

AMERICAN POTASH CORP.

**Annual General and Special Meeting
to be held on Tuesday, February 13, 2024**

**Notice of Annual General and Special Meeting
and
Information Circular**

January 8, 2024

AMERICAN POTASH CORP.
1100 – 1199 West Hastings Street
Vancouver, British Columbia V6E 3T5

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

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of the shareholders of American Potash Corp. (the “**Company**”) will be held on Tuesday, February 13, 2024 at 10:30 a.m. (local time in Vancouver, British Columbia) at Suite 2500, 666 Burrard Street, Vancouver, B.C. V6C 2X8. At the Meeting, the shareholders will receive the financial statements for the year ended July 31, 2023, together with the auditor’s report thereon, and consider resolutions to:

1. elect directors for the ensuing year;
2. appoint Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, as auditor of the Company for the ensuing year and authorize the directors to determine the remuneration to be paid to the auditor;
3. consider and, if thought fit, to pass, with or without variation, an ordinary resolution to authorize, approve, ratify and confirm the Company’s 10% rolling stock option plan and the unallocated entitlements issuable thereunder, as described in the information circular accompanying this notice of Meeting under the heading “Particulars of Other Matters to be Acted Upon – Approval of Stock Option Plan”; and
4. transact such other business as may properly be put before the Meeting.

All registered shareholders and proxyholders are entitled to attend the Meeting. If you are not able to attend the Meeting the board of directors (the “**Board**”) requests that all shareholders read, date and sign the accompanying proxy and deliver it to Computershare Investor Services Inc. (“**Computershare**”). If a shareholder does not deliver a proxy to Computershare at the 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 by 10:30 a.m. (local time in Vancouver, British Columbia) on February 9, 2024 (or before 48 hours, excluding Saturdays, Sundays and holidays before any adjournment of the meeting at which the proxy is to be used) then the shareholder will not be entitled to vote at the Meeting by proxy. Only shareholders of record at the close of business on January 8, 2024 will be entitled to vote at the Meeting.

Due to continuing concerns regarding the coronavirus (COVID-19) and in consideration of the health and safety of shareholders, employees, other stakeholders and the broader community, **the Company is also providing access to the Meeting virtually. Please note that shareholders and proxyholders will not be able to vote virtually**, and we encourage you to vote your shares by proxy ahead of the Meeting if you are not able to attend in person.

Please contact Jonathan George of the Company by email at jon@americanpotash.com no later than 10:30 a.m. (local time in Vancouver, British Columbia) on February 12, 2024 to be included in the virtual meeting and be provided with the meeting ID and password.

It is the shareholders' and proxyholders' responsibility to ensure connectivity during the Meeting and the Company encourages its shareholders to allow sufficient time to call in to the Meeting before it begins.

An information circular and a form of proxy accompany this notice of Meeting.

DATED at Vancouver, British Columbia, the 8th day of January, 2024.

ON BEHALF OF THE BOARD

(signed) "*Jonathan George*"

Jonathan George,
President and Chief Executive Officer

AMERICAN POTASH CORP.
1100 – 1199 West Hastings Street
Vancouver, British Columbia V6E 3T5

INFORMATION CIRCULAR

(as at January 8, 2024 except as otherwise indicated)

SOLICITATION OF PROXIES

This information circular (the “**Circular**”) is provided in connection with the solicitation of proxies by the management (the “**Management**”) of American Potash Corp. (the “**Company**”). The form of proxy which accompanies this Circular (the “**Proxy**”) is for use at the annual general and special meeting of the shareholders of the Company to be held on Tuesday, February 13, 2024 (the “**Meeting**”), at the time and place set out in the accompanying notice of Meeting (the “**Notice of Meeting**”). The Company will bear the cost of this solicitation. The solicitation will be made by mail, but may also be made by telephone.

VIRTUAL ATTENDANCE

Due to continuing concerns regarding the coronavirus (COVID-19) and in consideration of the health and safety of shareholders, employees, other stakeholders and the broader community, **the Company is also providing access to the Meeting virtually. Please note that shareholders and proxyholders will not be able to vote virtually**, and we encourage you to vote your shares by proxy ahead of the Meeting if you are not able to attend in person.

Please contact Jonathan George of the Company by email at jon@americanpotash.com no later than 10:30 a.m. (local time in Vancouver, British Columbia) on February 12, 2024 to be included in the virtual Meeting and be provided with the Meeting ID and password.

It is the shareholders' and proxyholders' responsibility to ensure connectivity during the Meeting and the Company encourages its shareholders to allow sufficient time to call in to the Meeting before it begins.

APPOINTMENT AND REVOCATION OF PROXY

The person named in the Proxy is the Company's legal counsel. **A registered shareholder who wishes to appoint some other person to serve as their representative at the Meeting may do so by striking out the printed names and inserting the desired person's name in the blank space provided.** The completed Proxy should be delivered to Computershare Investor Services Inc. (“**Computershare**”) by 10:30 a.m. (local time in Vancouver, British Columbia) on February 9, 2024, or before 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting at which the Proxy is to be used.

The Proxy may be revoked by:

- (a) signing a proxy with a later date and delivering it at the time and place noted above; or
- (b) signing and dating a written notice of revocation and delivering it to Computershare, or by transmitting a revocation by telephonic or electronic means, to Computershare, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the Proxy is to be used.

Provisions Relating to Voting of Proxies

The common shares represented by Proxy in the form provided to shareholders will be voted or withheld from voting by the designated holder in accordance with the direction of the registered shareholder appointing him. If there is no direction by the registered shareholder, those common shares will be voted for all proposals set out in the Proxy and for the election of directors and the appointment of the auditors as set out in this Circular. The Proxy gives the person named in it the discretion to vote as such person sees fit on any amendments or variations to matters identified in the Notice of Meeting, or any other matters which may properly come before the Meeting. At the time of printing of this Circular, the Management knows of no other matters which may come before the Meeting other than those referred to in the Notice of Meeting.

Advice to Beneficial Holders of Common Shares

The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold common shares in their own name. Shareholders who hold their common shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their common shares in their own name (referred to herein as “Beneficial Shareholders”) should note that only proxies deposited by shareholders who appear on the records maintained by the Company’s registrar and transfer agent as registered holders of common shares will be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then those common shares will, in all likelihood, not be registered in the shareholder’s name. Such common shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such shares are registered under the name of Cede & Co., the registration name for The Depository Trust Company, which acts as nominee for many United States brokerage firms. Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted or withheld at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. The form of instrument of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the instrument of proxy provided directly to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“Broadridge”) in Canada. Broadridge typically prepares a machine-readable voting instruction form (“VIF”), mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote common shares directly at the Meeting. The VIFs must be returned to Broadridge (or instructions respecting the voting of common shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the common shares voted. If you have any questions respecting the voting**

of common shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.

The Notice of Meeting, Circular, Proxy and VIF, as applicable, are being provided to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories - those who object to their identity being known to the issuers of securities which they own (“OBOs”) and those who do not object to their identity being made known to the issuers of the securities which they own (“NOBOs”). Subject to the provisions of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), issuers may request and obtain a list of their NOBOs from intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials directly (not via Broadridge) to such NOBOs. If you are a Beneficial Shareholder and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the common shares on your behalf.

Pursuant to the provisions of NI 54-101, the Company is providing the Notice of Meeting, Circular and Proxy or VIF, as applicable, to both registered owners of the securities and non-registered owners of the securities. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding common shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the VIF. As a result, if you are a non-registered owner of the securities, you can expect to receive a scannable VIF from Computershare. Please complete and return the VIF to Computershare in the envelope provided or by facsimile. In addition, telephone voting and internet voting instructions can be found on the VIF. Computershare will tabulate the results of the VIFs received from the Company’s NOBOs and will provide appropriate instructions at the Meeting with respect to the common shares represented by the VIFs they receive.

The Company’s OBOs can expect to be contacted by Broadridge or their brokers or their broker’s agents as set out above. The Company does not intend to pay for intermediaries to deliver the Notice of Meeting, Circular and VIF to OBOs and accordingly, if the OBO’s intermediary does not assume the costs of delivery of those documents in the event that the OBO wishes to receive them, the OBO may not receive the documentation.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. NI 54-101 allows a Beneficial Shareholder who is a NOBO to submit to the Company or an applicable intermediary any document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder. If such a request is received, the Company or an intermediary, as applicable, must arrange, without expenses to the NOBO, to appoint such NOBO or its nominee as a proxyholder and to deposit that proxy within the time specified in this Circular, provided that the Company or the intermediary receives such written instructions from the NOBO at least one business day prior to the time by which proxies are to be submitted at the Meeting, with the result that such a written request must be received by 10:30 a.m. (local time in Vancouver, British Columbia) on the day which is at least three business days prior to the Meeting. **A Beneficial Shareholder who wishes to attend the Meeting and to vote their common shares as proxyholder for the registered shareholder, should enter their own name in the blank space on the VIF or such other document in writing that requests that the NOBO or a nominee of the NOBO be**

appointed as proxyholder and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.

All references to shareholders in the Notice of Meeting, Circular and the accompanying Proxy are to registered shareholders of the Company as set forth on the list of registered shareholders of the Company as maintained by the registrar and transfer agent of the Company, Computershare, unless specifically stated otherwise.

Financial Statements

The audited financial statements of the Company for the year ended July 31, 2023, together with the auditor's report on those statements and Management Discussion and Analysis, will be presented to the shareholders at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at the date of the accompanying Notice of Meeting, the Company's authorized capital consists of an unlimited number of common shares of which 102,162,449 common shares are issued and outstanding. All common shares in the capital of the Company carry the right to one vote.

Shareholders registered as at January 8, 2024, are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must, to entitle the person appointed by the Proxy to attend and vote, deliver their Proxies at the place and within the time set forth in the notes to the Proxy.

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

ELECTION OF DIRECTORS

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 or appointed. 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 will be voted for the nominees listed in this Circular. Management does not contemplate that any of the nominees will be unable to serve as a director. The number of directors of the Company is set at four.

Pursuant to Part 27 of the Company's Articles, any additional director nominations for the Meeting must have been received by the Company, not less than 35 days, nor more than 65 days prior to the date of the Meeting. As no nominations were received by the Company, Management's nominees for election as directors set forth below shall be the only nominees eligible to stand for election at the Meeting.

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 common shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised, as of the date of this Circular.

Name, province or state and country of residence and position, if any, held in the Company	Principal occupation during the past five years	Served as director of the Company since	Number of common shares of the Company beneficially owned, directly or indirectly, or controlled or directed at present ⁽¹⁾
JONATHAN GEORGE⁽²⁾ British Columbia, Canada <i>Chief Executive Officer, President and Director</i>	Self-employed consulting geologist.	June 26, 2018	1,678,000
KENNETH R. HOLMES⁽²⁾⁽³⁾ British Columbia, Canada <i>Director</i>	Self-employed businessman, lawyer and Director from January 2012 to present.	January 19, 2011	55,959
KENT AUSBURN Washington, USA <i>Director</i>	Managing Member of American Potash LLC, a Nevada-based company wholly-owned by the Company; former Director of ICC International Cannabis Corp.	January 19, 2011	513,600
DEAN BESSERER⁽²⁾ Alberta, Canada <i>Director</i>	Professional geologist; Vice-President Exploration of Freeman Gold Corp. from June 2020 to present; previously Vice-President and Partner at APEX Geoscience Ltd., a consulting firm; previously a director of Brilliant Mining, Niblack Resources and Sentosa Mining; previously Vice-President Exploration for various junior mining companies.	May 10, 2023	220,000

Notes:

- (1) The information as to common shares beneficially owned or controlled has been provided by the nominees themselves.
- (2) A member of the audit committee.
- (3) Kenneth R. Holmes holds 20,102 common shares directly and 35,857 common shares indirectly through Primarius Capital Corporation, a private company controlled by Kenneth Holmes.

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

Corporate Cease Trade Orders or Bankruptcies

No director or proposed director of the Company is, or within the ten years prior to the date of this Circular has been, a director or executive officer of any company, including the Company, that while that person was acting in that capacity:

- (a) was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- (b) was subject to an event that resulted, after the director ceased to be a director or executive officer of the company being the subject of a cease trade order or similar order or an order

that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or

- (c) 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.

Individual Bankruptcies

No director or proposed director of the Company has, within the ten years prior to the date of this Circular, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or been 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 that individual.

Penalties or Sanctions

None of the proposed directors have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, has entered into a settlement agreement with a securities regulatory authority or has 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 security holder making a decision about whether to vote for the proposed director.

STATEMENT OF EXECUTIVE COMPENSATION

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 subsection 1.3(6) of Form 51-102F6 - *Statement of Executive Compensation*, for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) above 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.

During the financial year ended July 31, 2023, the Company had three Named Executive Officers (“NEOs”) being, Jonathan George, the CEO, President and a Director, Carmen Amezcuita, the former CFO and

Corporate Secretary of the Company and Lawrence Cheung, the current CFO and Corporate Secretary of the Company.

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Discussion and Analysis

The Company is listed on the Canadian Securities Exchange (the “CSE”) and its primary business is the acquisition and exploration of mineral properties. The CEO and CFO are compensated for their services to the Company, which compensation is comprised of management fees and the granting of incentive stock options from time to time. The Company grants incentive stock options for the purposes of assisting the Company in compensating, attracting, retaining and motivating its NEOs.

As the Company does not currently have a compensation committee, the Board of Directors of the Company (the “Board”) has the responsibility to administer compensation policies related to executive management of the Company. The Company has a committee to administer option based awards. The Board recognizes in the future it may need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation of each executive’s level of responsibility. However, at the Company’s present stage of development, such a package is not necessary.

The Board has not formally considered the risks associated with the Company’s compensation policies and practices. The Company has attempted to minimize those compensation practices and policies that expose the Company to inappropriate or excessive risks.

The Company’s NEOs and directors 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 NEOs or directors.

Share-Based and Option-Based Awards

The Company does not grant share-based awards. The Board, or a committee of the Board, is responsible for granting options to the NEOs. Stock option grants are designed to reward the NEOs for success on a similar basis as the shareholders of the Company, but these rewards are highly dependent upon the volatile stock market, much of which is beyond the control of the NEOs. When new options are granted, the Board, or a committee of the Board, takes into account the previous grants of options, the number of stock options currently held, position, overall individual performance, anticipated contribution to the Company’s future success and the individual’s ability to influence corporate and business performance. The purpose of granting such stock options is to assist the Company in compensating, attracting, retaining and motivating the officers, directors and employees of the Company and to closely align the personal interest of such persons to the interest of the shareholders.

The exercise price of the stock options granted is generally determined by the market price at the time of grant, less any allowable discount.

SUMMARY COMPENSATION TABLE

Set out below is a summary of compensation paid or accrued during the Company's three most recently completed financial years to the Company's NEOs.

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual Incentive plans	Long-term incentive plans			
Jonathan George CEO, President and Director ⁽²⁾	2023	77,500 ⁽³⁾	N/A	49,234	N/A	N/A	N/A	Nil	126,734 ⁽³⁾
	2022	60,000 ⁽³⁾	N/A	24,205	N/A	N/A	N/A	Nil	84,205 ⁽³⁾
	2021	60,000 ⁽³⁾	N/A	Nil	N/A	N/A	N/A	Nil	60,000 ⁽³⁾
Lawrence Cheung CFO and Corporate Secretary ⁽⁴⁾	2023	11,316 ⁽⁵⁾	N/A	Nil	N/A	N/A	N/A	Nil	11,316 ⁽⁵⁾
	2022	N/A	N/A	Nil	N/A	N/A	N/A	Nil	N/A
	2021	N/A	N/A	Nil	N/A	N/A	N/A	Nil	N/A
Carmen Amezcuita Former CFO and Corporate Secretary ⁽⁶⁾	2023	459 ⁽⁷⁾	N/A	Nil	N/A	N/A	N/A	Nil	459 ⁽⁷⁾
	2022	15,839 ⁽⁷⁾	N/A	4,841	N/A	N/A	N/A	Nil	20,680 ⁽⁷⁾
	2021	10,822 ⁽⁷⁾	N/A	Nil	N/A	N/A	N/A	Nil	10,822 ⁽⁷⁾

Note:

- (1) The fair value of option-based awards is determined by the Black-Scholes Option Pricing Model with the following assumptions:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Average risk-free interest rate:	3.32%	0.98%	N/A
Expected dividend yield:	0%	0%	N/A
Average expected volatility:	189%	145%	N/A
Expected life of option:	5 years	5 years	N/A

The Company has chosen the Black-Scholes methodology to calculate the grant date fair value of option-based awards as it is the methodology used in the Company's financial statements.

- (2) Mr. George was appointed President of the Company on June 25, 2018 and CEO of the Company on January 29, 2019.
- (3) Represents management fees paid to J. George Geological Consulting Inc., a company wholly owned by Mr. George.
- (4) Mr. Cheung was appointed CFO and Corporate Secretary on September 1, 2022.
- (5) Mr. Cheung is an employee of Malaspina Consultants Inc. ("**Malaspina**"). The amounts disclosed consist of consulting fees charged by Malaspina to the Company, which are attributable to the services provided by Mr. Cheung to the Company. The total amount of fees charged by Malaspina in connection with all services provided to the Company were \$22,328 for the year ended July 31, 2023.
- (6) Ms. Amezcuita was appointed CFO and Corporate Secretary on January 29, 2019 and resigned as CFO and Corporate Secretary on August 31, 2022.
- (7) Ms. Amezcuita is a former employee of Malaspina. The amounts disclosed consist of consulting fees charged by Malaspina to the Company, which are attributable to the services provided by Ms. Amezcuita to the Company. The total amount of

fees charged by Malaspina in connection with all services provided to the Company were \$17,572 for the year ended July 31, 2021 and \$24,438 for the year ended July 31, 2022.

Narrative Discussion

On June 7, 2018, the Company entered into an agreement with the President and CEO, Jonathan George, to provide management/consulting services to the Company at a rate of \$5,000 per month for a period of six months, automatically renewing at the end of each period. On December 14, 2022, the Company entered into a new agreement, at a rate of \$7,500 per month for a period of twelve months, automatically renewing at the end of each period. The agreement has a termination and change of control clause whereby Mr. George is entitled to the equivalent of 12 months his monthly management fee within 30 days.

In addition, the Company entered into a consulting agreement with Malaspina dated October 15, 2018 (the “**Malaspina Agreement**”) pursuant to which Malaspina agreed to provide accounting and related services to the Company, including the services of the CFO and Corporate Secretary, commencing October 15, 2018 until the cancellation of the Malaspina Agreement, which may be cancelled by the Company or Malaspina by giving 60 days written notice. Malaspina’s fees for providing these services are based on agreed upon hourly rates for the services of the CFO and accountant, plus other office expenses. The Malaspina Agreement also provides that Malaspina will be granted stock options commensurate with the CFO’s contribution to the Company’s business plan. Ms. Amezcuita, the Company’s former CFO, was an employee of Malaspina and Mr. Cheung, the Company’s current CFO, is an employee of Malaspina.

INCENTIVE PLAN AWARDS

Outstanding Share-Based Awards and Option-Based Awards

The Company does not have any share-based awards held by a NEO. The following table sets forth the outstanding option-based awards held by the NEOs of the Company at the end of the most recently completed financial year:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$) ⁽¹⁾	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Jonathan George <i>CEO, President and Director</i>	200,000	0.10	Aug. 7/23 ⁽²⁾	Nil	N/A	N/A
	250,000	0.10	Jan. 8/24 ⁽²⁾	Nil	N/A	N/A
	500,000	0.075	Sept. 29/26	Nil	N/A	N/A
	600,000	0.10	Feb. 15/28	Nil	N/A	N/A
Lawrence Cheung <i>CFO and Corporate Secretary</i>	Nil	N/A	N/A	N/A	N/A	N/A

Note:

- (1) “In-the-Money Options” means the excess of the market value of the Company’s common shares on July 31, 2023 over the exercise price of the options. The market price for the Company’s common shares on July 31, 2023 was \$0.055.
- (2) This option expired unexercised.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed financial year by each NEO:

Name	Option-based awards - Value vested during the year ⁽¹⁾ (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Jonathan George <i>CEO, President and Director</i>	49,234	N/A	N/A
Lawrence Cheung <i>CFO and Corporate Secretary</i>	Nil	N/A	N/A
Carmen Amezcua <i>Former CFO and Corporate Secretary</i>	Nil	N/A	N/A

Note:

- (1) All options granted to the NEOs vested on the date of grant and the exercise price of such options was equal to the closing price of the Company's common shares as of the date of grant.

Narrative Discussion

The following information is intended as a brief description of the Company's stock option plan (the "**Stock Option Plan**") and is qualified in its entirety by the full text of the Stock Option Plan, a copy of which is attached as Schedule "A" to this Circular. In April, 2023, the CSE amended its policy regarding stock options, and now requires shareholders of the Company to approve the Stock Option Plan and unallocated entitlements issuable thereunder every three years. Accordingly, the Board is asking shareholders to authorize, approve, ratify and confirm the Company's Stock Option Plan and the unallocated entitlements issuable thereunder. More information, as well as the ordinary resolutions to be approved by shareholders in connection with the Stock Option Plan, are set out in this Circular under the heading "Particulars of Other Matters to be Acted Upon – Approval of Stock Option Plan".

1. The aggregate number of common shares which may be issued pursuant to the Stock Option Plan will not exceed 10% of the issued and outstanding common shares at the time of grant of any option under the Stock Option Plan.
2. The price per common share at which any common share which is the subject of an option may be purchased shall be determined by a committee of the Board (the "**Committee**") at the time the option is granted, provided however, that such price shall not be lower than the greater of the closing market price of the underlying securities on (a) the trading day prior to the date of grant of the stock option; and (b) the date of grant of the stock option, less the discounts permitted by the CSE.
3. Options under the Stock Option Plan may be granted by the Committee to directors, senior officers, employees or consultants of the Company (collectively, the "**Participants**").
4. Options granted under the Stock Option Plan are exercisable over a period not exceeding ten years, provided that notwithstanding the foregoing, if the term of any option granted under the Stock Option Plan ends on a day occurring during a blackout period (being the period imposed by the Company during which insiders are prohibited from trading in the securities of the Company) or within nine business days thereafter, such expiry date of the option shall be automatically extended without any further act or formality to that date which is the tenth business day after the end of the

blackout period, such tenth business day to be considered the expiry date for such option for all purposes under the Stock Option Plan. In no event shall the option period exceed ten years.

5. Subject to any vesting restrictions imposed by the CSE, the Committee may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.
6. No single Participant may be granted options to purchase a number of common shares of the Company which equal more than 5% of the issued common shares of the Company in any one twelve-month period unless the Company has obtained disinterested shareholder approval in respect of such grant and meets applicable CSE requirements.
7. Options shall not be granted if the exercise of the option would result in the issuance of more than 2% of the issued common shares of the Company in any twelve-month period to any one consultant of the Company (or any of its subsidiaries).
8. Options shall not be granted if the exercise of the option would result in the issuance of more than 2% of the issued common shares of the Company in any twelve month period to persons employed to provide investor relations activities. Options granted to consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than one-quarter of the options vesting in any three month period.
9. If a Participant ceases to be an officer, technical consultant/non-technical consultant or employee of the Company or any of its subsidiaries as a result of retirement, resignation or termination without cause, such Participant shall have the right for a period of 90 days (or until the normal expiry date of the option rights of such Participant, if earlier) from the date of ceasing to be a technical consultant/non-technical consultant or employee to exercise all unexercised option rights of that Participant under the Stock Option Plan to the extent they were exercisable on the date of ceasing to be a technical consultant/non-technical consultant or employee (subject to extension at the discretion of the Board).
10. In the event a director ceases to act, the options will expire 90 days thereafter with the addition of one additional month to exercise the option, for every year a director served as a director, to a maximum of 12 months for exercise of the options; provided however that if a director is convicted of a criminal or securities offence (a “**Conviction**”), is declared bankrupt or is terminated arising from a court order or shareholder resolution, the option shall terminate on the date of such Conviction, date of bankruptcy, court order or shareholder resolution.
11. No right or interest of any Participant in or under the Stock Option Plan is assignable or transferable, in whole or in part, either directly or by operation of law or otherwise in any manner except by bequeath or the laws of descent and distribution.
12. In the event an option granted under the Stock Option Plan expires unexercised or is terminated by reason of dismissal of the Participant for cause or is otherwise lawfully cancelled prior to exercise of the option, the option common shares that were issuable thereunder will be returned to the Stock Option Plan and will be eligible for reissuance.
13. Subject to applicable approval of the CSE, the Committee may, at any time, suspend or terminate the Stock Option Plan, or amend or revise the terms of the Stock Option Plan; provided that no such amendment or revision shall result in a material adverse change to the terms of any options

therefore granted under the Stock Option Plan, unless shareholder approval, or disinterested shareholder approval, as the case may be, is obtained for such amendment or revision.

PENSION BENEFITS

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

TERMINATION AND CHANGE OF CONTROL BENEFITS

The Company has no compensatory plan, contract or arrangement where an NEO is entitled to receive more than \$100,000 (including periodic payments or instalments) to compensate such executive officer in the event of resignation, retirement or other termination of the NEO's employment with the Company or its subsidiaries, a change of control of the Company, or a change in responsibilities of the NEO following a change in control.

DIRECTOR COMPENSATION

Other than compensation paid to the NEOs, and except as noted below, no compensation was paid to directors in their capacity as directors of the Company or its subsidiaries, in their capacity as members of a committee of the Board or of a committee of the board of directors of its subsidiaries, or as consultants or experts, during the Company's most recently completed financial year.

Set out below is a summary of compensation paid or accrued during the Company's most recently completed financial year to the Company's directors, other than the NEOs previously disclosed:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Kenneth R. Holmes	Nil	N/A	24,617	N/A	N/A	Nil	24,617
Kent Ausburn	Nil	N/A	24,617	N/A	N/A	Nil	24,617
Dean Besserer ⁽²⁾	Nil	NA	28,938	N/A	N/A	Nil	28,938
John A. Greig ⁽³⁾	Nil	N/A	32,823	N/A	N/A	Nil	32,823

Note:

- (1) The fair value of option-based awards is determined by the Black-Scholes Option Pricing Model with the following assumptions:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Average risk-free interest rate:	3.32%	0.98%	N/A
Expected dividend yield:	0%	0%	N/A
Average expected volatility:	189%	145%	N/A
Expected life of option:	5 years	5 years	N/A

The Company has chosen the Black-Scholes methodology to calculate the grant date fair value of option-based awards as it is the methodology used in the Company's financial statements.

- (2) Mr. Besserer was appointed a director of the Company on May 10, 2023.
 (3) Mr. Greig resigned as a director of the Company on May 29, 2023.

Narrative Discussion

Directors are compensated through the grant of stock options. No directors' fees are paid.

INCENTIVE PLAN AWARDS

Outstanding Share-Based Awards and Option-Based Awards

The Company does not have any share-based awards held by a director. The following table sets forth details of all awards granted to directors of the Company which are outstanding at the end of the most recently completed financial year.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$) ⁽¹⁾	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Kenneth R. Holmes	100,000	0.10	Aug. 7/23 ⁽²⁾	Nil	N/A	N/A
	250,000	0.10	Jan. 8/24 ⁽²⁾	Nil	N/A	N/A
	150,000	0.075	Sept. 29/26	Nil	N/A	N/A
	300,000	0.10	Feb. 15/28	Nil	N/A	N/A
Kent Ausburn	200,000	0.10	Aug. 7/23 ⁽²⁾	Nil	N/A	N/A
	150,000	0.075	Sept. 29/26	Nil	N/A	N/A
	300,000	0.10	Feb. 15/28	Nil	N/A	N/A
Dean Besserer ⁽³⁾	500,000	0.075	May 10/28	Nil	N/A	N/A
John A. Greig ⁽⁴⁾	300,000	0.10	Aug. 7/23 ⁽²⁾	Nil	N/A	N/A
	500,000	0.075	Sept. 29/26	Nil	N/A	N/A
	400,000	0.10	Feb. 15/28			

Note:

- (1) "In-the-Money Options" means the excess of the market value of the Company's common shares on July 31, 2023 over the exercise price of the options. The market price for the Company's common shares on July 31, 2023 was \$0.055.
 (2) This option expired unexercised.
 (3) Mr. Besserer was appointed a director on May 10, 2023.
 (4) Mr. Greig resigned as a director of the Company on May 29, 2023.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed financial year by each director:

Name	Option-based awards - Value vested during the year ⁽¹⁾ (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Kenneth R. Holmes	24,617	N/A	N/A
Kent Ausburn	24,617	N/A	N/A
Dean Besserer	28,938	N/A	N/A
John A. Greig	32,823	N/A	N/A

Note:

- (1) All options granted to the directors vested on the date of grant and the exercise price of such options was equal to the closing price of the Company's common shares as of the date of grant.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets out those securities of the Company which have been authorized for issuance under equity compensation plans, as at the end of the most recently completed financial year:

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 the securityholders	5,200,000	\$0.09	3,856,244
Equity compensation plans not approved by the securityholders	Nil	Nil	Nil
Total	5,200,000	\$0.09	3,856,244

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the current or former directors, executive officers, employees of the Company or its subsidiaries, or their respective associates, are as of the date of this Circular, or have been since the beginning of the last completed financial year of the Company, indebted to the Company or any of its subsidiaries (or another entity if the indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company or any of its subsidiaries).

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

Other than as disclosed elsewhere in this Circular, no director or executive officer of the Company or any proposed nominee of Management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, since the beginning of the Company's last financial year in matters to be acted upon at the Meeting, other than the election of directors, the appointment of auditors and the authorization, approval, ratification and confirmation of the Company's Stock Option Plan and the unallocated entitlements available under the Stock Option Plan.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

As noted in the Circulars prepared for the Company's 2021 and 2022 annual general meetings, the Company entered into a definitive agreement (the "**Agreement**") dated December 21, 2020 to acquire a 100% interest in the La Escondida Silver-Gold Project in Sonora, Mexico (the "**Property**") from a private syndicate of three individuals (the "**Syndicate**"), of which Jonathan George, the President, CEO and a director of the Company, having an office at 1100 – 1199 West Hastings Street, Vancouver, British Columbia V6E 3T5, is a member. The Syndicate has the right to acquire the Property pursuant to the terms of an underlying agreement dated September 15, 2020 (the "**Underlying Agreement**") with the owners of the concessions which comprise the Property. Pursuant to the Agreement, the Syndicate entered into a formal assignment agreement with the Company's wholly owned Mexican subsidiary, NTM Minerales SA de CV ("**NTM**"), assigning its rights to the Underlying Agreement to NTM, in exchange for the issuance of 3,000,000 common shares to the Syndicate, being 1,000,000 common shares each. Two members of the Syndicate were to retain a 2% Net Smelter Return ("**NSR**") royalty, half of which could be purchased by the Company for US\$1,000,000. Mr. George is not one of the two members of the Syndicate retaining the NSR royalty.

The Underlying Agreement required staged option payments of US\$450,000 over a three-year period and assumption of all annual tax obligations.

On September 15, 2022, the Company entered into an amendment agreement to the Agreement that extended the option payment due on the second anniversary to December 15, 2022 for a payment of USD\$5,000. On December 15, 2022, a 90-day extension was granted for an additional payment of USD\$15,000, payable in three monthly installments of USD\$5,000.

On March 16, 2023, the Company elected to terminate the Agreement and to not proceed with this acquisition.

Other than as disclosed above and elsewhere in this Circular, none of the persons who were directors or executive officers of the Company or a subsidiary at any time during the Company's last completed financial year, the proposed nominees for election to the Board, any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding common shares of the Company, nor the associates or affiliates of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or proposed transaction which has materially affected or would materially affect the Company.

APPOINTMENT OF AUDITOR

Management intends to nominate Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, for re-appointment as auditor of the Company. Forms of proxies given pursuant to this solicitation will, on any poll, be voted as directed and, if there is no direction, for the re-appointment of Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, as the auditor of the Company to hold office for the ensuing year with remuneration to be fixed by the directors. Dale Matheson Carr-Hilton Labonte LLP was first appointed as the auditor for the Company effective July 19, 2013.

MANAGEMENT CONTRACTS

Other than as disclosed elsewhere in this Circular, no Management functions of the Company are to any substantial degree performed by a person or company other than the directors or NEOs of the Company.

AUDIT COMMITTEE

The Company is required to have an audit committee (the “**Audit Committee**”) comprised 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.

Audit Committee Charter

The text of the Audit Committee’s charter is attached as Schedule “B” to this Circular.

Composition of Audit Committee and Independence

The Company’s current Audit Committee consists of Kenneth R. Holmes, Jonathan George and Dean Besserer.

National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) provides that a member of an audit committee is “independent” if the member has no direct or indirect material relationship with the Company, which could, in the view of the Company’s Board, reasonably interfere with the exercise of the member’s independent judgment. Of the Company’s current Audit Committee members, Kenneth R. Holmes and Dean Besserer are “independent” within the meaning of NI 52-110. Jonathan George is not “independent” as he is also the President and CEO of the Company.

NI 52-110 provides that an individual is “financially literate” if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements. All of the members of the Audit Committee are “financially literate” as that term is defined. The following sets out the Audit Committee members’ education and experience that is relevant to the performance of his responsibilities as an Audit Committee member.

Relevant Education and Experience

Kenneth R. Holmes – Mr. Holmes has extensive management experience and has been a director of several public companies.

Jonathan George – Mr. George is a self-employed consulting geologist.

Dean Besserer – Mr. Besserer is a professional geologist and is the Vice-President Exploration of Freeman Gold Corp. Mr. Besserer was previously Vice-President and Partner at APEX Geoscience Ltd., a consulting firm and has been a director or Vice-President Exploration of various junior mining companies.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Audit Committee of the Company has not made any recommendations to nominate or compensate an external auditor which were 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:

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

Pre-Approval Policies and Procedures

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

Audit Fees

The following table sets forth the fees billed to the Company and its subsidiaries by Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, for services rendered in the last two fiscal years:

	<u>2023</u>	<u>2022</u>
	(\$)	(\$)
Audit fees ⁽¹⁾	26,317	20,244
Audit related fees ⁽²⁾	Nil	Nil
Tax fees ⁽³⁾	5,500	3,900
All other fees ⁽⁴⁾	<u>Nil</u>	<u>Nil</u>
Total	<u>31,817</u>	<u>24,144</u>

Notes:

- (1) "Audit fees" include aggregate fees billed by the Company's external auditor in each of the last two fiscal years for audit fees.

- (2) “Audited related fees” include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company’s external auditor that are reasonably related to the performance of the audit or review of the Company’s financial statements and are not reported under “Audit fees” above. The services provided 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 the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company’s external auditor for tax compliance, tax advice and tax planning. The services provided include 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 the aggregate fees billed in each of the last two fiscal years for products and services provided by the Company’s external auditor, other than “Audit fees”, “Audit related fees” and “Tax fees” above.

Exemption in Section 6.1

The Company is a “venture issuer” as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 - *Disclosure of Corporate Governance Practices*, requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the “**Guidelines**”) adopted in National Policy 58-201. These Guidelines are not prescriptive, but have been used by the Company in adopting its corporate governance practices. The Board and Management consider good corporate governance to be an integral part of the effective and efficient operation of Canadian corporations. The Company’s approach to corporate governance is set out below.

Board of Directors

Management is nominating four individuals to the Board, all of whom are current directors of the Company.

The Guidelines suggest that the board of directors of every reporting issuer should be constituted with a majority of individuals who qualify as “independent” directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect “material relationship” with the Company. The “material relationship” is defined as a relationship which could, in the view of the Company’s Board, reasonably interfere with the exercise of a director’s independent judgement. All of the current members of the Board are considered “independent” within the meaning of NI 52-110, except for Jonathan George, who is the CEO and President of the Company.

Directorships

No director of the Company is also a director of any other reporting issuers.

Orientation and Continuing Education

The Board does not have any formal policies with respect to the orientation of new directors nor does it take any measures to provide continuing education for the directors. At this stage of the Company’s development the Board does not feel it necessary to have such policies or programs in place.

Ethical Business Conduct

To date, the Board has not adopted a formal written Code of Business Conduct and Ethics. However, the current size of the Company’s operations, and the small number of officers and consultants, allow the Board to monitor on an ongoing basis the activities of management to ensure that the highest standard of ethical

conduct is maintained. As the Company grows in size and scope, the Board anticipates that it will formulate and implement a formal Code of Business Conduct and Ethics.

Nomination

The Board does not have a formal process in place with respect to the appointment of new directors. The Board expects that when the time comes to appoint new directors to the Board that the nominees would be recruited by the current Board members, and the recruitment process would involve both formal and informal discussions among Board members and the senior officers of the Company.

Compensation

The quantity and quality of the compensation for the directors and CEO is reviewed on an annual basis. At present, the Board is satisfied that the current compensation arrangements adequately reflect the responsibilities and risks involved in being an effective director of the Company. At this time, the Company does not believe its size and limited scope of operations requires a formal compensation committee.

Other Board Committees

At the present time, the only standing committee is the Audit Committee. The written charter of the Audit Committee, as required by NI 52-110, is contained in Schedule “B” to this Circular. As the Company grows, and its operations and management structure become more complex, the Board expects it will constitute formal standing committees, such as a Corporate Governance Committee, a Compensation Committee and a Nominating Committee, and will ensure that such committees are governed by written charters and are composed of at least a majority of independent directors.

Assessments

The Board reviews its own performance and effectiveness as well as the effectiveness and performance of its committees. Effectiveness is subjectively measured by comparing actual corporate results with objectives. The contributions of individual directors are informally monitored by other Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

The Board believes its corporate governance practices are appropriate and effective for the Company, given its size and operations.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Approval of Stock Option Plan

The Stock Option Plan is a “10% rolling” or an “evergreen” stock option plan. Pursuant to certain new policies of the CSE on which the Company’s shares are traded, the Stock Option Plan and the unallocated entitlements available thereunder need to be approved by shareholders within three years of institution, and within every three years thereafter, failing which no further options may be granted under the Stock Option Plan. Accordingly, at the Meeting, shareholders will be asked to consider, and if thought fit, to pass an ordinary resolution (the “**Stock Option Plan Resolution**”), as set out below, to authorize, approve, ratify and confirm the Stock Option Plan and the unallocated entitlements available under the Stock Option Plan.

The maximum aggregate number of shares issuable under the Stock Option Plan may not exceed 10% of the issued and outstanding shares from time to time. The Stock Option Plan automatically makes exercised options under the Stock Option Plan available for subsequent grants thereunder.

As of the date of this Circular, options to purchase 3,650,000 shares, representing approximately 3.57% of the issued and outstanding shares of the Company, have been granted and are currently outstanding under the Stock Option Plan. As such, 6,566,245 shares, representing approximately 6.43% of the issued and outstanding shares are available for future grants under the Stock Option Plan.

A summary of the Stock Option Plan is provided in this Circular under the heading “COMPENSATION DISCUSSION AND ANALYSIS - INCENTIVE PLAN AWARDS - Incentive Plan Awards – Value Vested or Earned During the Year – Narrative Discussion” and a copy of the Stock Option Plan is attached as Schedule “A” to this Circular.

At the Meeting, shareholders will be asked to consider, and if thought fit, to approve the Stock Option Plan Resolution, in substantially the following form:

“**BE IT RESOLVED**, as an ordinary resolution of the shareholders of American Potash Corp., that:

1. the stock option plan (the “**Stock Option Plan**”) of American Potash Corp. (the “**Company**”) in the form of the Stock Option Plan attached as Schedule "A" to the management information circular of the Company dated January 8, 2024, be and is hereby authorized, approved, ratified and confirmed and that in connection therewith a maximum of 10% of the issued and outstanding shares of the Company at the time of each grant be approved for granting as options;
2. all unallocated stock options which may be granted pursuant to the Stock Option Plan are hereby authorized, approved, ratified and confirmed;
3. the board of directors of the Company (the “**Board**”), or a committee of the Board, be and is hereby authorized, in its absolute discretion, to administer the Stock Option Plan and amend or modify the Stock Option Plan in accordance with its terms and conditions and with the policies of the Canadian Securities Exchange (the “**CSE**”);
4. the reservation by the Board of a sufficient number of shares in the capital of the Company (the “**Shares**”) to satisfy the requirements of the Stock Option Plan is hereby authorized, approved, ratified and confirmed and, upon the proper exercise of stock options pursuant to the terms of the Stock Option Plan, the issuance of Shares to participants in the Stock Option Plan is hereby authorized, approved, ratified and confirmed;
5. the Board, or a committee of the Board, be and is hereby authorized to grant stock options under the Stock Option Plan until February 13, 2027, being the date that is three years from the date of the shareholder meeting at which the Stock Option Plan was authorized, approved, ratified and confirmed by shareholders; and
6. any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the Stock Option Plan required by the CSE or applicable securities regulatory authorities and to complete all transactions in connection with the administration of the Stock Option Plan.”

To be effective, the Stock Option Plan Resolution must be approved by a majority of the votes cast by the shareholders present in person or represented by proxy at the Meeting. The form of the ordinary resolution set forth above is subject to such amendments as Management may propose at the Meeting, but which do not materially affect the substance of the ordinary resolution. If the Stock Option Plan Resolution is not passed by the requisite number of shareholder votes cast at the Meeting, all unallocated options thereunder will be cancelled, and the Board, or a committee of the Board, will not be permitted to grant further options under the Stock Option Plan until shareholder approval is obtained for the Stock Option Plan. All outstanding stock options under the Stock Option Plan will continue, unaffected.

Management recommends that Shareholders vote for the ordinary resolution at the Meeting. It is the intention of Management's proxyholder, if not expressly directed otherwise in such form of Proxy, to vote such Proxy FOR the ordinary resolution.

General Matters

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 person named in the Proxy intends to vote on any poll, in accordance with his or her best judgement, exercising discretionary authority with respect to amendments or variations of matters set forth in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment of the Meeting.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR+ at www.sedarplus.ca. Financial information about the Company is provided in the Company's comparative annual financial statements to July 31, 2023, a copy of which, together with Management's Discussion and Analysis thereon, can be found on the Company's SEDAR+ profile at www.sedarplus.ca. Additional financial information concerning the Company may be obtained by any securityholder of the Company free of charge by contacting the Company by email at jon@americanpotash.com.

BOARD APPROVAL

The contents of this Circular have been approved and its mailing authorized by the directors of the Company.

DATED at Vancouver, British Columbia, the 8th day of January, 2024.

ON BEHALF OF THE BOARD

(signed) "*Jonathan George*"

Jonathan George,
President and Chief Executive Officer

AMERICAN POTASH CORP.

Schedule "A"
Stock Option Plan

(SEE ATTACHED)

American Potash Corp.

STOCK OPTION PLAN

DEFINITIONS AND INTERPRETATION

Section 1.01 **Definitions:** For purposes of the Plan, unless such word or term is otherwise defined herein or the context in which such word or term is used herein otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the following meanings:

- (a) “Act” means the British Columbia *Business Corporations Act* or its successor, as amended from time to time;
- (b) “Black Out Period” means the period during which designated persons cannot trade Common Shares pursuant to any policy of the Corporation respecting restrictions on trading which is in effect at that time (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Corporation, or in respect of an insider, that insider, is subject);
- (c) “Business Day” means each day other than a Saturday, Sunday or statutory holiday in the Province of British Columbia;
- (d) “Committee” means the Directors or, if the Directors so determine in accordance with Section 2.03 of the Plan, the committee of the Directors authorized to administer the Plan, which includes any compensation committee of the board;
- (e) “Common Shares” means the Common Shares of the Corporation, as adjusted in accordance with the provisions of Section 5.06 of the Plan;
- (f) “Consultant” means a person, other than an employee or a director of the Corporation or of any Designated Affiliate of the Corporation, that:
 - (i) is engaged to provide services to the Corporation or any Designated Affiliate of the Corporation, other than services provided in relation to a distribution;
 - (ii) provides the services under a written contract with the Corporation or any Designated Affiliate of the Corporation;
 - (iii) spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or any Designated Affiliate of the Corporation; and
 - (iv) has a relationship with the Corporation or any Designated Affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Issuer.

and includes, for an individual consultant, a corporation of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner;

- (g) “Consulting Contract” means any contract between the Corporation or any Designated Affiliate of the Corporation and any Eligible Consultant relating to, or entered into in connection with, services to be provided to the Corporation or a Designated Affiliate by the Eligible Consultant;
- (h) “Corporation” means American Potash Corp., a corporation incorporated under the Act and its successors and assigns;
- (i) “Designated Affiliate” means the affiliates of the Corporation designated by the Committee for purposes of the Plan from time to time;
- (j) “Directors” means the board of directors of the Corporation from time to time;
- (k) “Eligible Consultants” means Consultants of the Corporation or any Designated Affiliate of the Corporation;
- (l) “Eligible Directors” means the Directors or the directors of any Designated Affiliate of the Corporation from time to time;
- (m) “Eligible Employees” means employees and officers, whether Directors or not, and including both full-time and part-time employees, of the Corporation or any Designated Affiliate of the Corporation;
- (n) “Employment Contract” means any contract between the Corporation or any Designated Affiliate of the Corporation and any Eligible Employee relating to, or entered into in connection with, the employment of the Eligible Employee or between the Corporation or a Designated Affiliate and an Eligible Director with respect to his or her directorship or resignation therefrom;
- (o) “Market Price” means, in the event the Corporation is trading on a Stock Exchange, the last closing trading price of the Common Shares on the Stock Exchange, or another stock exchange where the majority of the trading volume and value of the Common Shares occurs;
- (p) “Option” means an option to purchase Common Shares granted pursuant to, or governed by, the Plan;
- (q) “Optionee” means a Participant to whom an Option has been granted pursuant to the Plan;
- (r) “Option Period” means the period of time during which the particular Option may be exercised and commences on the date of the grant of the Option, unless otherwise specified by the Committee;
- (s) “Participant” means each Eligible Employee, Eligible Director and Eligible Consultant;
- (t) “Plan” means this stock option plan; and
- (u) “Stock Exchange” means a public exchange upon which the Common Shares are listed for trading.

Section 1.02 **Securities Definitions:** In the Plan, the terms “affiliate”, “associate” and “insider” shall have the meanings given to such terms in the *Securities Act* (British Columbia). The term “affiliate” shall include those issuers that are similarly related, whether or not any of the issuers are corporations, companies, partnerships, limited partnership, trusts, income trusts or investment trusts or any other organized entity issuing securities. The term “insider” shall include associates and affiliates of the insider.

Section 1.03 **Headings:** The headings of all articles, sections, and paragraphs in the Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of the Plan.

Section 1.04 **Context, Construction:** Whenever the singular or masculine are used in the Plan, the same shall be construed as being the plural or feminine or neuter or vice versa where the context so requires.

Section 1.05 **References to this Plan:** The words “herein”, “hereby”, “hereunder”, “hereof” and similar expressions mean or refer to the Plan as a whole and not to any particular article, section, paragraph or other part hereof.

Section 1.06 **Canadian Funds:** Unless otherwise specifically provided, all references to dollar amounts in the Plan are references to lawful money of Canada.

ARTICLE TWO

PURPOSE AND ADMINISTRATION OF THE PLAN

Section 2.01 **Purpose of the Plan:** The Plan provides for the acquisition of Common Shares by Participants for the purpose of advancing the interests of the Corporation through the motivation, attraction and retention of employees, officers, directors and consultants of the Corporation and the Designated Affiliates of the Corporation and to secure for the Corporation and the shareholders of the Corporation the benefits inherent in the ownership of Common Shares by employees, officers, directors and consultants of the Corporation and Designated Affiliates of the Corporation, it being generally recognized that share incentive plans aid in attracting, retaining and encouraging employees, officers, directors and consultants due to the opportunity offered to them to acquire a proprietary interest in the Corporation.

Section 2.02 **Administration of the Plan:** The Plan shall be administered by the Committee and the Committee shall have full authority to administer the Plan including the authority to interpret and construe any provision of the Plan and to adopt, amend and rescind such rules and regulations for administering the Plan as the Committee may deem necessary in order to comply with the requirements of the Plan. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Participants and the Corporation. No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with the Plan and all members of the Committee shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Corporation with respect to any such action taken or determination or interpretation made. The appropriate officers of the Corporation are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of the Plan and of the rules and regulations established for administering the Plan. All costs incurred in connection with the Plan shall be for the account of the Corporation.

Section 2.03 **Delegation to Committee:** All of the powers exercisable hereunder by the Directors may, to the extent permitted by applicable law and as determined by resolution of the Directors, be exercised by a committee of the Directors comprised of not less than three Directors or in the absence of a committee of

the Directors, by the full board of Directors, including any compensation committee of the board of directors, which delegation may be revoked at any time.

Section 2.04 Record Keeping: The Corporation shall maintain a register in which shall be recorded:

- (a) the name and address of each Optionee;
- (b) the number of Common Shares subject to Options granted to each Optionee; and
- (c) the aggregate number of Common Shares subject to Options.

Section 2.05 Determination of Participants and Participation: The Committee shall from time to time determine the Participants who may participate in the Plan. The Committee shall from time to time determine the number of Common Shares to be issued to the Participants to whom Options shall be granted, the number of Common Shares to be made subject to and the expiry date of each Option granted to each Participant and the other terms of each Option granted to each Participant, all such determinations to be made in accordance with the terms and conditions of the Plan, and the Committee may take into consideration the present and potential contributions of and the services rendered by the particular Participant to the success of the Corporation and any other factors which the Committee deems appropriate and relevant.

Section 2.06 Number of Shares Available under the Plan: There shall be available at all times for issuance under the Plan that number of Common Shares as is equal to 10% (on a non-diluted basis) of the number of issued and outstanding Common Shares of the Corporation from time to time. For greater certainty, the number of Common Shares available for issuance under the Plan shall not be decreased as a result of the issuance of Common Shares upon the exercise of Options nor increased upon the surrender, termination or expiry of Options unexercised in whole or in part. If the Corporation repurchases for cancellation Common Shares such that the foregoing percent test is not met following such repurchase, this shall not constitute non-compliance under the Plan.

Section 2.07 Further Limitations to the Issuance of Shares under the Plan:

- (a) The aggregate number of Common Shares that may be reserved for issuance pursuant the Plan shall not exceed 5% of the issued shares of the Corporation (determined at the date the option was granted) to any one individual in a 12 month period, unless the Corporation has obtained the requisite disinterested shareholder approval.
- (b) The number of options granted to any one Consultant in a 12 month period shall not exceed 2% of the issued shares of the Corporation, calculated at the date the option was granted to the Consultant.
- (c) The aggregate number of options granted to persons employed to provide Investor Relations Activities (as defined in the policies of the Stock Exchange, if any) must not exceed 2% of the issued shares of the Corporation in any 12 month period, calculated at the date the option was granted.

STOCK OPTION PLAN

Section 3.01 The Stock Option Plan and Participants: A stock option plan is hereby established for Eligible Employees, Eligible Directors and Eligible Consultants.

Section 3.02 Exercise Price: The price per share at which any Common Share which is the subject of an Option may be purchased shall be determined by the Committee at the time the Option is granted, provided however, that such price shall not be lower than the greater of the closing market prices of the underlying securities on (a) the trading day prior to the date of grant of the stock options; and (b) the date of grant of the stock options.

Section 3.03 Term of Option:

- (a) The Option Period for each Option shall be such period of time as shall be determined by the Committee, subject to any Employment Contract or Consulting Contract, provided that no Option Period shall exceed 10 years.
- (b) Should the expiration date for an Option fall within a Black Out Period or within nine Business Days following the expiration of a Black Out Period, such expiration date shall be automatically extended without any further act or formality to that date which is the tenth Business Day after the end of the Black Out Period, such tenth Business Day to be considered the expiration date for such Option for all purposes under the Plan, provided that in no event shall the Option Period exceed 10 years. Notwithstanding Section 5.02, the ten Business Day period referred to in this Section 3.04(b) may not be extended by the Committee.

Section 3.04 Limit on Options to be Exercised: Unless otherwise determined by the Committee, Options may be exercised (in each case to the nearest full share), during the Option Period at any time during the Option Period.

Section 3.05 Notwithstanding the foregoing, Options issued to Consultants performing Investor Relations Activities shall vest over 12 months with no more than 25% of the Options vesting in any three month period.

Section 3.06 Eligible Participants on Exercise: An Option may be exercised by the Optionee in whole at any time, or in part from time to time, during the Option Period as specified in Section 3.04, provided however that, except as otherwise specifically provided in Section 3.09 or Section 3.10 hereof or in any Employment Contract or Consulting Contract, no Option may be exercised unless the Optionee at the time of exercise thereof is:

- (a) in the case of an Eligible Employee, an officer of the Corporation or a Designated Affiliate or in the employment of the Corporation or a Designated Affiliate and has been continuously an officer or so employed since the date of grant of such Option, provided however that a leave of absence with the approval of the Corporation or such Designated Affiliate shall not be considered an interruption of employment for purposes of the Plan;
- (b) in the case of an Eligible Director who is not also an Eligible Employee, a director of the Corporation or a Designated Affiliate and has been such a director continuously since the date of grant of such Option; and

- (c) in the case of an Eligible Consultant, a Consultant of the Corporation or a Designated Affiliate and has been a such a Consultant continuously since the date of grant of such Option.

Section 3.07 **Payment of Exercise Price**

- (a) **Direct Exercise:** The issue of Common Shares on exercise of any Option shall be contingent upon receipt by the Corporation of payment of the aggregate purchase price for the Common Shares in respect of which the Option has been exercised plus any amount the Corporation determines, in its discretion, is required to satisfy the Corporation's withholding tax and source deduction remittance obligations in respect of the exercise of the Options and issuance of Common Shares, and payment of such amounts to the Corporation is in cash or by certified cheque delivered to the registered office of the Corporation together with a validly completed notice of exercise. No Optionee or legal representative, legatee or distributee of any Optionee will be, or will be deemed to be, a holder of any Common Shares with respect to which such Optionee was granted an Option, unless and until certificates for such Common Shares are issued to such Optionee, or them, under the terms of the Plan. Subject to Section 3.11 hereof, upon an Optionee exercising an Option and paying the Corporation the aggregate purchase price for the Common Shares in respect of which the Option has been exercised and any amount required to satisfy withholding tax and source deduction requirements, the Corporation shall as soon as practicable issue and deliver a certificate representing the Common Shares so purchased.
- (b) **Broker Assisted Exercise:** If the Common Shares are listed and posted for trading on a stock exchange or market, an Optionee may elect a broker assisted exercise in its notice of exercise if the Common Shares issuable on the exercise are to be immediately sold. In such case, the Optionee will not be required to deliver to the Corporation a certified cheque as referred to in Subsection 3.07(a) above. Instead the following procedure will be followed:
 - (i) The Optionee will, directly or through an intermediary, instruct a broker selected by the Optionee to sell through the stock exchange or market on which the Common Shares are listed or quoted, the Common Shares issuable on the exercise of vested Options, as soon as possible at the then applicable bid price of the Common Shares.
 - (ii) On the trade date, the Optionee will deliver a validly completed notice of exercise, including details of the trades, to the Corporation electing the broker assisted exercise and the Corporation will direct its registrar and transfer agent to issue a certificate in the name of the broker (or as the broker may otherwise direct) for the number of Common Shares issued on the exercise of the vested Options, against payment by the broker to the Corporation of (i) the aggregate purchase price for such Common Shares; and (ii) the amount the Corporation determines, in its discretion, is required to satisfy the Corporation's withholding tax and source deduction remittance obligations in respect of the exercise of the vested Options and issuance of Common Shares.
 - (iii) The broker will deliver to the Optionee the remaining proceeds of sale, net of the brokerage commission.

Section 3.08 Acceleration on Take-over Bid: If there is a take-over bid (within the meaning of the *Securities Act* (British Columbia)) made for all or any of the issued and outstanding Common Shares, then all Options outstanding become immediately exercisable, notwithstanding Section 3.04 hereof, in order to permit Common Shares issuable under such Options to be tendered to such bid.

Section 3.09 Effect of Death: If a Participant dies while an Optionee, any Option held by such Optionee at the date of death shall become immediately exercisable notwithstanding Section 3.04 hereof, and shall be exercisable in whole or in part only by the person or persons to whom the rights of the Optionee under the Option shall pass by the will of the Optionee or the laws of descent and distribution for a period of twelve months after the date of death of the Optionee or prior to the expiration of the Option Period in respect of the Option, whichever is sooner. This Section 3.09 is subject to any Employment Agreement, Consulting Agreement or any other agreement to which the Corporation or its Designated Affiliates is a party with respect to the rights of such Participant upon Termination or change in control of the Corporation.

Section 3.10 Effect of Termination:

3.10.1 If a Participant who is not a director;

- (a) ceases to be employed by, or be an officer of, the Corporation and any of its Designated Affiliates (and is not or does not continue to be a director thereof),
- (b) ceases to be engaged by, or be a Consultant of the Corporation and any of its Designated Affiliates, for any reason (other than death), including circumstances involving receipt of notice from the Corporation or any of its Designated Affiliates of the termination of his, her or its Consulting Contract;

such Participant may, within 90 days next succeeding such cessation, exercise his or her Options to the extent that such Participant was entitled to exercise such options at the date of cessation, provided that in no event shall such right extend beyond the Option Period. This Section 3.100.1 is subject to any Employment Agreement, Consulting Agreement or any other agreement to which the Corporation or its Designated Affiliates is a party with respect to the rights of such Participant upon Termination or change in control of the Corporation, provided however that if the Termination is for cause, the Options will expire on the Termination Date. It shall be at the discretion of the directors as to any extension of the Option period depending on the particular circumstances of any Termination;

3.10.2 If a director ceases to be a director of the Corporation or any of its Designated Affiliates and is not or does not continue to serve in that capacity

the director will, within 90 days after his or her cessation in that capacity, have the right to exercise his or her options, and furthermore, for each year a director has served as a director they will have the right to exercise their Options for a further 30 days for each year of having served as a director of the Company, with the understanding that the right to exercise such option will not extend for more than one year from the Participant's cessation; provided however, that in the event a director of the Corporation and any of its Designated Affiliates (and is not or does not continue to be an employee thereof) is convicted of a criminal or securities offence (a "Conviction"), is declared bankrupt or is terminated arising from a court order or shareholder resolution, the Options shall terminate on the date of such Conviction, date of bankruptcy, court order or shareholder resolution.

Section 3.11 Necessary Approvals: The obligation of the Corporation to issue and deliver any Common Shares in accordance with the Plan shall be subject to any necessary approval of any stock exchange or regulatory authority having jurisdiction over the securities of the Corporation. If any Common

Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such Common Shares shall terminate and any Option exercise price paid to the Corporation shall be returned to the Participant.

Section 3.12 **No Amendment of Option Terms:** The terms of an option may not be amended once issued. If an option is cancelled prior to its expiry date, the Corporation must post notice of the cancellation and shall not grant new options to the same person until 30 days have elapsed from the date of cancellation.

ARTICLE FOUR

WITHHOLDING TAXES AND SECURITIES LAWS OF THE UNITED STATES OF AMERICA

Section 4.01 **Withholding Taxes:** The Corporation or any Designated Affiliate may take such steps as it considers necessary or appropriate for the deduction and withholding of any taxes and other required source deductions which the Corporation or the Designated Affiliate, as the case may be, is required by any law or regulation of any governmental authority whatsoever to remit in connection with this Plan, any Options, the exercise or surrender by an Optionee of any Options or any issuance of any Common Shares. Without limiting the generality of the foregoing, the Corporation may, at its discretion: (i) deduct and withhold those amounts it is required to remit from any cash remuneration or other amount payable to the Optionee, whether or not related to the Plan, any Options, the exercise or surrender by an Optionee of any Options or the issuance of any Common Shares; (ii) allow the Optionee to make a cash payment to the Corporation equal to the amount required to be remitted, which amount shall be remitted by the Corporation to the appropriate governmental authority for the account of the Optionee; or (iii) sell, on behalf of the Optionee, that number of Common Shares to be issued upon the exercise of Options such that the amount withheld by the Corporation from the proceeds of such sale will be sufficient to satisfy any taxes required to be remitted by the Corporation for the account of the Optionee. Where the Corporation considers that the steps undertaken in connection with the foregoing result in inadequate withholding or a late remittance of taxes, the delivery of any Common Shares to be issued to an Optionee on the exercise of Options may be made conditional upon the Optionee (or other person) reimbursing or compensating the Corporation or making arrangements satisfactory to the Corporation for the payment in a timely manner of all taxes required to be remitted for the account of the Optionee.

Section 4.02 **Securities Laws of the United States of America:** Neither the Options which may be granted pursuant to the provisions of the Plan nor the Common Shares which may be acquired pursuant to the exercise of Options have been registered under the United States Securities Act of 1933, as amended (the "U.S. Act"), or under any securities law of any state of the United States of America. Accordingly, any Participant who is issued Common Shares or granted an Option in a transaction which is subject to the U.S. Act or the securities laws of any state of the United States of America may be required to represent, warrant, acknowledge and agree that:

- (a) the Participant is acquiring the Option and/or any Common Shares as principal and for the account of the Participant;
- (b) in granting the Option and/or issuing the Common Shares to the Participant, the Corporation is relying on the representations and warranties of the Participant to support the conclusion of the Corporation that the granting of the Option and/or the issue of Common Shares do not require registration under the U.S. Act or to be qualified under the securities laws of any state of the United States of America.

ARTICLE FIVE

GENERAL

Section 5.01 Effective Date of the Plan: The Plan shall become effective upon a date to be determined by the Directors.

Section 5.02 Amendment or Discontinuance of the Plan: The Committee may from time to time in the absolute discretion of the Committee amend, modify and change the provisions of the Plan or any Options granted pursuant to the Plan, provided that any amendment, modification or change to the provisions of the Plan or any Options granted pursuant to the Plan shall, where required:

- (a) be subject to any regulatory approvals, including the approval of the Stock Exchange, ;
- (b) be subject to shareholder approval in accordance with the rules of the Stock Exchange in circumstances where the amendment, modification or change to the Plan or Option would increase the fixed maximum percentage of Common Shares which may be issued pursuant to the Plan;
- (c) be subject to disinterested shareholder approval in accordance with the rules of the Stock Exchange if the Optionee is an insider of the Corporation at the time of the amendment;
- (d) not be subject to shareholder approval in any circumstance (other than those listed in (b) and (b) above), including, but not limited to, circumstances where the amendment, modification or change to the Plan or Option would:
 - (i) be of a “housekeeping nature”, including any amendment to the Plan or an Option that is necessary to comply with applicable law or the requirements of any regulatory authority or stock exchange and any amendment to the Plan or an Option to correct or rectify any ambiguity, defective provision, error or omission therein, including any amendment to any definitions therein;
 - (ii) alter, extend or accelerate any vesting terms or conditions in the Plan other than the vesting terms for an Optionee conducting Investor Relations;
 - (iii) amend or modify any mechanics for exercising any Option;
 - (iv) change the application of Section 5.06 (Adjustment in Number of Shares Subject to the Plan), Section 5.067 (Consolidation, Merger etc.) or Section 5.08 (Securities Exchange Take-over Bid) of the Plan;
 - (v) add a form of financial assistance or amend a financial assistance provision which is adopted; or
 - (vi) change the eligible Participants of the Plan.

The Directors may discontinue the Plan at any time without the consent of the Participants provided that such discontinuance shall not adversely alter or impair any Option previously granted.

Section 5.03 **Non-Assignable:** No rights under the Plan and no Option awarded pursuant to the provisions of the Plan are assignable or transferable by any Participant other than pursuant to a will or by the laws of descent and distribution.

Section 5.04 **Rights as a Shareholder:** No Optionee shall have any rights as a shareholder of the Corporation with respect to any Common Shares, which are the subject of an Option. No Optionee shall be entitled to receive, and no adjustment shall be made for, any dividends, distributions or other rights declared for shareholders of the Corporation for which the record date is prior to the date of exercise of any Option.

Section 5.05 **No Contract of Employment:** Nothing contained in the Plan shall confer or be deemed to confer upon any Participant the right to continue in the employment of, or to provide services to, the Corporation or any Designated Affiliate nor interfere or be deemed to interfere in any way with any right of the Corporation or any Designated Affiliate to discharge any Participant at any time for any reason whatsoever, with or without cause. Participation in the Plan by a Participant shall be voluntary, however a participant accepting a grant of stock options is deemed to be governed by this Plan.

Section 5.06 **Adjustment in Number of Shares Subject to the Plan:** In the event there is any change in the Common Shares, whether by reason of a stock dividend, consolidation, subdivision, reclassification or otherwise, an appropriate adjustment shall be made by the Committee in:

- (a) the number of Common Shares available under the Plan;
- (b) the number of Common Shares subject to any Option; and
- (c) the exercise price of the Common Shares subject to Options.

If the foregoing adjustment shall result in a fractional Common Share, the fraction shall be disregarded. All such adjustments shall be conclusive, final and binding for all purposes of the Plan.

Section 5.07 **Consolidation, Merger, etc.:** If there is a consolidation, merger or statutory amalgamation or arrangement of the Corporation with or into another corporation, a separation of the business of the Corporation into two or more entities or a transfer of all or substantially all of the assets of the Corporation to another entity, upon the exercise of an Option under the Plan, the holder thereof shall be entitled to receive the securities, property or cash which the holder would have received upon such consolidation, merger, amalgamation, arrangement, separation or transfer if the holder had exercised the Option immediately prior to such event, unless the Committee otherwise determines the basis upon which such Option shall be exercisable. The Committee may, in the circumstances of such a transaction, send notice to all Optionees requiring them to surrender their Options within 10 days of the mailing of such notice, and the Optionees shall be deemed to have surrendered such Options on the tenth day after the mailing of such notice without further formality.

Section 5.08 **Securities Exchange Take-over Bid:** In the event that the Corporation becomes the subject of a take-over bid (within the meaning of the *Securities Act* (British Columbia)) pursuant to which 100% of the issued and outstanding Common Shares are acquired by the offeror, either directly or as a result of the compulsory acquisition provisions of the incorporating statute, and where consideration is paid in whole or in part in equity securities of the offeror, the Committee may, in the circumstances of such a transaction, send notice to all Optionees requiring them to surrender their Options within 10 days of the mailing of such notice, and the Optionees shall be deemed to have surrendered such Options on the tenth day after the mailing of such notice without further formality, provided that:

- (a) the offeror delivers with such notice an irrevocable and unconditional offer to grant replacement options to each Optionee entitling the Optionee to acquire, upon exercise of such replacement options either: (i) the number of equity securities of the offeror and, if applicable, cash which the Optionee would have received pursuant to the take-over bid if the holder had exercised the Option immediately prior to such bid; or (ii) if the consideration payable pursuant to the bid is a combination of cash and equity securities of the offeror, the number of equity securities of the offeror, as determined by the Committee acting in good faith, that the Optionee would have received had the consideration pursuant to the bid consisted solely of equity securities; and
- (b) the surrender of Options and the granting of replacement options can be effected on a tax free rollover basis under the *Income Tax Act* (Canada).

Section 5.09 No Representation or Warranty: The Corporation makes no representation or warranty as to the future market value of any Common Shares issued in accordance with the provisions of the Plans.

Section 5.10 Compliance with Applicable Law: If any provision of the Plan or any Option contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith.

Section 5.11 Interpretation: This Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia.

AMERICAN POTASH CORP.

Schedule "B"
Audit Committee Charter

(SEE ATTACHED)

AMERICAN POTASH CORP.
(the "Company")

AUDIT COMMITTEE CHARTER
Charter of the Audit Committee of the Board of Directors of the Company

Mandate

The primary function of the Audit Committee ("**Committee**") is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the following: (a) the financial reports and other financial information provided by the Company to regulatory authorities and shareholders; (b) the Company's systems of internal controls regarding finance and accounting; and (c) 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 (i) serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements; (ii) review and appraise the performance of the Company's external auditors; (iii) provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors; and (iv) to ensure the highest standards of business conduct and ethics.

Composition

The Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the 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 the Company's 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 Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

Meetings

The Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the 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 Committee shall:

Documents/Reports Review

Review and update this Charter annually.

Review the Company's financial statements, MD&A, any annual and interim earning statements and 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 any certification, report, opinion or review rendered by the external auditors.

External Auditors

Review annually the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.

Obtain annually a formal written statement of external auditors setting forth all relationships between the external auditors and the Company.

Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.

Take or recommend that the full Board of Directors take appropriate action to oversee the independence of the external auditors.

Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.

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.

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.

Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.

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 pre-approval requirement is waived with respect to the provision of non-audit services if:

- (a) the aggregate amount of all such non-audit services provided to the Company constitutes not more than 5% of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
- (b) such services were not recognized by the Company at the time of the engagement to be non-audit services;
and

- (c) 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 Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.

Consider the external auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.

Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management,

Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.

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.

Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.

Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.

Review certification process.

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.

Review reports from persons regarding any questionable accounting, internal accounting controls or auditing matters ("**Concerns**") relating to the Company such that:

- an individual may confidentially and anonymously submit their Concerns to the Chairman of the Committee in writing, by telephone, or by e-mail;
- the Committee reviews as soon as possible all Concerns and addresses same as they deem necessary; and
- the Committee retains all records relating to any Concern reported by an individual for a period the Committee judges to be appropriate.

All of the foregoing in a manner that the individual submitting such Concerns shall have no fear of adverse consequences.