



**S2 MINERALS INC.**

**NOTICE OF MEETING**

**and**

**MANAGEMENT INFORMATION CIRCULAR**

**for the**

**ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

**to be held on**

**NOVEMBER 27, 2024**

**DATED AS OF OCTOBER 28, 2024**

**S2 MINERALS INC.**  
**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of the shareholders (the “**Shareholders**”) of S2 Minerals Inc. (the “**Company**”) will be held at the offices of the Company, 141 Adelaide Street West, Suite 1101, Toronto, Ontario on Wednesday, the 27<sup>th</sup> day of November, 2024 at 10:00 a.m. (Toronto time) for the following purposes:

1. to receive and consider the financial statements of the Company for the fiscal year ended May 31, 2024, together with the report of the auditors thereon;
2. to elect the directors of the Company for the ensuing year;
3. to re-appoint MNP LLP, Chartered Professional Accountants, as the auditors of the Company for the ensuing year and to authorize the board of directors of the Company (the “**Board**”) to fix their remuneration;
4. to consider and, if deemed advisable, pass, with or without variation, a special resolution authorizing the consolidation of the Company’s common shares as more particularly described in the accompanying management information circular (the “**Circular**”); and
5. to transact such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

The Board has fixed the close of business on October 28, 2024 as the record date (the “**Record Date**”) for determining Shareholders entitled to receive notice of and to vote at the Meeting and any adjournment or postponement thereof. Only Shareholders whose names have been entered in the register of Shareholders at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting.

This Notice is accompanied by a form of proxy, the Circular and a supplemental mailing list form. The Company strongly encourages each Shareholder to submit a form of proxy or voting instruction form in advance of the Meeting using one of the methods described below and in the Circular. Registered Shareholders should complete, date and sign a proxy form in advance of the Meeting and return it in the envelope provided for that purpose to the Company c/o TSX Trust Company (“**TSX Trust**”) at 301 – 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, by courier, by mail, by fax at 1.416.595.9593, or by electronic voting through [www.voteproxyonline.com](http://www.voteproxyonline.com). Votes cast electronically are in all respects equivalent to, and will be treated in the exact same manner as, votes cast via a paper proxy form. Further details on the electronic voting process are provided in the form of proxy. Beneficial Shareholders who receive the Meeting materials through their broker or other intermediary should complete and return their form of proxy or voting information form in accordance with the instructions provided by their broker or intermediary. **Shareholders are reminded to review the Circular prior to voting.**

The Board has, by resolution, fixed 10:00 a.m. (Toronto time) on November 25, 2024, or in the event of an adjournment or postponement of the Meeting, 48 hours before the time of the adjourned or postponed Meeting (excluding Saturdays, Sundays and holidays), as the time before which proxy forms to be used or acted upon at the Meeting, or any adjournment or postponement thereof, must be deposited with the Company’s transfer agent and registrar, TSX Trust. Alternatively, a proxy form may be given to the Chair of the Meeting at which the proxy form is to be used. Late forms of proxy may be accepted or rejected by the Chair of the Meeting in his discretion, and the Chair is under no obligation to accept or reject any particular late form of proxy.

**Shareholders are strongly encouraged to vote on the matters before the Meeting by proxy in the manner set out in this Notice and the Circular regardless of whether the Shareholder will be attending the Meeting in person.**

DATED at Toronto, Ontario, Canada as of the 28<sup>th</sup> day of October, 2024.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) "*Daniel Noone*"

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Daniel Noone, Chief Executive Officer

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## S2 MINERALS INC.

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### Management Information Circular

#### SOLICITATION OF PROXIES BY MANAGEMENT

This management information circular (this “**Circular**”) is furnished in connection with the solicitation by the management of S2 Minerals Inc. (the “**Company**”) of proxies to be used at the annual general and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares of the Company (“**Common Shares**”) to be held on November 27, 2024 at the time and place and for the purposes set out in the accompanying Notice of Annual General and Special Meeting of Shareholders (the “**Notice**”). It is expected that the solicitation will be made primarily by mail. However, officers and employees of the Company may also solicit proxies by telephone, e-mail or in person. These persons will receive no compensation for such solicitation, other than their ordinary salaries or fees. The total cost of solicitation of proxies will be borne by the Company. Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy-related materials to the beneficial owners of the Common Shares. See “*Appointment and Revocation of Proxies – Notice to Beneficial Holders of Shares*” below. The Company will provide, without cost to such person, upon request to the Secretary of the Company, additional copies of the foregoing documents for this purpose. **The information contained herein is given as of October 28, 2024, unless indicated otherwise.**

#### APPOINTMENT AND REVOCATION OF PROXIES

##### Appointment of Proxy

A Shareholder who does not plan on attending the Meeting in person is requested to complete and sign the enclosed form of proxy and to deliver it to TSX Trust Company: (i) by mail to 301 – 100 Adelaide Street West, Toronto, Ontario M5H 4H1; or (ii) by facsimile at 416.595.9593; or (iii) online at [www.voteproxyonline.com](http://www.voteproxyonline.com). In order to be valid and acted upon at the Meeting, the form of proxy must be received no later than 10:00 a.m. (Toronto time) on November 25, 2024 or be deposited with the Secretary of the Company before the commencement of the Meeting or any adjournment thereof. The deadline for the deposit of proxies may be waived or extended by the Chair of the Meeting at his discretion, without notice.

If you are a non-registered holder of Common Shares and have received these materials through your broker, custodian, nominee or other intermediary, please complete and return the form of proxy or voting instruction form provided to you by your broker, custodian, nominee or other intermediary in accordance with the instructions provided therein.

The document appointing a proxy must be in writing and executed by the Shareholder or the Shareholder’s attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

A Shareholder submitting a form of proxy has the right to appoint a person (who need not be a Shareholder) to represent such Shareholder at the Meeting other than the persons designated in the form of proxy furnished by the Company. To exercise that right, the name of the Shareholder’s appointee should be legibly printed in the blank space provided. In addition, the Shareholder should notify the appointee of the

appointment, obtain such appointee's consent to act as appointee and instruct the appointee on how the Shareholder's Common Shares are to be voted.

Shareholders who are not registered shareholders of the Company should refer to "*Notice to Beneficial Holders of Common Shares*" below.

### **Revocation of Proxy**

A Shareholder who has submitted a form of proxy as directed hereunder may revoke it at any time prior to the exercise thereof. If a person who has given a proxy personally attends the Meeting at which that proxy is to be voted, that person may revoke the proxy and vote in person. In addition to the revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or the Shareholder's attorney or authorized agent and deposited with TSX Trust Company at any time up to 10:00 a.m. (Toronto time) on November 25, 2024: (i) by mail to Suite 301 – 100 Adelaide Street West, Toronto, Ontario M5H 4H1; or, (ii) by facsimile to 416.595.9593, or deposited with the Secretary of the Corporation before the commencement of the Meeting, or any adjournment thereof, and upon either of those deposits, the proxy will be revoked.

### **Notice to Beneficial Holders of Common Shares**

The information set out in this section is of importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name (referred to herein as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of shares can be recognized and acted upon at the Meeting or any adjournment(s) thereof. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name in the records of the Company. Those Common Shares will most likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their nominees can be voted (for or against resolutions or withheld from voting) only upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting shares for their clients. Subject to the following discussion in relation to NOBOs (as defined below), the Company does not know for whose benefit the Common Shares registered in the name of CDS & Co., a broker or another nominee, are held.

There are two categories of Beneficial Shareholders under applicable securities regulations for purposes of dissemination to Beneficial Shareholders of proxy-related materials and other security holder materials and requests for voting instructions from such Beneficial Shareholders. Non-objecting beneficial owners ("**NOBOs**") are Beneficial Shareholders who have advised their intermediary (such as brokers or other nominees) that they do not object to their intermediary disclosing ownership information to the Company, consisting of their name, address, e-mail address, securities holdings and preferred language of communication. Canadian securities laws restrict the use of that information to matters strictly relating to the affairs of the Company. Objecting beneficial owners ("**OBOs**") are Beneficial Shareholders who have advised their intermediary that they object to their intermediary disclosing such ownership information to the Company.

In accordance with the requirements of NI 54-101, the Company is sending the proxy-related materials for use in connection with the Meeting (the "**Meeting Materials**") indirectly to Beneficial Shareholders. NI 54-101 allows the Company, in its discretion, to obtain a list of its NOBOs from intermediaries and to use such NOBO list for the purpose of distributing the proxy materials directly to, and seek voting instructions

directly from, such NOBOs. As a result, the Company is entitled to deliver Meeting Materials to Beneficial Shareholders in two manners: (a) directly to NOBOs and indirectly through intermediaries to OBOs; or (b) indirectly to all Beneficial Shareholders through intermediaries. The Company intends to pay for intermediaries to deliver the Meeting Materials to the OBOs.

Applicable securities regulations require intermediaries, on receipt of Meeting Materials that seek voting instructions from Beneficial Shareholders indirectly, to seek voting instructions from Beneficial Shareholders in advance of Shareholder meetings on Form 54-101F7. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting or any adjournment(s) thereof. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to registered shareholders; however, its purpose is limited to instructing the registered shareholder how to vote on behalf of the Beneficial Shareholder. Beneficial Shareholders who wish to appear in person and vote at the Meeting should be appointed as their own representatives at the Meeting in accordance with the directions of their intermediaries and Form 54-101F7. Beneficial Shareholders can also write the name of someone else whom they wish to appoint to attend the Meeting and vote on their behalf. Unless prohibited by law, the person whose name is written in the space provided in Form 54-101F7 will have full authority to 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 Form 54-101F7 or this Circular. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada. Broadridge typically mails a voting instruction form in lieu of a form of proxy. Beneficial Shareholders are requested to complete and return the voting instruction form to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free telephone number to vote the shares held by them or access Broadridge’s dedicated voting website to deliver their voting instructions. Broadridge will then provide aggregate voting instructions to the Company’s transfer agent and registrar, which will tabulate the results and provide appropriate instructions respecting the voting of Common Shares to be represented at the Meeting or any adjournment thereof.

All references to Shareholders in this Circular, instrument of proxy and Notice of Meeting are to registered shareholders of the Company unless specifically stated otherwise.

## **Voting**

Common Shares represented by any properly executed proxy in the accompanying form will be voted for or against, or withheld from voting, as the case may be, on any ballot that may be called for in accordance with the instructions given by the Shareholder. In the absence of such direction, such Common Shares will be voted in favour of the matters set out herein. The accompanying form of proxy confers discretionary authority on the persons named in it with respect to amendments or variations to matters identified in the Notice of Meeting or other matters that may properly come before the Meeting. As of the date hereof, management of the Company is not aware of any such amendments, variations or other matters which may come before the Meeting. In the event that other matters come before the Meeting, then the management designees intend to vote in accordance with the judgment of management of the Company.

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

No person who has been a director or executive officer of the Company at any time since the commencement of the last completed fiscal year of the Company ended May 31, 2024, no Nominee (as defined below) for election as a director of the Company, and no associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than each proposed Nominee in connection

with the election of directors, all as further described herein. See “*Particulars of Matters to be Acted Upon – Election of Directors*”.

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Each holder of Common Shares of record at the close of business on October 28, 2024 (the record date for the Meeting) will be entitled to vote at the Meeting or at any adjournment thereof, either in person or by proxy. As of October 28, 2024, the Company had 37,937,649 Common Shares issued and outstanding. Each Common Share carries the right to one vote per share. The outstanding Common Shares are listed on the Canadian Securities Exchange (the “CSE”) under the symbol “STWO”.

To the knowledge of the directors and executive officers of the Company as of October 28, 2024, no person beneficially owns, directly or indirectly, or exercises control or direction over 10% or more of the outstanding Common Shares, other than as set forth below.

Name	Number of Common Shares Beneficially Owned, Controlled or Directed (Directly or Indirectly)	Percentage of Issued and Outstanding Common Shares as of October 28, 2024
J. Patrick Sheridan	15,697,421 <sup>(1)</sup>	41.4%

Note:

(1) The information as to the number and percentage of Common Shares beneficially owned, controlled or directed, has been obtained from the System for Electronic Disclosure by Insiders (SEDI).

## EXECUTIVE COMPENSATION

Set forth below is the Company’s executive compensation summary for the year ended May 31, 2024 prepared in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*.

### Named Executive Officers

For the purposes of this Circular, a Named Executive Officer (“**Named Executive Officer**” or “**NEO**”) of the Company means each of the following individuals:

- (a) a Chief Executive Officer (“**CEO**”) of the Company;
- (b) a Chief Financial Officer (“**CFO**”) of the Company;
- (c) each of the Company’s three most highly compensated executive officers, 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 whose total compensation was, individually, more than \$150,000 for the most recently completed financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer, nor acting in a similar capacity at the end of the most recently completed financial year.

Patrick Sheridan, Executive Chairman of the Company, Daniel Noone, Chief Executive Officer of the Company, and Carmelo Marrelli, Chief Financial Officer of the Company, were the only NEOs of the Company during the year ended May 31, 2024.

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

The following table sets forth information concerning all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company, to each Named Executive Officer and director, other than stock options and other compensation securities, for the years ended May 31, 2024 and 2023.

Name and Position	Fiscal Year Ended May 31,	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Patrick Sheridan, Executive Chairman	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2024	Nil	Nil	Nil	Nil	Nil	Nil
Daniel Noone, Director & Chief Executive Officer	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2024	Nil	Nil	Nil	Nil	Nil	Nil
Carmelo Marrelli, Chief Financial Officer	2023	Nil	Nil	Nil	Nil	34,753 <sup>(1)</sup>	34,753
	2024	Nil	Nil	Nil	Nil	35,585 <sup>(2)</sup>	35,585
Stephen Stow, Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2024	Nil	Nil	Nil	Nil	Nil	Nil
Alex Carpenter, Director	2023	56,080 <sup>(3)</sup>	Nil	Nil	Nil	Nil	56,080
	2024	48,000 <sup>(3)</sup>	Nil	Nil	Nil	Nil	48,000
Harvey L. A. Yesno, Director	2023	60,000 <sup>(4)</sup>	Nil	Nil	Nil	Nil	60,000
	2024	60,000 <sup>(4)</sup>	Nil	Nil	Nil	Nil	60,000

Notes:

- (1) Includes fees of \$30,900 paid to Marrelli Support Services (as defined below) pursuant to the Marrelli Agreement (as defined below) and fees of \$3,853 related to filing services provided by DSA Filing (as defined below). See “*Employment, consulting and management agreements*” for more details.
- (2) Includes fees of \$30,540 paid to Marrelli Support Services pursuant to the Marrelli Agreement and fees of \$5,045 related to filing services provided by DSA Filing.
- (3) Professional fees paid to Mr. Carpenter for services in respect of First Nation relations.
- (4) Professional fees paid to Mr. Yesno for services in respect of First Nations relations.



## Stock Options and Other Compensation Securities

Set forth in the table below is a summary of all compensation securities granted or issued to each Named Executive Officer and director of the Company during the fiscal year ended May 31, 2024.

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
Patrick Sheridan, Executive Chairman <sup>(1)</sup>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Daniel Noone Director & Chief Executive Officer <sup>(2)</sup>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Carmelo Marrelli, Chief Financial Officer <sup>(3)</sup>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Stephen Stow, Director <sup>(4)</sup>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Alex Carpenter, Director <sup>(5)</sup>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Harvey L. A. Yesno, Director <sup>(6)</sup>	N/A	Nil	N/A	N/A	N/A	N/S	N/A

**Notes:**

- (1) As of May 31, 2024, Mr. Sheridan held nil stock options and nil restricted share units.
- (2) As of May 31, 2024, Mr. Noone held nil stock options and nil restricted share units.
- (3) As of May 31, 2024, Mr. Marrelli held nil stock options and nil restricted share units.
- (4) As of May 31, 2024, Mr. Stow held nil stock options and nil restricted share units.
- (5) As of May 31, 2024, Mr. Carpenter held an aggregate of 300,000 stock options, each entitling him to acquire one Common Share in accordance with the terms and conditions thereof, and nil restricted share units.
- (6) As of May 31, 2024, Mr. Yesno held nil stock options and nil restricted share units.

### Exercise of Compensation Securities by Directors and Named Executive Officers

Set forth below is a summary of all compensation securities exercised by Named Executive Officers and directors of the Company during the fiscal year ended May 31, 2024.

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
Patrick Sheridan, Executive Chairman	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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
Daniel Noone, Director & Chief Executive Officer	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Carmelo Marrelli, Chief Financial Officer	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Stephen Stow, Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Alex Carpenter, Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Harvey L. A. Yesno, Director	N/A	N/A	N/A	N/A	N/A	N/A	N/A

### Stock option plans and other incentive plans

The Company’s only incentive plans are a stock option plan (the “**Option Plan**”) and a restricted share unit plan (the “**RSU Plan**”). A description of the material terms of the Option Plan and the RSU Plan can be found under the headings “*Summary of the Stock Option Plan*” and “*Summary of the Restricted Share Unit Plan*” below.

### Employment, consulting and management agreements

The Company entered into an agreement (the “**Marrelli Agreement**”) with Marrelli Support Services Inc. (“**Marrelli Support Services**”) and Mr. Carmelo Marrelli with an effective date of May 28, 2021. Pursuant to the Marrelli Agreement, Marrelli Support Services and Mr. Marrelli agreed to provide the services of Mr. Marrelli as the Chief Financial Officer of the Company, as well as general accounting, financial reporting, and bookkeeping services on a part-time basis for a monthly fee of \$2,500 plus disbursements. Mr. Marrelli is an officer of Marrelli Support Services, which is a private company he controls. Mr. Marrelli is eligible to receive grants of stock options pursuant to the Option Plan on a reasonable basis, consistent with the grants of stock options to other participants. The Marrelli Agreement may be terminated at any time on 30 days’ prior written notice. If the Marrelli Agreement is terminated, the Company is required to pay a one-time termination fee equal to the monthly fee multiplied by three. Mr. Marrelli is also an officer of DSA Filing Services Limited (“**DSA Filing**”), a private company he controls, that provides filing services to the Company.

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

The Company’s policies on compensation for its directors and Named Executive Officers are intended to provide appropriate compensation for executives that is internally equitable, externally competitive and reflects individual achievements in the context of the Company. The overall objectives of the Company’s compensation program include: (a) attracting and retaining talented executive officers who can assist with the Company’s exploration strategy; (b) aligning the interests of those executive officers with those of the Company; and (c) linking individual executive officer compensation to the performance of the Company. The Company’s compensation program is currently designed to compensate executive officers for performance of their duties and to reward them for the Company’s performance.

The Governance, Nominating & Compensation Committee (the “**Compensation Committee**”) of the board of directors of the Company (the “**Board**”) has a written charter. The Compensation Committee’s primary function is to assist the Board in fulfilling its responsibilities relating to: (i) the recruitment, compensation and performance evaluation of the CEO and other executive officers of the Company; and (ii) the development of the Company’s compensation structure for the CEO, other executive officers of the Company and non-management directors. The Compensation Committee is responsible for, among other things, assessing and making recommendations to the Board with respect to the compensation (including long-term incentive in the form of stock options) to be granted to the Company’s executive officers and directors to ensure that such compensation reflects the responsibilities and risks associated with each position.

The Company has not, as yet, adopted a policy restricting its Named Executive Officers or directors from purchasing 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 Named Executive Officers or directors.

#### *Named Executive Officer Compensation*

The Compensation Committee reviews the compensation payable to the Named Executive Officers on an annual basis, or periodically if needed, and makes recommendations to the Board.

For the Company’s fiscal year ended May 31, 2024, the only compensation paid to any of the Company’s Named Executive Officers was to Mr. Marrelli, the Chief Financial Officer of the Company. See the table of compensation, excluding compensation securities, under the heading “*Director and Named Executive Officer compensation, excluding compensation securities*” above for details.

Bonuses are short-term performance based financial incentives that are determined through the compensation review process.

During the year ended May 31, 2024, no compensation was awarded to, earned by, paid to, or payable to the Company’s Executive Chairman.

In accordance with the applicable policies of the Company in place from time to time, the elements of compensation that may be awarded to, earned by, paid to, or payable to the Company’s CEO are: (a) base salary; (b) option-based awards; (c) perquisites and personal benefits; and (d) termination and change of control benefits. Base salary is a fixed element of compensation payable to the Company’s CEO, if applicable, for performing his position’s specific duties. The amount of base salary for the Company’s CEO was historically determined through negotiation of employment agreements. While base salary is intended to fit into the Company’s overall compensation objectives by serving to attract and retain talented executive officers, the size of the Company and the nature and stage of its business also impact the level of base salary. To date, the level of base salary has not impacted the Company’s decisions about any other element of the CEO’s compensation.

In accordance with the applicable policies of the Company in place from time to time, the elements of compensation to be awarded to, earned by, paid to, or payable to the CFO are: (a) a flat fee for services performed; and (b) option-based awards. The amount of compensation payable to the CFO was determined by negotiation between the CFO and the Company and takes into account the part-time nature of his services to the Company. While fees earned are intended to fit into the Company’s overall compensation objectives by serving to attract and retain talented executive officers, the size of the Company and the nature and stage

of its business also impact the amount of fees payable to the Company's CFO. To date, the level of fees earned has not impacted the Company's decisions about any other element of the CFO's compensation.

Option-based awards serve to attract talented executives and will be used as a variable element of compensation that rewards each of the Company's Named Executive Officers for performance of the Company. Option-based awards are intended to fit into the Company's overall compensation objectives by aligning the interests of the Company's Named Executive Officers with those of the Company, and linking individual compensation to the performance of the Company. The Board will be responsible for setting and amending any equity incentive plan under which an option-based award is granted. The Company has in place the Option Plan for the benefit of eligible directors, officers, employees and consultants of the Company and its designated affiliates, including the Company's Named Executive Officers. To date, the options granted under the Option Plan have not impacted the Company's decisions about any other element of compensation. The standard vesting provisions of options are for the options to vest 25% upon grant and, thereafter, 25% at six, 12 and 18 months from the date of the grant.

The Company may from time to time provide basic perquisites and personal benefits to its CEO. While perquisites and personal benefits are intended to fit the Company's overall compensation objectives by serving to attract and retain talented executive officers, the size of the Company and the nature and stage of its business also impact the level of perquisites and benefits. To date, the level of perquisites and benefits has not impacted the Company's decisions about any other element of compensation.

The Company's compensation program is designed to reward such matters as exploration success, market success, and the ability to implement strategic plans. The current overall objectives of the Company's compensation strategy are to reward management for their efforts while seeking to conserve cash given current market conditions. With respect to any bonuses or incentive plan grants which may be awarded to executive officers in the future, the Company has not currently set any objective criteria and will instead rely upon any recommendations and discussion at the Board level with respect to these and any other matters which the Board may consider relevant on a going-forward basis, including the cash position of the Company.

The Board is responsible for ensuring that the application of the compensation policy is appropriately aligned to support its stated objectives and encourage the right management behaviours, while avoiding excessive risk-taking by executive officers.

#### *Director Compensation*

The Company has no standard arrangement pursuant to which directors are compensated by the Company for their services in their capacity as a director, except for the grant, from time to time, of stock options in accordance with the policies of the Option Plan. See the table of compensation, excluding compensation securities, under the heading "*Director and Named Executive Officer compensation, excluding compensation securities*" above for details of the fees paid to the Company's directors during the financial years ended May 31, 2024 and 2023. The Compensation Committee, which is currently comprised of three directors, namely Messrs. Stow (Chair), Carpenter and Noone, and shall be comprised of Messrs. Stow (Chair), Carpenter and Noone following the Meeting, targets meeting on an annual basis to consider and determine director compensation.

#### **Pension Disclosure**

The Company does not have a pension plan under which benefits are determined primarily by final compensation (or average final compensation) and years of service.

## AUDIT COMMITTEE

National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) requires the Company to disclose annually certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

### **Audit Committee Charter**

The Company’s audit committee (“**Audit Committee**”) is governed by an audit committee charter, the text of which is set forth in Schedule “A” hereto.

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

Currently, the Audit Committee consists of Messrs. Stow (Chair), Carpenter and Noone. All members of the Audit Committee are financially literate, and Mr. Stow is independent, within the meaning of NI 52-110. Following the Meeting, the Audit Committee shall continue to consist of Messrs. Stow (Chair), Carpenter and Noone, with Mr. Stow being independent and all members being financially literate within the meaning of NI 52-110.

### **Relevant Education and Experience**

The education and experience of each Audit Committee member following the Meeting that is relevant to the performance of such responsibilities as an Audit Committee member are summarized below.

<b>Name</b>	<b>Education and Experience</b>
Stephen Stow	Mr. Stow has an MA (jurisprudence) from Oxford University. He practiced for eight years in total as a commercial litigation lawyer in the high courts of both the city of London, and Hong Kong. In 1987, he cofounded a company specializing in legal advice and implementation solutions to difficult substantial challenges. In 1994 he arrived in Canada and has been involved as founder, executive and director of multiple companies, especially junior mining companies. He remains a director of three junior mining companies.
Alex Carpenter	Mr. Carpenter has a wealth of knowledge and experience in the mining industry. Being a First Nations person who experienced the residential school system in 1963, he carried on and graduated from high school, attending both Queen Elizabeth High and Thunder Bay High. He attained his working knowledge and experience with the following companies: B.P. Selco (1974 – 1984) – South Bay Mine, Selbaie Mine, and Hope Brook Mine; and SPG – The Sheridan Group of Companies (1985 – 2015), which at that time included Madelaine Mines, North American Palladium, Diepdaume Mine and the Ross Mine.
Daniel Noone	Mr. Noone has more than 30 years of international mineral exploration and development experience ranging from implementing grassroots programs through to feasibility studies. He is currently the Chairman of GPM Metals Inc. Previous roles include Executive Director and V.P. of Exploration at Guyana Goldfields, V.P. of Peruvian Operations for Aquiline Resources Inc. and the President and CEO of Absolut Resources Inc. Mr. Noone has managed projects in Guyana, Papua New Guinea, Indonesia, Peru,

Ecuador and Argentina. Mr. Noone holds a degree in geology from Ballarat University and an MBA from Melbourne University. He is a Fellow of the Institute of Australian Geoscientists (AIG).

### **Audit Committee Oversight**

Since the commencement of the Company’s most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

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

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in Section VIII of the Audit Committee charter attached as Schedule “A”.

### **Audit Fees**

The following chart summarizes the aggregate fees billed by the external auditors of the Company for professional services rendered to the Company for audit and non-audit related services for the fiscal years ended May 31, 2024 and 2023:

<b>Type of Work</b>	<b>Fiscal Year Ended May 31, 2024</b>	<b>Fiscal Year Ended May 31, 2023</b>
Audit fees <sup>(1)</sup>	\$20,000	\$25,503
Audit-related fees <sup>(2)</sup>	Nil	Nil
Tax advisory fees <sup>(3)</sup>	Nil	Nil
All other fees	Nil	Nil
<b>Total</b>	<b>\$20,000</b>	<b>\$25,503</b>

Notes:

- (1) Aggregate fees billed for the Company’s annual financial statements and services normally provided by the auditor in connection with the Company’s statutory and regulatory filings.
- (2) 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 and are not reported as “Audit fees”, including: assistance with aspects of tax accounting, attest services not required by state or regulation and consultation regarding financial accounting and reporting standards.
- (3) Aggregate fees billed for tax compliance, advice, planning and assistance with tax for specific transactions.

## Exemption

The Company is, and following the Meeting will be, relying on the exemption provided by Section 6.1 of NI 52-110, which provides that the Company, as a “venture issuer”, is not required to comply with Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of NI 52-110.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Set forth below is a summary of securities issued and issuable under all equity compensation plans of the Company as at May 31, 2024.

### Equity Compensation Plan Information

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options & RSUs	Weighted-Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity compensation plans approved by securityholders	300,000	\$0.25	3,493,764 <sup>(1)</sup>
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>Total</b>	<b>300,000</b>	<b>\$0.25</b>	<b>3,493,764 <sup>(1)</sup></b>

Note:

(1) Based upon an aggregate of 37,937,649 Common Shares issued and outstanding as of May 31, 2024.

## SUMMARY OF THE STOCK OPTION PLAN

The Option Plan was approved by the Shareholders on November 24, 2022 at the Company’s annual shareholders meeting. The Option Plan is not required to be approved by Shareholders at the Meeting. The following is a summary of the material terms of the Option Plan and is qualified in its entirety by the full text of the Option Plan.

### *Purpose*

The purpose of the Option Plan is to promote the Company’s profitability and growth by facilitating the efforts of the Company and its subsidiaries to obtain and retain key individuals. The Option Plan provides an incentive for, and encourages ownership of Common Shares by, its key individuals so that they may increase their stake in the Company and benefit from increases in the value of the Common Shares.

### *Administration*

The Option Plan is administered by the Board or a designee committee of the Board, which has full authority to grant stock options thereunder and take all other actions necessary or advisable for the implementation and administration of the Option Plan, subject to the requirements of the CSE and the terms of the Option Plan.

### *Eligibility*

The Option Plan allows the Company to grant stock options to attract, retain and motivate qualified directors, officers, employees and consultants of the Company and its subsidiaries.

The Option Plan allows the Board to grant stock options to directors and senior officers of the Company and its subsidiaries, employees and management company employees of the Company and its subsidiaries, and consultants of the Company and its subsidiaries (collectively, the “**Eligible Persons**”). The Board has full and final authority to determine the Eligible Persons who are to be granted stock options under the Option Plan and the number of Common Shares subject to each stock option.

### *Number of Shares Issuable*

Subject to adjustments in certain specified circumstances, as provided for in the Option Plan, the aggregate number of Common Shares that may be issued and sold under the Option Plan may not exceed 10% of the aggregate number of Common Shares issued and outstanding, calculated as at the date of any stock option grant from time to time. Stock options that are exercised, cancelled or expire prior to exercise become available again for issuance under the Option Plan.

### *Limits on Participation*

The Option Plan provides for the following limits to Common Shares issued or issuable under any stock options granted under the Option Plan, subject to the requirements of the CSE or other applicable stock exchange:

- (a) The maximum number of Common Shares issuable to any one optionee upon the exercise of stock options in any 12-month period, when aggregated with any Common Shares reserved for issuance under outstanding options and other share compensation arrangements, may not exceed 5% of the number of Common Shares then issued and outstanding, unless disinterested shareholder approval is received therefor in accordance with the policies of the CSE or other applicable stock exchange.
- (b) The maximum number of Common Shares issuable pursuant to stock options granted to any one consultant within any 12-month period, when aggregated with any Common Shares reserved for issuance under outstanding options and other share compensation arrangements, may not exceed 2% of the number of Common Shares issued and outstanding as of the date of grant.
- (c) The maximum number of Common Shares issuable pursuant to stock options granted in any 12-month period to all persons engaged to provide investor relations services, in the aggregate, may not exceed 2% of the number of Common Shares issued and outstanding as of the date of grant.

In addition, if required by any stock exchange on which the Common Shares trade, stock options granted to Eligible Persons who perform investor relations activities must vest in stages over 12 months with no more than 25% of such stock options vesting in any 3-month period.

### *Term of Options*

Stock options granted under the Option Plan are exercisable as determined by the Board at the time of grant, provided however, that stock options may not be granted for a term exceeding ten years (subject to extension where the expiry date falls within a Black-Out Period).



The Option Plan provides that, in the event that the expiry date for a stock option falls within a period of time when, pursuant to any policies of the Company (including the Company's insider trading policy), any securities of the Company may not be traded by certain persons designated by the Company (such period, a "**Black-Out Period**"), the expiry date of such stock option will be automatically extended to the 10<sup>th</sup> business day following the expiry of such Black-Out Period.

#### *Exercise Price*

The exercise price for the Common Shares issuable for each Option shall be determined by the Board on the basis of the market price of the Common Shares on the stock exchange or dealing network on which the Common Share trade, all as specified in the Option Plan, provided however, that, in the event the Common Shares are listed on a stock exchange, the exercise price may be the market price less any discounts from the market price allowed by such stock exchange, subject to a minimum price of \$0.10. In the event the Common Shares are not listed on any exchange and do not trade on any dealing network, the market price will be determined by the Board.

The exercise price of stock options granted to insiders of the Company may not be decreased without disinterested Shareholder approval at the time of the proposed amendment.

#### *Manner of Exercise and Cashless Exercise*

Subject to the provisions of the Option Plan and the particular stock option, a stock option may be exercised from time to time by delivering to the Company at its registered office a written notice of exercise specifying the number of Common Shares with respect to which the stock option is being exercised and accompanied by payment in cash or certified cheque for the full amount of the exercise price of the Common Shares then being purchased.

Subject to the rules and policies of the CSE or other applicable stock exchange, and provided the optionee is not engaged to provide investor relations services, the Board may, in its discretion and at any time, determine to grant an optionee the alternative to deal with such stock option on a "cashless exercise" basis, on such terms as the Board may determine in its discretion (the "**Cashless Exercise Right**"). Without limitation, the Board may determine in its discretion that such Cashless Exercise Right, if any, grants an optionee the right to terminate such stock option in whole or in part by notice in writing to the Company and in lieu of receiving Common Shares pursuant to the exercise of the stock option, receive, without payment of any cash other than as provided for in the Option Plan:

- (i) that number of Common Shares, disregarding fractions, which when multiplied by the market value (as such term is defined in the Option Plan) on the day immediately prior to the exercise of the Cashless Exercise Right, have a total value equal to the product of that number of Common Shares subject to the stock option multiplied by the difference between the market value on the day immediately prior to the exercise of the Cashless Exercise Right and the exercise price; or
- (ii) a cash payment equal to the difference between the market value on the day immediately prior to the date of the exercise of the Cashless Exercise Right, and the exercise price, less applicable withholding taxes as determined and calculated by the Company, excluding fractions.

#### *Vesting*

Stock options granted pursuant to the Option Plan are subject to such vesting requirements as may be prescribed by any stock exchange on which the Common Shares trade, where applicable, or as may be

imposed by the Board. Stock options issued to persons retained to provide investor relations activities must vest in stages over 12 months with no more than 25% of such stock options vesting in any 3-month period.

#### *Cessation of Provision of Services and Death*

The following describes the impact of certain events that may lead to the early expiry of stock options granted under the Option Plan:

- (i) Cessation of Services: Subject to the provisions of the Option Plan dealing with the treatment of stock options upon the death of an optionee, if any optionee ceases to be an Eligible Person for any reason (whether or not for cause) the optionee may exercise the stock option, but only within the period of 90 days, or 30 days if the Eligible Person is a person engaged to provide investor relations services, next succeeding such cessation (unless either such 90 or 30-day period is extended by the Board, up to a maximum of 12 months from the date of such cessation), and in no event after the expiry date of the stock option, exercise the stock option.
- (ii) Death: In the event of an optionee's death during the currency of the optionee's stock option, the stock option shall be exercisable within the 12-month period next succeeding the optionee's death and in no event after the expiry date of the stock option.

#### *Amendment or Termination of the Option Plan*

Subject to any necessary regulatory approvals, the Board may from time to time amend or revise the terms of the Option Plan (or any stock option granted thereunder) or may terminate the Option Plan (or any stock option granted thereunder) at any time, provided however, that no such action shall, without the consent of the optionee, in any manner adversely affect an optionee's rights under any stock option theretofore granted under, or governed by, the Option Plan.

To the extent required by applicable law or by the policies of the stock exchange on which the Common Shares trade (if applicable) at the relevant time, Shareholder approval (as required by such policies) and approval of such stock exchange, as applicable, will be required for, among other items, amendments to the following items:

- (i) persons eligible to be granted or issued stock options under the Option Plan;
- (ii) the maximum number or percentage of Common Shares that may be issuable under the Option Plan;
- (iii) the limits under the Option Plan on the number of stock options that may be granted or issued to any one person or any category of persons;
- (iv) the maximum term of any stock options;
- (v) the expiry and termination provisions applicable to any stock options; and
- (vi) any method or formula for calculating prices, values or amounts under the Option Plan that may result in a benefit to an optionee.

## SUMMARY OF THE RESTRICTED SHARE UNIT PLAN

The RSU Plan was approved by the shareholders of G2 Goldfields Inc. on March 29, 2021 in contemplation of the completion of the spin-out all of the shares of the Company through a plan of arrangement under Section 192 of the *Canada Business Corporations Act*, which was completed on April 9, 2021. The RSU Plan is not required to be approved by Shareholders at the Meeting. The following is a summary of the material terms of the RSU Plan and is qualified in its entirety by the full text of the RSU Plan.

The RSU Plan provides for the grant of restricted share units (“**RSUs**”) to specified service providers of the Company as set forth therein (each, an “**RSU Eligible Person**”). The RSUs will be settled through the issuance of Common Shares. The purpose of the RSU Plan is to allow for certain discretionary awards as an incentive for selected RSU Eligible Persons related to the achievement of long-term financial and strategic objectives of the Company and the resulting increases in shareholder value. The RSU Plan is intended to promote a greater alignment of interests between the shareholders of the Company and the selected eligible persons by providing an opportunity to participate in increases in the value of the Company. The RSU Plan is administered by the Board, which has the authority to delegate all of its powers and authority under the RSU Plan to the Compensation Committee or to another committee of the Board.

RSUs are akin to “phantom shares” that track the value of the underlying Common Shares but do not entitle the recipient to the actual underlying Common Shares until maturity and upon satisfaction of any applicable vesting requirements. The RSU Plan permits the Board to grant awards of RSUs to RSU Eligible Persons (“**RSU Grantees**”), upon such vesting conditions and subject to such maturity dates as the Board may determine. In the event of a change of control of the Company, all unvested RSU’s will automatically vest.

An RSU Grantee may elect to defer the receipt of all or any part of their Common Shares following the applicable maturity date until a deferred payment date specified in accordance with the terms of the RSU Plan. Subject to any vesting restrictions, RSUs will be settled by way of the issuance of Common Shares from treasury on a one-for-one basis as soon as practicable following the relevant maturity date or deferred payment date, if applicable, or as otherwise may be determined by the Board or specified in the RSU Plan.

Except by a will or by the laws of descent and distribution, RSUs are not assignable or transferable.

Subject to the Board determining otherwise within the limitations of the RSU Plan, in the event of the retirement, death or disability of an RSU Grantee, any unvested RSUs held by such person will automatically vest and the underlying Common Shares will be issued as soon as practicable thereafter. In the event of a termination without cause (as determined in accordance with the RSU Plan) of an RSU Grantee, any unvested RSUs of such grantee will vest in accordance with their normal vesting schedule, unless the Board determines otherwise within the limitations of the RSU Plan. In the event of a termination with cause or resignation of an RSU Grantee (each as determined in accordance with the RSU Plan), all of such grantee’s RSUs that have not yet vested shall become void, unless the Board determines otherwise within the limitations of the RSU Plan.

The maximum number of Common Shares issuable under the RSU Plan shall be the lesser of (i) 2,510,000 Common Shares; and (ii) such number of Common Shares, when combined with all other Common Shares subject to grants made under the Company’s other share compensation arrangements (pre-existing or otherwise, and including the Option Plan) (the “**Other Share Compensation Arrangements**”), as is equal to 10% of the aggregate number of Common Shares issued and outstanding from time to time. The grant of RSUs under the RSU Plan is subject to restrictions such that (i) the number of RSUs granted to insiders of the Company within any one year period, and (ii) the number of Common Shares reserved for issuance under RSUs granted to insiders of the Company at any time, in each case under the RSU Plan when

combined with all of the Other Share Compensation Arrangements, shall not exceed 10% of the Company's total issued and outstanding Common Shares.

The total number of RSUs granted to any one individual under the RSU Plan within any one-year period shall not exceed 5% of the total number of Common Shares issued and outstanding at the grant date. The maximum number of RSUs which may be granted to any one consultant within any one-year period must not exceed in the aggregate 2% of the Common Shares issued and outstanding as at the grant date.

The Board may amend the provisions of the RSU Plan and any grant of RSUs from time to time, including with respect to: (a) amendments of a housekeeping nature; (b) changes to any vesting provisions of an RSU; (c) changes to the termination provisions of an RSU or the RSU Plan; and (d) amendments to reflect changes to applicable securities or tax laws. However, other than the foregoing, any amendment to the RSU Plan which would:

- (a) increase the number of Common Shares issuable under the RSU Plan;
- (b) permit RSUs to be transferred other than for normal estate settlement purposes;
- (c) remove or exceed the specified insider participation limits;
- (d) materially modify the eligibility requirements for participation in the RSU Plan; or
- (e) modify the amending provisions of the RSU Plan,

shall be subject to the receipt of applicable Shareholder and regulatory approvals.

## **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

The Canadian Securities Administrators have published National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) and National Policy 58-201 – *Corporate Governance Guidelines* (“**NP 58-201**”), setting forth guidelines for effective corporate governance and corresponding disclosure requirements. NP 58-201 contains guidelines concerning matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. NI 58-101 requires disclosure by each corporation of its approach to corporate governance annually, as it is recognized that the unique characteristics of individual corporations will result in varying degrees of compliance.

Set out below is a description of the Company's approach to corporate governance as required pursuant to NI 58-101.

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

The Board is currently comprised of five directors. The Board has considered the independence of each of its directors under NI 52-110 and has concluded that Messrs. Stow and Yesno are independent for Board purposes, while the other directors (being Messrs. Sheridan, Noone and Carpenter) are not independent as a result of their roles as officers of the Company. To be considered independent for Board purposes, the Board must conclude that a director does not have either a direct or indirect material relationship with the Company which, in the view of the Board, could be reasonably expected to interfere with the exercise of the director's independent judgement.

The basis for this determination is that, since the beginning of the fiscal year ended May 31, 2024, Messrs. Stow and Yesno were the only directors who had not been officers of the Company or had material interests in the Company which could interfere with their ability to act with a view to the best interests of the Company.

The Board has taken steps to ensure that adequate structures and processes will be in place to permit it to function independently of management of the Company. The independent directors hold *in camera* sessions without management present at meetings of the Board, when considered necessary.

## 2. Directorships

Certain of the directors of the Company are also directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

<u>Name of director</u>	<u>Other reporting issuer (or equivalent in a foreign jurisdiction)</u>
J. Patrick Sheridan	G2 Goldfields Inc.
Daniel Noone	G2 Goldfields Inc., GPM Metals Inc.,
Stephen Stow	Lumina Gold Corp., G2 Goldfields Inc.
Alex Carpenter	Big Tree Carbon Inc.
Harvey L.A. Yesno	Avalon Advanced Materials Inc.

## 3. Orientation and Continuing Education

The Board does not have a formal orientation or education program for its members. 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.

## 4. Ethical Business Conduct

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. The Board has adopted a written code of business conduct and ethics (the "Code") for the Company's directors, officers, employees and consultants. In terms of the Board monitoring compliance with the Code, those to whom it applies are required to report any actual or potential violation of the Code or of any law or regulation and to cooperate with any investigation by the Company. The Board has also adopted a whistleblower policy which requires every employee to report any evidence of activity by any officer, director, employee or consultant, that among other things, constitutes unethical business conduct in violation of any Company policy, such as the Code.

In addition, pursuant to the *Business Corporations Act* (Ontario), the directors and officers of the Company are required, in exercising their powers and discharging their duties to the Company, to act honestly and in good faith with a view to the best interests of the Company. A director or officer of the Company who is a party to a material contract or transaction or proposed material contract or transaction with the Company or who is a director or an officer of, or has a material interest in, any person who is a party to a material

contract or transaction or proposed material contract or transaction with the Company is required to disclose the nature and extent of his interest to the Company. If such a conflict of interest is disclosed by a director, such director shall not attend any part of a meeting of directors during which the contract or transaction is discussed and shall not vote on any resolution to approve the contract or transaction, except in very limited circumstances.

## **5. Nomination of Directors**

The Compensation Committee is responsible for the nominating and corporate governance procedures of the Company.

With respect to the director recruitment in general, the Compensation Committee is responsible for: (a) conducting an analysis of the collection of tangible and intangible skills and qualities necessary for an effective Board given the Company's current operational and financial condition, the industry in which it operates and the strategic outlook of the Company; (b) periodically comparing the tangible and intangible skills and qualities of the existing Board members with the analysis of required skills and identifying opportunities for improvement; and (c) recommending, as required, changes to the selection criteria used by the Board to reflect the needs of the Board. Nominees are to be selected for qualities such as integrity, business judgment, independence, business or professional expertise, international experience, residency and familiarity with geographic regions relevant to the Company's strategic priorities. Additional considerations include: (a) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess; (b) the competencies and skills that the Board considers each existing director to possess; and (c) the competencies and skills each new nominee will bring to the boardroom.

## **6. Compensation**

The Board has established the Compensation Committee, which is currently comprised of three directors, namely Messrs. Stow (Chair), Noone and Carpenter, with Mr. Stow being independent. Following the Meeting, the Compensation Committee will continue to be comprised of three directors, namely Messrs. Stow (Chair), Noone and Carpenter, with Mr. Stow being considered independent.

The overall objectives of the Company's compensation program relating to compensation matters include the following:

- reviewing the Company's overall compensation philosophy;
- reviewing and approving corporate goals and objectives relevant to CEO compensation (taking into account both short-term and long-term compensation goals) and evaluating the CEO's performance in light of stated corporate goals and objectives;
- reviewing succession planning for the CEO;
- in consultation with the CEO, overseeing the evaluation of the Company's executive officers and determining the compensation of executive officers other than the CEO;
- reviewing the adequacy, amount and form of compensation paid to each director (and considering whether such compensation realistically reflects the time commitment, responsibilities and risks of directors);
- reviewing the incentive compensation plans; and
- reviewing the equity-based compensation plans, including the designation of those who may participate in such plans and the issuance of options and RSUs, as applicable, in accordance with such plans.

The Compensation Committee will engage and compensate any outside adviser that it determines to be necessary or advisable to carry out its duties. The Compensation Committee reviews compensation paid to directors and officers of companies of similar industries, size and stage of development, and makes such other enquiries deemed necessary on a case-by-case basis, in order to determine appropriate compensation levels for the directors and officers of the Company.

## **7. Diversity Disclosure**

The Company's senior management and the members of its Board have diverse backgrounds and expertise and were selected on the belief that the Company and its stakeholders would benefit from such a broad range of talent and experiences. The Board considers merit as the key requirement for board and executive officer appointments, and as such, it has not adopted any target number or percentage, or a range of target numbers or percentages, respecting the representation of women, Indigenous peoples, persons with disabilities, or members of visible minorities (collectively, "**members of designated groups**") on the Board or in senior management roles. In identifying new candidates for Board nomination, the Company looks for individuals with diverse backgrounds to ensure that best practices and experiences in the mineral exploration industry can be applied in making strategic decisions for the Company. However, the Company has not adopted a formal written policy related to the identification and nomination of designated groups (as defined in the *Employment Equity Act* (Canada)) for directors. The Company nonetheless appreciates the value of a diverse Board and management and believes that diversity helps the Company reach its efficiency and skill objectives for the greater benefit of Shareholders.

The Company has not adopted a written diversity policy due to the small size of the Board and the management team, and the stage of development of the Company's business. The Board believes that the qualifications and experience of proposed new directors and members of senior management should remain the primary consideration in the selection process. The Company will include diversity (including the level of representation of members of designated groups) as a factor in its future decision-making when identifying and nominating candidates for election or re-election to the Board and for senior management positions.

The Company seeks to attract and maintain diversity at the executive officer and board of directors' levels informally through the recruitment efforts of management in discussion with directors prior to proposing nominees to the Board or candidates for executive officer positions as a whole for consideration. When the Board selects candidates for Board or executive officer positions, it considers not only the qualifications, personal qualities, business background and experience of the candidates, it also considers the composition of the group of nominees, including whether the individual is a member of a designated group, to best bring together a selection of candidates allowing the Company to perform efficiently and act in the best interest of the Company and the Shareholders. Although the level of representation of members of designated groups is one of many factors taken into consideration in making Board and executive officer appointments, greater emphasis is placed on hiring or advancing the most qualified individuals.

As at the date of this Circular, two of the five directors on the Board are members of designated groups, representing 40% of the Board members. One of the four senior officers of the Company is a member of designated groups, representing 25% of the senior officers of the Company.

## **8. Director Term Limits**

The Company does not have a policy that limits the term of the directors on its Board and has not provided other mechanisms of board renewal. At this time, the Board does not believe that it is in the best interest of the Company to establish term limits on a director's mandate or a mandatory retirement age. The Board is

of the opinion that term limits may disadvantage the Company through the loss of beneficial contributions of directors who have developed increasing knowledge of the Company, its operations, and the industry over a period of time.

## **9. Other Board Committees**

The Board has three standing committees, being the Audit Committee, the Compensation Committee and the ESG Committee. The ESG Committee is currently comprised of three directors, namely Messrs. Stow (Chair), Noone and Yesno, and shall continue to be comprised as such following the Meeting. The ESG Committee advises the Board and senior management in relation to the development and implementation of the Company's ESG initiatives, including policies, compliance systems, and monitoring processes, to ensure that the Company is performing and reporting in a manner consistent with mining industry best practices.

## **10. Assessments**

The Board does not view formal assessments as being useful at this stage of the Company's development. The Board conducts informal annual assessments of the Board's effectiveness, including the performance and effectiveness of the individual directors and each of its committees.

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

There is currently no outstanding indebtedness owing to the Company or any subsidiary of the Company, or to another entity which is or was the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company or any subsidiary of the Company, of (i) any director, executive officer or employee of the Company or any of its subsidiaries; (ii) any former director, executive officer or employee of the Company or any of its subsidiaries; (iii) any proposed nominee for election as a director of the Company (a "Nominee"); or (iv) any associate of any current or former director, executive officer or employee of the Company or any of its subsidiaries or of any Nominee.

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

No director, executive officer, shareholder beneficially owning (directly or indirectly) or exercising control or direction over more than 10% of the Common Shares (or any director or executive officer thereof), or Nominee for election as a director of the Company, and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the beginning of the Company's last completed fiscal year or in any proposed transaction which, in either such case, has materially affected or will materially affect the Company or any subsidiary of the Company.

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

#### **1. Presentation of Financial Statements**

The annual financial statements of the Company for the fiscal year ended May 31, 2024, including the auditor's report thereon, will be placed before the Meeting. The annual financial statements and related management's discussion and analysis have been provided to Shareholders in accordance with applicable laws and are available under the Company's issuer profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), and copies of these documents will also be available at the Meeting.



## 2. Election of Directors

Under the constating documents of the Company, the Board is to consist of a minimum of one and a maximum of ten directors, to be elected annually. Shareholders will be invited to elect five directors at the Meeting by voting for or withholding their votes in respect of each of the Nominees named below. Each director holds office until the next annual meeting or until his successor is duly elected or appointed unless his office is earlier vacated in accordance with the Company's by-laws. On any ballot that may be called for in the election of directors, the persons named in the enclosed form of proxy intend to cast the votes to which the Common Shares represented by such proxy are entitled for each of the proposed Nominees whose names are set forth below, unless the shareholder who has given such proxy has directed that the Common Shares be withheld from voting in respect of any such Nominee(s) set forth below. Management 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 form of proxy reserve the right to vote for other Nominees at their discretion.

Shareholders have the option to: (i) vote for all of the directors of the Company listed in the table below; (ii) vote for some of the directors and withhold for others; or (iii) withhold for all of the directors. **Unless otherwise instructed, proxies and voting instructions given pursuant to this solicitation by the management of the Company will be voted FOR the election of each of the proposed Nominees set forth in the table below.**

The following table sets out the name of each of the Nominees, all positions and offices in the Company held by each of them, the principal occupation or employment of each of them for the past five years, the year in which each was first elected a director of the Company and the approximate number of Common Shares that each has advised are beneficially owned (directly or indirectly) or subject to his control or direction:

Name, Province and Country of Residence	Position	Principal Occupation for Five Preceding Years	Director Since	Number of Common Shares Held, Controlled or Directed <sup>(1)</sup>
J. Patrick Sheridan Surrey, United Kingdom	Executive Chairman	Executive Chairman of G2 Goldfields Inc. (since November 2018)  President & Chief Executive Officer of G2 Goldfields Inc. (from November 2018 to February 2020)	April 2021	15,697,421
Daniel Noone <sup>(2)(3)(4)</sup> Ontario, Canada	Chief Executive Officer & Director	President & Chief Executive Officer of G2 Goldfields Inc. (since February 2020)	April 2021	1,523,772
Stephen Stow <sup>(2)(3)(4)</sup> British Columbia, Canada	Director	Chairman of Zen Capital and Mergers Ltd., a private family office advisory company (1996 to present)  Director of Lumina Gold Corp. (2015 to present) and Amarillo Gold Corporation (2017 to 2020), both listed resource companies	April 2021	1,422,000

<b>Name, Province and Country of Residence</b>	<b>Position</b>	<b>Principal Occupation for Five Preceding Years</b>	<b>Director Since</b>	<b>Number of Common Shares Held, Controlled or Directed<sup>(1)</sup></b>
Alex Carpenter <sup>(2)(3)</sup> Ontario, Canada	Director	First Nations Advisor (since 2015)	November 2021	Nil
Harvey L.A. Yesno <sup>(4)</sup> Ontario, Canada	Director	Self-employed business person and First Nation Advisor  Chief of the Eabametoong First Nation (1991 to 2021)	February 2022	Nil

Notes:

- (1) The information as to Common Shares beneficially owned (directly or indirectly) or over which the Nominees exercise control or direction has been furnished by the respective Nominees individually.
- (2) Member of the Audit Committee of the Company.
- (3) Member of the Compensation Committee of the Company.
- (4) Member of the ESG Committee of the Company.

**Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

To the Company’s knowledge, as of the date hereof, no Nominee:

- (a) is, or has been, within ten years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company) that:
  - (i) was subject to an order that was issued while the Nominee was acting in the capacity as director, chief executive officer or chief financial officer, or
  - (ii) was subject to an order that was issued after the Nominee ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
- (b) is, or has been, within ten years before the date hereof, a director or executive officer of any company (including the Company) that, while such Nominee was acting in that capacity, or within a year of such Nominee ceased 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; or
- (c) has, within ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such Nominee.

For the purposes of the above section, the term “order” means: (a) a cease trade order; (b) an order similar to a cease trade order; (c) an order that denied the relevant company access to any exemption under securities legislation, or (d) that was in effect for a period of more than 30 consecutive days.

To the Company’s knowledge, as of the date hereof, no Nominee has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for the Nominee.

### 3. Appointment of Auditors

MNP LLP, Chartered Professional Accountants (“MNP”), has been the independent external auditors of the Company since incorporation on November 30, 2020. At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve, an ordinary resolution re-appointing MNP as auditors of the Company, to hold office until the close of the next annual meeting of Shareholders, and to authorize the Board to fix their remuneration.

To be effective, the resolution approving the re-appointment of MNP as auditors of the Company until the close of the next annual meeting of Shareholders and authorizing the Board to fix their remuneration requires the affirmative vote of not less than a majority of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting. **The Board recommends that Shareholders vote FOR the re-appointment of MNP. Common Shares represented by proxies in favour of the person designated on the form of proxy will be voted FOR the resolution authorizing the re-appointment of MNP as auditors of the Company, to hold office for the ensuing year at a remuneration to be fixed by the Board, unless a Shareholder has specified in the form of proxy that their Common Shares are to be withheld from voting in respect thereof.**

### 4. Approval of Share Consolidation

At the Meeting, Shareholders will be asked to consider and, if thought appropriate, to approve, confirm and adopt, with or without variation, a special resolution to amend the articles of the Company to consolidate the Company’s issued and outstanding Common Shares on the basis of one (1) new Common Share for every two (2) existing Common Shares outstanding as at the date of the Meeting (the “**Share Consolidation**”). On a post-consolidation basis, the Company will have, as of the effective date of the Share Consolidation, approximately 18,968,824 Common Shares issued and outstanding. All outstanding options, RSUs and other rights to acquire securities of the Company, if any, will be affected by the Share Consolidation, in accordance with the adjustment provisions contained in the plans governing such securities.

It is the position of the Board that the Share Consolidation is in the best interests of the Company, its Shareholders and other stakeholders and that the benefits of the Share Consolidation could include:

- *Anticipated higher share price:* The Share Consolidation is expected to result in the trading price of the Common Shares increasing to reflect the consolidation ratio. A higher price per share would place the Company’s Common Shares at a level that is more typical of shares of other widely-owned publicly traded companies that are in the Company’s peer group of companies.
- *Increased investor interest:* A higher post-consolidation price of the Common Shares could increase investor interest in the Company as a higher price per share may qualify the Common Shares for certain institutional investors and investment funds that otherwise may be prevented under their investing mandates or guidelines from investing in the Common Shares at the current price. Also, a smaller number of Common Shares trading at a higher price may make the Company more attractive to other new investors, and could further enhance the value of the Common Shares held by current Shareholders.

### *Certain Risks of the Share Consolidation*

The effect of the Share Consolidation upon the market price of the Common Shares cannot be predicted with any certainty, and the history of similar share consolidations for corporations similar to the Company is varied. There can be no assurance that the total market capitalization of the Common Shares immediately following the Share Consolidation will be equal to or greater than the total market capitalization immediately before the Share Consolidation. In addition, there can be no assurance that the per-share market price of the Common Shares following the Share Consolidation will remain higher than the per-share market price immediately before the Share Consolidation or equal or exceed the direct arithmetical result of the Share Consolidation. In addition, a decline in the market price of the Common Shares after the Share Consolidation may result in a greater percentage decline than would occur in the absence of the Share Consolidation. Furthermore, the Share Consolidation may lead to an increase in the number of Shareholders who will hold “odd lots”; that is, a number of shares not evenly divisible into board lots (a board lot is either 100, 500 or 1,000 shares, depending on the price of the shares). As a general rule, the cost to Shareholders transferring an odd lot of Common Shares is somewhat higher than the cost of transferring a “board lot”. Nonetheless, despite the risks and the potential increased cost to Shareholders in transferring odd lots of post-consolidation Common Shares, the Board believes the Share Consolidation is in the best interest of all Shareholders.

### *Procedure for Implementing the Share Consolidation*

If the Board decides to proceed with the Share Consolidation, it will only become effective upon the Company filing articles of amendment (“**Articles of Amendment**”) under the *Business Corporations Act* (Ontario) (the “**OBCA**”) giving effect to the Share Consolidation and would only be effective on the date shown in the certificate of amendment issued by the director under the OBCA in connection with the Share Consolidation or such other date indicated in the Articles of Amendment. No further action on the part of Shareholders would be required in order for the Board to implement the Share Consolidation.

Prior to completion of the Share Consolidation, the Company shall issue a press release announcing the terms, the definitive ratio and the effective date of the Share Consolidation. At that time, a letter of transmittal (the “**Letter of Transmittal**”) will be sent to registered Shareholders, which will need to be duly completed and submitted to TSX Trust Company by registered Shareholders wishing to receive share certificates (or direct registration statements) representing the post-consolidation Common Shares to which such registered Shareholder is entitled if the Company completes the Share Consolidation. Upon receipt of a properly completed and signed Letter of Transmittal and the share certificate(s) referred to in the Letter of Transmittal, the Company will arrange to have a new share certificates (or direct registration statements) representing the appropriate number of post-consolidation Common Shares delivered in accordance with the instructions provided by the holder in the Letter of Transmittal. No delivery of a new certificate (or direct registration statement) to a registered Shareholder will be made until the registered Shareholder has surrendered such Shareholder’s existing certificates representing the pre-consolidation Common Shares. Until surrendered, each share certificate representing pre-consolidation Common Shares shall be deemed for all purposes to represent the number of post-consolidation Common Shares to which the holder is entitled as a result of the Share Consolidation. In the event that the Share Consolidation is not implemented, all Common Share certificates delivered pursuant to a Letter of Transmittal will be returned to the respective registered Shareholders. In addition, after the exchange of pre-consolidation Common Share certificates for post-consolidation Common Share certificates (or direct registration statements), Shareholders will have no further interest with respect to any fractional pre-consolidated Common Shares. Shareholders should neither destroy nor submit any share certificates until instructed to do so.

Registered Shareholders who do not deliver their Common Share certificates representing pre-consolidation Common Shares and all other required documents to TSX Trust Company on or before the sixth anniversary

of the effective date of the Share Consolidation will lose their rights to receive post-consolidation Common Shares in exchange for their existing pre-consolidation Common Shares.

Non-registered Shareholders holding their Common Shares through an intermediary should note that intermediaries may have different procedures for processing the Share Consolidation than those that will be put in place by the Company for registered Shareholders. If you hold your Common Shares with an intermediary and you have questions in this regard, you are encouraged to contact your intermediary.

#### *No Dissent rights*

Under the OBCA, the Shareholders do not have any dissent and appraisal rights with respect to the proposed Share Consolidation.

#### *Shareholder Resolution*

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, a special resolution (the “**Share Consolidation Resolution**”) to approve the proposed Share Consolidation.

The text of the Share Consolidation Resolution to be submitted to Shareholders at the Meeting is set forth below:

“NOW THEREFORE BE IT RESOLVED THAT:

1. the issued and outstanding Common Shares of the Company be consolidated on the basis of one (1) new Common Share for every two (2) existing Common Shares outstanding as at the date hereof;
2. Shareholders shall not be entitled to receive fractional Common Shares as a result of the consolidation and the number of Common Shares issuable on the consolidation shall be rounded down to the nearest full number of Common Shares;
3. the directors of the Company are hereby authorized to revoke this special resolution before it is acted on, without any further approval or authorization of the shareholders of the Company; and
4. any one director or officer of the Company be and is hereby authorized to do all such further acts and things and execute all such documents and instruments as may be necessary or desirable to give effect to the matters contemplated by this special resolution, including but not limited to the filing of articles of amendment under the *Business Corporations Act* (Ontario).”

**The Board recommends that Shareholders vote FOR the Share Consolidation Resolution. To be effective, the Share Consolidation Resolution must be approved by not less than two-thirds (66 ⅔%) of the votes cast by the holders of Common Shares present in person or represented by proxy, at the Meeting. The nominees named in the accompanying form of proxy will vote the Common Shares represented thereby for such resolution, unless the Shareholder has given contrary instructions in such form of proxy.**

## ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Financial information is provided in the Company's comparative financial statements and management discussion and analysis for the year ended May 31, 2024. Shareholders may contact the principal office of the Company located at 141 Adelaide Street West, Suite 1101 Toronto, Ontario, M5H 3L5, to request copies of the Company's financial statements and management discussion and analysis for its most recently completed fiscal year.

## APPROVAL

**The contents and the sending of this information circular have been approved by the directors of the Company.**

DATED at Toronto, Ontario, Canada as of the 28<sup>th</sup> day of October, 2024.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) "*Daniel Noone*"

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Daniel Noone, Chief Executive Officer

**SCHEDULE “A”**  
**AUDIT COMMITTEE CHARTER**

**I. MANDATE AND PURPOSE OF THE COMMITTEE**

The Audit Committee (the “**Committee**”) of the board of directors (the “**Board**”) of S2 Minerals Inc. (the “**Company**”) is a standing committee of the Board whose primary function is to assist the Board in fulfilling its oversight responsibilities relating to:

- (a) the integrity of the Company’s financial statements;
- (b) the Company’s compliance with legal and regulatory requirements, as they relate to the Company’s financial statements;
- (c) the qualifications, independence and performance of the Company’s external auditor;
- (d) internal controls and disclosure controls;
- (e) the performance of the Company’s internal audit function; and
- (f) performing the additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

**II. AUTHORITY**

The Committee has the authority to:

- (a) engage and compensate independent counsel and other advisors as it determines necessary or advisable to carry out its duties; and
- (b) communicate directly with the Company’s auditor.

The Committee has the authority to delegate to individual members or subcommittees of the Committee.

**III. COMPOSITION AND EXPERTISE**

The Committee shall be composed of a minimum of three members, each of whom is a director of the Company. The Committee shall be comprised of members, a majority of whom are not officers, employees or Control Persons (as such term is defined in the policies of the TSX Venture Exchange) of the Company. In addition, a majority of members shall be independent as such term is defined in Sections 1.4 and 1.5 of National Instrument 52-110 (*Audit Committees*).

Committee members shall be appointed annually by the Board at the first meeting of the Board following each annual meeting of shareholders. Committee members hold office until the next annual meeting of shareholders or until they are removed by the Board or cease to be directors of the Company.

The Board shall appoint one member of the Committee to act as Chair of the Committee. If the Chair of the Committee is absent from any meeting, the Committee shall select one of the other members of the Committee to preside at that meeting.

**IV. MEETINGS**

Any member of the Committee or the auditor may call a meeting of the Committee. The Committee shall meet at least four times per year and as many additional times as the Committee deems necessary to carry

out its duties. The Chair shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and senior management.

Notice of the time and place of every meeting shall be given in writing to each member of the Committee, at least 48 hours (excluding holidays) prior to the time fixed for such meeting. The Company's auditor shall be given notice of every meeting of the Committee and, at the expense of the Company, shall be entitled to attend and be heard at any and all meetings during which interim or annual financial statements are discussed and/or approved. If requested by a member of the Committee, the Company's auditor shall attend every meeting of the Committee held during the term of office of the Company's auditor.

A majority of the Committee shall constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present in person or by means of such telephonic, electronic or other communications facility that permits all persons participating in the meeting to communicate adequately with each other during the meeting.

The Committee may invite such directors, officers and employees of the Company and advisors as it sees fit from time to time to attend meetings of the Committee.

The Committee shall meet without management present whenever the Committee deems it appropriate. The Committee shall appoint a Secretary who need not be a director or officer of the Company. Minutes of the meetings of the Committee shall be recorded and maintained by the Secretary and shall be subsequently presented to the Committee for review and approval.

## **V. COMMITTEE AND CHARTER REVIEW**

The Committee shall conduct an annual review and assessment of its performance, effectiveness and contribution, including a review of its compliance with this Charter. The Committee shall conduct such review and assessment in such manner as it deems appropriate and report the results thereof to the Board.

The Committee shall also review and assess the adequacy of this Charter on an annual basis, taking into account all legislative and regulatory requirements applicable to the Committee, as well as any guidelines recommended by regulators or the TSX Venture Exchange and shall recommend changes to the Board thereon.

## **VI. REPORTING TO THE BOARD**

The Committee shall report to the Board in a timely manner with respect to each of its meetings held. This report may take the form of circulating copies of the minutes of each meeting held.

## **VII. DUTIES AND RESPONSIBILITIES**

### **(a) Financial Reporting**

The Committee is responsible for reviewing and recommending approval to the Board of the Company's annual and interim financial statements, MD&A and related news releases, before they are released.



The Committee is also responsible for:

- (i) being satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in the preceding paragraph, and for periodically assessing the adequacy of those procedures;
- (ii) engaging the Company's auditor to perform a review of the interim financial statements and receiving from the Company's auditor a formal report on the auditor's review of such interim financial statements;
- (iii) discussing with management and the Company's auditor the quality of International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"), not just acceptability of IFRS;
- (iv) discussing with management any significant variances between comparative reporting periods; and
- (v) while discussion with management and the Company's auditor, identifying problems or areas of concern and ensuring such matters are satisfactorily resolved.

**(b) Auditor**

The Committee is responsible for recommending to the Board:

- (i) the auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
- (ii) the compensation of the Company's auditor.

The Company's auditor reports directly to the Committee. The Committee is directly responsible for overseeing the work of the Company's auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the Company's auditor regarding financial reporting.

**(c) Relationship with the Auditor**

The Committee is responsible for reviewing the proposed audit plan and proposed audit fees. The Committee is also responsible for:

- (i) establishing effective communication processes with management and the Company's auditor so that it can objectively monitor the quality and effectiveness of the auditor's relationship with management and the Committee;
- (ii) receiving and reviewing regular feedback from the auditor on the progress against the approved audit plan, important findings, recommendations for improvements and the auditor's final report;
- (iii) obtaining and reviewing annually, an annual report from the external auditors describing the external auditors' internal quality control procedures and any material issues raised by the most recent internal quality control review or peer review of the external auditors, 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 such issues;

- (iv) reviewing, at least annually, a report from the auditor on all relationships and engagements for non-audit services that may be reasonably thought to bear on the independence of the auditor; and
- (v) meeting in camera with the auditor whenever the Committee deems it appropriate.

(d) **Accounting Policies**

The Committee is responsible for:

- (i) reviewing the Company's accounting policy note to ensure completeness and acceptability with IFRS as part of the approval of the financial statements;
- (ii) discussing and reviewing the impact of proposed changes in accounting standards or securities policies or regulations;
- (iii) reviewing with management and the auditor any proposed changes in major accounting policies and key estimates and judgments that may be material to financial reporting;
- (iv) discussing with management and the auditor the acceptability, degree of aggressiveness/conservatism and quality of underlying accounting policies and key estimates and judgments; and
- (v) discussing with management and the auditor the clarity and completeness of the Company's financial disclosures.

(e) **Risk and Uncertainty**

The Committee is responsible for reviewing, as part of its approval of the financial statements:

- (i) uncertainty notes and disclosures; and
- (ii) MD&A disclosures.

The Committee, in consultation with management, will identify the principal business risks and decide on the Company's "appetite" for risk. The Committee is responsible for reviewing related risk management policies and recommending such policies for approval by the Board. The Committee is then responsible for communicating and assigning to the applicable Board committee such policies for implementation and ongoing monitoring.

The Committee is responsible for requesting the auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are managed or controlled.

(f) **Controls and Control Deviations**

The Committee itself is responsible for reviewing:

- (i) the plan and scope of the annual audit with respect to planned reliance and testing of controls; and

- (ii) major points contained in the auditor's management letter resulting from control evaluation and testing.

The Committee is also responsible for receiving reports from management when significant control deviations occur.

In consultation with the external auditors, the Audit Committee is responsible for reviewing the adequacy of the Company's internal control structures and procedures designed to ensure compliance with applicable laws and regulations.

The Audit Committee will review:

- (iii) the internal control report prepared by management, including management's assessment of the effectiveness of the Company's internal control structure and procedures for financial reporting (collectively Internal Controls over Financial Reporting - ICFR); and
- (iv) the Company's Disclosure Controls and Procedures (DC&P)

**(g) Compliance with Laws and Regulations**

The Committee is responsible for reviewing regular reports from management and others (e.g., auditors) concerning the Company's compliance with financial related laws and regulations, such as:

- (i) tax and financial reporting laws and regulations;
- (ii) legal withholdings requirements;
- (iii) environmental protection laws; and
- (iv) other matters for which directors face liability exposure.

**VIII. NON-AUDIT SERVICES**

All non-audit services to be provided to the Company or its subsidiary entities by the Company's auditor must be pre-approved by the Committee.

**IX. SUBMISSION SYSTEMS AND TREATMENT OF COMPLAINTS**

The Audit Committee has adopted a Whistleblower Policy to facilitate the reporting by the Company's directors, officers or employees of any "Reportable Activity", as such term is defined in the Whistleblower Policy. The Whistleblower Policy establishes procedures for:

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

**X. HIRING POLICIES**

The Committee is responsible for reviewing and approving the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditor of the Company.