



ENVIROMETAL  
TECHNOLOGIES INC.

Annual General Meeting of Shareholders  
June 27, 2023

## **ENVIROMETAL TECHNOLOGIES INC.**

#208 – 6741 Cariboo Road  
Burnaby, BC V3N 4A3  
Telephone: (604) 428-2400

### **NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**Take Notice** that the annual general meeting of the shareholders of EnviroMetal Technologies Inc. (the “**Company**”) will be held at Suite 208, 6741 Cariboo Road, Burnaby, BC V3N 4A3, on June 27, 2023, at 9:00 a.m. (Pacific Time) (the “**Meeting**”), for the following purposes (the “**Notice**”):

1. to receive and consider the audited consolidated financial statements of the Company for its financial years ended December 31, 2022, and December 31, 2021, the reports of the Company’s auditor thereon and related management discussion and analyses thereto;
2. to elect directors of the Company for the ensuing year;
3. to appoint an auditor of the Company for the ensuing year and to authorize the directors to fix the auditor’s remuneration;
4. to consider, and if deemed appropriate, to pass an ordinary resolution to approve the continuation of the Company’s 20% “rolling” stock option plan, as more particularly described in the accompanying Information Circular (the “**Circular**”); and
5. to act upon such other matters, including amendments to the foregoing, as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

The Circular accompanying this Notice contains details of all matters to be considered at the Meeting. The Meeting will also consider any permitted amendment to or variation of any matter identified in this Notice and may transact such other business as may properly come before the Meeting or any adjournment thereof.

**Shareholders who are unable to attend the Meeting in person and who wish to ensure that their shares will be voted at the Meeting are requested to complete, date and sign the enclosed form of Proxy, or another suitable form of proxy, and deliver it by fax, by hand or by mail in accordance with the instructions set out in the form of Proxy and in the Management Information Circular.**

**Unregistered shareholders who plan to attend the Meeting must follow the instructions set out in the form of Proxy or voting instruction form and in the Management Information Circular to ensure that their shares will be voted at the Meeting. If you hold your shares in a brokerage account, you are not a registered shareholder.**

**Dated** at Burnaby, British Columbia, Canada, on this 22<sup>nd</sup> day of May 2023.

**BY ORDER OF THE BOARD OF DIRECTORS OF THE COMPANY**

*“Wayne Moorhouse”*

**Wayne Moorhouse**

President and Chief Executive Officer

## **MANAGEMENT INFORMATION CIRCULAR**

(as at May 22, 2023, except as otherwise indicated)

**This Management Information Circular (the “Circular”) is furnished in connection with the solicitation of proxies by the management of EnviroMetal Technologies Inc. (the “Company”) for use at the annual general meeting (the “Meeting”) of its shareholders to be held on June 27, 2023, at the time and place and for the purposes set forth in the accompanying Notice of the Meeting.**

In this Circular, references to the “**Company**”, “**we**” and “**our**” refer to EnviroMetal Technologies Inc. “**Common Shares**” means common shares without par value in the capital of the Company. “**Beneficial Shareholders**” means shareholders who do not hold Common Shares in their own name and “**Intermediaries**” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

### **GENERAL PROXY INFORMATION**

#### **Solicitation of Proxies**

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

#### **Appointment of Proxyholders**

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

#### **Voting by Proxyholder**

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

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

**In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.**

## Registered Shareholders

Registered shareholders may wish to vote by proxy whether they are able to attend the Meeting in person. Registered shareholders electing to submit a Proxy may do so by using one of the following methods:

- (a) complete, date and sign the enclosed form of Proxy and return it to the Company's transfer agent, Computershare Trust Company of Canada ("**Computershare**"), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, by mail or by hand using the enclosed return envelope to the 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1
- (c) by using a touch-tone phone to transmit voting choices to a toll-free number. Registered shareholders must follow the instructions of the voice response system and refer to the enclosed Proxy form for the toll-free number, the holder's account number and the Proxy access number; or
- (d) by using the internet through the website of the Company's transfer agent at [www.investorvote.com](http://www.investorvote.com). Registered shareholders must follow the instructions that are given by the website and refer to the enclosed Proxy form for the holder's account number and the Proxy access number.

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

## Beneficial Shareholders

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

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

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

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

These securityholder materials are sent to both registered and non-registered (beneficial) owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent sent these materials directly to you, your name, address and information about your holdings of securities, were obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

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

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

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

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

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

#### **Revocation of Proxies**

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

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the registered shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to either Computershare or to the Company's office, located at #208 – 6741 Cariboo Road, Burnaby, BC V3N 4A3, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairperson of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the registered shareholder's Common Shares.

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

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

No director or executive officer of the Company, nor any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors and as set out herein.

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

The Board of Directors of the Company (the “**Board**”) has fixed May 19, 2023 as the record date (the “**Record Date**”) for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting, except to the extent that:

- (a) the shareholder has transferred the ownership of any such Common Shares after the Record Date; and
- (b) the transferee produces a properly endorsed share certificate for or otherwise establishes ownership of any of the transferred Common Shares and makes a demand to Computershare no later than 10 days before the Meeting that the transferee's name be included in the list of shareholders in respect thereof.

The Common Shares of the Company are listed for trading on the Canadian Securities Exchange (the “**CSE**”) under stock symbol “ETI”. The Company is authorized to issue an unlimited number of Common Shares and an unlimited number of Preferred Shares. As of May 19, 2023, there were 107,928,458 Common Shares issued and outstanding, each carrying the right to vote. There are no Preferred Shares issued and outstanding. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares or the Preferred Shares.

To the knowledge of the directors and executive officers of the Company, there are no persons who beneficially own, directly or indirectly, or exercise control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company as at May 19, 2023.

## FINANCIAL STATEMENTS

The audited financial statements of the Company for the years ended December 31, 2022, and December 31, 2021, the reports of the Company's auditor thereon and the related management's discussion and analyses will be placed before the Meeting. Additional information may be obtained upon request from the Company, at ##208 – 6741 Cariboo Road, Burnaby, BC V3N 4A3; telephone: (604) 428-2400 or facsimile: (604) 428-2600. These documents and additional information are also available through the Internet on [www.sedar.com](http://www.sedar.com).

## VOTES NECESSARY TO PASS RESOLUTIONS

Unless otherwise noted, a simple majority of the votes cast at the Meeting (in person or by Proxy) is required in order to pass the resolutions referred to in the accompanying Notice.

If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled all such nominees will be declared elected or appointed by acclamation.

## ELECTION OF DIRECTORS

Pursuant to section 13.1 of the Company's Articles of Incorporation, the Board of the Company has fixed the number of directors at four (4). At the Meeting, Shareholders of the Company will be asked to elect directors of the Company for the ensuing year.

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless a director's office is vacated earlier in accordance with the provisions of the *Business Corporations Act* (British Columbia), each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

### Advance Notice Provision

Pursuant to the Advance Notice Provisions contained in the Company's Articles, the Board has determined that notice of nominations of persons for election to the Board at the Meeting must be made following the requirements of such Advance Notice Provisions. To the date of this Information Circular, the Company has not received notice of a nomination in compliance with the Articles and, subject to the timely receipt of any such nomination, any nominations other than nominations by or at the direction of the Board or an authorized officer of the Company will be disregarded at the Meeting.

The following disclosure sets out the names of management's four nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment (for the five preceding years for new director nominees), the period of time during which each has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at May 19, 2023.

<b>Name, Position with the Company and Residence</b>	<b>Occupation, Business or Employment</b>	<b>Director Since</b>	<b>Common Shares Beneficially Owned or Controlled<sup>(1)</sup></b>
<b>Mel S. Lavitt</b> <sup>(2)(3)(4)</sup> Director and Chairman Utah, USA	<i>Occupation, Business or Employment of Nominee below</i>	March 1, 2019	259,833 <sup>(5)</sup>
<b>Court J. Anderson</b> <sup>(2)(3)(4)</sup> Director Minnesota, USA	<i>Occupation, Business or Employment of Nominee below</i>	March 21, 2017	23,827 <sup>(6)</sup>
<b>Kenneth C. McNaughton</b> <sup>(3)(4)</sup> Director British Columbia, Canada	<i>Occupation, Business or Employment of Nominee below</i>	March 21, 2017	400,000 <sup>(7)</sup>
<b>Alexander Ruckdaeschel</b> <sup>(2)</sup> Director North Carolina, USA	<i>Occupation, Business or Employment of Nominee below</i>	October 15, 2020	Nil <sup>(8)</sup>

**Notes:**

- (1) The information as to Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees for director.
- (2) Member of the Company's Audit Committee.
- (3) Member of the Company's Compensation Committee.
- (4) Member of the Company's Governance Committee.
- (5) 50,000 Common Shares are held indirectly by Mr. Lavitt through Mel S. Lavitt IRA, 25,000 Common Shares are held indirectly by Mr. Lavitt through Mel S. Lavitt Trust, 158,333 Common Shares are held indirectly by Mr. Lavitt through Peanut Bug (Family LLC), and 26,500 Common Shares are held indirectly by Mr. Lavitt through Wendy Lavitt. Mr. Lavitt holds stock options to purchase up to 500,000 Common Shares at an exercise price of \$0.76 per Common Share expiring on March 1, 2024, stock options to purchase up to 300,000 Common Shares at an exercise price of \$0.25 per Common Share expiring on June 6, 2024, and stock options to purchase up to 300,000 Common Shares at an exercise price of \$0.76 per Common Share expiring on April 24, 2025.
- (6) Mr. Anderson holds stock options to purchase up to 150,000 Common Shares at an exercise price of \$0.76 per Common Share expiring on March 1, 2024, stock options to purchase up to 450,000 Common Shares at an exercise price of \$0.25 per Common Share expiring on June 6, 2024, and stock options to purchase up to 150,000 Common Shares at an exercise price of \$0.76 per Common Share expiring on April 24, 2025.
- (7) Mr. McNaughton holds stock options to purchase up to 150,000 Common Shares at an exercise price of \$0.76 per Common Share expiring on March 1, 2024, stock options to purchase up to 450,000 Common Shares at an exercise price of \$0.25 per Common Share expiring on June 6, 2024, and stock options to purchase up to 150,000 Common Shares at an exercise price of \$0.76 per Common Share expiring on April 24, 2025.
- (8) Mr. Ruckdaeschel holds stock options to purchase up to 350,000 Common Shares at an exercise price of \$0.25 per Common Share expiring on June 6, 2024, and stock options to purchase up to 400,000 Common Shares at an exercise price of \$0.46 per Common Share expiring on October 15, 2025.

## **Occupation, Business or Employment of Nominee**

### ***Mel S. Lavitt – Director and Chairman***

Mr. Lavitt has over 50 years of investment banking expertise in emerging growth, high tech, and middle-market companies. Currently, Mr. Lavitt is a Senior Advisor to Needham and Company, LLC., a globally recognized investment banking and asset management firm focused solely on growth companies. He began his Wall Street career in 1959 at Bear Stearns and then joined C.E. Unterberg, Towbin in 1962. After several iterations of the firm, he was vice chairman when C.E. Unterberg, Towbin was purchased by Collins Stewart, LLC in 2007. From September 1991 to January 2016, he served as a Director of Jabil. Mr. Lavitt is on the advisory board of Deserve, Inc., and on the board of directors of Storage Engine. Mr. Lavitt currently serves



as Advisory Board of Director for the Economic Development Corp. of Utah, and on the Board of Director of Utah's World Trade Center.

***Court J. Anderson – Director***

Mr. Anderson is currently a lawyer at Henson & Efron, P.A. specializing in litigating business disputes. He was named a Minnesota Attorney of the Year in 2014 by Minnesota Lawyer. He has litigated disputes in dozens of federal and state courts throughout the USA, with many of his cases involving shareholder and securities disputes, complex contracts, and a variety of business-related torts. Mr. Anderson regularly advises boards and officers on corporate governance issues and their legal obligations, mitigating legal risk and exposure. He graduated from Southwest Minnesota State University, summa cum laude, with a B.S. degree in accounting, and thereafter obtained a Juris Doctorate, cum laude, from the University of Minnesota Law School.

***Kenneth C. McNaughton – Director***

Mr. McNaughton is a professional geological engineer with over 30 years of global experience developing and leading mineral exploration programs and is currently the Chief Exploration Officer of P2 Gold Inc. Prior to P2 Gold he was the Chief Exploration Officer of Pretium Resources, where he was responsible for greenfield exploration programs and advancement of the Brucejack Project. Prior to Pretium Resources, he was Senior Vice President, Exploration for Silver Standard Resources Inc. for 20 years. Mr. McNaughton holds a Bachelor of Science degree in geological engineering from the University of Windsor.

***Alexander Ruckdaeschel - Director***

Mr. Ruckdaeschel has extensive experience founding and growing small and mid-cap companies in the biotech, nanotech, healthcare, and technology industries. He is currently the Chief Strategy Officer for Laxxon Medical Corp and US Business Advisor to the State of Thüringen, Germany. Mr. Ruckdaeschel has co-founded several companies including Quantum Optics Jena and Pain QX. He is a former director of ERI, the largest fully integrated E-Waste recycler in the United States. Since March 2001, Mr. Ruckdaeschel has worked in the financial industry in the United States and Europe as a co-founder of Herakles Capital Management and AMK Capital Advisors and a partner at Alpha Plus Advisors and Nanostart AG.

**Cease Trade Orders**

Within the last 10 years prior to the date of this Circular no proposed nominee for election as a director of the Company was a director, chief executive officer or chief financial officer of any company (including the Company in respect of which this Circular is prepared) or acted in that capacity for a company that was:

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

**Bankruptcies**

No proposed nominee for election as a director of the Company is at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Company in respect of which this Circular is prepared) that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any

legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed nominee for election as a director of the Company is at the date of this Circular, or has been within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

### **Penalties and Sanctions**

No proposed director of the Company has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities' regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

No proposed nominee for election as a director of the Company is at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Company in respect of which this Circular is prepared) that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed nominee for election as a director of the Company is at the date of this Circular or has been within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

### **APPOINTMENT OF AUDITOR**

MNP LLP, of Suite 2200, MNP Tower, 1021 West Hastings Street, Vancouver, BC, V6E 0C3, will be nominated at the Meeting for re-appointment as auditor of the Company at remuneration to be fixed by the directors.

There have been no reportable disagreements between the Company and MNP LLP and no qualified opinions or denials of opinions by MNP LLP for the purposes of NI 51-102.

### **AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR**

National Instrument 52-110 - *Audit Committees* (“**NI 52-110**”) of the Canadian Securities Administrators requires the Company, as a venture issuer, to disclose annually in its management information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, all of which is set forth below.

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

The Company's Audit Committee (the “Audit Committee”) has a Charter, a copy of which can be found on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

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

The current members of the Company's Audit Committee are Court J. Anderson, Mel Lavitt and Alexander Ruckdaeschel. All three members of Audit Committee are independent and are considered to be financially literate as required by section 1.6 of NI 52-110.

### **Relevant Education and Experience**

See the disclosure under the heading "Occupation, Business or Employment of Nominees" above pertaining to relevant education and experience of the Company's Audit Committee members.

Each member and proposed member of the Audit Committee has adequate education and experience relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

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

### **Audit Committee Oversight**

The Audit Committee has not made any recommendations to the Board to nominate or compensate any auditor other MNP LLP.

### **Reliance on Certain Exemptions**

The Company's auditor, MNP LLP, has not provided any material non-audit services to the Company, therefore the Company has not relied on any exemption in Section 2.4 of NI 52-110.

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

See the Company's Audit Committee Charter for policies and procedures for the engagement of non-audit services.

### **External Auditor Service Fees**

The Company's auditors, MNP LLP, were appointed on September 29, 2020. The Audit Committee reviews the nature and amount of any non-audit services provided by the Company's auditors to the Company, to ensure auditor independence. Fees incurred with MNP LLP. for audit and non-audit services in the years ended December 31, 2022 and December 2021, the Company's last 2 fiscal years, are outlined in the following table.

<b>Financial Year Ended</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit Related Fees <sup>(2)</sup></b>	<b>Tax Fees<sup>(3)</sup></b>	<b>All Other Fees<sup>(4)</sup></b>
December 31, 2022	\$140,000	\$Nil	\$Nil	\$Nil
December 31, 2021	\$117,897	\$Nil	\$Nil	\$Nil

Notes:

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

### **Exemption**

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

## **CORPORATE GOVERNANCE**

Corporate governance refers to the policies and structure of the board of directors of a company whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

### **Board of Directors**

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Company’s Board, be reasonably expected to interfere with the exercise of a director’s independent judgment or which is deemed to be a material relationship under National Instrument 52-110 – *Audit Committees* (“NI 52-110”).

The Board facilitates its independent supervision over management by holding regular meetings at which members of management or non-independent directors are not in attendance and by retaining independent consultants where it deems necessary.

All of the current Board members are independent; Kenneth McNaughton, Court Anderson, Mel S. Lavitt and Alexander Ruckdaeschel.

### **Directorships**

The following directors are currently serving on boards of the following other reporting companies (or equivalent) as set out below:

Name of Director	Reporting Issuer and Name of Trading Markets
Kenneth McNaughton	Camino Minerals Corporation (TSX-V); P2 Gold Inc. (TSX-V); Austin Gold Corp. (NYSEAM)
Alexander Ruckdaeschel	The Glimpse Group (NASDAQ)

### **Orientation and Continuing Education**

When new directors are appointed, they receive orientation commensurate with their previous experience on the Company's properties and on the responsibilities of directors.

Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business.

### **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 directors' 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. Further, the Company's auditor has full and unrestricted access to the Audit Committee at all times to discuss the audit of the Company's financial statements and any related findings as to the integrity of the financial reporting process.

### **Nomination of Directors**

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

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

### **Compensation**

The Board is responsible for determining compensation for the officers, employees and non-executive directors of the Company. The Board annually reviews all forms of compensation paid to officers, employees and non-executive directors both with regards to the expertise and experience of each individual and in relation to industry peers.

### **Other Board Committees**

In addition to the Audit Committee, the Board has two additional committees:

- Executive Compensation Committee that includes Kenneth McNaughton (Chair), Mel S. Lavitt and Court Anderson; and
- Corporate Governance Committee that includes Mel S. Lavitt (Chair), Kenneth McNaughton and Court Anderson.

## Assessments

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

## STATEMENT OF EXECUTIVE COMPENSATION

### General

The following compensation information is provided as required under Form 51-102F6V – *Statement of Executive Compensation - Venture Issuers* (the “**Form**”), as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”).

For the purposes of this 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 for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries; and

“**NEO**” or “**named executive officer**” means each of the following individuals:

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

### Director and Named Executive Officer Compensation

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company to NEOs and directors of the Company for the two completed financial years ended December 31, 2022, and December 31, 2021. Options and compensation securities are disclosed under the heading “**Stock Options and Other Compensation Securities**” of this Form.

During the financial year ended December 31, 2022, based on the definition above, the NEOs of the Company were: Wayne Moorhouse, President, CEO and former Chief Operating Officer (“**COO**”); Duane Nelson, director and former President and CEO; Bipul Kamal, controller; Ishwinder Grewal, Executive VP; Hanif Jafari, CTO; and Jason Leikam, V.P. of Corporate Development. The directors of the Company who were not NEOs were Court Anderson, Mel S. Lavitt, Kenneth McNaughton, and Alexander Ruckdaeschel.

During the financial year ended December 31, 2021, based on the definition above, the NEOs of the Corporation were: Wayne Moorhouse, President, CEO and former COO; Duane Nelson, director and former President and CEO; Nathalie Pilon, former CFO and Corporate Secretary; and Ishwinder Grewal, Executive VP. The directors of the Corporation who were not NEOs were Court Anderson, Mel S. Lavitt, Kenneth McNaughton, and Alexander Ruckdaeschel.

The following compensation table, excluding options and compensation securities, provides a summary of the compensation paid by the Company to NEOs and members of the board of directors of the Company (the Board) for the two most recently completed financial years ended December 31, 2022, and December 31, 2021. Options and compensation securities are disclosed under the heading “Share Options and Other Compensation Securities” below.

Compensation Excluding Compensation Securities							
Name and position	Year	Salary, consulting fee, retainer or commission \$	Bonus \$	Committee or meeting fees \$	Perquisites <sup>(5)</sup> \$	All other compensation \$	Total compensation \$
Wayne Moorhouse, President & CEO <sup>(1)</sup>	2022	225,000	-	-	-	-	225,000
	2021	219,500	1,000	-	-	-	220,500
Duane Nelson, Director and former CEO <sup>(2)</sup>	2022	362,324	-	-	8,400	-	370,724
	2021	300,000	1,000	-	18,200	-	319,200
Bipul Kamal, Controller <sup>(3)</sup>	2022	38,692	-	-	-	-	38,692
	2021	-	-	-	-	-	-
Nathalie Pilon, CFO and Corporate Secretary <sup>(4)</sup>	2022	-	-	-	-	-	-
	2021	186,356	1,000	-	-	-	187,356
Ishwinder Grewal, EVP	2022	185,000	-	-	-	-	185,000
	2021	182,167	1,000	-	-	-	183,167
Hanif Jafari, CTO	2022	185,000	-	-	-	-	185,000
	2021	141,013	1,000	-	-	-	142,013
Jason Leikam, VP Corporate Development	2022	180,000	-	-	-	-	180,000
	2021	120,000	1,000	-	-	-	121,000
Mel S. Lavitt, Director	2022	79,127	-	31,651	-	-	110,777
	2021	74,933	-	30,001	-	-	104,933
Court Anderson, Director	2022	31,651	-	31,651	-	-	63,301
	2021	29,973	-	29,988	-	-	59,961
Kenneth McNaughton, Director	2022	31,651	-	23,738	-	-	55,389
	2021	29,973	-	22,421	-	-	52,394
Alexander Ruckdaeschel, Director	2022	31,651	-	7,913	-	-	39,563
	2021	29,973	-	7,504	-	-	37,477

Notes:

- (1) Mr. Moorhouse was appointed as the Company’s President and CEO on July 4, 2022. Prior to July 4, 2023, he served as the Company’s President and COO.
- (2) Mr. Nelson resigned as the Company’s CEO effective July 4, 2022. Prior to resigning, Mr. Nelson received \$25,000 per month in accordance with his employment contract. Following his resignation, Mr. Nelson received \$25,000 per month in accordance with a consulting agreement with Mr. Nelson’s company Sibling Rivalries Inc. All compensation paid to Mr. Nelson was independent of him being a director of the Company.
- (3) Mr. Kamal became the Company’s controller effective September 6, 2022. Mr. Kamal has agreed to serve as the Company’s Acting CFO until such time as a permanent CFO is appointed.
- (4) Ms. Pilon resigned as the Company’s CFO on December 31, 2021.
- (5) Mr. Nelson received a transportation allowance of \$1,400 per month while an employee of the Company.

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

### 20% Rolling Stock Option Plan (Option-Based Awards)

Currently, the Company's only equity incentive plan is the 20% rolling stock option plan dated effective October 15, 2020, which was approved by Shareholders at the Company's November 24, 2020 annual general and special meeting (the "**Plan**"), pursuant to which the Board may, at their discretion, grant options to participants. The purpose of the Plan is to provide compensation opportunities to participants which align their interests with those of Shareholders and which assist in attracting and retaining individuals of exceptional ability.

The Plan provides that the number of common shares issuable under the Plan, together with all the Company's other previously established or proposed share compensation arrangements, may not exceed 20% of the total number of issued and outstanding common shares.

The Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the Board and provides that the terms of options granted under the Plan and the option price may be fixed by the Board subject to Canadian Securities Exchange policy requirements. The Plan provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company and provides that the number of common shares issuable under the Plan, together with all of the Company's other previously established or proposed share compensation arrangements, may not exceed 20% of the total number of issued and outstanding common shares. Pursuant to the Plan all options expire on a date not later than 10 years after the date of grant of an option.

#### *Material Terms of the Plan*

The following is a summary of the material terms of the Plan:

The Plan provides that the Board may, from time to time, grant options to acquire all or part of the Common Shares subject to the Plan to any person who is an employee or director of the Company or any of its subsidiaries, or any other person or Company engaged to provide ongoing management, financial and scientific consulting or like services for the Company or any of its subsidiaries. The exercise price of options granted under the Plan is determined by the directors, but, in any case, must be no less than the greater of the closing market price of the common shares on (a) the trading day prior to the date of grant of the option, and (b) the date of grant of the option. The term of any option granted may not exceed 10 years from the date of grant of the option subject to provisions relating to the expiry of an option during a blackout period as described below.

Options may not be exercised after an optionee ceases to be an eligible recipient under the Plan, except as follows:

- in the case of death, all unvested options of the optionee will be deemed to have become fully vested immediately before death, and the personal representatives of the optionee will be entitled to exercise the options at any time by the earlier of (i) the expiry date, and (ii) six months following the date of death;
- in the case of an optionee becoming unable to work due to disability, all option rights will vest, and the Options will be exercisable on or before the earlier of six months following the termination of employment, engagement, or appointment and the expiry date;



- in the event the optionee holds his or her Option as an executive and such optionee ceases to hold such position other than by reason of death or disability, the expiry date of the Option shall be, unless otherwise expressly provided for in the Option Certificate or otherwise agreed to at any time by the Board, the 90th day following the date the optionee ceases to hold such position; and
- in the case of an optionee being dismissed from office, employment or service for cause, all option rights that had accrued to the optionee to the date of termination will immediately terminate.

Any option granted is subject to vesting provisions as determined by the Board. The Plan does not provide for any financial assistance to Plan members in exercising their options.

Unless approved by the CSE and the Board, an Option may not be assigned except: (a) to a spouse or other family member of an optionee (a “Close Person”) or a person controlled by the optionee; (b) to the optionee’s or a Close Person’s Registered Retirement Savings Plan or Registered Retirement Income Fund or to a trustee, custodian or administrator acting on behalf of, or for the benefit of, the optionee or a Close Person; (c) in the event of a disability or death of the optionee, or (d) for estate planning or estate settlement purposes.

As specifically provided for in the Plan, the number of common shares that may be reserved for issuance to any one person pursuant to an Option may not exceed 5% of the issued and outstanding common shares.

The Plan specifically states the circumstances in which shareholder approval is or is not required for an amendment. Any amendment to any provision of the Plan will be subject to any necessary approvals by any stock exchange or regulatory body having jurisdiction over the securities of the Company.

Under the Plan, shareholder approval would be required for any amendment or modification that:

- increases the number of common shares reserved for issuance under the Plan;
- reduces the exercise price of an option granted to an insider except for the purpose of maintaining option value in connection with a subdivision or consolidation of, or payment of a dividend payable in, Common Shares or a reorganization, reclassification or other change or event affecting the Common Shares (for this purpose, cancellation or termination of an option granted to an insider prior to its expiry date for the purpose of reissuing options to the same participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Option);
- extends the term of an option beyond the expiry date or allow for the expiry date to be greater than 10 years (except where an expiry date would have fallen within a blackout period of the Company);
- permits options to be assigned or exercised by persons other than the optionee except as otherwise permitted in the Plan as approved by shareholders of the Company; or
- permits equity compensation, other than options, to be made under the Plan.

The Board reserves the right, in its absolute discretion, at any time to otherwise amend, modify or terminate the Plan without further shareholder approval. The Plan states that, except for the above noted matters, the Board will retain the power to approve all other changes to the Plan without further shareholder approval. The Board believes it is important that it retain this residual power to make changes in order for the Company to have some flexibility to make changes to the Plan that are not material to the terms of the plan and do not increase the benefits to optionees. Such amendments specifically include, without limitation, the following:

- amendments to the terms and conditions of the Plan necessary to ensure that the Plan complies with the applicable regulatory requirements, including without limitation the rules of the CSE or any national securities exchange or system on which the Common Shares are then listed or reported, or by any regulatory body having jurisdiction with respect thereto;
- making adjustments to outstanding options in the event of certain corporate transactions;
- the addition of a cashless exercise feature, payable in cash or securities, whether or not such feature provides for a full deduction of the number of underlying securities from the number of Common Shares reserved for issuance under the Plan;
- a change to the termination provisions of an Option or the Plan which does not entail an extension beyond the original expiry date;
- amendments to the provisions of the Plan respecting administration of the Plan and eligibility for participation under the Plan;
- amendments to the provisions of the Plan respecting the terms and conditions on which options may be granted pursuant to the Plan, including the provisions relating to the exercise price, option period, and vesting schedule; and
- amendments to the Plan that are of a “housekeeping nature”.

Under the Company’s securities trading policy, specified persons may be restricted from trading in securities of the Company during periodic blackout periods under such policy or imposed by the Company. The Plan addresses the situation where an option holder is unable to exercise an option expiring during or within five business days of a black-out period by providing that the expiry date of the option will be the tenth business day following the expiry of the blackout period.

A copy of the Plan can be located on the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com) and will be available for inspection at the Meeting.

*[Remainder of page intentionally left blank]*

The following table sets forth incentive stock options (option-based awards) pursuant to the Company's share option plan that were granted to NEOs and directors of the Company who were not NEOs during financial years ended December 31, 2022 and December 31, 2021.

Compensation Securities Granted in 2022								
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class		Date of issue or grant	Issue, conversion or exercise price \$	Closing price of security or underlying security on date of grant \$	Closing price of security or underlying security at year end \$	Expiry date
Wayne Moorhouse, President & CEO	Stock options	550,000	5.51%	6/6/2022	0.25	0.185	0.075	6/6/2024
Duane Nelson, Director & former CEO	Stock options	1,800,000	18.03%	6/6/2022	0.25	0.185	0.075	6/6/2024
Bipul Kamal, Controller	Stock options	-	0.00%	NA	NA	NA	NA	NA
Ishwinder Grewal, Executive VP	Stock options	400,000	4.01%	6/6/2022	0.25	0.185	0.075	6/6/2024
Hanif Jafairi, CTO	Stock options	450,000	4.51%	6/6/2022	0.25	0.185	0.075	6/6/2024
Jason Liekam, VP Corporate Development	Stock options	500,000	5.01%	6/6/2022	0.25	0.185	0.075	6/6/2024
Mel S. Lavitt, Director	Stock options	300,000	3.00%	6/6/2022	0.25	0.185	0.075	6/6/2024
Court Anderson, Director	Stock options	450,000	4.51%	6/6/2022	0.25	0.185	0.075	6/6/2024
Kenneth McNaughton, Director	Stock options	450,000	4.51%	6/6/2022	0.25	0.185	0.075	6/6/2024
Alexander Ruckdaeschel, Director	Stock options	350,000	3.51%	6/6/2022	0.25	0.185	0.075	6/6/2024

### Exercise of Compensation Securities by NEOs and Directors

During the financial years ended December 31, 2022 and December 31, 2021 there were no stock options that expired unexercised; nor were there any stock options exercised by any of the NEOs or directors of the Company during the same financial years.

### Employment, Consulting and Management Agreements

During financial years ended December 31, 2022, and December 31, 2021, the Company had employment agreements with Messrs. Moorhouse, Nelson, Grewal and Jafari which included compensation in the form of salary, potential bonuses, and share awards as well as payments in the event of termination of employment or change of control of the Company.

#### *Wayne Moorhouse, President and Chief Executive Officer*

The Company entered into an employment agreement with Mr. Moorhouse with an effective date of June 17, 2019. The agreement has an indefinite term, provides for an annual base salary of \$225,000 and entitles Mr. Moorhouse to participate in the Company's option and incentive plans, and group health benefits. Mr. Moorhouse may terminate his employment agreement with sixty (60) days' written notice to the Company. The Company may terminate the agreement with cause at any time with no further obligations to Mr. Moorhouse. If the Company terminates the agreement without cause, in addition to all unpaid base salary and accrued vacation Mr. Moorhouse will be entitled to severance payments equal to three (3) months then

base salary plus one (1) additional month of base salary for each completed year of employment following the first anniversary date of the agreement to a maximum severance equal to twelve (12) months. Severance may be paid pro rata over a period equal to the number of months severance payable and the Company must maintain the employee's benefits during the severance period.

In the event of a change of control as the result of a business transaction, Mr. Moorhouse may within 12 months following the change of control elect to terminate his employment agreement and receive a payment equal to two (2) times his then current annual salary. In the event the Company terminates Mr. Moorhouse within one hundred and eighty (180) days of any defined change of control event he will be entitled to severance equal to two (2) times his then annual salary plus an amount equal to two (2) times all bonuses paid during the preceding twelve (12) month period.

*Duane Nelson, Director and Former Chief Executive Officer*

The Company entered into an employment agreement with Mr. Nelson with an effective date of July 25, 2017. The agreement has an indefinite term, provides for an annual base salary of \$300,000 and entitles Mr. Nelson to participate in the Company's group health benefits. Mr. Nelson may terminate his employment agreement with one (1) month written notice to the Company without Good Reason or two (2) weeks' written notice with Good Reason. The Company may terminate Mr. Nelson's employment for just cause at any time with no further obligation to Mr. Nelson. If the Company terminates the agreement without cause Mr. Nelson will be entitled to a severance payment equal to his annual base salary paid out equally over a twenty-four (24) month period. If Mr. Nelson resigns with good reason or his employment is terminated by the Company during the twelve (12) month period following a change of control, he will be entitled to additional compensation equal to his annual base salary plus an amount equal to any additional payments accrued during the current year or paid during the twelve (12) months immediately preceding the termination date paid pro-rata over a twenty-four (24) month period.

On July 4, 2022, Mr. Nelson resigned his position as CEO of the Company, and concurrently Mr. Nelson and the Company mutually terminated Mr. Nelson's employment agreement and entered into a consulting agreement ("Consulting Agreement") dated July 4, 2022 with Mr. Nelson's private company, Sibling Rivalries Inc. (the "Consultant"). The Consulting Agreement has a term of 24 months and provides for a monthly payment of \$25,000 to the Consultant. The Company or Consultant may terminate the Consulting Agreement at any time by providing three (3) months advance notice. If the Consulting Agreement is terminated by the Company, the Consultant is entitled to the greater of (a) all fees earned up to the effective date of termination or (b) \$300,000.

*Ishwinder Grewal, Executive VP*

The Company entered into an employment agreement with Mr. Grewal with an effective date of July 25, 2017. The agreement has an indefinite term, provides for an annual base salary of \$185,000 and entitles Mr. Grewal to participate in the Company's group health benefits plan. Mr. Grewal may terminate his employment agreement with one (1) month written notice to the Company without Good Reason or two (2) weeks' written notice with good reason. The Company may terminate Mr. Grewal's employment for just cause at any time with no further obligation to Mr. Grewal. If the Company terminates the agreement without cause, Mr. Grewal, will be entitled to all unpaid base salary, accrued vacation, and to a severance payment equal to the annual base salary paid out equally over a twenty-four (24) month period. If Mr. Grewal resigns with good reason or his employment is terminated by the Company during the twelve (12) month period following a change of control, he will be entitled to additional compensation equal to his annual base salary plus an amount equal to any additional payments accrued during the current year or paid during the twelve (12) months immediately preceding the termination date paid pro-rata over a twenty-four (24) month period.

*Hanif Jafari, CTO*

The Company entered into an employment agreement with Mr. Jafari with an effective date of July 1, 2021. The agreement has an indefinite term, provides for an annual base salary of \$185,000 and entitles Mr. Jafari to participate in the Company's option and incentive plans, and group health benefits. Mr. Jafari may terminate his employment agreement with sixty (60) days' written notice to the Company. The Company may terminate the agreement with cause at any time with no further obligations to Mr. Jafari. If the Company terminates the agreement without cause, Mr. Jafari will be entitled to all unpaid base salary, accrued vacation, and severance payments equal to three (3) months' then base salary plus one (1) additional month of base salary for each completed year of employment following the first anniversary date of the employment date (March 28, 2016) to a maximum severance equal to twelve (12) months. Severance may be paid pro rata over a period equal to the number of months' severance payable and the Company must maintain the employee's benefits during the severance period.

In the event of a change of control as the result of a business transaction, Mr. Jafari may within 12 months following the change of control elect to terminate his employment agreement and receive a payment equal to two (2) times his then current annual salary. In the event the Company terminates Mr. Jafari within one hundred and eighty (180) days of any defined change of control event he will be entitled to severance equal to two (2) times his then annual salary plus an amount equal to two (2) times all bonuses paid during the preceding twelve (12) month period.

### **Oversight and Description of Director and Named Executive Officer Compensation**

The compensation program of the Company is designed to attract, motivate, reward and retain knowledgeable and skilled executives required to achieve the Company's corporate objectives and to increase shareholder value. The main objective of the compensation program is to recognize the contribution of the NEOs to the overall success and strategic growth of the Company. The philosophy of the Company is to pay the management a total compensation amount that is competitive with other Canadian junior resource companies and is consistent with the experience and responsibility level of the management. The purpose of executive compensation is to reward the executives for their contributions to the achievements of the Company on both an annual and long-term basis.

The compensation program provides incentives to its NEOs and Board to achieve long term objectives through grants of stock options pursuant to the Plan. Increasing the value of the common shares increases the value of the stock options. This incentive closely links the interests of the NEOs and directors to Shareholders. The allocation of options pursuant to the Plan is determined by the Board which considers such factors as previous grants to individuals, overall corporate performance, share price performance, the role and performance of the individuals and, in the case of grants to non-executive directors, the amount of time directed to the Company's affairs. The Company believes that participation by the NEOs in the Plan aligns the interests of the NEOs with the Shareholders, as the NEOs are rewarded for the Company's performance as evidenced by share price appreciation.

The Board has not conducted a formal evaluation of the implications of the risks associated with the Company's compensation policies. Risk management is a consideration of the Board when implementing its compensation policies and the Board does not believe that the Company's compensation policies result in unnecessary or inappropriate risk taking, including risks that are likely to have a material adverse effect on the Company.

Neither a NEO nor a director are permitted to purchase financial instruments, including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

## Pension Disclosure

The Company does not have any deferred compensation plan or pension plan that provides for payments or benefits at, following or in connection with retirement.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of the Company's equity compensation plan information as at the financial year ended December 31, 2022.

<b>Plan</b>	<b>Number of securities to be issued upon exercise of outstanding options</b>	<b>Weighted-average exercise price of outstanding options</b>	<b>Number of securities remaining available for future issuance under equity compensation plans</b>
Equity compensation plan approved by securityholders - the Existing Plan	9,985,000	\$0.51	11,600,692
Equity compensation plan not approved by securityholders.	N/A	N/A	N/A
<b>Total</b>	<b>9,985,000</b>	<b>\$0.51</b>	<b>11,600,692</b>

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates or other management of the Company were indebted to the Company as of the end most recently completed financial year or as at the date hereof.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Company, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries during fiscal 2021 and 2022, or has any interest in any material transaction during fiscal 2021 and 2022 other than as disclosed in the annual financial statements of the Company for the financial years ended December 31, 2021 and December 31, 2022.

## MANAGEMENT CONTRACTS

The business of the Company is managed by its directors and officers and the Company has no management agreement with persons who are not officers or directors of the Company.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### Continuation of Stock Option Plan

At the Meeting, Shareholders will be asked to consider and if deemed appropriate, approve an ordinary resolution to approve the Company's 20% "rolling" Stock Option Plan for continuation until the next annual general meeting of the Company.

## **Shareholder Resolution**

At the Meeting, shareholders will be asked to vote on the following ordinary resolution, with or without variation:

**“RESOLVED** as an ordinary resolution of the shareholders of the Company, that the Company’s 20% “rolling” Stock Option Plan dated for reference October 15, 2020 be and is hereby ratified and approved until the next annual general meeting of the Company.”

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

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

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is included in the audited financial statements and the related management’s discussion and analyses of the Company for the financial years ended December 31, 2022, and December 31, 2021, copies of which have been filed on [www.sedar.com](http://www.sedar.com).

Additional information is also available upon request to the office of the Company. The Company’s telephone number is (604) 428-2400.

## **OTHER MATTERS**

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this Circular.

The contents of this Circular and its distribution to shareholders have been approved by the Board.

**Dated** at Burnaby, British Columbia, Canada, on this 22<sup>nd</sup> day of May, 2023.

**BY ORDER OF THE BOARD OF DIRECTORS OF THE COMPANY**

*“Wayne Moorhouse”*

**Wayne Moorhouse**  
President and Chief Executive Officer