



**AVANTI GOLD CORP.**

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS  
TO BE HELD ON DECEMBER 18, 2023**

**AND**

**INFORMATION CIRCULAR**

*November 16, 2023*

*This document requires immediate attention. If you are in doubt as to how to deal with the documents or matters referred to in this notice and information circular, you should immediately contact your advisor.*

**AVANTI GOLD CORP.**  
Suite 2380 – 1055 West Hastings Street  
Vancouver, British Columbia, V6E 2E9  
Telephone: 888-795-6268

**NOTICE OF ANNUAL GENERAL MEETING**

**TO THE SHAREHOLDERS:**

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “**Meeting**”) of shareholders of Avanti Gold Corp. (the “**Company**”) will be held at the offices of Clark Wilson LLP, 900 - 885 West Georgia Street, Vancouver, British Columbia, on Monday, December 18, 2023, at the hour of 10:00 a.m. (Vancouver time) for the following purposes:

1. to receive the audited financial statements of the Company for the financial year ended April 30, 2023, and the accompanying report of the auditors;
2. to set the number of directors of the Company at three (3);
3. to elect Jonathan Hill, Mata Botima and Colin Porter as directors of the Company;
4. to appoint WDM Chartered Professional Accountants as the auditors of the Company for the financial year ending April 30, 2024 and to authorize the directors of the Company to fix the remuneration to be paid to the auditors for the financial year ending April 30, 2024; and
5. to transact such further or other business as may properly come before the Meeting and any adjournment or postponement thereof.

The accompanying information circular (the “**Information Circular**”) provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this notice of meeting (the “**Notice of Meeting**”).

The board of directors of the Company has fixed November 9, 2023 as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered shareholder at the close of business on that date is entitled to such notice and to vote at the Meeting in the circumstances set out in the accompanying Information Circular.

If you are a registered shareholder of the Company and unable to attend the Meeting in person, please vote by proxy by following the instructions provided in the form of proxy at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time and date of the Meeting or any adjournment or postponement thereof.

If you are a non-registered shareholder of the Company and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, or a trustee or administrator of a retirement savings plan, retirement income fund, education savings plan or other similar savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your securities on your behalf (each, an “**Intermediary**”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

DATED at Vancouver, British Columbia, this 16th day of November, 2023.

By Order of the Board of Directors of

**AVANTI GOLD CORP.**

*“Colin Porter”*

\_\_\_\_\_  
Colin Porter

Chief Executive Officer and Director

**PLEASE VOTE. YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU EXPECT TO  
ATTEND THE MEETING, PLEASE COMPLETE, SIGN AND DATE THE ENCLOSED  
FORM OF PROXY.**

**AVANTI GOLD CORP.**  
Suite 2380 – 1055 West Hastings Street  
Vancouver, British Columbia, V6E 2E9  
Telephone: 888-795-6268

**INFORMATION CIRCULAR**  
**December 18, 2023**

**INTRODUCTION**

This information circular (the “**Information Circular**”) accompanies the notice of annual general meeting of shareholders (the “**Notice**”) of Avanti Gold Corp. (the “**Company**”) and is furnished to shareholders (each, a “**Shareholder**”) holding common shares (each, a “**Share**”) of the Company in connection with the solicitation by the management of the Company of proxies to be voted at the annual general meeting (the “**Meeting**”) of the Shareholders to be held at 10:00 a.m. on Monday, December 18, 2023 at the offices of Clark Wilson LLP, 900 – 885 West Georgia Street, Vancouver, British Columbia, or at any adjournment or postponement thereof.

**Date and Currency**

The date of this Information Circular is November 16, 2023. Unless otherwise stated, all amounts herein are in Canadian dollars.

**PROXIES AND VOTING RIGHTS**

**Management Solicitation**

The solicitation of proxies by management of the Company will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation to any of the directors, officers and employees of the Company. The Company does not reimburse Shareholders, nominees or agents for costs incurred in obtaining from their principals authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers who are NOBOs (as defined below), and the Company will reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

**Appointment of Proxy**

Registered Shareholders are entitled to vote at the Meeting. A Shareholder is entitled to one vote for each Share that such Shareholder holds on the record date of November 9, 2023 on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting.

The persons named as proxyholders (the “**Designated Persons**”) in the enclosed form of proxy are directors and/or officers of the Company.

**A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) OTHER THAN THE DESIGNATED PERSONS NAMED IN THE ENCLOSED FORM OF PROXY TO ATTEND AND ACT FOR OR ON BEHALF OF THAT SHAREHOLDER AT THE MEETING.**

**A SHAREHOLDER MAY EXERCISE THIS RIGHT BY INSERTING THE NAME OF SUCH OTHER PERSON IN THE BLANK SPACE PROVIDED ON THE FORM OF PROXY. SUCH SHAREHOLDER SHOULD NOTIFY THE NOMINEE OF THE APPOINTMENT, OBTAIN THE NOMINEE'S CONSENT TO ACT AS PROXY AND SHOULD PROVIDE INSTRUCTION TO THE NOMINEE ON HOW THE SHAREHOLDER'S SHARES SHOULD BE VOTED. THE NOMINEE SHOULD BRING PERSONAL IDENTIFICATION TO THE MEETING.**

The Shareholder may vote by mail, by telephone or via the Internet by following instructions provided in the form of proxy at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) prior to the scheduled time of the Meeting, or any adjournment or postponement thereof. The Chairman of the Meeting, in their sole discretion, may accept completed forms of proxy on the day of the Meeting or any adjournment or postponement thereof.

A proxy may not be valid unless it is dated and signed by the Shareholder who is giving it or by that Shareholder's attorney-in-fact duly authorized by that Shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer or attorney-in-fact for the corporation. If a form of proxy is executed by an attorney-in-fact for an individual Shareholder or joint Shareholders, or by an officer or attorney-in-fact for a corporate Shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarially certified copy thereof, must accompany the form of proxy.

#### **Revocation of Proxies**

A Shareholder who has given a proxy may revoke it at any time before it is exercised by an instrument in writing: (a) executed by that Shareholder or by that Shareholder's attorney-in-fact authorized in writing or, where the Shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation; and (b) delivered either: (i) to the Company at the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof, (ii) to the Chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either: (i) attendance at the Meeting and participation in a poll (ballot) by a Shareholder, or (ii) submission of a subsequent proxy in accordance with the foregoing procedures. A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

#### **Voting of Shares and Proxies and Exercise of Discretion by Designated Persons**

A Shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space on the proxy. **The Shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.**

**IF NO CHOICE IS SPECIFIED IN THE PROXY WITH RESPECT TO A MATTER TO BE ACTED UPON, THE PROXY CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO THAT MATTER UPON THE DESIGNATED PERSONS NAMED IN THE FORM OF PROXY. IT IS INTENDED THAT THE DESIGNATED PERSONS WILL VOTE THE SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice. At the date of this Information Circular, management of the Company is not aware of any such amendments, variations or other matters to come before the Meeting.

In the case of abstentions from, or withholding of, the voting of the Shares of a Shareholder on any matter, the Shares that are the subject of the abstention or withholding will be counted for determination of a quorum, but will not be counted as affirmative or negative on the matter to be voted upon.

### **ADVICE TO BENEFICIAL SHAREHOLDERS**

**The information set out in this section is of significant importance to those Shareholders who do not hold Shares in their own name. Shareholders who do not hold their Shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Shares can be recognized and acted upon at the Meeting.** If Shares are listed in an account statement provided by a broker, then in almost all cases those Shares will not be registered in the Beneficial Shareholder's name on the records of the Company. Such Shares will more likely be registered under the names of the Beneficial Shareholder's broker or an agent of that broker. In the United States, the vast majority of such Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). **Beneficial Shareholders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person well in advance of the Meeting.**

The Company does not have access to the names of all of Beneficial Shareholders. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the form of proxy provided to registered Shareholders by the Company. However, its purpose is limited to instructing the registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge typically prepares a special voting instruction form, mails this form to the Beneficial Shareholders and asks for appropriate instructions regarding the voting of Shares to be voted at the Meeting. If Beneficial Shareholders receive the voting instruction forms from Broadridge, they are requested to complete and return the voting instruction forms to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free number and access Broadridge's dedicated voting website (each as noted on the voting instruction form) to deliver their voting instructions and to vote the Shares held by them. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Broadridge voting instruction form cannot use that form as a proxy to vote Shares directly at the**

**Meeting – the voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have the applicable Shares voted at the Meeting.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of his, her or its broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered Shareholder and vote the Shares in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Shares as proxyholder for the registered Shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

Alternatively, a Beneficial Shareholder may request in writing that their or its broker send to the Beneficial Shareholder a legal proxy which would enable the Beneficial Shareholder to attend at the Meeting and vote his, her or its Shares.

Beneficial Shareholders consist of non-objecting beneficial owners (each, a “**NOBO**”) and objecting beneficial owners (each, an “**OBO**”). A NOBO is a beneficial owner of securities that has provided instructions to an intermediary holding the securities in an account on behalf of the beneficial owner that the beneficial owner does not object, for that account, to the intermediary disclosing ownership information about the beneficial owner under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) of the Canadian Securities Administrators. An OBO means a beneficial owner of securities that has provided instructions to an intermediary holding the securities in an account on behalf of the beneficial owner that the beneficial owner objects, for that account, to the intermediary disclosing ownership information about the beneficial owner under NI 54-101.

The materials are being sent to both registered and non-registered owners of the Shares. If you are a Beneficial Shareholder and the Company or its agent has sent the materials directly to you, your name and address and information about your holdings of the Company's securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. The Company is sending proxy-related materials directly to non-objecting beneficial owners of the Shares. By choosing to send the materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering the materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the proxy.

The Company is sending proxy-related materials directly to NOBOs of the Shares. The Company will not pay for the delivery of proxy-related materials to OBOs of the Shares under NI 54-101 and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*. The OBOs of the Shares will not receive the materials unless their intermediary assumes the costs of delivery.

All references to Shareholders in this Information Circular are to registered Shareholders, unless specifically stated otherwise.

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

The Company is authorized to issue an unlimited number of Shares without par value. As of the record date, determined by the board of directors of the Company (the “**Board**”) to be the close of business on November 9, 2023 a total of 46,679,311 Shares were issued and outstanding. Each Share carries the right to one vote at the Meeting.

Only registered Shareholders as of the record date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting.

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

### **FINANCIAL STATEMENTS**

The audited financial statements of the Company for the year ended April 30, 2023, together with the auditor's report thereon, will be presented to the Shareholders at the Meeting. The Company's financial statements and management discussion and analysis are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### **NUMBER OF DIRECTORS**

At the Meeting, Shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company at three (3). An ordinary resolution needs to be passed by a simple majority of the votes cast by the Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

**Management recommends the approval of setting the number of directors of the Company at three (3).**

### **ELECTION OF DIRECTORS**

At present, the directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting, or until their successors are duly elected or appointed in accordance with the Company's Articles or until such director's earlier death, resignation or removal.

Management of the Company proposes to nominate all of the current directors of the Company, as set out in the table below, for election by the Shareholders as directors of the Company. Information concerning such persons, as furnished by the individual nominees, is as follows:



Name, Place of Residence and Position(s) with the Company	Principal Occupation, Business or Employment for Last Five Years <sup>(1)</sup>	Director Since	Number of Shares Owned <sup>(1)</sup>
<p>Colin Porter<sup>(2)</sup> County Down, Northern Ireland</p> <p><i>Chief Executive Officer, and Director</i></p>	<p>Dr. Colin Porter is a geologist with over 25 years' experience in exploration, project management and applied structural geology across Africa. Dr. Porter's expertise spans a wide range of gold mineralization systems including Archaean, Proterozoic and Pan-African orogenic deposits and districts of Africa. Previous roles include Structural Geologist for AngloGold Ashanti, Africa Region with extensive experience in the Birimian craton of West Africa, which included planning and implementation of deposit scale and brownfields exploration at several of Africa's largest mines including (Obuasi, Geita, Sadiola, Morila, Siguiri). Dr. Porter is also well experienced in target generation, design and implementation of exploration programmes at numerous African gold projects including Banfora, (Burkina Fas, Salman/Anwia (Ghana) and Konongo, Ghana. Dr. Porter was the head of exploration and managed all exploration activities at the Zani-Kodo gold project in NE DR Congo, from instigation to definition of a 3Moz resource.</p> <p>Dr. Porter holds a BSc (Hons) in geology from Queen's University Belfast, a PhD in geology from University of Southampton and is a member of the Australian Institute of Mining and Metallurgy.</p>	<p>September 27, 2023</p>	<p>Nil<sup>(3)</sup></p>
<p>Mata Botima<sup>(2)</sup> Sandton, South Africa</p> <p><i>Director</i></p>	<p>Mr. Mata Botima is BHP Billiton's former Country President (DRC), Mr. Botima is a high energy, self-motivated, seasoned, well-travelled and globally exposed Executive, Director and Business Strategist. A trained Metallurgical Engineer, he has more than 25 years' experience in the natural resources industries, with a specific focus in developed and emerging markets across Sub-Saharan Africa.</p> <p>Mr. Botima has held senior positions at Bateman Engineering, Mogale Alloys and Mintek, spanning from Business Development Executive, Production Manager and Senior R&amp;D Engineer. He possesses valuable experience in metal and Ferro-alloys processing and production, (ranging from ferro-nickel, ferro-chrome, ferro-manganese, silicomanganese, aluminium, Magnesium), as well as in the various beneficiation processes for precious metals and base metals.</p> <p>Specializing in project identification, evaluation, strategy development and implementation as well as plant operation management, his previous positions include being an Executive Director of Blackstone Resources responsible for the natural resource's strategy development, and he also led SAF Energy, an electricity generation and transmission entity purposed with supplying electricity to Cabinda in Angola. He was also a Chief Strategist at Syntech, an innovative technology company where he was responsible for the company's growth strategy. He is currently an independent Consultant to Compagnie Minière de Tondo where he is driving the development of a Tier One copper cobalt deposit.</p>	<p>April 4, 2023</p>	<p>Nil<sup>(4)</sup></p>

Name, Place of Residence and Position(s) with the Company	Principal Occupation, Business or Employment for Last Five Years <sup>(1)</sup>	Director Since	Number of Shares Owned <sup>(1)</sup>
Jonathan Hill <sup>(2)</sup> Santa Catarina, Brazil  <i>Director</i>	Mr. Hill is an economic geologist with over 35 years of experience globally, in exploration, project development and mining operations and has been directly involved in the discovery of several world-class projects within both greenfield and brownfield areas.  As principal advisor at Exploration Outcomes Ltd, which he founded in 2017. Mr. Hill provides specialist support to a number of companies including Jaguar Mining (TSX-JAG), Lavras Gold (TSX-V: LGC) and Santana Resources (TSX-V: STA).  Mr. Hill is non executive director and chairman of Royal Road Minerals (TSX-V: RYR) and a non executive director of Stratabound Minerals (TSX-V: SB). He holds a BSc (Hons) Economic Geology from the University of Cape Town, South Africa and BAppSc. Applied geology from the Queensland University of Technology, Australia and is a fellow of the Australian Institute of Mining and Metallurgy.	March 28, 2023	Nil <sup>(5)</sup>

(1) Information has been furnished by the respective nominees individually.

(2) Member of the Audit Committee.

(3) This number does not include an aggregate of 500,000 options held directly, each of which is exercisable into one Share at a price of \$0.51 per Share until March 20, 2026.

(4) This number does not include an aggregate of 250,000 options held directly, each of which is exercisable into one Share at a price of \$0.51 per Share until March 20, 2026.

(5) This number does not include an aggregate of 250,000 options held directly, each of which is exercisable into one Share at a price of \$0.51 per Share until March 20, 2026.

It is the responsibility of the Insiders (as defined herein, including the directors and officers of the Company) to file in a timely fashion all of their transactions on [www.sedi.ca](http://www.sedi.ca), which the Company has relied on for the information contained in the Information Circular.

Management does not contemplate that any of its nominees will be unable to serve as directors. If any vacancies occur in the slate of nominees listed above before the Meeting, then the Designated Persons intend to exercise discretionary authority to vote the Shares represented by proxies for the election of any other persons as directors.

**Management recommends the election of each of the nominees listed above as a director of the Company.**

*Orders*

To the best of management's knowledge, no proposed director of the Company is, or within the ten (10) years before the date of this Information Circular has been, a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

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

#### *Bankruptcies*

To the best of management's knowledge, no proposed director of the Company is, or within ten (10) years before the date of this Information Circular, has been, a director or an executive officer of any company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets or made a proposal under any legislation relating to bankruptcies or insolvency.

#### *Penalties and Sanctions*

To the best of management's knowledge, no proposed director of the Company has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

### **STATEMENT OF EXECUTIVE COMPENSATION**

#### **General**

For the purpose of this statement of executive compensation (the "**Statement of Executive Compensation**"):

"**compensation securities**" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries (if any) for services provided or to be provided, directly or indirectly to the Company or any of its subsidiaries (if any);

"**NEO**" or "**named executive officer**" means:

- (a) each individual who served as chief executive officer ("**CEO**") of the Company, or who performed functions similar to a CEO, during any part of the most recently completed financial year,
- (b) each individual who served as chief financial officer ("**CFO**") of the Company, or who performed functions similar to a CFO, during any part of the most recently completed financial year,
- (c) the most highly compensated executive officer of the Company or any of its subsidiaries (if any) other than individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for that financial year, and

- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries (if any), nor acting in a similar capacity, at the end of that financial year;

“**plan**” includes any plan, contract, authorization or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons; and

“**underlying securities**” means any securities issuable on conversion, exchange or exercise of compensation securities.

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

The following table sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company or any subsidiary thereof to each NEO and each director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Company or any subsidiary thereof for each of the two most recently completed financial years, other than stock options and other compensation securities:

Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites <sup>(1)</sup> (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Colin Porter <sup>(2)</sup> <i>Chief Executive Officer and Director</i>	2023	N/A	N/A	N/A	N/A	N/A	N/A
	2022	N/A	N/A	N/A	N/A	N/A	N/A
Natalie Davies <sup>(3)</sup> <i>Chief Financial Officer and Corporate Secretary</i>	2023	N/A	N/A	N/A	N/A	N/A	N/A
	2022	N/A	N/A	N/A	N/A	N/A	N/A
Mata Botima <sup>(4)</sup> <i>Director</i>	2023	N/A	N/A	N/A	N/A	N/A	N/A
	2022	N/A	N/A	N/A	N/A	N/A	N/A
Jonathan Hill <sup>(5)</sup> <i>Director</i>	2023	N/A	N/A	N/A	N/A	N/A	N/A
	2022	N/A	N/A	N/A	N/A	N/A	N/A
Tony Louie <sup>(6)</sup> <i>Former Interim Chief Executive Officer and Director</i>	2023	114,000	Nil	Nil	Nil	Nil	Nil
	2022	114,000	Nil	Nil	Nil	Nil	114,000

Tammy Gillis <sup>(7)</sup> <i>Former CFO</i>	2023	24,000	Nil	Nil	Nil	Nil	24,000
	2022	24,000	Nil	Nil	Nil	Nil	24,000
Drew Brass <sup>(8)</sup> <i>Former Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Young Yeun <sup>(9)</sup> <i>Former Director</i>	2023	N/A	N/A	N/A	N/A	N/A	N/A
	2022	Nil	Nil	Nil	Nil	Nil	Nil

- (1) **“Perquisites”** include perquisites provided to an NEO or director that are not generally available to all employees and that, in aggregate, are: (a) \$15,000, if the NEO or director’s total salary for the financial year is \$150,000 or less, (b) 10% of the NEO or director’s salary for the financial year if the NEO or director’s total salary for the financial year is greater than \$150,000 but less than \$500,000, or (c) \$50,000 if the NEO or director’s total salary for the financial year is \$500,000 or greater.
- (2) Colin Porter was appointed a director of the Company on September 27, 2023 and CEO of the Company on May 1, 2023.
- (3) Natalie Davies was appointed as CFO and Corporate Secretary on October 30, 2023.
- (4) Mata Botima was appointed a director of the Company on April 4, 2023.
- (5) Jonathan Hill was appointed a director of the Company on March 28, 2023.
- (6) Tony Louie was appointed a director of the Company on August 26, 2019 and Interim CEO of the Company on January 9, 2021. Mr. Louie resigned as Interim CEO of the Company on May 1, 2023 and as a director of the Company on September 27, 2023.
- (7) Tammy Gillis was appointed as CFO of the Company on April 30, 2021. Ms. Gillis resigned as CFO of the Company on September 28, 2023.
- (8) Drew Brass was appointed a director of the Company on April 30, 2021. Mr. Brass resigned as a director of the Company on September 27, 2023.
- (9) Young Yeun was appointed a director of the Company on November 16, 2021. Mr. Yeun resigned as a director of the Company on April 4, 2023.

### External Management Companies

The Company has not engaged the services of an external management company to provide executive management services to the Company, directly or indirectly.

### Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each director and NEO by the Company or any subsidiary thereof in the year April 30, 2023 for services provided, or to be provided, directly or indirectly, to the Company or any subsidiary thereof:

Name and Position	Type of Compensation Security	Number of Underlying Securities /Percentage of Class	Date of Issue or Grant	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant	Closing Price of Security or Underlying Security at Year End	Expiry Date
Colin Porter <i>CEO and Director</i>	Stock Options	500,000 / 500,000 / 11.67%	March 20, 2023	\$0.51	\$0.045	\$0.05	March 20, 2026
Mata Botima <i>Director</i>	Stock Options	250,000 / 250,000 / 5.84%	March 20, 2023	\$0.51	\$0.045	\$0.05	March 20, 2026
Jonathan Hill <i>Director</i>	Stock Options	250,000 / 250,000 / 5.84%	March 20, 2023	\$0.51	\$0.045	\$0.05	March 20, 2026

As at April 30, 2023:

- (a) Colin Porter, the CEO and a director of the Company owned an aggregate of 500,000 compensation securities directly, comprised solely of stock options, each of which is exercisable into one Share of the Company at a price of \$0.51 per Share until March 20, 2026;
- (b) Natalie Davies, the CFO and Corporate Secretary of the Company, did not own any compensation securities;
- (c) Mata Botima, a director of the Company owned an aggregate of 250,000 compensation securities directly, comprised solely of stock options, each of which is exercisable into one Share of the Company at a price of \$0.51 per Share until March 20, 2026;
- (d) Jonathan Hill, a director of the Company owned an aggregate of 250,000 compensation securities directly, comprised solely of stock options, each of which is exercisable into one Share of the Company at a price of \$0.51 per Share until March 20, 2026;
- (e) Tony Louie, the former interim CEO and a former director of the Company, owned an aggregate of 100,000 compensation securities directly, comprised solely of stock options, each of which is exercisable into one Share of the Company at a price of \$10.15 per Share until May 27, 2026;
- (f) Tammy Gillis, the former CFO of the Company, owned an aggregate of 17,143 compensation securities directly, comprised solely of stock options, each of which is exercisable into one Share of the Company at a price of \$10.15 per Share until May 27, 2026;
- (g) Drew Brass, a former director of the Company, owned an aggregate of 8,571 compensation securities directly, comprised solely of stock options, each of which is exercisable into one Share of the Company at a price of \$10.15 per Share until May 27, 2026; and

- (h) Young Yuen, a former director of the Company, did not own any compensation securities.

### **Vesting and Conditions of Compensation Securities**

The compensation securities are subject to the conditions and restrictions contained in the Stock Option Plan, as outlined below. The compensation securities currently held by Tony Louie, Tammy Gillis and Drew Brass vested on the date of grant. The compensation securities currently held by Colin Porter, Mata Botima and Jonathan Hill vest as to: (i) 25% on the date of grant; (ii) 25% on the date that is 6 months from the date of grant; (iii) 25% on the date that is 12 months from the date of grant; and (iv) 25% on the date that is 18 months from the date of grant.

Unless the Company permits otherwise, the NEO or director of the Company which holds Options (as defined below) shall pay the Company in cash all local, provincial and federal withholding taxes applicable to the grant or exercise of the options, or the transfer or other disposition of Shares acquired upon exercise of the options. The 2022 Plan Administrator (as defined in the 2022 Plan) may require that an NEO or director pay to the Company the minimum amount as the Company or a subsidiary of the Company is obliged to withhold or remit to the relevant taxing authority in respect of the granting, vesting or settlement of the Option. Any such additional payment is due no later than the date on which such amount with respect to the Options is required to be remitted to the relevant tax authority by the Company or a subsidiary of the Company, as the case may be. Alternatively, and subject to any requirements or limitations under applicable law, the Company or any Affiliate may (a) withhold such amount from any remuneration or other amount payable by the Company or any Affiliate to the Participant, (b) require the sale, on behalf of the applicable NEO or director, of a number of Shares issued upon exercise, vesting, or settlement of such Option and the remittance to the Company of the net proceeds from such sale sufficient to satisfy such amount, or (c) enter into any other suitable arrangements for the receipt of such amount.

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

On November 23, 2022, the Board adopted the Omnibus Equity Incentive Plan (the “**2022 Plan**”). The 2022 Plan provides flexibility to the Company to grant equity-based incentive awards in the form of options (“**Options**”), restricted share units (“**RSUs**”), performance share units (“**PSUs**”) and deferred share units (“**DSUs**”). The purpose of the Company’s Plan is to, among other things, provide the Company with a share related mechanism to attract, retain and motivate qualified directors, officers, employees and consultants of the Company and its subsidiaries, to reward such of those directors, officers, employees and consultants as may be granted awards under the 2022 Plan by the Board from time to time for their contributions toward the long-term goals and success of the Company and to enable and encourage such directors, officers, employees and consultants to acquire Shares as long-term investments and proprietary interests in the Company.

### **Key Terms of the Omnibus Equity Incentive Plan**

#### *Shares Subject to the 2022 Plan*

The 2022 Plan is a rolling plan which, subject to the adjustment provisions provided for therein (including a subdivision or consolidation of Shares), provides that the aggregate maximum number of Shares that may be issued upon the exercise or settlement of awards granted under the 2022 Plan shall not exceed 20% of the Company’s issued and outstanding Shares from time to time. The 2022 Plan is considered an “evergreen” plan, since the Shares covered by awards which have been exercised, settled or terminated shall be available for subsequent grants under the 2022 Plan and the number of awards available to grant increases as the number of issued and outstanding Shares increases.

### *Administration of the 2022 Plan*

The 2022 Plan Administrator (as defined in the 2022 Plan) is determined by the Board, and is initially the Board. The 2022 Plan may in the future continue to be administered by the Board itself or delegated to a committee of the Board. The 2022 Plan Administrator determines which directors, officers, consultants and employees are eligible to receive awards under the 2022 Plan, the time or times at which awards may be granted, the conditions under which awards may be granted or forfeited to the Company, the number of Shares to be covered by any award, the exercise price of any award, whether restrictions or limitations are to be imposed on the Shares issuable pursuant to grants of any award, and the nature of any such restrictions or limitations, any acceleration of exercisability or vesting, or waiver of termination regarding any award, based on such factors as the 2022 Plan Administrator may determine.

In addition, the 2022 Plan Administrator interprets the 2022 Plan and may adopt guidelines and other rules and regulations relating to the 2022 Plan, and make all other determinations and take all other actions necessary or advisable for the implementation and administration of the 2022 Plan.

### *Eligibility*

All directors, officers, employees and consultants are eligible to participate in the 2022 Plan. The extent to which any such individual is entitled to receive a grant of an award pursuant to the 2022 Plan will be determined in the sole and absolute discretion of the 2022 Plan Administrator.

### *Types of Awards*

Awards of Options, RSUs, PSUs and DSUs may be made under the 2022 Plan. All of the awards described below are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined by the 2022 Plan Administrator, in its sole discretion, subject to such limitations provided in the 2022 Plan, and will generally be evidenced by an award agreement. In addition, subject to the limitations provided in the 2022 Plan and in accordance with applicable law, the 2022 Plan Administrator may accelerate or defer the vesting or payment of awards, cancel or modify outstanding awards, and waive any condition imposed with respect to awards or Shares issued pursuant to awards.

### Options

An Option entitles a holder thereof to purchase a prescribed number of treasury Shares at an exercise price set at the time of the grant. The 2022 Plan Administrator will establish the exercise price at the time each Option is granted, which exercise price must in all cases be the greater of the closing market price of the Shares on (i) the trading day prior to the date of grant and (ii) the date of grant, and as otherwise required pursuant to the policies of the any stock exchange on which the Shares are listed (the “**Market Price**”), unless otherwise permitted by applicable securities laws or the policies of a stock exchange on which the Shares are listed. Subject to any accelerated termination as set forth in the 2022 Plan, each Option expires on its respective expiry date, provided such expiry date does not exceed 10 years. The 2022 Plan Administrator will have the authority to determine the vesting terms applicable to grants of Options. Once an Option becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the Option, unless otherwise specified by the 2022 Plan Administrator or as otherwise set forth in any written employment agreement, award agreement or other written agreement between the Company or a subsidiary of the Company and the participant. The 2022 Plan Administrator has the right to accelerate the date upon which any Option becomes exercisable. The 2022 Plan Administrator may provide at the time of granting an Option that the exercise of that Option is subject to restrictions, in addition to those specified in the 2022 Plan, such as vesting conditions relating to the attainment of specified performance goals.



Unless otherwise specified by the 2022 Plan Administrator at the time of granting an Option and set forth in the particular award agreement, an exercise notice must be accompanied by payment of the exercise price. Subject to the policies of any stock exchange on which the Shares are listed, a participant may, in lieu of exercising an Option pursuant to an exercise notice, elect to surrender such Option to the Company (a “**Cashless Exercise**”) in consideration for an amount from the Company equal to (i) the Market Price of the Shares issuable on the exercise of such Option (or portion thereof) as of the date such Option (or portion thereof) is exercised, less (ii) the aggregate exercise price of the Option (or portion thereof) surrendered relating to such Shares (the “**In-the-Money Amount**”) by written notice to the Company indicating the number of Options such participant wishes to exercise using the Cashless Exercise, and such other information that the Company may require. Subject to the provisions of the 2022 Plan and the policies of any stock exchange on which the Shares are listed, the Company will satisfy payment of the In-the-Money Amount by delivering to the participant such number of Shares having a fair market value equal to the In-the-Money Amount.

### Restricted Share Units

An RSU is a unit equivalent in value to a Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive one Share (or the value thereof) for each RSU after a specified vesting period. The 2022 Plan Administrator may, from time to time, subject to the provisions of the 2022 Plan and such other terms and conditions as the 2022 Plan Administrator may prescribe, grant RSUs to any participant in respect of a bonus or similar payment in respect of services rendered by the applicable participant in a taxation year (the “**RSU Service Year**”).

The number of RSUs (including fractional RSUs) granted at any particular time under the 2022 Plan will be calculated by dividing (a) the amount of any bonus or similar payment that is to be paid in RSUs, as determined by the 2022 Plan Administrator, by (b) the greater of (i) the Market Price of a Share on the date of grant and (ii) such amount as determined by the 2022 Plan Administrator in its sole discretion. The 2022 Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of RSUs, provided that the terms comply with Section 409A of the U.S. Internal Revenue Code, to the extent applicable.

Upon settlement, holders will redeem each vested RSU for the following at the election of such holder but subject to the approval of the 2022 Plan Administrator: (a) one fully paid and non-assessable Share in respect of each vested RSU, (b) a cash payment or (c) a combination of Shares and cash. Any such cash payments made by the Company shall be calculated by multiplying the number of RSUs to be redeemed for cash by the Market Price per Share as at the settlement date. Subject to the provisions of the 2022 Plan and except as otherwise provided in an award agreement, no settlement date for any RSU shall occur, and no Share shall be issued or cash payment shall be made in respect of any RSU any later than the final business day of the third calendar year following the applicable RSU Service Year.

### Performance Share Units

A PSU is a unit equivalent in value to a Share credited by means of a bookkeeping entry in the books of the Company, which entitles the holder to receive one Share (or the value thereof) for each PSU after specific performance-based vesting criteria determined by the 2022 Plan Administrator, in its sole discretion, have been satisfied. The performance goals to be achieved during any performance period, the length of any performance period, the amount of any PSUs granted, the effect of termination of a participant’s service and the amount of any payment or transfer to be made pursuant to any PSU will be determined by the 2022 Plan Administrator and by the other terms and conditions of any PSU, all as set forth in the applicable award agreement. The 2022 Plan Administrator may, from time to time, subject to the provisions of the 2022 Plan and such other terms and conditions as the 2022 Plan Administrator may

prescribe, grant PSUs to any participant in respect of a bonus or similar payment in respect of services rendered by the applicable participant in a taxation year (the “**PSU Service Year**”).

The 2022 Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of PSUs. Upon settlement, holders will redeem each vested PSU for the following at the election of such holder but subject to the approval of the 2022 Plan Administrator: (a) one fully paid and non-assessable Share in respect of each vested PSU, (b) a cash payment, or (c) a combination of Shares and cash. Any such cash payments made by the Company to a participant shall be calculated by multiplying the number of PSUs to be redeemed for cash by the Market Price per Share as at the settlement date. Subject to the provisions of the 2022 Plan and except as otherwise provided in an award agreement, no settlement date for any PSU shall occur, and no Share shall be issued or cash payment shall be made in respect of any PSU any later than the final business day of the third calendar year following the applicable PSU Service Year.

#### Deferred Share Units

A DSU is a unit equivalent in value to a Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive one Share (or, at the election of the holder and subject to the approval of the 2022 Plan Administrator, the cash value thereof) for each DSU on a future date. The Board may fix from time to time a portion of the total compensation (including annual retainer) paid by the Company to a director in a calendar year for service on the Board (the “**Director Fees**”) that are to be payable in the form of DSUs. In addition, each director is given, subject to the provisions of the 2022 Plan, the right to elect to receive a portion of the cash Director Fees owing to them in the form of DSUs.

Except as otherwise determined by the 2022 Plan Administrator or as set forth in the particular award agreement, DSUs shall vest immediately upon grant. The number of DSUs (including fractional DSUs) granted at any particular time will be calculated by dividing (a) the amount of Director Fees that are to be paid in DSUs, as determined by the 2022 Plan Administrator, by (b) the Market Price of a Share on the date of grant. Upon settlement, holders will redeem each vested DSU for: (a) one fully paid and non-assessable Share issued from treasury in respect of each vested DSU, or (b) at the election of the holder and subject to the approval of the 2022 Plan Administrator, a cash payment on the date of settlement. Any cash payments made under the 2022 Plan by the Company to a participant in respect of DSUs to be redeemed for cash shall be calculated by multiplying the number of DSUs to be redeemed for cash by the Market Price per Share as at the settlement date.

#### *Dividend Equivalents*

Except as otherwise determined by the 2022 Plan Administrator or as set forth in the particular award agreement, RSUs, PSUs and DSUs shall be credited with dividend equivalents in the form of additional RSUs, PSUs and DSUs, as applicable, as of each dividend payment date in respect of which normal cash dividends are paid on Shares. Dividend equivalents shall vest in proportion to, and settle in the same manner as, the awards to which they relate. Such dividend equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of RSUs, PSUs and DSUs, as applicable, held by the participant on the record date for the payment of such dividend, by (b) the Market Price at the close of the first business day immediately following the dividend record date, with fractions computed to three decimal places.

#### *Black-out Periods*

In the event an award expires, at a time when a scheduled blackout is in place or an undisclosed material change or material fact in the affairs of the Company exists, the expiry of such award will be the date that

is 10 business days after which such scheduled blackout terminates or there is no longer such undisclosed material change or material fact.

*Term*

While the does not stipulate a specific term for awards granted thereunder, as discussed below, awards may not expire beyond 10 years from its date of grant, except where shareholder approval is received or where an expiry date would have fallen within a blackout period of the Company. All awards must vest and settle in accordance with the provisions of the 2022 Plan and any applicable award agreement, which award agreement may include an expiry date for a specific award.

*Termination of Employment or Services*

The following table describes the impact of certain events upon the participants under the 2022 Plan, including termination for cause, resignation, termination without cause, disability, death or retirement, subject, in each case, to the terms of a participant’s applicable employment agreement, award agreement or other written agreement:

Event	Provisions
Termination for Cause/Resignation	Any Option or other award held by the participant that has not been exercised, surrendered or settled as of the Termination Date (as defined in the 2022 Plan) shall be immediately forfeited and cancelled as of the Termination Date.
Termination without Cause	A portion of any unvested Options or other awards shall be immediately forfeited and cancelled as of the Termination Date. Any vested Options may be exercised by the participant at any time during the period that terminates on the earlier of: (A) the expiry date of such Option; and (B) the date that is 90 days after the Termination Date. If an Option remains unexercised upon the earlier of (A) or (B), the Option shall be immediately forfeited and cancelled for no consideration upon the termination of such period. In the case of a vested award other than an Option, such award will be settled within 90 days after the Termination Date.
Disability	Any award held by the participant that has not vested as of the date of such participant’s Termination Date shall be immediately forfeited and cancelled as of the Termination Date. Any vested Option may be exercised by the participant at any time until the expiry date of such Option. Any vested award other than an Option will be settled within 90 days after the Termination Date.
Death	Any award that is held by the participant that has not vested as of the date of the death of such participant shall be immediately forfeited and cancelled as of the Termination Date. Any vested Option may be exercised by the participant’s beneficiary or legal representative (as applicable) at any time during the period that terminates on the earlier of: (a) the expiry date of such Option, and (b) the first anniversary of the date of the death of such participant. If an Option remains unexercised upon the earlier of (A) or (B), the Option shall be immediately forfeited and cancelled for no consideration upon the termination of such period. In the case of a vested award other than an Option, such award will be settled with the participant’s beneficiary or legal representative (as applicable) within 90 days after the date of the participant’s death.

Retirement	Any (i) outstanding award that vests or becomes exercisable based solely on the participant remaining in the service of the Company or its subsidiary will become 100% vested, and (ii) outstanding award that vests based on the achievement of Performance Goals (as defined in the 2022 Plan) that has not previously become vested shall continue to be eligible to vest based upon the actual achievement of such Performance Goals. Any vested Option may be exercised by the participant at any time during the period that terminates on the earlier of: (A) the expiry date of such Option; and (B) the third anniversary of the participant's date of retirement. If an Option remains unexercised upon the earlier of (A) or (B), the Option shall be immediately forfeited and cancelled for no consideration upon the termination of such period. In the case of a vested award other than an Option that is described in (i), such award will be settled within 90 days after the participant's retirement. In the case of a vested award other than an Option that is described in (ii), such award will be settled at the same time the award would otherwise have been settled had the participant remained in active service with the Company or its subsidiary. Notwithstanding the foregoing, if, following his or her retirement, the participant commences (the " <b>Commencement Date</b> ") employment, consulting or acting as a director of the Company or any of its subsidiaries (or in an analogous capacity) or otherwise as a service provider to any person that carries on or proposes to carry on a business competitive with the Company or any of its subsidiaries, any Option or other award held by the participant that has not been exercised or settled as of the Commencement Date shall be immediately forfeited and cancelled as of the Commencement Date.
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*Change in Control*

Unless otherwise determined by the 2022 Plan Administrator, if, as a result of a Change in Control, the Shares will cease trading on the Canadian Securities Exchange, the Company may terminate all of the awards, other than an Option held by a participant that is a resident of Canada for the purposes of the Income Tax Act (Canada), granted under the 2022 Plan at the time of and subject to the completion of the Change in Control transaction by paying to each holder at or within a reasonable period of time following completion of such Change in Control transaction an amount for each Award equal to the fair market value of the Award held by such participant as determined by the 2022 Plan Administrator, acting reasonably, provided that any vested awards granted to U.S. Taxpayers (as defined in the Long Term Incentive Plan) will be settled within 90 days of the Change in Control.

Subject to certain exceptions, a "**Change in Control**" includes (a) any transaction pursuant to which a person or group acquires more than 50% of the outstanding Shares, (b) the sale of all or substantially all of the Company's assets, (c) the dissolution or liquidation of the Company, (d) the acquisition of the Company via consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise, (e) individuals who comprise the Board at the last annual meeting of shareholders (the "**Incumbent Board**") cease to constitute at least a majority of the Board, unless the election, or nomination for election by the shareholders, of any new director was approved by a vote of at least a majority of the Incumbent Board, in which case such new director shall be considered as a member of the Incumbent Board, or (f) any other event which the Board determines to constitute a change in control of the Company.

*Non-Transferability of Awards*

Except as permitted by the 2022 Plan Administrator and to the extent that certain rights may pass to a beneficiary or legal representative upon death of a participant, by will or as required by law, no assignment or transfer of awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such awards whatsoever in any assignee or transferee and immediately upon any

assignment or transfer, or any attempt to make the same, such awards will terminate and be of no further force or effect. To the extent that certain rights to exercise any portion of an outstanding award pass to a beneficiary or legal representative upon the death of a participant, the period in which such award can be exercised by such beneficiary or legal representative shall not exceed one year from the participant's death.

*Amendments to the 2022 Plan*

The 2022 Plan Administrator may also from time to time, without notice and without approval of the holders of voting Shares, amend, modify, change, suspend or terminate the 2022 Plan or any awards granted pursuant thereto as it, in its discretion, determines appropriate, provided that (a) no such amendment, modification, change, suspension or termination of the 2022 Plan or any award granted pursuant thereto may materially impair any rights of a participant or materially increase any obligations of a participant under the 2022 Plan without the consent of such participant, unless the 2022 Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable securities laws or stock exchange requirements, and (b) any amendment that would cause an award held by a U.S. Taxpayer to be subject to the income inclusion under Section 409A of the United States Internal Revenue Code, as amended, shall be null and void ab initio.

Notwithstanding the above, and subject to the rules of any applicable stock exchange, the approval of Shareholders is required to effect any of the following amendments to the 2022 Plan:

1. increasing the number of Shares reserved for issuance under the 2022 Plan, except pursuant to the provisions in the 2022 Plan which permit the 2022 Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;
2. reducing the exercise price of an Option award except pursuant to the provisions in the 2022 Plan which permit the 2022 Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;
3. extending the term of an Option award beyond the original expiry date (except where an expiry date would have fallen within a blackout period applicable to the participant or within 10 business days following the expiry of such a blackout period);
4. permitting an Option award to be exercisable beyond 10 years from its date of grant (except where an expiry date would have fallen within a blackout period);
5. changing the eligible participants; and
6. deleting or otherwise limiting the amendments that require approval of the shareholders.

Except for the items listed above, amendments to the 2022 Plan will not require shareholder approval. Such amendments include (but are not limited to): (a) amending the general vesting provisions of an award, (b) amending the provisions for early termination of awards in connection with a termination of employment or service, (c) adding covenants of the Company for the protection of the participants, (d) amendments that are desirable as a result of changes in law in any jurisdiction where a participant resides, and (e) curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error.

### *Anti-Hedging Policy*

Participants are restricted from purchasing financial instruments such as 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 awards granted to them.

A copy of the 2022 Plan is available at the registered offices of the Company, at 800 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3H1 during normal business hours up to and including the date of the Meeting and is attached to the Company's Information Circular dated November 23, 2022 as Schedule "B" and filed under the Company's profile at SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

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

Except as described below and elsewhere in this Information Circular, the Company has not entered into any agreements or arrangements under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Company that were performed by a director or NEO or performed by another party but are services typically provided by a director or NEO.

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

The Company does not have a formal compensation program. The general objectives of the Company's compensation strategy are to: (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interests of shareholders; (c) provide a compensation package that is proportionate with other junior companies in the mining and development sector to enable the Company to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Company is under by virtue of the fact that it is a junior Company without a history of earnings.

The Board ensures that total compensation paid to all NEOs is fair and reasonable. The Board relies on the experience of its members as officers and directors of other junior mining companies in assessing compensation levels. The Company's process for determining executive compensation will be done on a case-by-case basis and will involve discussion by the Board of the factors the Board deems relevant to each case. There are not expected to be any formally defined objectives, benchmarks, criteria and analysis that will be used in all cases.

The Company has not placed a restriction on the purchase by its NEOs or other employees of financial instruments (including pre-paid variable forward contracts, equity swaps, collars or units of exchange funds) that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly by the NEO or employee. To the Company's knowledge, none of the NEOs have purchased any such financial instruments.

The Board has not considered the implications of the risks associated with the Company's compensation program. The Company intends to formalize its compensation policies and practices and will take into consideration the implications of the risks associated with the Company's compensation program and how it might mitigate those risks.

The Board has not appointed a Compensation Committee. The Board assumes responsibility for reviewing and monitoring the long-range compensation strategy for the Company's senior management, with a view to fulfilling its responsibilities concerning executive and director compensation, reviewing director compensation, overseeing the Company base compensation structure and equity-based

compensation programs, recommending compensation of the Company’s officers and employees and evaluating the performance of officers generally, all in light of the Company’s annual goals and objectives.

### Pension Plan Benefits

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plans in place.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of the all compensation plans as of April 30, 2023.

Plan Category	Number of shares to be issued upon exercise of outstanding options <sup>(1)</sup>	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) <sup>(2)</sup>
Equity compensation plans approved by shareholders	4,282,857	0.89	4,426,966
Equity compensation plans not approved by shareholders	Nil	N/A	Nil
<b>Total</b>	<b>4,282,857</b>	<b>0.89</b>	<b>4,426,966</b>

<sup>(1)</sup> The Company does not have any warrants or rights outstanding under any equity compensation plans.

### APPOINTMENT OF AUDITOR

At the Meeting, Shareholders will be asked to pass an ordinary resolution to appoint WDM Chartered Professional Accountants, Chartered Professional Accountants, as auditors of the Company for the financial year ending April 30, 2024, and to authorize the directors of the Company to fix the remuneration to be to be paid to the auditors for the financial year ending April 30, 2024. An ordinary resolution needs to be passed by a simple majority of the votes cast by the Shareholders present in person or represented by proxy and entitled to vote at the Meeting. WDM Chartered Professional Accountants, Chartered Professional Accountants, were appointed as the auditors of the Company on July 9, 2019.

**Management recommends that Shareholders vote for the appointment of WDM Chartered Professional Accountants as the Company’s auditors for the Company’s financial year ending April 30, 2024 and the authorization of the directors of the Company to fix the remuneration to be paid to the auditors for the financial year ending April 30, 2024.**

### AUDIT COMMITTEE DISCLOSURE

Under National Instrument 52-110 *Audit Committees (“NI 52-110”)*, a reporting issuer is required to provide disclosure annually with respect to its audit committee, including the text of its audit committee charter, information regarding composition of the audit committee, and information regarding fees paid to its external auditor. The Company provides the following disclosure with respect to its audit committee (the “**Audit Committee**”):

## **The Audit Committee Charter**

The full text of the Company's audit committee charter (the "**Audit Committee Charter**") is attached as Schedule "A" to this Information Circular.

## **Composition of the Audit Committee**

The Company's Audit Committee is comprised of three directors consisting of Colin Porter, Mata Botima and Jonathan Hill. As defined in NI 52-110, Colin Porter, the Company's CEO, is not "independent", as he is an executive officer of the Company, and Mata Botima and Jonathan Hill are independent. All of the Audit Committee members are "financially literate", as defined in NI 52-110, as all have the industry experience necessary to understand and analyze financial statements of the Company, as well as the understanding of internal controls and procedures necessary for financial reporting.

The Audit Committee is responsible for review of both interim and annual financial statements for the Company. For the purposes of performing their duties, the members of the Audit Committee have the right, at all times, to inspect all the books and financial records of the Company and any subsidiaries and to discuss with management and the external auditors of the Company any accounts, records and matters relating to the financial statements of the Company. The Audit Committee members meet periodically with management and annually with the external auditors.

## **Relevant Education and Experience**

The following sets out the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member.

### *Colin Porter*

Dr. Colin Porter is a geologist with over 25 years' experience in exploration, project management and applied structural geology across Africa. Dr. Porter's expertise spans a wide range of gold mineralization systems including Archaean, Proterozoic and Pan-African orogenic deposits and districts of Africa. Previous roles include Structural Geologist for AngloGold Ashanti, Africa Region with extensive experience in the Birimian craton of West Africa, which included planning and implementation of deposit scale and brownfields exploration at several of Africa's largest mines including (Obuasi, Geita, Sadiola, Morila, Siguiri). Dr. Porter is also well experienced in target generation, design and implementation of exploration programmes at numerous African gold projects including Banfora, (Burkina Fas, Salman/Anwia (Ghana) and Konongo, Ghana. Dr. Porter was the head of exploration and managed all exploration activities at the Zani-Kodo gold project in NE DR Congo, from instigation to definition of a 3Moz resource.

Dr. Porter holds a BSc (Hons) in geology from Queen's University Belfast, a PhD in geology from University of Southampton and is a member of the Australian Institute of Mining and Metallurgy.

### *Mata Botimac*

Mr. Mata Botima is BHP Billiton's former Country President (DRC), Mr. Botima is a high energy, self-motivated, seasoned, well-travelled and globally exposed Executive, Director and Business Strategist. A trained Metallurgical Engineer, he has more than 25 years' experience in the natural resources industries, with a specific focus in developed and emerging markets across Sub-Saharan Africa.

Mr. Botima has held senior positions at Bateman Engineering, Mogale Alloys and Mintek, spanning from Business Development Executive, Production Manager and Senior R&D Engineer. He possesses valuable



experience in metal and Ferro-alloys processing and production, (ranging from ferro-nickel, ferro-chrome, ferro-manganese, silicomanganese, aluminium, Magnesium), as well as in the various beneficiation processes for precious metals and base metals.

Specializing in project identification, evaluation, strategy development and implementation as well as plant operation management, his previous positions include being an Executive Director of Blackstone Resources responsible for the natural resource's strategy development, and he also led SAF Energy, an electricity generation and transmission entity purposed with supplying electricity to Cabinda in Angola. He was also a Chief Strategist at Syntech, an innovative technology company where he was responsible for the company's growth strategy. He is currently an independent Consultant to Compagnie Minière de Tondo where he is driving the development of a Tier One copper cobalt deposit.

#### *Jonathan Hill*

Mr. Jonathan Hill is an economic geologist with over 35 years of experience globally, in exploration, project development and mining operations and has been directly involved in the discovery of several world-class projects within both greenfield and brownfield areas.

As principal advisor at Exploration Outcomes Ltd, which he founded in 2017. Mr. Hill provides specialist support to a number of companies including Jaguar Mining (TSX-JAG), Lavras Gold (TSX-V: LGC) and Santana Resources (TSX-V: STA).

Mr. Hill is non executive director and chairman of Royal Road Minerals (TSX-V: RYR) and a non executive director of Stratabound Minerals (TSX-V: SB). He holds a BSc (Hons) Economic Geology from the University of Cape Town, South Africa and BAppSc. Applied geology from the Queensland University of Technology, Australia and is a fellow of the Australian Institute of Mining and Metallurgy. Mr. Hill is an economic geologist with over 35 years of experience globally, in exploration, project development and mining operations and has been directly involved in the discovery of several world-class projects within both greenfield and brownfield areas.

#### **Audit Committee Oversight**

Since the commencement of the Company's most recently completed financial year, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

#### **Reliance on Certain Exemptions**

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions in Sections 2.4, 6.1.1(4), 6.1.1(5) or Part 8 of NI 52-110. Section 2.4 (*De Minimis Non-audit Services*) provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the financial year in which the non-audit services were provided. Sections 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), 6.1.1(5) (*Events Outside Control of Member*) and 6.1.1(6) (*Death, Incapacity or Resignation*) provide exemptions from the requirement that a majority of the members of the Audit Committee must not be executive officers, employees or control persons of the Company or of an affiliate of the Company. Part 8 (*Exemptions*) permits a company to apply to a securities regulatory authority or regulator for an exemption from the requirements of NI 52-110 in whole or in part.

## Pre-Approval Policies and Procedures

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by, as applicable, the Board and the Audit Committee, on a case-by-case basis.

## External Auditor Service Fees

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

The aggregate fees billed by the Company’s external auditor in the last two financial years, by category, are as follows:

Year Ended April 30	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
2023	\$40,950	Nil	Nil	Nil
2022	\$17,913	Nil	\$1,500	Nil

## Exemption

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

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former director, executive officer, proposed nominee for election to the Board, or associate of such persons is, or at any time since the beginning of the Company’s most recently completed financial year has been, indebted to the Company or any of its subsidiaries.

No indebtedness of current or former director, executive officer, proposed nominee for election to the Board, or associate of such person is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no: (a) director, proposed director or executive officer of the Company; (b) person or company who beneficially owns, directly or indirectly, Shares or who exercises control or direction of Shares, or a combination of both, carrying more than ten percent of the voting rights attached to the Shares outstanding (an “Insider”); (c) director or executive officer of an Insider; or (d) associate or affiliate of any of the directors, executive officers or Insiders, has had any material interest, direct or indirect, in any transaction since the commencement of the Company’s most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company, except with an interest arising from the ownership of Shares where such

person or company will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of the same class of Shares.

### MANAGEMENT CONTRACTS

Except as described below and elsewhere in this Information Circular, no management functions of the Company or its subsidiaries are to any substantial degree performed by a person or company other than the directors or NEOs of the Company.

Effective December 8, 2020, the Company entered into the Management Agreement with Partum Advisory Services Corp. (“Partum”) located Suite 810 – 789 West Pender Street, Vancouver, British Columbia, V6C 1H2, pursuant to which Partum will provide certain corporate, accounting and administrative services to the Company in accordance with the terms of the Management Agreement.

### CORPORATE GOVERNANCE

Pursuant to National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, the Company is required to disclose its corporate governance practices as follows:

#### Board of Directors

The Board facilitates its exercise of independent supervision over the Company’s management through frequent meetings of the Board.

Mata Botima and Jonathan Hill are “independent” in that they are independent and free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director’s ability to act with the best interests of the Company, other than the interests and relationships arising from being shareholders of the Company. Colin Porter is the CEO of the Company and is not independent.

#### Directorships

Certain directors of the Company are currently also directors of other reporting issuers, as described in the table below:

Name of Director of the Company	Names of Other Reporting Issuers	Securities Exchange
Jonathan Hill	Lavras Gold Corp.	TSXV
	Royal Road Minerals Limited	TSXV
	Stratabound Minerals Corp.	TSXV

#### Orientation and Continuing Education

The Board briefs all new directors with respect to the policies of the Board and other relevant corporate and business information. The Board does not provide any continuing education.

#### Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company’s governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director’s participation in decisions of the Board in which the director has an

interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

### **Nomination of Directors**

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

### **Compensation**

The Board has not created or appointed a compensation committee given the Company's current size and stage of development. All tasks related to developing and monitoring the Company's approach to the compensation of the Company's NEOs and directors are performed by the members of the Board. The compensation of the NEOs, directors and the Company's employees or consultants, if any, is reviewed, recommended and approved by the Board without reference to any specific formula or criteria.

### **Other Board Committees**

The Board has no other committees other than the Audit Committee.

### **Assessments**

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

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

Except as disclosed elsewhere in this Information Circular, no director or executive officer of the Company who was a director or executive officer since the beginning of the Company's last financial year, no proposed nominee for election as a director of the Company, nor any associate or affiliates of any such directors, officers or nominees, has any material interest, direct or indirect, by way of beneficial ownership of Shares or other securities in the Company or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors.

## **ADDITIONAL INFORMATION**

Shareholders may contact the Company at its office by mail at Suite 2380 - 1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9, to request copies of the Company's financial statements and related Management's Discussion and Analysis (the "MD&A"). Financial information is provided in the Company's audited financial statements and MD&A for the most recently completed financial year and in the financial statements and MD&A for subsequent financial periods, which are available on SEDAR+.

## **OTHER MATTERS**

Other than the above, management of the Company know of no other matters to come before the Meeting other than those referred to in the Notice. If any other matters that are not currently known to management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the Designated Persons named therein to vote on such matters in accordance with their best judgment.

**APPROVAL OF THE BOARD OF DIRECTORS**

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

**DATED** at Vancouver, British Columbia, this 16th day of November, 2023.

By Order of the Board of Directors of

**AVANTI GOLD CORP.**

*"Colin Porter"*

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Colin Porter

Chief Executive Officer and Director

**SCHEDULE "A"**  
**AUDIT COMMITTEE CHARTER**

*[See Attached]*

**AUDIT COMMITTEE CHARTER OF  
AVANTI GOLD CORP.  
(THE “COMPANY”)**

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**MANDATE**

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

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

**COMPOSITION**

The Committee shall be comprised of three directors as determined by the Board, the majority of whom shall be free from any relationship that, in the opinion of the Board, would 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 at its first meeting following the annual shareholders’ meeting. Unless a Chair is elected by the full Board, 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 CFO and the external auditors in separate sessions.

**RESPONSIBILITIES AND DUTIES**

To fulfill its responsibilities and duties, the Committee shall:

**1. Documents/Reports Review**

- a. Review and update this Charter annually.
- b. Review the Company's financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

**2. External Auditors**

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



- iii. such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board 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

### 3. **Financial Reporting Processes**

- a. In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- b. Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- c. Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- d. Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- e. Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- f. Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- g. Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- h. Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- i. Review certification process.
- j. Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

### **RISK MANAGEMENT**

- 1. To review, at least annually, and more frequently if necessary, the Company's policies for risk assessment and risk management (the identification, monitoring, and mitigation of risks).
- 2. To inquire of management and the independent auditor about significant business, political, financial and control risks or exposure to such risk.
- 3. To request the external auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are being managed or controlled.

4. To assess the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board.

## **OTHER**

Review any related-party transactions.

The Audit Committee's mandate and charter can be described as follows:

1. Each member of the Audit Committee shall be a member of the Board, in good standing, and the majority of the members of the audit committee shall be independent in order to serve on this committee.
2. At least one of the members of the Audit Committee shall be financially literate.
3. Review the Audit Committee's charter annually, reassess the adequacy of this charter, and recommend any proposed changes to the Board. Consider changes that are necessary as a result of new laws or regulations.
4. The Audit Committee shall meet at least four times per year, and each time the Company proposes to issue a press release with its quarterly or annual earnings information. These meetings may be combined with regularly scheduled meetings, or more frequently as circumstances may require. The Audit Committee may ask members of management or others to attend the meetings and provide pertinent information as necessary.
5. Conduct executive sessions with the outside auditors, outside counsel, and anyone else as desired by the committee.
6. The Audit Committee shall be authorized to hire outside counsel or other consultants as necessary (this may take place any time during the year).
7. Appoint the independent auditors to be engaged by the Company, establish the audit fees of the independent auditors, pre-approve any non-audit services provided by the independent auditors, including tax services, before the services are rendered. Review and evaluate the performance of the independent auditors and review the full board of directors any proposed discharge of the independent auditors.
8. Review with management the policies and procedures with respect to officers' expense accounts and perquisites, including their use of corporate assets, and consider the results of any review of these areas by the independent auditor.
9. Consider, with management, the rationale for employing audit firms rather than the principal independent auditors.
10. Review with management and the independent auditors, all significant risks or exposures facing the Company; assess the steps the Management has taken or proposes to take to minimize such risks to the Company; and periodically review compliance with such steps.
11. Review with the independent auditor, the audit scope and plan of the independent auditors. Address the coordination of the audit efforts to assure the completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.

12. Inquire regarding the "quality of earnings" of the Company from a subjective as well as an objective standpoint.
13. Review with the independent accountants: (a) the adequacy of the Company's internal controls including computerized information systems controls and security; and (b) any related significant findings and recommendations of the independent auditors together with management's responses thereto.
14. Review with management and the independent auditor the effect of any regulatory and accounting initiatives, as well as off-balance-sheet structures, if any.
15. Review with management and the independent auditors, the interim annual financial report before it is filed with the regulatory authorities.
16. Review with each public accounting firm that performs an audit: (a) all critical accounting policies and practices used by the Company; and (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management of the Company, the ramifications of each alternative and the treatment preferred by the Company.
17. Review all material written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences.
18. Review with management and the independent auditors: (a) the Company's annual financial statements and related footnotes; (b) the independent auditors' audit of the financial statements and their report thereon; (c) the independent auditor's judgments about the quality, not just the acceptability, of the Company's accounting principles as applied in its financial reporting; (d) any significant changes required in the independent auditors' audit plan; and (e) any serious difficulties or disputes with management encountered during the audit.
19. Periodically review the Company's code of conduct to ensure that it is adequate and up-to-date.
20. Review the procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters that may be submitted by any party internal or external to the organization. Review any complaints that might have been received, current status, and resolution if one has been reached.
21. Review procedures for the confidential, anonymous submission by employees of the organization of concerns regarding questionable accounting or auditing matters. Review any submissions that have been received, the current status, and resolution if one has been reached.
22. The Audit Committee will perform such other functions as assigned by law, the Company's charter or bylaws, or the board of directors.
23. The Audit Committee will evaluate the independent auditors.

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

The members of the audit committee are Tony Louie, Drew Brass and Robert Metcalfe, a majority of which are independent, and at least one member of which is financially literate.

A member of the audit committee is independent if the member has no direct or indirect material

relationship with the Company. A material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgement.

A member of the audit committee is considered 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.