



**MOSAIC MINERALS CORP.**

**NOTICE OF MEETING**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**FOR THE**

**ANNUAL GENERAL**

**MEETING OF SHAREHOLDERS**

**January 17, 2023 at 10:00 a.m. (EST)**

**AT**

**410 St-Nicolas, Suite 236  
Montreal, QC, H2Y 2P5**

**Mosaic Minerals Corp.**  
410 St-Nicolas, Suite 236  
Montreal, Quebec, H2Y 2P5

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that an annual general meeting (the "**Meeting**") of the shareholders of Mosaic Minerals Corp. (the "**Company**") will be held at 410 St-Nicolas, Suite 236, Montreal, QC, H2Y 2P5 on January 17, 2023 at 10:00 a.m. (EST) and online at <https://mcmillan.webex.com/mcmillan/j.php?MTID=m331aa08488eab7ae638bef05019b50ae> for the following purposes:

1. to receive and consider the audited financial statements of the Company for the year ended December 31, 2021 together with the auditor's reports thereon;
2. to elect directors for the ensuing year;
3. to appoint Davidson & Company LLP, Chartered Professional Accountants, as auditor of the Company for the ensuing year and authorize the directors to determine the remuneration to be paid to the auditor;
4. to transact such other business as may properly be put before the Meeting.

The accompanying Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice. Also accompanying this Notice are (i) Forms of Proxy or Voting Instruction Form, and (ii) Financial Statement Request Form. Any adjournment of the Meeting will be held at a time and place to be specified at the Meeting.

Only shareholders of record at the close of business on **December 13, 2022**, will be entitled to receive notice of and vote at the Meeting. Shareholders who are unable to attend the Meeting are requested to complete, sign, date and return the enclosed form of proxy indicating your voting instructions. A proxy will not be valid unless it is deposited at the office of TSX Trust not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or any adjournments thereof. If you are not a registered shareholder, please refer to the accompanying Information Circular for information on how to vote your shares.

The Company scheduled the Meeting on a hybrid basis. The Company strongly recommend that all Shareholders vote by proxy whether you are able to join the Meeting or not. Shareholders who present the Meeting in person will be expected to observe all rules and policies set for by the Company during the Meeting.

DATED at Montreal, Quebec, the 13<sup>th</sup> day of December 2022.

*(s) Jonathan Hamel*

Jonathan Hamel

Chief Executive Officer and Director

**MOSAIC MINERALS CORP.**

410 St-Nicolas, Suite 236, Montreal, Quebec, H2Y 2P5

**MANAGEMENT INFORMATION CIRCULAR**

(as at December 13, 2022 except as otherwise indicated)

**GENERAL INFORMATION**

The annual general meeting (the "**Meeting**") of the shareholders (the "**Shareholders**") of Mosaic Minerals Corp. (the "**Company**") will be held for the following purposes:

1. to receive and consider the audited financial statements of the Company for the year ended December 31, 2021 together with the auditor's reports thereon;
2. to elect directors for the ensuing year;
3. to appoint Davidson & Company LLP, Chartered Professional Accountants, as auditor of the Company for the ensuing year and authorize the directors to determine the remuneration to be paid to the auditor;
4. to transact such other business as may properly be put before the Meeting.

The following documents are incorporated by reference and form part of this Circular. Copies of these documents may be obtained by accessing the SEDAR website at [www.sedar.com](http://www.sedar.com) under the profile of the Company:

1. the audited consolidated financial statements of the Company for the year ended December 31, 2021 together with the notes thereto and the auditor's report thereon; and
2. management's discussion and analysis for the year ended December 31, 2021.

This information circular (the "**Circular**") is furnished in connection with the solicitation of proxies ("**Proxies**") by the management of the Company for use at the Meeting. In this Circular, unless otherwise indicated, all dollar amounts are expressed in Canadian dollars. Unless otherwise indicated, the information contained in this Circular is current as of December 13, 2022.

**FORWARD LOOKING STATEMENTS**

This Circular may include and incorporate statements that are prospective in nature that constitute forward-looking information and/or forward-looking statements within the meaning of applicable securities laws (collectively, "**forward-looking statements**"). Forward-looking statements include, but are not limited to, statements concerning the completion and proposed terms of, and matters relating to, the anticipated election of the Company's proposed directors, as well as other statements with respect to management's beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans" or "continue", or similar expressions suggesting future outcomes or events.

Forward-looking statements reflect Management's current beliefs, expectations and assumptions and are based on information currently available to Management, Management's historical experience, perception of trends and current business conditions, expected future developments and other factors which management considers appropriate. With respect to the forward-looking statements included in or incorporated into this Circular, Management has made certain assumptions with respect to, among other things, the belief that the Company will benefit from pursuing a new explorations and capital allocation strategy, that the Company will meet its future objectives and priorities, that the Company will have access to adequate capital to fund its future projects and plans,

as well as assumptions concerning general economic and industry growth rates, commodity prices, currency exchange and interest rates and competitive intensity.

Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the future circumstances, outcomes or results anticipated or implied by such forward-looking statements will occur or that plans, intentions or expectations upon which the forward-looking statements are based will occur. By their nature, forward-looking statements involve known and unknown risks and uncertainties and other factors that could cause actual results to differ materially from those contemplated by such statements. Factors that could cause such differences include, but are not limited to: global financial markets, general economic conditions, competitive business environments, and other factors may negatively impact the Company's financial condition. For a further description of these and other factors that could cause actual results to differ materially from the forward-looking statements included in or incorporated into this Circular, see the risk factors discussed under the heading "*Risk Factors*", as well as the risk factors included in the Company's management discussion and analysis for the year ended December 31, 2021 and as described from time to time in the reports and disclosure documents filed by the Company with Canadian securities regulatory authorities, which are available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). This list is not exhaustive of the factors that may impact the Company's forward-looking statements. These and other factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking statements. As a result of the foregoing and other factors, there can be no assurance that actual results will be consistent with these forward-looking statements.

All forward-looking statements included in or incorporated by reference into this Circular are qualified by these cautionary statements. The forward-looking statements contained herein are made as of the date of this Circular and, except as required by applicable law, the Company does not undertake any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

**Readers are cautioned that the actual results achieved will vary from the information provided herein and that such variations may be material. Consequently, there are no representations by the Company that actual results achieved will be the same in whole or in part as those set out in the forward-looking statements.**

#### **SOLICITATION OF PROXIES**

This Circular is being delivered in connection with the solicitation of proxies by management of the Company at the Meeting, to be held on the date, at the place, on the hour, and for the purposes stated in the notice of meeting (hereinafter, the "**Notice of Meeting**") included with this Circular. Solicitation of proxies will be primarily by mail, but may also be by telephone or oral communication by the directors and officers of the Company, at no additional cost. The cost of the solicitation of proxies will be borne by the Company.

The Company may also reimburse brokers and other persons holding shares in their own name or in the names of their nominees for their expenses in sending proxies and proxy materials to the beneficial owners, and obtaining their proxies, but solicitations will not be made by employees engaged for that purpose or by soliciting agents.

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

An instrument appointing a proxy shall be in writing and shall be executed by the Shareholder or his attorney duly authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer or attorney thereof.

The persons named in the form of proxy accompanying the Notice of Meeting are officers and directors of the Company. A Shareholder submitting a Form of Proxy shall have the right to appoint a person, other than the person or persons designated in the form of proxy furnished by the Company, to represent the Shareholder at the Meeting. To exercise this right, the Shareholder must either insert the name of the desired representative in the blank space provided in the form of proxy and checking the appropriate box. A form of proxy will not be valid unless it is received at the offices of TSX Trust no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting.

A person giving a proxy has the power to revoke it. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or by his attorney authorized in writing or, if the Shareholder is a corporation, by an officer or attorney duly authorized, and delivered to the offices of TSX Trust at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which such form of proxy is to be used, or to the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof, and upon either of such deliveries the form of proxy shall be revoked. A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

#### **QUESTIONS AND ANSWERS ABOUT VOTING BY PROXY**

**Q: Who has the right to vote?**

A: The registered Shareholders (hereinafter, the “**Registered Shareholders**”) on the record date, December 13, 2022 (hereinafter, the “**Record Date**”) have the right to vote. Each Common Share confers a right to vote on the matters described in the Notice of Meeting for the annual general meeting of Shareholders.

**Q: How can I vote?**

A: You can exercise your right to vote your shares in two ways. If you are a Registered Shareholder, you may vote in person at the meeting or sign the Form of Proxy so as to allow people who are appointed or another person of your choice, which is not required to be a shareholder, to represent you as proxyholder and to exercise the voting rights attached to your shares at the Meeting.

**Q: What if I plan to attend the Meeting and vote in person?**

A: If you are a Registered Shareholder and plan to attend the Meeting to exercise in person the voting rights attached to your shares, you do not have to complete and return the proxy. You exercise your voting rights yourself at the meeting. Please register with the transfer agent upon attendance at the Meeting.

**Q: Who is soliciting my proxy?**

A: The enclosed proxy is solicited by management of the Company. The costs relating to the solicitation of proxies will be covered by the Company. The solicitation of proxies will be primarily by mail, but it can also be done by telephone or in person by employees of the Company, who will receive no compensation in this regard.

**Q: What happens if I sign the proxy form attached to the Circular?**

A: By signing the enclosed proxy, you authorize Leigh Hughes, Interim CEO of the Company or Philip Nolan, Director, or any other person you have appointed to exercise the voting rights attached to your shares at the Meeting.

**Q: Can I name a person other than these officers to exercise my right to vote?**

A: YES. Enter the name of this person, who is not required to be a Shareholder, in the space provided on the form of proxy and check the appropriate box.

You must ensure that they will attend the Meeting and that they know that they have been appointed to exercise the right to vote your shares. Upon attendance at the Meeting, the person must present themselves to a representative of TSX Trust.

**Q: What should I do with my proxy form?**

A: Return it to the Company's transfer agent, TSX Trust, in the reply envelope provided, at the latest 48 hours (excluding Saturdays, Sundays and holidays) before the commencement of the Meeting or any adjournment thereof or present it to the president of the Meeting prior to the commencement of the Meeting or any adjournment thereof. Your vote will then be counted.

A Registered Shareholder may submit a proxy using one of the following methods:

- (a) complete, date and sign the proxy form and return it to the Company's transfer agent by mail to TSX Trust Company at P.O. Box 721, Agincourt, Ontario M1S 0A1, or by fax to 416-368-2502 or toll free in Canada and the United States to 1-866-781-3111, or scan and email to [proxyvote@tmx.com](mailto:proxyvote@tmx.com); or
- (b) use any touch-tone phone, call toll free in Canada and United States 1-888-489-7352. Registered shareholders must follow the voice instructions and refer to the enclosed proxy form for the holder's account number and the proxy access number; or
- (c) log on to TSX Trust's website at [www.tsxtrust.com/vote-proxy](http://www.tsxtrust.com/vote-proxy). Registered shareholders must follow the instructions provided on the website and refer to the enclosed proxy form for the holder's account number and the proxy access number.

**Q: If I change my mind, can I revoke my proxy once I provide it?**

A: YES. If you change your mind and wish to revoke your proxy, in addition to revoking it in the manner accepted by law, a proxy can be revoked in writing on the part of a Shareholder or their duly authorized proxy and deposited at the transfer agent's office at any time until the last working day, inclusively, preceding the Meeting or its adjournment or the proxy must be used, unless given directly to the president of the Meeting on the day of the Meeting or any adjournment thereof, and upon receipt of the notice the proxy is revoked.

**Q: How will my shares be voted if I give my proxy?**

A: Persons named on the proxy form must exercise their voting rights connected to their shares for or against the questions submitted to the Meeting or abstain from exercising them in accordance with your instructions. **In the absence of instructions to the contrary, the voting rights attached to your shares will be exercised "FOR" of re-election of the directors and the re-appointment of the auditors.**

**Q: What happens if changes are made to these subjects or if other issues are submitted to the Meeting?**

A: The persons named in the form of proxy will have discretionary authority with respect to amendments or variations to matters identified on the form of proxy and other matters that may properly come before the Meeting. At the date of this Circular, management of the Company is not aware of any change or any other issue that may come before the Meeting.

**Q: How many shares are entitled to be voted?**

A: As of the date hereof, there are 57,518,500 Common Shares issued and outstanding. Each Registered Shareholder holds one vote for each Common Share as of the close of business on the Record Date, December 13, 2022.

**Q: What happens if shares are transferred after the Record Date?**

A: If a Shareholder transfers shares after December 13, 2022, the Record Date, the new holder of the shares can request to be added to the list of Registered Shareholders in order to exercise the voting rights attached to the transferred shares, if the request is made no later than ten (10) days prior to the date of the Meeting

and the new holder produces the share certificates duly endorsed for transfer or is otherwise able to provide acceptable evidence of ownership of said shares.

**Q: What is the applicable deadline for sending a proposal to the Company?**

**R:** The deadline to submit a proposal to the Company for the Meeting is January 15, 2023.

#### **VALIDITY OF A PROXY**

The by-laws of the Company provide that a proxy or an instrument appointing a duly authorized representative of the Company shall be in writing, under the hand of the appointee or his attorney duly authorized in writing, or, if such appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorized for that purpose.

#### **VOTING BY PROXY**

Shares represented by a proxy are to be voted or withheld from voting on any ballot by the proxy named in the enclosed form of proxy in accordance with the instructions of the Shareholders. If no instructions are indicated, these shares will be voted IN FAVOUR of the matters referred to in the accompanying Notice of Meeting. The enclosed form of proxy confers discretionary authority on the persons named therein with respect to matters not specifically mentioned in the Notice of Meeting and which may properly come before the Meeting.

As at the date of this Circular, management of the Company knows of no amendments, variations or other matters to come before the Meeting, other than those matters referred to in the Notice of Meeting.

#### **ADVICE TO BENEFICIAL SHAREHOLDERS**

The information set forth in this section is of significant importance to many Shareholders as a substantial number of the Shareholders do not hold Shares in their own name. Shareholders who do not hold their Shares in their own name (hereinafter, the “**Beneficial Shareholders**”) should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the Registered Shareholders can be recognized and acted upon at the Meeting. If shares are held in an account with an intermediary, such as a broker or financial institution, then in almost all cases those shares will not be registered in the Beneficial Shareholder’s name in the records of the Company. Such shares will more likely be registered under the name of the intermediary or its agent. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Such Shares can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions the intermediary and its agents and nominees are prohibited from voting such shares. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person.**

Applicable regulatory policy requires intermediaries 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, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the applicable meeting. The voting instruction form supplied to a Beneficial Shareholder by its broker or other intermediary or agent is similar to the form of proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the registered Shareholder (the broker or other intermediary or agent) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (hereinafter, “**Broadridge**”). Broadridge typically asks Beneficial Shareholders to return the voting instruction forms to it. Broadridge then tabulates the results of all instruction received and provides appropriate instructions respecting the voting of shares to be represented at the applicable meeting. A Beneficial Shareholder receiving a Broadridge voting instruction form cannot use that form

to vote shares directly at the Meeting. The voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have the Shares voted.

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

At December 13, 2022, the Company's authorized share capital consists of an unlimited number of common shares of which 57,518,500 common shares are issued and outstanding. All common shares in the capital of the Company carry the right to one vote.

Shareholders registered as at December 13, 2022, are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must, to entitle the person appointed by the Proxy to attend and vote, deliver their Proxies at the place and within the time set forth in the notes to the Proxy.

To the knowledge of the directors and executive officers of the Company, the only persons or corporation that beneficially own, directly or indirectly, or exercise control or direction over, 10% or more of the issued and outstanding common shares of the Company as at December 13, 2022 were:

Shareholder Name	Number of Common Shares Held	Percentage of Issued Common Shares
Fokus Mining Corporation	10,000,000	17.39%

#### ELECTION OF DIRECTORS

The directors of the Company are elected annually and hold office until the next annual general meeting of the Shareholders or until their successors are elected or appointed. Management proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are elected or appointed. In the absence of instructions to the contrary, Proxies given pursuant to the solicitation by Management will be voted for the nominees listed in this Circular. Management does not contemplate that any of the nominees will be unable to serve as a director. At the Meeting, Shareholders will be asked to pass an ordinary resolution to set the number of directors for the ensuing year at five with authority to add one additional director during the forthcoming term and to elect the directors named below.

The following table sets out the names of the management's nominees for election as directors, the offices they presently hold within the Company, their occupations, the length of time they have served as directors of the Company, and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised, as of the date of this Circular. The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and was furnished by the respective nominees and from insider reports available at [www.sedi.ca](http://www.sedi.ca). Each nominee has held the same or similar principal occupation with the organization indicated or a predecessor thereof for the last five years.

Name, Positions within the Company and Province of Residence	Occupation, Business or Employment	Director Since	Number and Percentage of Common Shares Beneficially Owned or Controlled
Jonathan Hamel President, Chief Executive Officer, Director Quebec	President, Chief Executive Officer, Director of Bullion Gold Resources Corp.	2021	Nil



Luc Gervais <sup>(1)</sup> Director Quebec	Mining Engineering consultant	2021	100,000 (0.2%)
Eric Beauchesne <sup>(1)</sup> Director Quebec	CEO, Arkys Software	2021	Nil
Charles Brulotte, CFA <sup>(1)</sup> Director Quebec	Vice President, Institutional Equity Sales at Laurentian Bank Securities	2021	Nil

Notes:

(1) Member and proposed members of the audit committee.

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

## Director Biographies

### ***Luc Gervais – Director***

Mr. Gervais has 35 years of engineering, construction and maintenance experience in the mining and metallurgical sectors. He has held several management positions for metallurgical producers as well as for contractors and consulting engineering firms. He has directed numerous studies for mining companies and worked on various projects in Canada such as the Perseverance mine, extension of Mont-Wright in Fermont, extension of potash factories in Colonsay and Esterhazy, Saskatchewan, as well as setting up the Port Daniel Cement Plant. Abroad, he worked on the design of the incineration gas treatment of electronic components at Micro Metalics, in California, design and installation of a Noranda Reactor at the Daye Corp. foundry, in the Hubei province, China, commissioning and setting-up a lithium pilot plant in Centenario-Ratones in north-west Argentina. Mr. Gervais has a strong business experience, he is a graduate mining engineer from Laval University and a member of the Order of Engineers of Quebec (OIQ).

### ***Jonathan Hamel – Director***

Mr Hamel is President and CEO at Bullion Gold Resources Corporation (TSX-V : BGD), Secretary of the Board of Vanstar Mining Resources Inc (TSX-V : VSR) since 2020. He acted as Interim President and CEO during management transition in 2020. He was also a Director at Vanstar from 2018 to 2021. In addition to his 20 years of management experience that has taken him around the world, Mr. Hamel sat on the Board of Directors of the Montreal Economic Institute, a globally recognized independent public policy think tank focused on proposing reforms based on market principles and entrepreneurship and was a Guest Lecturer at École des dirigeants – HEC Montréal. Mr. Hamel served on the Financial Technology Innovation Committee of L'Autorité des Marchés Financiers (Québec) from 2017 to 2020.

### ***Eric Beauchesne - Director***

Mr Beauchesne holds a Master in Business Administration (MBA) with a mining specialization. He is currently the CEO of Arkys Web Software, specialized in software development for the mining industry. M. Beauchesne has a solid experience with junior mining companies and has acted as a director and member of the audit committee of Vanstar Mining Resources Inc. from 2015 to 2020. He is also a director and a shareholder of Geotic, a company specializing in the development of geology software for well-known exploration and mining companies in the industry. He played an active role in the management committee and in the development of Geotic's business. Mr. Beauchesne is a director and shareholder of TMR Communications, a specialized marketing communications firm whose main client base is mining.

### ***Charles Brulotte, CFA. – Director***

Brulotte is a capital markets professional with over 10 years of experience in various Canadian and global financial institutions. Mr. Brulotte has developed an extensive knowledge of corporate finance, investment analysis and asset valuation during his years in banking and institutional portfolio management. Since 2017, Mr. Brulotte has been working as an institutional equity salesperson at Macquarie Capital Markets Canada Ltd and Laurentian Bank Securities Inc during which time he developed a strong interest in the mining sector while also developing an extensive network of relationships with institutional investors located across North America and Europe. Mr. Brulotte is a Chartered Financial Analyst and holds a Bachelor of Business Administration and Master's Degree in Finance from Laval University in Quebec, Canada.

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

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

- (a) was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- (b) was subject to an event that resulted, after the director ceased to be a director or executive officer of the company being the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

#### **Individual Bankruptcies**

No director or proposed director of the Company has, within the ten years prior to the date of this Circular, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

#### **Penalties or Sanctions**

None of the proposed directors have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, have entered into a settlement agreement with a securities regulatory authority or have been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable security holder making a decision about whether to vote for the proposed director.

**You can vote for the election of all the nominees described above, vote for the election of some of them and withhold from voting for others, or withhold from voting for all of them. Unless otherwise instructed, the persons named in the accompanying form of proxy will vote FOR the election of each of the nominees described above as director of the Company. Management of the Company does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed proxy reserve the right to vote for another nominee in their discretion, unless the shareholder has specified in the form of proxy that such shareholder's shares are to be withheld from voting on the election of the initial nominee.**

#### **EXECUTIVE COMPENSATION**

See Form 51-102F6 *Statement of Executive Compensation* appended hereto as Schedule A.

### STOCK OPTION PLANS AND OTHER INCENTIVE PLANS

The Shareholders of the Company has approved and the Company has adopted a 10% rolling incentive stock option plan at the annual general and special shareholders' meeting held on December 17, 2020 (the "**Stock Option Plan**"). Pursuant to the Stock Option Plan, a maximum of 10% of the common shares outstanding of the Company from time to time are available for grant.

The Stock Option Plan is administered by the Board of Directors and provides for grants of options to directors, executive officers, employees of and consultants to the Company at the discretion of the Board. The term of any options granted under the Stock Option Plan is fixed by the Board of Directors and may not exceed ten (10) years. The exercise price of options granted under the Stock Option Plan will be determined by the Board of Directors, but the exercise price must not be less than the lowest price permitted by the CSE. Any options granted pursuant to the Stock Option Plan will terminate at the end of the period of time (to be determined in each instance by the Board of Directors at the time of grant, such period of time to not be in excess of one year after the option holder ceasing to act as a director, executive officer, employee or consultant of the Company or any of its affiliates, unless such cessation is on account of death, disability or termination of employment with cause). If such cessation is because of disability or death, the options terminate on the first anniversary of such cessation, and if it is on account of termination of employment with cause, the options terminate immediately. The Stock Option Plan also provides for adjustments to outstanding options in the event of any consolidation, subdivision, conversion or exchange of the Company's shares. The directors of the Company may, at its discretion at the time of any grant, impose a schedule over which period of time the option will vest and become exercisable by the optionee.

Subject to the approval of any stock exchange on which the Company's securities are listed, the Board may terminate, suspend or amend the terms of the Stock Option Plan, provided that the Board may not do any of the following without obtaining, within twelve (12) months either before or after the Board's adoption of a resolution authorizing such action, Shareholder approval, and, where required, disinterested Shareholder approval, or by the written consent of the holders of a majority of the outstanding securities of the Company entitled to vote:

1. increase the aggregate number of common shares which may be issued under the Stock Option Plan;
2. materially modify the requirements as to the eligibility for participation in the Stock Option Plan which would have the potential of broadening or increasing Insider participation;
3. add any form of financial assistance or any amendment to a financial assistance provision which is more favourable to participants under the Stock Option Plan;
4. add a cashless exercise feature, payable in cash or securities, which does not provide for a full deduction of the number of underlying securities from the Stock Option Plan reserve; and
5. materially increase the benefits accruing to participants under the Stock Option Plan.

However, the Board may amend the terms of the Stock Option Plan to comply with the requirements of any applicable regulatory authority without obtaining Shareholder approval, including:

1. amendments to the Stock Option Plan of a housekeeping nature;
2. a change to the vesting provisions of a security or the Stock Option Plan; and
3. a change to the termination provisions of a security or the Stock Option Plan which does not entail an extension beyond the original expiry date.

### EQUITY COMPENSATION PLAN INFORMATION

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

<b>Equity Compensation Plan Category</b> (Approved or not approved by the securityholders)	<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))</b>
Approved	Nil	N/A	Nil
Not approved	Nil	N/A	Nil
<b>Total</b>	<b>Nil</b>	<b>N/A</b>	<b>Nil</b>

Note 1: Warrants and rights do not form part of the Company's equity compensation

#### Indebtedness of Directors and Executive Officers

None of the current or former directors, executive officers, employees of the Company, the proposed nominees for election to the Board, or their respective associates or affiliates, are or have been indebted to the Company since the beginning of the last completed financial year of the Company.

#### Interest of Certain Persons or Companies in Matters to be Acted Upon

Other than as set out herein, no director or executive officer of the Company or any proposed nominee of Management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, since the beginning of the Company's last financial year in matters to be acted upon at the Meeting, other than the election of directors.

#### Interest of Informed Persons in Material Transactions

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

### EMPLOYMENT, CONSULTING AND MANAGEMENT AGREEMENTS

None

## AUDIT COMMITTEE INFORMATION

### Audit Committee Charter

The Audit Committee has a formal charter, the text of which is attached to this Circular as Schedule B. The Audit Committee Charter sets out the mandate and responsibilities of the Audit Committee that the Board revised after careful consideration of NI 52-110.

### Composition of Audit Committee

Name	Independent	Financially Literate
Charles Brulotte	Yes	Yes
Eric Beauchesne	Yes	Yes
Luc Gervais	Yes	Yes

The Audit Committee is comprised of three directors, all of which are independent under NI 52-110. All the members of the Committee are "financially literate" and are able 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 that can reasonably expected to be raised by the Company's financial statements. For more information about the education and experience of the Audit Committee members, please refer to "Director Biographies" under "ELECTION OF DIRECTORS".

### Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year have any recommendations by the Audit Committee respecting the appointment and/or compensation of the Company's external auditors not been adopted by the board.

### Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on exemptions in relation to "De Minimis Non-Audit Services" or any exemption provided by Part 8 of NI 52-110.

The Company relies upon the exemption in section 6.1 of NI 52-110. The Company is a "venture issuer" as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Part 3 (Composition of Audit Committee) since not all members of the Audit Committee are independent and Part 5 (Reporting Obligations) since the Company does not file an annual information form.

### Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Company's board, and where applicable by the Audit Committee, on a case-by-case basis.

### External Auditor Service Fees

The fees charged to the Company by its external auditor in each of the last two financial years are as follows:

	2021 Fiscal Year	2020 Fiscal Year
Audit Fees <sup>(1)</sup>	\$25,000	\$15,000

Audit-Related Fees <sup>(2)</sup>	-	-
Tax Fees <sup>(3)</sup>	-	-
Other <sup>(4)</sup>	-	-
Total	\$25,000	\$15,000

Notes:

- (1) Audit fees are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year.
- (2) Audit-related fees are fees not included in the audit fees that are billed by the auditor for assistance and related services that are reasonably related to the performance of the audit review of the Company's financial statements.
- (3) Tax fees include fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning.
- (4) Other fees are fees billed by the auditor for products and services not included in the foregoing categories.

## CORPORATE GOVERNANCE DISCLOSURE

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

### Board of Directors

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

The Guidelines suggest that the board of directors of every reporting issuer should be constituted with a majority of individuals who qualify as "independent" directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect "material relationship" with the Company. The "material relationship" is defined as a relationship which could, in the view of the Company's Board, reasonably interfere with the exercise of a director's independent judgement. Of the proposed members of the Board, Luc Gervais, Eric Beauchesne and Jean Rainville, are considered "independent" within the meaning of NI 52-110 and Jonathan Hamel is not considered to be "independent" within the meaning of NI 52-110.

The Board has a stewardship responsibility to supervise the management of and oversee the conduct of the business of the Company, provide leadership and direction to Management, evaluate Management, set policies appropriate for the business of the Company and approve corporate strategies and goals. The Board gives direction and guidance through the President to Management and will keep Management informed of its evaluation of the senior officers in achieving and complying with goals and policies established by the Board.

The Board recommends nominees to the Shareholders for election as directors, and immediately following each annual general meeting appoints an Audit Committee and the chairperson of the committee. The Board establishes and periodically reviews and updates the Audit Committee mandates, duties and responsibilities, elects a chairperson of the Board and establishes his or her duties and responsibilities, appoints the CEO, CFO and President of the Company and establishes the duties and responsibilities of those positions and on the recommendation of those positions and on the recommendation of both the CEO and the President, appoints the senior officers of the Company and approves the senior management structure of the Company.

The Board exercises its independent supervision over management by its policies that (a) periodic meetings of the Board be held to obtain an update on significant corporate activities and plans; and (b) all material transactions of the Company are subject to prior approval of the Board. The Board shall meet not less than three times during each

year and will endeavour to hold at least one meeting in each fiscal quarter. The Board will also meet at any other time at the call of the CEO, or subject to the Articles of the Company, of any director.

The mandate of the Board is to manage or supervise management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company's affairs directly and through its committees.

### **Directorships**

The following directors of the Company are also directors of other reporting issuers as stated below:

<b>Name of Director</b>	<b>Name of Other Reporting Issuer</b>	<b>Position with Other Reporting Issuer</b>
Jonathan Hamel	Bullion Gold Resources Corp. Vanstar Mining Resources Inc.	Director, President and CEO Secretary of the Board
Luc Gervais	Vanstar Mining Resources Inc.	Director

### **Orientation and Continuing Education**

The Company does not currently have any formal orientation or continuing education programs for new directors. Orientation and education of new directors is carried out through an informal process. New board members are provided with access to recent, publicly filed documents of the Company, technical reports and internal financial information. The Company also provides technical presentations and/or information to new directors where necessary to ensure that they possess or have access to the technical skills and knowledge necessary for them to meet their obligation as directors.

Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation with management's assistance, to attend related industry seminars and conventions and to visit the Company's operations. Board members have full access to the Company's records.

### **Ethical Business Conduct**

The Company does not currently have a formal code of business conduct or policy in place for its directors, officers, employees and consultants. The Board believes that the Company's size facilitates informal review of and discussions with employees and consultants to promote ethical business conduct.

The board of directors itself must comply with statutory conflict of interest provisions as well as the relevant securities regulatory instruments and individual directors must exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

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

### **Nomination of Directors**

The Board 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 view 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.

#### **Other Board Committees**

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

#### **Assessments**

The Board of the Company has not established any formal procedures for assessing the performance of the Board or its committees and members. Generally, those responsibilities have been carried out on an informal basis by the board itself. Furthermore, it is the view of the Board that due to its small size and the close and open relationship among its members, the formality of a committee would not be as effective as the current arrangement and is not necessary.

#### **APPOINTMENT OF AUDITOR**

At the Meeting, Shareholders will be asked to pass a resolution appointing Davidson & Company LLP, 1200-609 Granville Street, Vancouver, BC, V7Y 1G6 as the auditor of the Company, to hold office until the next annual meeting of Shareholders and to authorize the Board to fix the auditor's remuneration. Davidson & Company have been the Company's auditor since its incorporation in 2018.

**The persons designated in the accompanying form of proxy will vote IN FAVOUR of the appointment of Davidson & Company as auditors of the Company and IN FAVOUR of the authorization given to the board to fix their remuneration, unless the shareholder specifies in the form of proxy to withhold from voting in this regard.**

#### **ADDITIONAL INFORMATION**

Additional Information concerning the Company is available on the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information concerning the Company is provided in the Company's comparative audited financial statements and management's discussion and analysis for the financial years ended December 31, 2021 and December 31, 2020. Shareholders wishing to obtain a copy of the Company's financial statements and management's discussion and analysis may contact the Company by mail at 410 St-Nicolas, Suite 236, Montreal, Quebec, H2Y 2P5 by telephone 514-531-8129 or by email at [jhamel@mosaicminerals.ca](mailto:jhamel@mosaicminerals.ca).

#### **BOARD APPROVAL**

The content and sending of this Circular were approved by the Company's board of directors.

Dated at Montreal, QC. This 13<sup>th</sup> day of December, 2022

#### **ON BEHALF OF THE BOARD**

(s) Jonathan Hamel  
Jonathan Hamel  
President, Chief Executive Officer and Director



## SCHEDULE A - Statement of Executive Compensation

The following *Statement of Executive Compensation* for the Financial year ending December 31, 2021 effective is provided as required under form 51-102F6V (the "**Form**") as such term is defined in National Instrument 51-102. Its purpose is to provide disclosure of all compensation earned by named executive officers and all directors in connection with their positions as officers, directors or consultants to the Company. Terms defined in NI 51-102 have the same meaning in this Statement of Executive Compensation.

### GENERAL

For the purpose of this Statement of Executive Compensation:

"**Company**" means Mosaic Minerals Corp.;

"**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 for that financial year; and
- (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, and was not acting in a similar capacity, at the end of that financial year;

Based on the foregoing definition, during the financial year ended December 31, 2021, the Company had five Named Executive Officers ("**NEOs**") being Jonathan Hamel, the Chief Executive Officer ("**CEO**") and Chief Financial Officer ("**CFO**"), Guy Morissette, Former CEO, Maurice Giroux, Former CEO, Martin Nicoletti, Former CFO, and John Cumming, Former CFO.

### COMPENSATION DISCUSSION AND ANALYSIS

#### Compensation Discussion and Analysis

The Company is a mineral exploration corporation which currently does not have positive earnings. The board of directors of the Company is responsible for final approval of all executive compensation, including long-term incentives in the form of stock options, to be granted to the Chief Executive Officer and the Chief Financial Officer and the directors. The board of directors meets to discuss and determine management compensation without reference to formal criteria.

The general objective of the Company's compensation structure is to: (i) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (ii) align management's interests with the long-term interests of shareholders; (iii) provide a compensation package that is commensurate with other junior mining exploration companies in order to enable the

Company to attract and retain talent; and (iv) ensure that the total compensation package is designed in a manner that takes into account the constraints under which the Company operates and taking into account that it is a junior mining exploration corporation without a history of earnings.

The Board has not conducted a formal evaluation of the implications of the risks associated with the Company's compensation policies and practices. However, risk management is a factor the Board is conscious of when implementing its compensation program, and the Board believes that the weighting between short-term compensation (base salary) and long-term compensation (incentive stock options) and the absence of any defined short-term bonus compensation make it unlikely that a NEO would take inappropriate or excessive short-term risks at the expense of the Company or its shareholders that would have a material adverse effect on their long-term stock option compensation.

Due to the small size of the Company and the nature of the Company's business activity, the Board can closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular meetings of the Board during which financial and other information of the Company are reviewed. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

The Company's NEOs and directors are not permitted to purchase financial instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

#### **Elements of Executive Compensation Program**

The Company's compensation program consists of the following elements:

- (a) Base salary or consulting fees;
- (b) Bonus payments; and
- (c) Equity participation through the Company's incentive stock option plan if and when one is established.

#### **Base Salary or Consulting Fees**

The Company believes that base salaries or consulting fees provide an immediate short-term cash incentive to management. Base salary ranges for executive officers were initially determined upon a review of companies within the mineral exploration sector, which were of the same size as the Company, at the same stage of development as the Company and considered comparable to the Company.

In determining the base salary of a NEO, the board of directors considers the following factors:

- (a) the responsibilities related to the position;
- (b) salaries paid by other companies in the mineral exploration sector;
- (c) the experience level of the executive officer;
- (d) the amount of time and commitment which the executive officer devotes to the Company; and
- (e) the executive officer's overall performance and performance in relation to the achievement of corporate milestones and objectives.

## Bonus Payments

Each of the NEOs is eligible for an annual bonus which could be paid either in cash or in shares. The amount paid would be based on the Board's assessment of the Company's performance for the year. Factors considered in determining bonus amounts would include individual performance, financial criteria (such as cash flow and share price performance) and operational criteria (such as significant mineral property acquisitions, resource growth and the attainment of corporate milestones).

## Option-Based Awards

Stock options are granted to provide an incentive to the directors and NEOs of the Company to promote the longer-term objectives of the Company; to give suitable recognition to the ability and industry of those persons who contribute materially to the success of the Company; and to attract and retain persons of experience and ability by providing them with the opportunity to acquire an ownership interest in the Company and accumulate capital linked directly to the Company's long-term performance. Implementation of the incentive stock option plan and any amendment of an existing stock option plan are the responsibility of the Company's board.

See section "Incentive Plan Awards" below for details of the option-based awards outstanding as at December 13, 2022.

## SUMMARY COMPENSATION TABLE

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company individuals who were (or who acted in a similar capacity as) as of December 31, 2021, or at any time during the financial year, directors, CFO, CEO, and the other NEOs. There were no other NEOs of the Company whose total annual compensation exceeded \$150,000.

**Table of compensation excluding compensation securities**

Name and position	Fiscal Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of prerequisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Jonathan Hamel CEO and CFO <sup>(1)(2)</sup>	2021	22,500	-	-	-	-	22,500
	2020	N/A	N/A	N/A	N/A	NA	N/A
Guy Morissette Former CEO <sup>(3)</sup>	2021	42,000	-	-	-	-	42,000
	2020	N/A	N/A	N/A	N/A	N/A	N/A
Martin Nicoletti Former CFO <sup>(4)</sup>	2021	16,500	-	-	-	-	16,500
	2020	N/A	N/A	N/A	N/A	N/A	N/A
Maurice Giroux Former CEO <sup>(5)</sup>	2021	N/A	N/A	N/A	N/A	N/A	N/A
	2020	-	-	-	-	-	-
John Cumming Former CFO <sup>(6)</sup>	2021	60,000	-	-	-	-	60,000
	2020	-	-	-	-	-	-
Luc Gervais Director	2021	-	-	-	-	-	-
	2020	-	-	-	-	-	-
Eric Beauchesne Director	2021	-	-	-	-	-	-
	2020	-	-	-	-	-	-
Charles Brulotte Director	2021	-	-	-	-	-	-
	2020	N/A	N/A	N/A	N/A	N/A	N/A
Jean Rainville Former director <sup>(7)</sup>	2021	-	-	-	-	-	-
	2020	-	-	-	-	-	-

(1) Mr. Hamel was appointed CEO of the Company effective August 31, 2021.

(2) Mr. Hamel was appointed CFO of the Company effective October 27, 2021.

- (3) Mr. Morissette was appointed CEO of the Company effective May 7, 2021 and resigned August 31, 2021.
- (4) Mr. Nicoletti was appointed CFO of the Company effective August 2, 2021 and resigned effective October 27, 2021.
- (5) Mr. Giroux resigned as CEO of the Company effective May 7, 2021.
- (6) Mr. Cumming resigned as CFO of the Company effective August 2, 2021.
- (7) Mr. Rainville resigned as a director of the Company effective June 23, 2022.

## INCENTIVE PLAN AWARDS

### Outstanding option-based awards

The following table sets forth the outstanding compensation securities held by each NEO and directors of the Company at the end of the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries:

### 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
Jonathan Hamel CEO and CFO	Options	400,000	2/08/2021	\$0.09	\$0.08	\$0.125	2/08/2026
	Options	200,000	30/08/2021	\$0.095		\$0.125	30/08/2026
Guy Morissette Former CEO	Options	600,000	30/08/2021	\$0.095	\$0.095	\$0.125	30/08/2026
Martin Nicoletti Former CFO	Options	500,000	2/08/2021	\$0.09	\$0.08	\$0.125	2/08/2026
Luc Gervais Director	Options	250,000	16/06/2021	\$0.115	\$0.095	\$0.125	16/06/2026
Eric Beauchesne Director	Options	250,000	16/06/2021	\$0.115	\$0.095	\$0.125	16/06/2026
Charles Brulotte Director	Options	250,000	28/10/2021	\$0.095	\$0.095	\$0.125	28/10/2026
Jean Rainville Former director	Options	200,000	30/08/2021	\$0.095	\$0.095	\$0.125	30/08/2026

### Exercise of options

The following table summarizes each exercise of options by NEOs and directors during the most recently completed financial year.

### 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 (\$)
No options were exercised							

**Narrative discussion of the Company's incentive plans**

The Company currently has a 10% “rolling” stock option plan previously approved by the shareholders of the Company at the annual meeting of the shareholders held on December 17, 2020. The Company did not establish other incentive plans other than the stock option plan.

**PENSION PLAN BENEFITS**

The Company does not have any pension plan benefits.

**TERMINATION AND CHANGE OF CONTROL BENEFITS**

**Termination and Change of Control Benefits**

There are no termination or change in control benefits.



## **SCHEDULE B – MOSAIC MINERALS CORP. AUDIT COMMITTEE CHARTER**

### **1. PURPOSE**

1.1 The primary functions of the Audit Committee of Mosaic Minerals Corp. (the "Company") are to fulfill its responsibilities in relation to reviewing the integrity of the Company's financial statements, financial disclosures and internal controls over financial reporting; monitoring the system of internal control; monitoring the Company's compliance with legal and regulatory requirements; selecting the external auditors for shareholder approval; and reviewing the qualifications, independence and performance of the external auditors.

### **2. MEMBERSHIP AND ORGANIZATION**

2.1 **Composition** - Subject to paragraph 2.6, the Audit Committee shall consist of not less than three independent members of the Board. At the invitation of the Audit Committee, members of the Company's management and others may attend Audit Committee meetings as the Audit Committee considers necessary or desirable.

2.2 **Appointment and Removal of Audit Committee Members** - Each member of the Audit Committee shall be appointed by the Board on an annual basis and shall serve at the pleasure of the Board, or until the earlier of (a) the close of the next annual meeting of shareholders of the Company at which the member's term of office expires, (b) the death of the member or (c) the resignation, disqualification or removal of the member from the Audit Committee or from the Board. The Board may fill a vacancy in the membership of the Audit Committee.

2.3 **Chair** - At the time of the annual appointment of the members of the Audit Committee, the Board shall appoint a Chair of the Audit Committee. The Chair shall be a member of the Audit Committee, preside over all Audit Committee meetings, coordinate the Audit Committee's compliance with this mandate, work with management to develop the Audit Committee's annual work-plan and provide reports of the Audit Committee to the Board. The Chair may vote on any matter requiring a vote and shall provide a second vote in the case of a tie vote.

2.4 **Independence** - Subject to paragraph 2.6, each member of the Audit Committee shall be an "independent" (as such term is used in NI 52-110).

2.5 **Financial Literacy** - Subject to paragraph 2.6, members of the Audit Committee shall be financially literate or agree to become financially literate within a reasonable period of time following the member's appointment. An individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

2.6 **Venture Issuer** - For so long as the Company is a "venture issuer" as defined in NI 52-110, it is not required to comply with the provisions of paragraph 2.1 "Composition", 2.4 "Independence" or 2.5 "Financial Literacy" above. In the event the Company cannot comply with all or a part of these provisions, then the Committee shall be comprised of not less than three members of the Board.

### **3. MEETINGS**

3.1 **Meetings** - The members of the Audit Committee shall hold meetings as are required to carry out this mandate, and in any case no less than four meetings annually. The external auditors are entitled to attend and be heard at each Audit Committee meeting. The Chair, any member of the Audit Committee, the external auditors, the Chairman of the Board or the President and Chief Executive Officer may call a meeting of the Audit Committee. The Chair shall chair all Audit Committee meetings that he or she attends, and in the absence of the Chair, the members of the Audit Committee present may appoint a Chair from their number for a meeting.

**3.2 Secretary and Minutes** - The Corporate Secretary, his or her designate or any other person the Audit Committee requests, shall act as secretary at Audit Committee meetings. Minutes of Audit Committee meetings shall be recorded and maintained by the Corporate Secretary and subsequently presented to the Audit Committee for approval.

**3.3 Quorum** - A majority of the members of the Audit Committee shall constitute a quorum. If a quorum cannot be obtained for an Audit Committee meeting, members of the Board who would qualify as members of the Audit Committee may, at the request of the Chair or the Chairman of the Board, serve as members of the Audit Committee for that meeting.

**3.4 Access to Management and Outside Advisors** - The Audit Committee shall have unrestricted access to management and employees of the Company, and, from time to time may hold meetings with the external auditor, the Chief Financial Officer or the President and Chief Executive Officer. The Audit Committee shall have the authority to retain and terminate external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective compensation for these advisors without consulting or obtaining the approval of the Board or any officer of the Company. The Company shall provide appropriate funding, as determined by the Audit Committee, for the services of these advisors.

**3.5 Meetings Without Management** - The Audit Committee shall hold unscheduled or regularly scheduled meetings, or portions of regularly scheduled meetings, at which management is not present.

#### **4. FUNCTIONS AND RESPONSIBILITIES**

The Audit Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Audit Committee by the Board. In addition to these functions and responsibilities, the Audit Committee shall perform the duties required of an audit committee by applicable corporate securities laws, the binding requirements of the stock exchanges on which the securities of the Company are listed, and all other applicable laws.

##### **4.1 Financial Reports**

- (a) **General** - The Audit Committee is responsible for reviewing the integrity of the Company's financial statements and financial disclosures. Management is responsible for the preparation, presentation and integrity of the Company's financial statements and financial disclosures and for the appropriateness of the accounting principles and the reporting policies used by the Company. The external auditors are responsible for auditing the Company's annual consolidated financial statements and, if requested by the Company, for reviewing the Company's unaudited interim financial statements.
- (b) **Review of Annual Financial Reports** – The Audit Committee shall review the annual consolidated audited financial statements ("financial statements" of the Company, the external auditors' report thereon and the related management's discussion and analysis ("MD&A") of the Company's financial condition and results of operation to determine whether they present fairly, in all material respects in accordance with International Financial Reporting Standards ("IFRS"), or any other generally accepted accounting principles in which the financial statements of the Company are prepared from time to time, the financial condition, results of operations and cash flows of the Company. After completing its review, if advisable, the Audit Committee shall approve and recommend for Board approval the annual financial statements and the related MD&A.
- (c) **Review of Interim Financial Reports** – The Audit Committee shall review the interim financial statements of the Company, the external auditors review report thereon, if applicable, and the



related MD&A to determine whether they present fairly, in all material respects, in accordance with International Accounting Standards ("IAS") 34 *Interim Financial Reporting*, the financial condition, results of operations and cash flows of the Company. After completing its review, if advisable, the Audit Committee shall, if so authorized by the Board, approve the interim financial statements and the related MD&A, or if not authorized by the Board, then approve and recommend for Board approval.

(d) **Review Considerations** – In conducting its review of the annual financial statements of the interim financial statements, the Audit Committee shall:

- (i) meet with management and the external auditors to discuss the financial statements and MD&A;
- (ii) review the disclosures in the financial statements;
- (iii) review the audit report or review report prepared by the external auditors;
- (iv) discuss with management, the external auditors and legal counsel, as requested, any litigation claim or other contingency that could have a material effect on the financial statements;
- (v) review critical accounting and other significant estimates and judgments underlying the financial statements as presented by management;
- (vi) review any material effects of regulatory accounting initiatives or off-balance sheet structures on the financial statements as presented by management;
- (vii) review any material changes in accounting policies and any significant changes in accounting practices and their impact on the financial statements as presented by management;
- (viii) review management's report on the effectiveness of internal controls over financial reporting;
- (ix) review results of the Company's whistleblowing program; and
- (x) review any other matters, related to the financial statements, that are brought forward by the external auditors, management or which are required to be communicated to the Audit Committee under accounting policies, auditing standards or applicable law.

**4.2 Approval of Other Financial Disclosures** – The Audit Committee shall review and, if advisable, approve and recommend for Board approval financial disclosure in a prospectus or other securities offering document of the Company, press releases disclosing financial results of the Company and any other material financial disclosure, including in Management Information Circulars and Annual Information Forms.

#### **4.3 External Auditors**

- (a) **General** - The Audit Committee shall be responsible for oversight of the work of the external auditors in auditing and reviewing the Company's financial statements and internal controls over financial reporting.
- (b) **Appointment and Compensation** – The Audit Committee shall review and, if advisable, select and

recommend (i) for shareholder approval, the appointment of the external auditors and (ii) for shareholder or Board approval, as applicable, the compensation of the external auditors

- (c) **Annual Review Report** – At least annually, the Audit Committee shall obtain and review a report by the external auditors describing: (i) their internal quality-control procedures and (ii) any material issues raised by their most recent internal quality-control review, peer review or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the external auditors and any steps taken to deal with any of these issues.
- (d) **Audit Plan** – At least annually, the Audit Committee shall review a summary of the external auditors' annual audit plan. The Audit Committee shall consider and review with the external auditors any material changes to the scope of the plan.
- (e) **Quarterly Review Report** – If the external auditors review the Company's unaudited interim financial statements, then the Audit Committee shall review a quarterly review report prepared by the external auditors in respect of each of the interim financial statements of the Company.
- (f) **Independence of External Auditors** – At least annually, and before the external auditors issue their report on the annual financial statements, the Audit Committee shall obtain from the external auditors a formal written statement describing all relationships between the external auditors and the Company, discuss with the external auditors any disclosed relationships or services that may affect the objectivity and independence of the external auditors, and obtain written confirmation from the external auditors that they are objective and independent within the meaning of the Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which it belongs.
- (g) **Evaluation and Rotation of Lead Partner** – At least annually, the Audit Committee shall review the qualifications and performance of the lead partners of the external auditors. The Audit Committee shall obtain a report from the external auditors annually verifying that the lead partner of the external auditors has served in that capacity for no more than five fiscal years of the Company and that the engagement team collectively possesses the experience and competence to perform an appropriate audit.
- (h) **Pre-Approval of Non-Audit Services** – The Audit Committee shall pre-approve any retainer of the external auditors for any non-audit service to the Company in accordance with applicable law and Board approved policies and procedures. The Audit Committee may delegate pre-approval authority to a member of the Audit Committee. The decisions of any member of the Audit Committee to whom this authority has been delegated must be presented to the full Audit Committee at its next scheduled Audit Committee meeting.
- (i) **Hiring Practices** – The Audit Committee shall review and approve guidelines regarding the hiring of employees or former employees of the external auditors.

#### 4.4 Internal Controls

- (a) **General** – The Audit Committee shall monitor the system of internal control.
- (b) **Establishment, Review and Approval** – The Audit Committee shall require management to implement and maintain appropriate systems of internal control in accordance with applicable laws, regulations and guidance, including internal control over financial reporting and disclosure

and to review, evaluate and approve these procedures. At least annually, the Audit Committee shall consider and review with management and the external auditors:

- (i) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Company's internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions;
- (ii) any significant changes in internal control over financial reporting that are disclosed, or considered for disclosure, including those in the Company's periodic regulatory filings;
- (iii) any material issues raised by any inquiry or investigation by the Company's regulators;
- (iv) any related significant issues and recommendations of the external auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

**4.5 Whistleblowing Procedures** – The Audit Committee shall review and approve the establishment by management of procedures for the receipt, retention and treatment of complaints received by the Company from employees or others, regarding accounting, internal accounting controls, or auditing matters.

**4.6 Succession Planning** – In consultation with the Board, the Audit Committee shall review succession plans for the Chief Financial Officer and the Chief Accountant or Controller of the Company. The Audit Committee shall review candidates for the position of Chief Financial Officer of the Company and make recommendations to the Board with respect to the appointment of a Chief Financial Officer.

**4.7 Adverse Investments and Transaction** – The Audit Committee shall review any investments and transactions that could adversely affect the well-being of the Company.

**4.8 Audit Committee Disclosure** – The Audit Committee shall review and approve any audit committee disclosures required by securities regulators in the Company's disclosure documents.

**4.9 Assessment of Regulatory Compliance** – The Audit Committee shall review management's assessment of compliance with laws and regulations as they pertain to responsibilities under this mandate, report its findings to the Board and recommend changes it considers appropriate.

**4.10 Delegation** – The Audit Committee may designate a sub-committee to review any matter within this mandate as the Audit Committee deems appropriate.

## **5. REPORTING TO THE BOARD**

**5.1** The Chair shall report to the Board, as required by applicable law or as deemed necessary by the Audit Committee or as requested by the Board, on matters arising at Audit Committee meetings and, where applicable, shall present the Audit Committee's recommendation to the Board for its approval.