public disclosure of financial information extracted or derived from the Company’s financial statements.

### *External Auditors*

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board and the Audit Committee as representatives of the shareholders of the Company.
- (b) Obtain annually, a formal written statement of the external auditors setting forth all relationships between the external auditors and the Company, consistent with the Independence Standards Board Standard 1.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take, or recommend that the full Board, take appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the Board the selection and compensation and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The preapproval requirement is waived with respect to the provision of non-audit services if:
  - i. the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of fees paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
  - ii. such services were not recognized by the Company at the time of the engagement to be non-audit services; and
  - iii. such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Audit Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Audit Committee. Provided the pre-approval of the non-audit services is presented to the Audit Committee's first scheduled meeting following such approval, such authority may be delegated by the Audit Committee to one more independent members of the Audit Committee.

### **Financial Reporting Processes**

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgements about the quality and appropriateness of the Issuer's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgements made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgements.

- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors in connection with preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.
- (j) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

**Other**

Review any related-party transactions.