

# **AJN RESOURCES INC.**

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## **INFORMATION CIRCULAR**

(Containing information as at November 9, 2022 unless indicated otherwise)

### **PERSONS MAKING THE SOLICITATION**

This information circular is furnished in connection with the solicitation of proxies by the management of AJN Resources Inc. (the “**Company**”) for use at the annual meeting of shareholders to be held in virtual format on Wednesday, December 14, 2022 (the “**Meeting**”) and any adjournment thereof at the time and place and for the purposes set forth in the accompanying notice of Meeting. While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by directors, officers and employees of the Company at nominal cost. All costs of solicitation by Management will be borne by the Company.

### **APPOINTMENT AND REVOCATION OF PROXIES**

THE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY ARE DIRECTORS OF THE COMPANY. **A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM AT THE MEETING MAY DO SO, EITHER BY STRIKING OUT THE PRINTED NAMES AND INSERTING THE DESIRED PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER PROPER FORM OF PROXY AND IN EITHER CASE DELIVERING THE COMPLETED PROXY TO THE OFFICE OF COMPUTERSHARE INVESTOR SERVICES INC., 8<sup>TH</sup> FLOOR, 100 UNIVERSITY AVENUE, TORONTO, ONTARIO, M5J 2Y1, OR BY FAX WITHIN NORTH AMERICA TO 1.866.249.7775 AND OUTSIDE NORTH AMERICA TO 514.982.7555, OR BY TELEPHONE TO 1.866.732.VOTE (8683) OR INTERNET AT [WWW.INVESTORVOTE.COM](http://WWW.INVESTORVOTE.COM) NOT LESS THAN FORTY-EIGHT (48) HOURS (EXCLUDING SATURDAYS, SUNDAYS AND HOLIDAYS) BEFORE THE TIME OF THE MEETING OR ANY ADJOURNMENT THEREOF.**

The instrument of proxy must be signed by the shareholder or by his or her attorney in writing, or, if the shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer.

A shareholder who has given a proxy may revoke it by an instrument in writing delivered to the said office of Computershare Investor Services Inc. at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, or to the chairman of the Meeting on the day of the Meeting or any adjournment of it, or in any manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

### **ADVICE TO BENEFICIAL SHAREHOLDERS**

If common shares are registered under the name of a shareholder’s broker or an agent of that broker (rather than in the name of the beneficial shareholder), then such shares can only be voted (for or against resolutions) upon the instructions of the beneficial shareholder. Beneficial shareholders should ensure that instructions respecting the voting of their common shares are communicated to management by completing and signing a voting information form and returning it to management. The voting instruction

form supplied to beneficial shareholders is identical to the form of proxy provided to registered shareholders.

Beneficial shareholders who complete and return a voting instruction form must indicate thereon the person (usually a brokerage house) who holds their shares as a registered shareholder. However, its purpose is limited to instructing management how to vote as proxy holder of the registered holder. Management will execute the voting instructions as instructed by the beneficial shareholder to the extent that the management of the reporting issuer holds the corresponding proxy.

If a beneficial shareholder wants to attend the Meeting and vote in person, then the beneficial shareholder should write the beneficial shareholder's name in the place provided for that purpose in the voting instruction form. A beneficial shareholder can also write the name of someone else who he/she/it wishes to attend the meeting and vote on his/her/its behalf. Unless prohibited by law, the person whose name is written in the space provided will have full authority to attend and present matters to the Meeting and vote on all matters that are presented at the Meeting, even if those matters are not set out in the voting instruction form or in this information circular.

The Company is not relying on the "notice-and-access" provisions set out in NI 54-101 to distribute copies of the proxy-related materials in connection with the Meeting. The Company is not sending proxy-related materials directly to non-objecting beneficial owners ("NOBOs").

Management of the Company does not intend to pay for intermediaries to deliver to objecting beneficial owners ("OBOs") under NI 54-101 the meeting materials and Form 54-101F7 *Request for Voting Instructions Made by Intermediary*. OBOs will not receive the meeting materials and Form 54-101F7 unless the intermediary holding shares on behalf of the OBO assumes the cost of delivery.

All references to shareholders in this information circular and the accompanying form of proxy and notice of Meeting are to shareholders of record unless specifically stated otherwise.

## **VOTING OF PROXIES**

The securities represented by the 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 securities shall be voted accordingly. The form of proxy confers authority upon the named proxyholder with respect to matters identified in the accompanying notice of Meeting.

On any poll, the persons named in the enclosed instrument of proxy will vote the shares in respect of which they are appointed. Where directions are given by the shareholder in respect of voting for or against any resolution, the proxyholder will do so in accordance with such direction.

IF A CHOICE WITH RESPECT TO SUCH MATTERS IS NOT SPECIFIED, IT IS INTENDED THAT THE PERSON DESIGNATED BY MANAGEMENT IN THE FORM OF PROXY WILL VOTE THE SECURITIES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY AND FOR THE NOMINEES OF MANAGEMENT FOR DIRECTORS AND AUDITOR. AN ALTERNATE PROXYHOLDER HAS DISCRETION TO VOTE THE SHARES AS HE OR SHE CHOOSES.

The enclosed form of proxy when properly completed and delivered and not revoked confers discretionary authority upon the named proxyholder with respect to amendments to or variations in

matters identified in the accompanying notice of Meeting and other matters which may properly come before the Meeting.

In order to approve a motion proposed at the Meeting, a majority of greater than 50% of the votes cast will be required (an “**Ordinary Resolution**”) unless the motion requires a special resolution, in which case a majority of not less than 66 2/3% of the votes cast will be required. In the event a motion proposed at the Meeting requires disinterested shareholder approval, common shares held by shareholders of the Company who are also “insiders”, as such term is defined under applicable securities laws, will be excluded from the count of votes cast on such motion.

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

Other than as disclosed in this information circular, no person who is or has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, or any associate of affiliate of such person, or any person on behalf of whom this solicitation is made, has any material interest, direct or indirect, in any matter to be acted upon at the Meeting.

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

The Company has an authorized capital consisting of an unlimited number of common shares without par value. Wednesday, November 9, 2022 was fixed in advance by the directors as the record date (the “**Record Date**”) for the purposes of determining those shareholders entitled to receive notice of, and to vote at, the Meeting. Only those shareholders who were shareholders of record by the Record Date and who either personally attend the Meeting or who have completed and delivered a form of proxy in the manner and subject to the provisions described herein will be entitled to vote or to have their shares voted at the Meeting. As of the date hereof and as at the Record Date, the Company had 28,795,500 common shares issued and outstanding, each such share carrying the right to one (1) vote at the Meeting.

The articles of the Company provide that the quorum for the transaction of business at any meeting of shareholders is one person who is, or who represents by proxy, shareholders who, in the aggregate, hold at least five per cent (5%) of the issued shares of the Company entitled to be voted at such meeting. Any persons entitled or required under the *Business Corporations Act* (British Columbia) or the Company's articles to be present at the Meeting are entitled to attend at any general meeting but no such person will be counted in the quorum or be entitled to vote at the Meeting unless he is a shareholder or proxyholder entitled to vote at the Meeting. Unless otherwise indicated, each resolution that will be placed before the Meeting will be an ordinary resolution requiring for its approval a simple majority of the votes cast in respect of the resolution.

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, voting securities carrying more than 10% of the voting rights attached to the voting securities of the Company except as follows:

<b>Name of Shareholder</b>	<b>Number of Common Shares Held</b>	<b>Percentage of Issued and Outstanding Common Shares</b>
Mark Gasson	3,300,000	11.5%

### **FIXING THE NUMBER OF DIRECTORS AND ELECTION OF DIRECTORS**

The Company is requesting shareholder approval to fix the number for which positions exist on the Company's board at four (4) and, if approved, four (4) directors will be elected at the Meeting. Although management is nominating four (4) individuals to stand for election, the names of further nominees for

directors may come from the floor at the Meeting.

The directors of the Company are elected annually and hold office until the next annual general meeting of shareholders or until their successors are appointed. Unless authority to do so is withheld, the persons designated in the accompanying form of proxy intend to vote for the nominees of management listed below. Management does not contemplate that any of the nominees will be unable or unwilling to serve as a director but if, for any reason, any of them shall be unable or unwilling to serve, it is intended that the proxies given pursuant to this solicitation will be voted for a substitute nominee or nominees selected by management, unless authority to vote the proxies in the election of directors is withheld.

### **INFORMATION CONCERNING NOMINEES SUBMITTED BY MANAGEMENT**

The persons named in the following table are management’s nominees to the board of directors. Each director elected will hold office until the next annual general meeting unless their office is earlier vacated in accordance with the articles of the Company and the *Business Corporations Act* (British Columbia) or unless he or she becomes disqualified to act as a director.

<b>Name, Province or State and Country of Residence of each Nominee and Present Position with the Company</b> <sup>(1)</sup>	<b>Principal Occupation, Business or Employment within the Five Preceding Years</b> <sup>(1)</sup>	<b>Period Served as a Director</b>	<b>Number of Voting Securities</b> <sup>(2)</sup>
<b>Klaus Eckhof</b> Monaco CEO, President and Director	Consultant Executive Chairman, Amani Gold Limited Non-Executive Director, Lachlan Star Limited Non-Executive Director, Okapi Resources Limited from May 29, 2017 to Nov. 28, 2019 Executive Chairman, AVZ Minerals Ltd. from Jan. 2018 to June 26, 2018	September 2, 2016 to date	1,050,000
<b>Mark Gasson</b> Monaco CFO and Director	Consultant Non-Executive Director, Pathfinder Minerals Plc since May 25, 2021; Non-Executive Director, Taruga Minerals Ltd. from Feb. 28, 2018 to Mar. 23, 2021	September 2, 2016 to date	3,300,000
<b>Sheena Eckhof</b> London, UK Director	Consultant Investor Relations Officer at IGO Limited (2016-2018)	June 25, 2019 to date	Nil
<b>Lap Kiu Jacky Chan</b> <sup>(3)</sup> Hong Kong Director	Consultant	April 21, 2020 to date	250,000

- (1) The information as to the province and country of residence and principal occupation, not being within the knowledge of the Company, has been furnished by the respective directors individually.
- (2) The information as to shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Company, has been furnished by the respective directors individually.
- (3) Mr. Chan changed his name from Sik Lap (Jacky) Chan to Lap Kiu Jacky Chan.

The Company does not at present have an executive committee, compensation committee or any other committees, other than an audit committee (the “Audit Committee”) as required by the *Business Corporations Act* (British Columbia).

Mark Gasson, Sheena Eckhof and Lap Kiu Jacky Chan are the three current directors elected by the board of directors of the Company to the Audit Committee.

### **Corporate or Management Cease Trade Orders**

Except for as disclosed herein, none of the Company's proposed directors are, or have been within the last 10 years, a director, chief executive officer or chief financial officer any issuer that, while that person was acting in that capacity, or after that person was acting in that capacity 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, was the subject of a cease trade or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than 30 consecutive days.

Klaus Eckhof was a director of De Beira Goldfields Inc. (now Panex Resources Inc.) ("De Beira") when De Beira became subject to a cease trade order issued on June 23, 2006 by the British Columbia Securities Commission (the "BCSC") for failure to file an independent technical report in support of its disclosure of mineral resources contrary to S.4.2(1)(J)(I) and S.5.3(1)(E) of National Instrument 43-101 *Standards of Disclosures for Mineral Projects* ("NI 43-101"). De Beira subsequently completed a NI 43-101 report but it did not reapply to the BCSC to revoke the cease trade order. The NI 43-101 report was not filed on SEDAR and was not reviewed by the BCSC for compliance with NI 43-101. The cease trade order remains in effect. Mr. Eckhof resigned as a director of De Beira in August 2014.

### **Corporate Bankruptcies**

None of the Company's proposed directors are, or have been within the last 10 years, a director or executive officer of any issuer that, while that person was acting 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 the assets of that issuer.

### **Penalties or Sanctions**

None of the Company's proposed directors are, or have been within the last 10 years, the subject of 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 been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

### **Personal Bankruptcies**

None of the Company's proposed directors has, within the last 10 years, become bankrupt or 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 his or her assets.

### **AUDIT COMMITTEE**

Under National Instrument 52-110 – Audit Committees ("**NI 52-110**"), companies are required to provide disclosure with respect to their audit committee including the composition of the audit committee, the text of the audit committee's charter, and the fees paid to the external auditor. Accordingly, the Company provides the following disclosure with respect to its Audit Committee:

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

The directors of the Company have adopted a Charter for the Audit Committee, which sets out the Audit Committee's mandate, organization, powers and responsibilities. The following is the text of the Audit Committee's Charter:

### **1. Overall Purpose / Objectives**

1.1 The Audit Committee will assist the Board of Directors in fulfilling its responsibilities. The Audit Committee will review the financial reporting process, the system of internal control and management of financial risks and the audit process. In performing its duties, the committee will maintain effective working relationships with the Board of Directors, management, and the external auditors and monitor the independence of those auditors. To perform his or her role effectively, each committee member will obtain an understanding of the responsibilities of committee membership as well as the Company's business, operations and risks.

### **2 Authority**

2.1 The Board authorizes the audit committee, within the scope of its responsibilities, to seek any information it requires from any employee and from external parties, to obtain outside legal or professional advice, to set and pay the compensation for any advisors employed by the Audit Committee, to ensure the attendance of Company officers at meetings as appropriate and to communicate directly with the Company's external auditors.

### **3. Organization**

#### Membership

3.1 The Audit Committee will be comprised of at least three members, all of whom shall be Directors of the Company. Whenever reasonably feasible a majority of the members of the audit committee shall have no direct or indirect material relationship with the Company. If less than a majority of the Board of Directors are independent, then a majority of the members of the audit committee may be made up of members that are not independent of the Company, provided that there is an exemption in the applicable securities law, rule, regulation, policy or instrument (if any).

3.2 The chairman of the Audit Committee (if any) will, if feasible, be nominated by the Audit Committee from the members of the Audit Committee which are not officers or employees of the Company, or a company associated or affiliated with the Company, from time to time.

3.3 A quorum for any meeting will be two members.

3.4 The secretary of the Audit Committee will be the Company secretary, or such person as nominated by the Chairman of the Audit Committee, if there is one, or by the members of the Audit Committee.

#### Attendance at Meetings

3.5 The Audit Committee may invite such other persons (e.g. the President or Chief Financial Officer) to its meetings, as it deems appropriate.

3.6 Meetings shall be held not less than four times a year. Special meetings shall be convened as required. External auditors may convene a meeting if they consider that it is necessary.

3.7 The proceedings of all meetings will be minuted.

#### **4. Roles and Responsibilities**

The Audit Committee will:

4.1 Gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

4.2 Gain an understanding of the current areas of greatest financial risk and whether management is managing these effectively.

4.3 Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.

4.4 Review any legal matters which could significantly impact the financial statements as reported on by the general counsel and meet with outside counsel whenever deemed appropriate.

4.5 Review the annual and quarterly financial statements including Management's Discussion and Analysis and annual and interim earnings press releases prior to public dissemination, including any certification, report, opinion, or review rendered by the external auditors and determine whether they are complete and consistent with the information known to committee members; determine that the auditors are satisfied that the financial statements have been prepared in accordance with generally accepted accounting principles.

4.6 Pay particular attention to complex and/or unusual transactions such as those involving derivative instruments and consider the adequacy of disclosure thereof.

4.7 Focus on judgmental areas, for example those involving valuation of assets and liabilities and other commitments and contingencies.

4.8 Review audit issues related to the Company's material associated and affiliated companies that may have a significant impact on the Company's equity investment.

4.9 Meet with management and the external auditors to review the annual financial statements and the results of the audit.

4.10 Review the interim financial statements and disclosures, and obtain explanations from management on whether:

- (a) actual financial results for the interim period varied significantly from budgeted or projected results;
- (b) generally accepted accounting principles have been consistently applied;
- (c) there are any actual or proposed changes in accounting or financial reporting practices;
- (d) there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure; and
- (e) review the external auditors' proposed audit scope and approach and ensure no unjustifiable restriction or limitations have been placed on the scope.

4.11 Review the performance of the external auditors and approve in advance provision of services other than auditing. Consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the company. The Board authorizes the Chairman of the Audit Committee to pre-approve any non-audit or additional audit work which the Chairman deems as necessary and to notify the other members of the Audit Committee of such non-audit or additional work.

4.12 Make recommendations to the Board regarding the reappointment of the external auditors and the compensation to be paid to the external auditor.

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

4.14 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.

4.15 Establish a procedure for:

- (a) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
- (b) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters.

4.16 Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.

4.17 Endeavour to cause the receipt and discussion on a timely basis of any significant findings and recommendations made by the external auditors.

4.18 Ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the business.

4.19 Perform other functions as requested by the full Board.

4.20 If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist, and set the compensation to be paid to such special counsel or other experts.

4.21 Review and recommend updates to the charter; receive approval of changes from the Board.

## **5. Reference Date.**

5.1 This 2018 Charter of the Audit Committee was first adopted and approved by the directors of the Company on January 3, 2018.

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

The following are the current members of the Audit Committee:

Mark Gasson	Not independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
Sheena Eckhof	Not independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
Lap Kiu Jacky Chan	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company which could, in the view of the board of directors, reasonably interfere with the exercise of a member's independent judgment. Executive officers, employees, family members of executive officers, and individuals who accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Company (other than as remuneration for acting as a board member) are considered to have a material relationship with the Company. An individual is considered to have a material relationship with the Company if the individual is, or has been within the last three years, an employee or executive officer of the Company or if an immediate family member of the individual is, or has been within the last three years, an executive officer of the Company.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

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

The education and experience of each audit committee member that is relevant to the performance of his responsibilities as an audit committee member is as follows:

#### *Mark Gasson*

Mr. Gasson is a qualified geologist with more than 25 years of experience holding senior positions with a number of Australian and international mining companies operating in Africa, including audit committee experience. Mr. Gasson's experience as a board and audit committee member of other publicly traded companies has enabled him to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. Mr. Gasson is financially literate.

#### *Sheena Eckhof*

Miss Eckhof is an Investor Relations and Business Development consultant to the resources sector. She was previously a director and Investor Relations Manager at ASX-listed Taruga Minerals Limited. Prior to this she worked as Investor Relations Officer and Business Development Analyst for IGO Limited, a Tier 1 West Australian nickel mining company. Miss Eckhof has also gained extensive experience with globally renowned Lazard Financial Advisory and UBS Investment Bank, where she predominately provided advice to the resources sector concerning strategic and financial matters. Miss Eckhof has a Bachelor of Commerce (Major: Corporate and Investment Finance, Minor: Business Law) from the University of Western Australia. Miss Eckhof is financially literate.

#### *Lap Kiu Jacky Chan*

Dr. Chan is a mining entrepreneur and valuer with more than 16 years experience in the mining industry. Dr. Chan has held senior management positions in diverse international exploration and mining companies providing him experience in exploration, mine development, corporate management, government liaisons, business development and environmental, health and safety. Dr. Chan obtained his Bachelor of Science degree with first class honors in the Department of Earth Sciences at the University of Hong Kong in 2004, and got his Master of Philosophy and PhD in Geology from the same department in 2007 and 2021 respectively. Dr. Chan is financially literate.

### ***Audit Committee Oversight***

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

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

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of National Instrument 52-110 (*De Minimis* Non-audit Services), or an exemption from National Instrument 52-110, in whole or in part, granted under Part 8 of National Instrument 52-110.

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

The Audit Committee is authorized by the Board of Directors to review the performance of the Company's external auditors and approve in advance the provision of services other than auditing and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company. The Audit Committee is authorized to approve any non-audit services or additional work which the Chairman of the Audit Committee deems as necessary who will notify the other members of the Audit Committee of such non-audit or additional work.

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

The aggregate fees billed by the Company's external auditor in each of the last two fiscal years for audit and non-audit services are as follows:

<b>Financial Year Ending<sup>(1)</sup></b>	<b>Audit Fees<sup>(2)</sup></b>	<b>Audit Related Fees<sup>(3)</sup></b>	<b>Tax Fees<sup>(4)</sup></b>	<b>All Other Fees<sup>(5)</sup></b>
2022	\$29,227	Nil	Nil	Nil
2021	\$27,500	Nil	Nil	Nil

- (1) Financial years ended July 31.
- (2) The aggregate audit fees billed.
- (3) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements which are not included under the heading "Audit Fees".
- (4) The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning.
- (5) The aggregate fees billed for products and services other than as set out under the headings "Audit Fees", "Audit Related Fees" and "Tax Fees".

The breakdown of the fees billed by the Company's external auditors between Audit Fees, Tax Fees and All Other Fees is based on an estimate of the amount of work carried out by the external auditors in each area.

### ***Exemption***

The Company has relied upon the exemption provided by section 6.1 of NI 52-110 which exempts venture issuers from the requirement to comply with the restrictions on the composition of its audit committee and the disclosure requirements of its audit committee in an annual information form as prescribed by NI 52-110.

## **STATEMENT OF EXECUTIVE COMPENSATION**

For the purpose of this Statement of Executive Compensation:

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

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

“**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);

“**Named Executive Officer**” or “**NEO**” means:

- (a) the Company’s CEO;
- (b) the Company’s CFO;
- (c) each of the Company’s three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year and whose total compensation was, individually, more than \$150,000 as determined in accordance with subsection 1.3(5) of Form 51-102F6V *Statement of Executive Compensation – Venture Issuers*, for that financial year; and
- (d) any individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity at the end of the most recently completed 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 direct and indirect compensation (excluding compensation securities) paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company, 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 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 services to be provided, directly or indirectly, to the Company, for each of the Company’s two most recently completed financial years.

Table of compensation excluding compensation securities							
Name and position	Year <sup>(1)</sup>	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Klaus Eckhof President, CEO and director	2022	\$180,000	Nil	Nil	Nil	Nil	\$180,000
	2021	\$195,000	Nil	Nil	Nil	Nil	\$195,000
Mark Gasson CFO and director	2022	\$103,462	Nil	Nil	Nil	Nil	\$103,462
	2021	\$35,950	Nil	Nil	Nil	\$12,450	\$48,400
Nigel Ferguson <sup>(2)</sup> Former director	2022	Nil	Nil	Nil	Nil	\$18,000	\$18,000
	2021	Nil	Nil	Nil	Nil	\$24,000	\$24,000
Sheena Eckhof Director	2022	\$95,000	Nil	Nil	Nil	Nil	\$95,000
	2021	\$92,500	Nil	Nil	Nil	Nil	\$92,500
Lap Kiu Jacky Chan Director	2022	Nil	Nil	Nil	Nil	\$24,000	\$24,000
	2021	Nil	Nil	Nil	Nil	\$24,000	\$24,000

(1) Financial years ended July 31.

(2) Mr. Ferguson resigned as a director on May 8, 2022.

### Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to Named Executive Officers and directors by the Company or one of its subsidiaries in the most recently completed financial year for services provided, or to be provided, directly or indirectly, to the Company or any subsidiary thereof:

Compensation Securities							
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
Klaus Eckhof President, CEO and director	Stock options	Nil	N/A	N/A	N/A	N/A	N/A
Mark Gasson CFO and director	Stock options	Nil	N/A	N/A	N/A	N/A	N/A
Nigel Ferguson Former director <sup>(1)</sup>	Stock options	Nil	N/A	N/A	N/A	N/A	N/A
Sheena Eckhof Director	Stock options	Nil	N/A	N/A	N/A	N/A	N/A
Lap Kiu Jacky Chan Director	Stock options	Nil	N/A	N/A	N/A	N/A	N/A

(1) Mr. Ferguson resigned as a director on May 8, 2022.

As at July 31, 2022, the following stock options were outstanding to Named Executive Officers and directors:

- (a) Klaus Eckhof, President, CEO and a director of the Company, owned an aggregate of 125,000 stock options, each exercisable into one common share at a price of \$0.80 per share on or before February 24, 2025.
- (b) Mark Gasson, CFO and a director of the Company, owned an aggregate of 50,000 stock options, each exercisable into one common share at a price of \$0.80 per share on or before February 24, 2025.
- (c) Sheena Eckhof, a director of the Company, owned an aggregate of 300,000 stock options, of which 100,000 are each exercisable into one common share at a price of \$0.80 per share on or before February 24, 2025, and 200,000 are each exercisable into one common share at a price of \$0.25 per share on or before August 21, 2024.

### Exercise of Compensation Securities by Directors and NEOs

The following table sets out each exercise of compensation securities were exercised by directors or Named Executive Officers during the financial year ended July 31, 2022.

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
<b>Klaus Eckhof</b> President, CEO and director	Stock options	300,000	\$0.10	Feb. 24/22	\$0.34	\$0.24	\$72,000
<b>Mark Gasson</b> CFO and director	Stock options	300,000	\$0.10	Feb. 24/22	\$0.34	\$0.24	\$72,000
<b>Nigel Ferguson</b> Former director <sup>(1)</sup>	Stock options	Nil	N/A	N/A	N/A	N/A	N/A
<b>Sheena Eckhof</b> Director	Stock options	Nil	N/A	N/A	N/A	N/A	N/A
<b>Lap Kiu Jacky Chan</b> Director	Stock options	Nil	N/A	N/A	N/A	N/A	N/A

(1) Mr. Ferguson resigned as a director on May 8, 2022.

### Option Plans and Other Incentive Plans

The Company has one security based compensation arrangement which is its stock option plan. For a summary of the material provisions of the stock option plan, please see below under the heading “Stock Option Plan”.

### Employment, Consulting and Management Agreements

The Company did not have any agreement or arrangement under which compensation was provided during the financial year ended July 31, 2022 or is payable in respect of services provided to the Company or any of its subsidiaries that were (a) performed by a director of NEO, or (b) performed by any other party but are services typically provided by a director or a named executive officer.

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

At its present stage of development, the Company does not have any formal objectives, criteria and analysis for determining the compensation of its Named Executive Officers and primarily relies on the discussions and determinations of the board of directors. Compensation of Named Executive Officers is mainly expected to be through the grant of incentive stock options while some management fees are expected to be paid.

Cash compensation amounts to executive officers are determined solely by board discussion without any formal objectives, criteria or analysis. Option based awards to executive officers are determined by the board which considers both the past and future expected contributions of the individual officers, previous grants of stock options, and the number of available stock options.

The Company does not have any arrangements, standard or otherwise, for cash or non-cash compensation pursuant to which directors were compensated by the Company for their attendance at board meetings or in their capacity as directors. The directors may be reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as directors. The Board intends to compensate directors primarily through the grant of stock options.

## **EQUITY COMPENSATION PLAN INFORMATION**

The following table provides information regarding compensation plans under which equity securities of the Company are authorized for issuance in effect as of the end of the Company's most recently completed financial year:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights<sup>(1)</sup></b> <b>(a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b> <b>(b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))<sup>(1)</sup></b> <b>(c)</b>
Equity compensation plans approved by securityholders	1,425,000	\$0.50	1,454,550
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
<b>Total</b>	<b>1,425,000</b>	<b>\$0.50</b>	<b>1,454,550</b>

(1) Financial year ended July 31.

The Company is asking shareholders to re-approve the Company's stock option plan (the "Plan"). The Plan authorizes the directors to issue options to directors, officers, key employees and others who are in a position to contribute to the future success and growth of the Company.

The Plan is in the form of a rolling stock option plan reserving for issuance upon the exercise of options granted pursuant to the Plan a maximum of 10% of the issued and outstanding shares of the Company at the date of the grant. See "Particulars of Matters to be Acted Upon – Stock Option Plan".

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

At no time during the Company's last completed financial year, was a director, executive officer,

employee, proposed management nominee for election as a director of the Company nor any associate of any such director, executive officer, or proposed management nominee of the Company or any former director, executive officer or employee of the Company or any of its subsidiaries indebted to the Company or any of its subsidiaries or was indebted to another entity where such indebtedness is or 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, other than routine indebtedness.

## **CORPORATE GOVERNANCE DISCLOSURE**

National Policy 58-201 establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines; however, the board of directors considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore such guidelines have not been adopted. National Instrument 58-101 mandates disclosure of corporate governance practices which disclosure is set out below.

### **1. Board of Directors**

Lap Kiu Jacky Chan is considered to be "independent" as defined by National Policy 58-101. As the size of the Board is small, the Board has no formal procedures designed to facilitate the exercise of independent supervision over management, relying instead on the integrity of the individual members of its management team to act in the best interests of the Company.

### **2. Directorships**

The following table sets out the directors who are currently directors of other reporting issuers in all Canadian and foreign jurisdictions:

<b>Name of Director</b>	<b>Name of Other Reporting Issuer(s)</b>
Klaus Eckhof	Amani Gold Limited
	Kairos Minerals Ltd.
	Tantalex Lithium Resources Corporation
Mark Gasson	Pathfinder Minerals Plc

### **3. Orientation and Continuing Education**

The Board of Directors of the Company briefs all new directors with respect to the policies and guidelines of the Board of Directors and other relevant corporate and business information. New Board members are also provided with copies of the Company's audit committee charter, corporate governance guidelines and published insider trading policies, access to all of the publicly filed documents of the Company and complete access to management, the Company's records and the Company's professional advisors including auditor and legal counsel.

Board members are encouraged to communicate with management and auditors, to keep themselves current with industry trends and developments and changes in legislation with the Company's assistance, to attend industry seminars and to visit the Company's operations.

The Board's continuing education is typically derived from correspondence with the Company's legal counsel to remain up to date with developments in relevant corporate and securities law matters. The Board does not provide any continuing education.

#### **4. Ethical Business Conduct**

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. The Board monitors the ethical conduct of the Company and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges but, to date, has not adopted a formal written Code of Business Conduct and Ethics.

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. 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. The current limited size of the Company's operations and the small number of officers and consultants allow the independent members of the Board to monitor on an ongoing basis the activities of management and to ensure that the highest standard of ethical conduct is maintained. As the Company grows in size and scope, the Board anticipates that it will formulate and implement a formal Code of Business Conduct and Ethics.

#### **5. Nomination of Directors**

The Board has responsibility for identifying and assessing potential Board candidates and recommending new director nominees for the next annual meeting of shareholders. Recruitment of new directors has generally resulted from recommendations made by directors, management and shareholders. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. The Company nominates Board members it considers to be ethical.

Generally, the Board of Directors seeks nominees that have the following characteristics: a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the required time, support for the Company's mission and strategic objectives, and a willingness to serve.

#### **6. Compensation**

The Board of Directors reviews the compensation of the directors and the Chief Executive Officer once a year. To make its recommendations on such compensation, the Board of Directors takes into account the types of compensation and the amounts paid to directors and officers of comparable publicly traded Canadian companies, as well as the success of the directors and officers in helping the Company to achieve its objectives and the Company's financial resources.

#### **7. Other Board Committees**

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

#### **8. Assessments**

The Board does not consider that formal assessments would be useful at this stage of the Company's development. The Board conducts informal periodic assessments of the effectiveness of the Board, its committees and the individual directors to satisfy itself that they are performing effectively. The assessment of the Board relates to the ongoing governance and operation of the Board and its effectiveness in discharging its responsibilities. The assessment of individual directors is comprised of an

examination of each individual director's ability to contribute to the effective decision-making of the Board.

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

Other than as set forth in this information circular and other than transactions carried out in the ordinary course of business of the Company or any of its subsidiaries, none of the directors or executive officers of the Company, a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company, nor any shareholder beneficially owning, directly or indirectly, common shares of the Company, or exercising control or direction over common shares of the Company, or a combination of both, carrying more than 10% of the voting rights attached to the outstanding shares of the Company nor an associate or affiliate of any of the foregoing persons has since August 1, 2021 any material interest, direct or indirect, in any transactions which materially affected or would materially affect the Company or any of its subsidiaries, other than: during the financial year ended July 31, 2022 the Company entered into the following transactions with directors, companies controlled by directors or companies with or which previously had common directors:

1. The Company incurred \$180,000 in consulting fees to Klaus Eckhof, President, CEO and a director of the Company;
2. The Company incurred \$103,462 in consulting fees to Gasson Consulting, a company owned by Mark Gasson, CFO and a director of the Company;
3. The Company incurred \$18,000 in directors' fees to Ridgeback Holdings Pty. Ltd., a company controlled by Nigel Ferguson, a former director of the Company;
4. The Company incurred \$95,000 in consulting fees to Eckhof Consulting, a Company owned by Sheena Eckhof, a director of the Company; and
5. The Company incurred \$24,000 in directors' fees to Lap Kiu Jacky Chan, a director of Company.

The directors and officers of the Company also have an interest in the resolutions concerning (a) the election of directors and (b) the approval of the stock option plan (see below). Otherwise, no director or executive officer of the Company or any associate of the foregoing has any substantial interest, direct or indirect, by way of beneficial ownership of shares or otherwise in the matters to be acted upon at the said Meeting, except for any interest arising from the ownership of shares of the Company where the shareholder will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of shares in the capital of the Company.

### **APPOINTMENT AND REMUNERATION OF AUDITOR**

Unless otherwise instructed, the proxies given to management pursuant to this solicitation will be voted for the appointment of Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants ("DMCL"), as auditor of the Company to hold office until the close of the next annual general meeting of the Company, at a remuneration to be fixed by the directors of the Company.

### **MANAGEMENT CONTRACTS**

There are no other management functions of the Company which are to any substantial degree performed other than by the executive officers and directors of the Company.

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

### **Stock Option Plan**

Management of the Company believes that incentive stock options serve an important function in furnishing directors, officers, employees and consultants (collectively the “**Eligible Parties**”) of the Company an opportunity to invest in the Company in a simple and effective manner and better aligning the interests of the Eligible Parties with those of the Company and its shareholders through ownership of shares in the Company. Accordingly, at the Meeting the shareholders will be asked to consider, and the directors, believing it to be in the best interests of the Company, recommend that the shareholders re-approve, the Company's stock option plan (the “**Plan**”) and the allotment and reservation of sufficient common shares from treasury to provide the shares necessary for issuance upon the exercise from time to time of options granted pursuant to the Plan.

The Plan is in the form of a rolling stock option plan reserving for issuance upon the exercise of options granted pursuant to the Plan a maximum of 10% of the issued and outstanding shares of the Company at any time, less any shares required to be reserved with respect to options granted by the Company prior to the implementation of the Plan. The Plan will be administered by a committee of at least three directors, if so appointed by the board, or, if no such committee has been authorized or appointed, the board of directors of the Company (the “**Committee**”). Subject to the provisions of the Plan, the Committee in its sole discretion will determine all options to be granted pursuant to the Plan, the exercise price therefore and any special terms or vesting provisions applicable thereto. The Committee will comply with all regulatory requirements in granting options and otherwise administering the Plan. A summary of some of the additional provisions of the Plan follows:

- (i) the number of securities reserved for issuance under options to acquire the securities granted to Related Persons, Employees and Consultants (all capitalized terms as defined in the Plan) shall not exceed 10% of the issued and outstanding shares of the Company calculated at the date the Option was granted;
- (ii) the number of securities reserved for issuance under options to acquire the securities granted to any one person shall not exceed 5% of the issued and outstanding shares of the Company calculated at the date the Option was granted;
- (iii) Options granted to any one Consultant to the Company as a total in any twelve-month period shall not exceed 2% of the issued and outstanding shares of the Company calculated at the date the Option was granted;
- (iv) in any twelve-month period the total number of Shares (either issued directly or represented by Grants in that period or represented by convertible securities issued in that period) provided as compensation to persons providing investor relations activities shall not exceed 1% of the issued Shares calculated at the date the Option was granted;
- (v) Options granted shall be non-assignable and not transferable and shall not have a term in excess of ten years;
- (vi) all Options granted shall be evidenced by written option agreements; and
- (vii) any amendment to reduce the exercise price of options granted to Related Persons of the Company shall be subject to approval of the disinterested shareholders of the Company, the majority vote of the shareholders other than the Related Persons to whom Options may be granted under the Plan and their Associates.

A copy of the Plan will be available at the Meeting for review by shareholders, if requested.

Therefore, shareholders will be asked to approve the following resolution, by way of disinterested shareholder approval:

*“BE IT RESOLVED, AS AN ORDINARY RESOLUTION OF DISINTERESTED SHAREHOLDERS, THAT:*

- (1) the Company’s stock option plan dated January 3, 2018 be and is hereby ratified, approved and confirmed including the reserving for issuance under the stock option plan at any time of a maximum of 10% of the issued and outstanding shares of the Company, subject to any amendments that may be required by any applicable stock exchange or regulatory authority;*
- (2) the Company be authorized to abandon or terminate all or any part of the stock option plan if the Board of the Company deems it appropriate and in the best interests of the Company to do so;*
- (3) the Company be and is hereby authorized to grant options pursuant and subject to the terms and conditions of the stock option plan;*
- (4) the Company be and is hereby authorized, at the discretion of the board of directors, to amend the exercise price of any previously granted stock option agreements, without further approval by the shareholders, all in accordance with the terms of the stock option plan and the policies of any applicable stock exchange; and*
- (5) any one or more of the directors and officers of the Company be authorized and directed to perform all such acts, deeds and things and execute, under the seal of the Company or otherwise, all such documents and other writings, including treasury orders, stock exchange and securities commissions forms, as may be required to give effect to the true intent of this resolution.”*

The directors of the Company believe the Plan is in the Company's best interests and recommend that the shareholders re-approve the Plan. It is the intention of the persons named in the enclosed instrument of proxy, if not expressly directed otherwise in such instrument of proxy, to vote such proxies FOR the ordinary resolution to re-approve the Plan.

#### **OTHER MATTERS**

MANAGEMENT KNOWS OF NO OTHER MATTERS TO COME BEFORE THE MEETING OF SHAREHOLDERS OTHER THAN AS SET FORTH ABOVE AND AS REFERRED TO IN THE NOTICE OF MEETING. HOWEVER, IF ANY OTHER MATTERS WHICH ARE NOT KNOWN TO THE MANAGEMENT OF THE COMPANY SHALL PROPERLY COME BEFORE THE SAID MEETING, THE FORM OF PROXY GIVEN PURSUANT TO THE SOLICITATION BY MANAGEMENT OF THE COMPANY WILL BE VOTED ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSONS VOTING THE PROXY.

#### **ADDITIONAL INFORMATION**

Additional information regarding the Company and its business activities is available on the SEDAR website located at [www.sedar.com](http://www.sedar.com) “Company Profiles – AJN Resources Inc.”. The Company’s financial information is provided in the Company’s audited comparative financial statements and related management discussion and analysis for its financial year ended July 31, 2022 and may be viewed on the SEDAR website at the location noted above. Shareholders of the Company may request copies of the Company’s financial statements and related management discussion and analysis by contacting the Company at Suite 1400 – 1199 West Hastings Street, Vancouver, BC V6E 3T5 (Telephone: 011 44 7496291547).