

## MUZHU MINING LTD.

### NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that an annual general meeting (the “**Meeting**”) of holders (“**Shareholders**”) of common shares (the “**Shares**”) of Muzhu Mining Ltd. (the “**Corporation**”) will be held virtually Thursday, October 6, 2022 at 11:00 a.m. (Pacific Standard Time) for the following purposes:

- (1) to receive the audited consolidated financial statements of the Corporation as at and for the year ended December 31, 2021 together with management’s discussion and analysis and the report of the auditors thereon;
- (2) to elect three (3) directors of the Corporation for the ensuing year;
- (3) to re-appoint Cleahouse LLP as the auditors of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix the remuneration to be paid to the auditors; and
- (4) to transact such other business as may properly come before the Meeting or any adjournment thereof.

Registered Shareholders (as defined in the accompanying information circular (the “**Circular**”) and duly appointed proxyholders can attend the Meeting online via Zoom link at <https://us06web.zoom.us/j/86518863929> Meeting ID: 865 1886 3929 where they can participate, vote, or submit questions during the Meeting’s live webcast.

Additional information relating to the business to be submitted to the Meeting is contained in the management information circular and forms part of this Notice.

The board of directors of the Corporation (the “**Board**” or “**Board of Directors**”) has fixed the close of business on September 1, 2022 as the record date for the purpose of determining Shareholders entitled to receive notice of, and vote at, the Meeting. Only Shareholders of record at the close of business on September 1, 2022 are entitled to vote at the Meeting. The failure of any Shareholder to receive notice of the Meeting does not deprive such Shareholder of the right to vote at the Meeting.

Registered Shareholders, being those Shareholders whose names appear on the Corporation’s central security register as a registered holder of Shares, who are unable to attend the Meeting should complete, sign, date and return the enclosed form of proxy to **Capital Transfer Agency ULC (“Capital”)**, in accordance with the instructions set out in the form of proxy accompanying the management information circular no later than 10:00 a.m. (Pacific Daylight Time) on October 4, 2022.

Non-registered Shareholders, being Shareholders who beneficially own and hold Shares through a broker or other intermediary and who do not hold Shares in their own names, who have received these materials through their broker or another intermediary should refer to the accompanying management information circular for further instructions.

Dated at Vancouver, British Columbia this 6<sup>th</sup> day of September, 2022.

**BY ORDER OF THE BOARD OF DIRECTORS**

(Signed) “*Richard Sung Yin Tong*”

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**RICHARD SUNG YIN TONG**

Chief Financial Officer, Secretary and Director

**MUZHU MINING LTD.**  
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Vancouver, British Columbia  
V6Z 1S4  
Telephone: (226) 455-5644

**MANAGEMENT INFORMATION CIRCULAR  
FOR ANNUAL GENERAL MEETING OF SHAREHOLDERS**

(Containing Information as at September 6, 2022 unless otherwise stated)

**SOLICITATION OF PROXIES**

This management information circular (the “Circular”) is furnished in connection with the solicitation of proxies by the management of Muzhu Mining Ltd. (the “Corporation”), for use at the annual general meeting (the “Meeting”), of the holders (“Shareholders”) of common shares without par value in the capital of the Corporation (the “Shares”), to be held on Thursday, the 6<sup>th</sup> day of October, 2022, at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof. It is expected that the solicitation of proxies on behalf of management will be primarily by mail; however, proxies may be solicited personally or by telephone by the regular officers, employees or agents of the Corporation. The cost of soliciting proxies on behalf of management will be borne by the Corporation. The Corporation may also reimburse brokers and other persons holding Shares in their names or in the name of nominees, for their costs incurred in sending proxy materials to beneficial owners and obtaining their proxies or voting instructions.

**APPOINTMENT OF PROXIES**

The persons named in the accompanying form of proxy (the “Proxy”) are representatives of management of the Corporation and are directors and/or officers of the Corporation. **A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR HIM/HER ON HIS/HER BEHALF AT THE MEETING OTHER THAN THE PERSONS NAMED IN THE ENCLOSED PROXY. TO EXERCISE THIS RIGHT, A SHAREHOLDER MAY STRIKE OUT THE NAMES OF THE PERSONS NAMED IN THE PROXY AND INSERT THE NAME OF HIS/HER NOMINEE IN THE BLANK SPACE PROVIDED, OR COMPLETE ANOTHER PROXY. A PROXY WILL NOT BE VALID UNLESS IT IS DEPOSITED WITH THE CORPORATION’S REGISTRAR AND TRANSFER AGENT, CAPITAL TRANSFER AGENCY ULC (“CAPITAL”), AT 390 BAY STREET, SUITE 920, TORONTO, ON M5H 2Y2, NOT LESS THAN 48 HOURS (EXCLUDING SATURDAYS, SUNDAYS AND HOLIDAYS) BEFORE THE TIME OF THE MEETING OR ANY ADJOURNMENT THEREOF. ALTERNATIVELY, PROXIES MAY BE FAXED TO THE ATTENTION OF THE PROXY DEPARTMENT AT 416-350-5008 OR SUBMITTED ONLINE BY FOLLOWING THE INSTRUCTIONS CONTAINED IN THE PROXY BY SUCH TIME, IN WHICH EVENT ALL PAGES OF A PROXY SHOULD BE RETURNED. REGISTERED SHAREHOLDERS ELECTING TO SUBMIT A PROXY MAY LOG ON TO CAPITAL’S WEBSITE AT <https://linkstar.capitaltransferagency.com/pxlogin> REGISTERED SHAREHOLDERS MUST FOLLOW THE INSTRUCTIONS PROVIDED ON THE WEBSITE AND REFER TO THE REVERSE OF THEIR PROXY FOR THE HOLDER’S CONTROL NUMBER.**

The Proxy must be signed by the Shareholder or by his/her attorney in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer.

## NON-REGISTERED HOLDERS

Only those Shareholders whose names appear on the central security register of the Corporation (“**Registered Shareholders**”), or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. However, in many cases, Shares beneficially owned by a holder (a “**Non-Registered Holder**”) are registered either:

- (a) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the Shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or
- (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Corporation has distributed copies of the Meeting materials to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward Meeting materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Intermediaries will often use service companies to forward the Meeting materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting materials will either:

- A. be given a voting instruction form which must be completed and signed by the Non-Registered Holder in accordance with the directions on the voting instruction form (which may in some cases permit the completion of the voting instruction form by telephone); or
- B. be given a Proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Shares beneficially owned by the Non-Registered Holder, but which is otherwise uncompleted. This Proxy need not be signed by the Non-Registered Holder. In this case, the Non-Registered Holder who wishes to submit a Proxy should otherwise properly complete the form of Proxy and deposit it with Capital, as described above.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Shares they beneficially own. Should a Non-Registered Holder who receives either a Proxy or a voting instruction form wish to attend and vote at the Meeting virtually (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the Proxy and insert the Non-Registered Holder’s (or such other person’s) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form. *In either case, Non-Registered Holders should carefully follow the instructions of their Intermediaries and their service companies.*

## REVOCATION

A Registered Shareholder who has given a Proxy may revoke the Proxy by:

- (a) completing and signing a Proxy bearing a later date and depositing it with Capital as described above;
- (b) depositing an instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing: (i) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of the Meeting, at which the Proxy is to be used, or (ii) with the chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment of the Meeting; or
- (c) in any other manner permitted by law.

A Non-Registered Holder may revoke a voting instruction form or a waiver of the right to receive meeting materials and to vote given to an Intermediary at any time by written notice to the Intermediary, except that an Intermediary may not be required to act on a revocation of a voting instruction form or of a waiver of the right to receive meeting materials and to vote that is not received by the Intermediary at least seven days prior to the Meeting.

## **VOTING OF PROXIES**

The management representatives designated in the enclosed Proxy will vote or withhold from voting the Shares in respect of which they are appointed by Proxy on any ballot that may be called for in accordance with the instructions of the Shareholder as indicated on the Proxy and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly. **Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the shares represented by such form of proxy, properly executed FOR the matters identified in the notice of meeting and any other matters which may properly come before the Meeting.**

The enclosed Proxy confers discretionary authority upon the management representatives designated in the Proxy with respect to amendments to or variations of matters identified in the notice of Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Circular, management of the Corporation know of no such amendments, variations or other matters.

## **FORWARD-LOOKING STATEMENTS**

Certain statements in this Circular that are not statements of historical fact, including statements relating to each as more particularly described herein, may constitute "forward-looking statements". Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Corporation's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this Circular, such statements use such words as "may", "will", "expect", "believe", "plan", "intend", "should", "anticipate" and other similar terminology. These statements reflect current assumptions and expectations regarding future events and operating performance as of the date of this Circular. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to vary significantly from the results discussed in the forward-looking statements. Although the forward-looking statements contained in this Circular are based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with such forward-looking statements. All forward-looking statements are made as of the date of this Circular, and the Corporation assumes no

obligation to update or revise them to reflect new events or circumstances. Accordingly, readers should not place undue reliance on forward-looking statements.

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

The authorized share capital of the Corporation consists of an unlimited number of common shares without par value, special rights or restrictions. The record date for the determination of Shareholders entitled to receive notice of the Meeting has been fixed at September 1, 2022 (the “**Record Date**”). As at the Record Date, the Corporation has 24,605,129 Shares issued and outstanding.

Each Share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting. All such holders of record of Shares on the Record Date are entitled either to attend and vote thereat virtually, the Shares held by them or, provided a completed and executed proxy shall have been delivered to the Corporation’s transfer agent, Capital Transfer Agency ULC, within the time specified in the Notice of Meeting, to attend and to vote thereat by proxy the Shares held by them.

To the knowledge of the directors and executive officers of the Corporation, as of the date hereof, no person or company beneficially owns, controls or directs, directly or indirectly, voting securities of the Corporation carrying 10% or more of the voting rights attached to all outstanding Shares.

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

Except as otherwise disclosed herein, none of:

- (a) the directors or senior officers of the Corporation at any time since the beginning of the last financial year of the Corporation;
- (a) the proposed nominees for election as a Director of the Corporation; or
- (b) any associate or affiliate of the foregoing persons,

have any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting other than the election of directors.

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

#### **ELECTION OF DIRECTORS**

At the Meeting, the following three (3) persons named hereunder will be proposed for election as directors of the Corporation. 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, it is intended that discretionary authority shall be exercised by the persons named in the accompanying proxy to vote the proxy for the election of any other person or persons in place of any nominee or nominees unable to serve. Each director elected will hold office until the close of the next annual meeting of Shareholders of the Corporation, or until his successor is duly elected unless prior thereto he resigns or his office becomes vacant by reason of death or other cause. Although management is nominating three (3) individuals to stand for election, the names of further nominees for directors may come from the floor at the Meeting.

Shareholders have the option to (i) vote for all of the directors of the Corporation listed in the table below; (ii) vote for some of the directors and withhold for others; or (iii) withhold for all of the directors. **The**

**Board recommends that Shareholders vote FOR the election of each of the proposed nominees set forth below as directors of the Corporation.**

The following table sets forth the name of all persons proposed to be nominated for election as directors, their place of residence, position held, and periods of service with, the Corporation, or any of its affiliates, their principal occupations and the approximate number of Shares of the Corporation beneficially owned, controlled or directed, directly or indirectly, by them. The information as to Shares beneficially owned, directly or indirectly or over which control or direction is exercised, not being with the knowledge of the Corporation, has been furnished by the respective nominees individually.

<b>Name &amp; Municipalities of Residence</b>	<b>Present Principal Occupation within the past 5 years</b>	<b>Director Since<sup>(1)</sup></b>	<b>Number of Shares Beneficially Held</b>
James Sung Fu Tong <sup>(1)(2)</sup> <i>Vancouver, British Columbia</i>	Interim Chief Executive Officer and Director  Consultant providing management services to public and private companies.	January 24, 2018	950,000
Richard Sung Yin Tong <sup>(1)(2)</sup> <i>Vancouver, British Columbia</i>	Chief Financial Officer, Secretary and Director  CPA, CGA providing accounting and consulting services to clients.	January 24, 2018	975,000
Dwayne Yaretz <sup>(1)(2)</sup> <i>Vancouver, British Columbia</i>	Director  Consultant providing management services to public and private companies.	November 28, 2020	300,000

**Notes:**

- (1) Each director's current term expires at the Meeting.
- (2) Member of the Audit Committee.

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As a group, the proposed directors beneficially own, control or direct, directly or indirectly, 2,175,000 Shares, representing approximately 9.04% of the issued and outstanding Shares as of the date hereof.

The members of the Audit Committee are: James Sung Fu Tong, Richard Sung Yin Tong and Dwayne Yaretz. The Corporation has not appointed a Compensation Committee or a Corporate Governance & Nominating Committee at this time. The Board is constituted with one independent director being Dwayne Yaretz, and two directors who are not independent, being James Sung Fu Tong, Richard Sung Yin Tong.

Additional biographical information including the principal occupation of each member of the Board for the past five years preceding the date hereof is described below:

**James Sung Fu Tong** (age 63) is a director of the Corporation. Mr. Tong has been involved in the public markets for over 38 years. After receiving his license in 1980, Mr. Tong was a stock broker from 1980 to 1991. Afterwards, he went on to join a number of public companies as a director, officer, or a consultant. Mr. Tong's focus has been on projects related to China trades and investments for the last 25 years. Over the last 10 years, James has been a self-employed business consultant specializing in corporate communications for junior publicly listed companies in industries as diverse as minerals exploration, China SINO JV companies and sustainable green industry related projects. Mr. Tong has been a consultant with Matica Enterprises Inc. (CSE: MMJ) from 2009 to 2016 and with FTI Foodtech International Inc. (TSX-V: FTI) from 2014 to 2017.

**Richard Sung Yin Tong** (age 51) is the Chief Financial Officer, Secretary and a director of the Corporation. Mr. Tong earned his CGA, CPA designation in 1998 and is a graduate of the University of British Columbia with a Bachelor of Arts, majoring in Economics. Over the last five years, he has provided accounting, consulting, and project management services to various clients, including a number of public companies. Mr. Tong was a Manager with TELUS for seven years where he was primarily focused on business strategy and planning, supporting internet, multimedia, and TELUS TV, within the teams of consumer marketing, venture capital, and finance. Prior to his tenure at TELUS, he was with several smaller companies in the industries of technology, entertainment, retail, mining, and manufacturing. Mr. Tong has spent the last 15 years in consulting roles in accounting and human resources. Mr. Tong was the CFO of Matica Enterprises Inc. (CSE:MMJ) from 2013 to October 2015.

**Dwayne Yaretz** (age 60) is a director of the Corporation. Mr. Yaretz is a seasoned entrepreneur with more than 25 years of experience in corporate leadership. Mr. Yaretz has acted for several private and publicly traded companies in various capacities including president, chief executive officer and corporate secretary and is experienced in mergers and acquisitions as well as the financing of numerous ventures, both private and public. Mr. Yaretz has structured initial public offerings and reverse takeovers in various business sectors, including mining exploration, technology and manufacturing. Mr. Yaretz has also served on various boards of directors, including for technology companies involved in clean-tech, agri-business, sustainable packaging technologies, consumer electronics and state-of-the-art thermal and infrared imaging cameras deployed in the security and industrial sectors.

#### **Cease Trade Orders, Corporate and Personal Bankruptcies, Penalties and Sanctions**

Except as described below, to the best of management's knowledge, none of the directors or officers of the Corporation is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

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

occurred while such proposed director was acting in the capacity as director, chief executive officer or chief financial officer.

Richard Tong was the Chief Financial Officer of Matica Enterprises Inc. (“**Matica**”) from 2013 to October 2015. On May 4, 2015, the British Columbia Securities Commission issued a management cease trade order (the “**MCTO**”) restricting Mr. Tong from trading in securities of Matica due to the failure to file certain financial statements and management’s discussion and analysis. On June 10, 2015, the MCTO was revoked as Matica filed all of the documents referenced in the MCTO.

To the best of management’s knowledge, none of the directors or officers of the Corporation (or any personal holding company of any such individual) is, as of the date of this Circular, or has been within ten (10) years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while such individual was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

To the best of management’s knowledge, none of the directors or officers of the Corporation (or any personal holding company of any such individual) has, within the ten (10) years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such individual.

To the best of management’s knowledge, none of the directors or officers of the Corporation (or any personal holding company of any such individual) 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 investor in making an investment decision.

#### **APPOINTMENT AND REMUNERATION OF AUDITORS**

At the Meeting, the Board proposes to re-appoint Clearhouse LLP (“**Clearhouse**”), of Suite 527-2560 Matheson Blvd E, Mississauga, Ontario, L4W 4Y9, as auditors of the Corporation and to authorize remuneration of Clearhouse to be fixed by the Board. Clearhouse will hold office until the next annual general meeting of the Shareholders or until its successor is appointed.

**The Board recommends that Shareholders vote FOR the re-appointment of Clearhouse as auditor of the Corporation.**



## OTHER MATTERS

Management of the Corporation knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting accompanying this Circular. However, if any other matter properly comes before the Meeting, the form of proxy furnished by the Corporation will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

## EXECUTIVE COMPENSATION

### Introduction

Pursuant to the requirements of Form 51-102F6V *Statement of Executive Compensation – Venture Issuers*, all direct and indirect compensation provided to certain executive officers, and directors for, or in connection with, services they have provided to the Corporation or a subsidiary of the Corporation must be disclosed in this form. The Corporation is required to disclose annual and long-term compensation for services in all capacities to the Corporation and its subsidiaries for the two most recently completed financial years in respect of the individuals comprised of the Chief Executive Officer (“CEO”), the Chief Financial Officer (“CFO”) and the most highly compensated executive officers of the Corporation whose individual total compensation for the most recently completed financial year exceeds \$150,000, and any individual who would have satisfied these criteria but for the fact that the individual was not serving as an officer at the end of the most recently completed financial year (collectively, the “**Named Executive Officers**” or “**NEOs**”).

Director and NEO compensation has been disclosed based on requirements of Form 51-102F6V under the tables below as follows:

- (1) Table of compensation excluding compensation securities;
- (2) Stock options and other compensation securities; and
- (3) Exercise of compensation securities by directors and NEOs.

### **Named Executive Officers of the Corporation for the Years Ended December 31, 2021 and 2020**

During the fiscal years ended December 31, 2021 and December 31, 2020, the Corporation had two NEOs: (i) Donald Baxter, Chief Executive Officer of the Corporation; and (ii) Richard Sung Yin Tong, Chief Financial Officer of the Corporation.

### **Director and Named Executive Officer Compensation**

The following table (and notes thereto) states the names of each NEO and director and his annual compensation, consisting of salary, consulting fees, bonus and other annual compensation, excluding compensation securities, for each of the Corporation’s two most recently completed financial years.

<b>Table of compensation excluding compensation securities</b>
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Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of perquisites (\$)	Value of other Compensation (\$)	Total compensation (\$)
Don Baxter Chief Executive Officer and Director <sup>(1)</sup>	2021	\$3,750	\$5,000	Nil	Nil	Nil	\$8,750
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Richard Sung Yin Tong Chief Financial Officer, Secretary and Director	2021	\$3,750	5,000	Nil	Nil	Nil	\$8,750
	2020	\$36,000	Nil	Nil	Nil	Nil	\$36,000
Rodney Stevens Director <sup>(2)</sup>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
James Sung Fu Tong Director <sup>(3)</sup>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	\$36,000	Nil	Nil	Nil	Nil	\$36,000
Dwayne Yaretz Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

(1) Don Baxter resigned as Chief Executive Officer and Director on July 11, 2022.

(2) Rodney Stevens resigned as Director on July 11, 2022.

(3) James Sung Fu Tong was appointed interim Chief Executive Officer on July 11, 2022.

## Stock Option Plans and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each director and named executive officer by the Corporation during the year ended December 31, 2021 for services provided or to be provided, directly or indirectly, to the Corporation.

Compensation Securities							
Name and position	Type of Compensation Security	Number of Compensation securities, number of underlying securities, and percentage of class <sup>(5)</sup>	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
Don Baxter Chief Executive Officer and Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Richard Sung Yin Tong Chief Financial Officer, Secretary and Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Rodney Stevens Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
James Sung Fu Tong Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Dwayne Yaretz Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A

Exercise of Compensation Securities by Directors and NEOs							
Name and Position	Type of Compensation Security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date exercise (\$)	Total value on exercise date (\$)
Don Baxter Chief Executive Officer and Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Richard Sung Yin Tong Chief Financial Officer, Secretary and Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Rodney Stevens Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
James Sung Fu Tong Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Dwayne Yaretz Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A

### External Management Companies

Except as otherwise disclosed herein, to the best of the knowledge of the directors and officers of the Corporation, management functions of the Corporation are not, to any substantial degree, performed by a person other than the directors and executive officers of the Corporation.

### Stock Option Plans and Other Incentive Plans

The Corporation created a stock option plan that was approved by the Board on May 10, 2021 (the “**Stock Option Plan**”). The Stock Option Plan is the Corporation’s only equity compensation plan. As of the date of this Circular, the Corporation does not have any options outstanding to purchase Shares.

The Stock Option Plan provides for the acquisition of Shares by directors, officers, employees or consultants of the Corporation, or any affiliated entity of the Corporation, for the purpose of advancing the interests of the Corporation through the motivation, attraction and retention of key employees and

directors and to secure for the Corporation and the Shareholders the benefits inherent in the ownership of Shares by key employees and directors, it being generally recognized that stock option plans can aid in attracting, retaining and encouraging employees and directors due to the opportunity offered to them to acquire a proprietary interest in such company.

The Stock Option Plan provides that, subject to the requirements of the Canadian Securities Exchange (the “CSE”), the aggregate number of Shares reserved for issuance pursuant to options granted under the Stock Option Plan will not exceed 10% of the number of Shares of the Corporation issued and outstanding from time to time.

The Stock Option Plan will be administered by the Board, which will have full and final authority with respect to the granting of all options thereunder subject to express provisions of the Stock Option Plan.

Options may be granted under the Stock Option Plan to such directors, employees, consultants or management company employees of the Corporation and its subsidiaries, if any, as the Board may from time to time designate. The exercise prices shall be determined by the Board, but shall, in no event, be less than the closing market price of the listed security on the CSE on the trading day prior to the earlier of dissemination of a news release disclosing the issuance of the convertible security or the posting of notice of the proposed issuance of the convertible security with the CSE. The Stock Option Plan provides that the number of Shares which may be reserved for issuance on a yearly basis to any one related person upon exercise of all stock options held by such individual may not exceed 5% of the issued Shares calculated at the time of grant. Moreover, the Corporation cannot issue grants to related persons if in the aggregate their grants would, on a fully diluted basis, exceed 10% of the issued and outstanding Shares of the Corporation.

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

Management of the Corporation is performed by the directors and officers of the Corporation and not by any other person.

There are no plans in place with respect to compensation of the Named Executive Officers in the event of a termination of employment without cause or upon the occurrence of a change of control.

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

Given the Corporation’s size and stage of operations, it has not appointed a compensation committee or formalized any guidelines with respect to compensation at this time. The amounts paid to the Named Executive Officers are determined by independent Board members. The Board determines the appropriate level of compensation reflecting the need to provide incentive and compensation for the time and effort expended by the executives, while taking into account the financial and other resources of the Corporation.

### **Pension Plan Benefits for NEOs**

As at the year ended December 31, 2021, the Corporation did not maintain any defined benefit plans, defined contribution plans or deferred compensation plans.

### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

For information regarding securities authorized for issuance under equity compensation, please see “*Executive Compensation - Stock Option Plans and Other Incentive Plans.*”

## Equity Compensation Plan Information

The following table provides details of the equity securities of the Corporation authorized for issuance as of the financial period ended December 31, 2021 pursuant to the Stock Option Plan currently in place:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
Equity compensation plans approved by securityholders	N/A	N/A	2,232,846
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total			2,232,846

## INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

Since the beginning of the last fiscal year of the Corporation, none of the executive officers, directors or employees or any former executive officers, directors or employees of the Corporation or any proposed nominee for election as a director of the Corporation or any of their respective associates is or has been indebted to the Corporation or has been indebted to any other entity where that indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For purposes of the following discussion, “**Informed Person**” means (a) a Director or Executive Officer of the Corporation; (b) a Director or Executive Officer of a person or company that is itself an Informed Person or a subsidiary of the Corporation; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Corporation, other than the voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Corporation itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Except as disclosed below, elsewhere herein or in the notes to the Corporation’s financial statements for the financial year ended December 31, 2021, none of:

- a) the Informed Persons of the Corporation;

- b) the proposed nominees for election as a director of the Corporation; or
- c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, in any transaction since the commencement of the last financial year of the Corporation or in a proposed transaction which has materially affected or would materially affect the Corporation or any subsidiary of the Corporation.

#### **APPOINTMENT OF AUDITOR**

The auditor of the Corporation is Clearhouse LLP, first appointed on December 21, 2020.

#### **CORPORATE GOVERNANCE AND AUDIT COMMITTEES**

The information required to be disclosed by National Instrument 58-101 *Disclosure of Corporate Governance* and National Instrument 52-110 *Audit Committees* is attached to this Circular as Schedules “A” and “B”, respectively.

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

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

#### **REGISTRAR AND TRANSFER AGENT**

The registrar and transfer agent for the Corporation is Capital Transfer Agency ULC through its office located in Toronto, Ontario.

#### **ADDITIONAL INFORMATION**

Copies of this Circular, the audited annual financial statements of the Corporation for the year ended December 31, 2021 and management’s discussion and analysis for the year ended December 31, 2021 may be obtained on SEDAR at [www.sedar.com](http://www.sedar.com) or free of charge from the Corporation upon request from the Chief Financial Officer of the Corporation, at 777 Hornby Street, Suite 600 Vancouver, British Columbia, V6Z 1S4, phone (226) 455-5644, and such documents will be sent by mail or electronically by email as may be specified at the time of the request. Financial information on the Corporation is provided in the Corporation’s comparative audited annual financial statements and accompanying management’s discussion and analysis for the year ended December 31, 2021.

#### **BOARD APPROVAL**

The contents of this Circular and the sending thereof to the Shareholders of the Corporation have been approved by the Board of Directors.

**DATED** at Vancouver, British Columbia, this 6<sup>th</sup> day of September, 2022.

**BY ORDER OF THE BOARD OF DIRECTORS**

(Signed) *“Richard Sung Yin Tong”*

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**RICHARD SUNG YIN TONG**

Chief Financial Officer, Secretary and Director



**SCHEDULE “A”  
CORPORATE GOVERNANCE**

**Muzhu Mining Ltd.  
(the “Corporation”)**

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**STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

**General**

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

Effective June 30, 2005, National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) and National Policy 58-201 *Corporate Governance Guidelines* (“**NP 58-201**”) were adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices. This section sets out the Corporation’s approach to corporate governance and describes the measures taken by the Corporation to comply with NI 58-101.

**Board of Directors**

Directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A “material relationship” is a relationship which could, in the view of the Corporation’s Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The Corporation’s Board facilitates its exercise of independent judgement in carrying out its responsibilities by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Corporation’s Board requires management to provide complete and accurate information with respect to the Corporation’s activities and to provide relevant information concerning the industry in which the Corporation operates in order to identify and manage risks. The Corporation’s Board is responsible for monitoring the Corporation’s officers, who in turn are responsible for the maintenance of internal controls and management information systems.

The following members of the Board are non-independent: James Sung Fu Tong and Richard Sung Yin Tong.

Dwayne Yaretz is the only independent member of the Board.

**Other Reporting Issuer Experience**

The following directors of the Corporation are directors of other reporting issuers:

<b>Director</b>	<b>Reporting Issuer</b>	<b>Exchange Listed On &amp; Symbol</b>
Dwayne Yaretz	Xander Resources Inc.	XND-TSXV

### **Orientation and Continuing Education**

When new directors are appointed, they receive an orientation, commensurate with their previous experience, on the Corporation's properties, business, technology and industry and on the responsibilities of directors. They also receive copies of the Corporation's internal policies and procedures.

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

### **Ethical Business Conduct**

The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation. Further, the Corporation's auditor has full and unrestricted access to the Audit Committee at all times to discuss the audit of the Corporation's financial statements and any related findings as to the integrity of the financial reporting process.

### **Nomination of Directors**

The Corporation's management is continually in contact with individuals involved in the mineral exploration industry and public-sector resource issuers. From these sources, the Corporation has made numerous contacts and continues to consider nominees for future board positions. The Corporation conducts the due diligence and reference checks with respect to any suitable candidate. New nominees must have a track record in general business management, special expertise in the area of strategic interest to the Corporation, the ability to devote the time required and willingness to serve. The Board does not have a nominating committee, and the functions that would typically be carried out by a nominating committee are currently performed by the Board as whole.

### **Compensation**

The Board as a whole determines salary and benefits of the executive officers and directors of the Corporation, and determines the Corporation's general compensation structure, policies and programs.

### **Other Board Committees**

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

### **Assessments**

The Board works closely with management, and, accordingly, are in a position to assess the performance of individual directors on an ongoing basis.

**SCHEDULE “B”**

**FORM 52-110F2**

**AUDIT COMMITTEE DISCLOSURE**

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**THE AUDIT COMMITTEE’S CHARTER**

**I. MANDATE**

The Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Muzhu Mining Inc. (the “**Corporation**”) shall assist the Board in fulfilling its financial oversight responsibilities. The Committee’s primary duties and responsibilities under this mandate are to serve as an independent and objective party to monitor:

1. The quality and integrity of the Corporation’s financial statements and other financial information;
2. The compliance of such statements and information with legal and regulatory requirements;
3. The qualifications and independence of the Corporation’s independent external auditor (the “**Auditor**”); and
4. The performance of the Corporation’s internal accounting procedures and Auditor.

**II. STRUCTURE AND OPERATIONS**

**A. Composition**

The Committee shall be comprised of three or more members.

**B. Qualifications**

Each member of the Committee must be a member of the Board.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Corporation’s balance sheet, income statement and cash flow statement.

**C. Appointment and Removal**

In accordance with the Articles of the Corporation, the members of the Committee shall be appointed by the Board and shall serve until such member’s successor is duly elected and qualified or until such member’s earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by a majority vote of the Board.

**D. Chair**

Unless the Board shall select a Chair, the members of the Committee shall designate a Chair by the majority vote of all of the members of the Committee. The Chair shall call, set the agendas for and chair all meetings of the Committee.

**E. Meetings**

The Committee shall meet as frequently as circumstances dictate. The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Corporation's annual financial statements and, if the Committee feels it is necessary or appropriate, at every other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board or the shareholders of the Corporation.

At each meeting, a quorum shall consist of a majority of members that are not officers or employees of the Corporation or of an affiliate of the Corporation.

As part of its goal to foster open communication, the Committee may periodically meet separately with each of management and the Auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and management annually to review the Corporation's financial statements in a manner consistent with Section III of this Charter.

The Committee may invite to its meetings any director, any manager of the Corporation, and any other person whom it deems appropriate to consult in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate to exclude in order to carry out its responsibilities.

**III. DUTIES**

**A. Introduction**

The following functions shall be the common recurring duties of the Committee in carrying out its purposes outlined in Section I of this Charter. These duties should serve as a guide with the understanding that the Committee may fulfill additional duties and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern which the Committee in its sole discretion deems appropriate for study or investigation by the Committee.

The Committee shall be given full access to the Corporation's internal accounting staff, managers, other staff and Auditor as necessary to carry out these duties. While acting within the scope of its stated purpose, the Committee shall have all the authority of, but shall remain subject to, the Board.

**B. Powers and Responsibilities**

The Committee will have the following responsibilities and, in order to perform and discharge these responsibilities, will be vested with the powers and authorities set forth below, namely, the Committee shall:

*Independence of Auditor*

1. Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor and, if necessary, obtain a formal written statement from the Auditor setting forth all relationships between the Auditor and the Corporation.
2. Take, or recommend that the Board take, appropriate action to oversee the independence of the Auditor.
3. Require the Auditor to report directly to the Committee.
4. Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditor of the Corporation.

*Performance and Completion by Auditor of its Work*

1. Be directly responsible for the oversight of the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation, including resolution of disagreements between management and the Auditor regarding financial reporting.
2. Review annually the performance of the Auditor and recommend the appointment by the Board of a new, or re-election by the Corporation's shareholders of the existing, Auditor for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation.
3. Recommend to the Board the compensation of the Auditor.
4. Pre-approve all non-audit services, including the fees and terms thereof, to be performed for the Corporation by the Auditor.

*Internal Financial Controls and Operations of the Corporation*

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

*Preparation of Financial Statements*

1. Discuss with management and the Auditor significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements, including any

significant changes in the Corporation's selection or application of accounting principles, any major issues as to the adequacy of the Corporation's internal controls and any special steps adopted in light of material control deficiencies.

2. Discuss with management and the Auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Corporation's financial statements or accounting policies.
3. Discuss with management and the Auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Corporation's financial statements.
4. Discuss with management the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Corporation's risk assessment and risk management policies.
5. Discuss with the Auditor the matters required to be discussed relating to the conduct of any audit, in particular:
  - (a) The adoption of, or changes to, the Corporation's significant auditing and accounting principles and practices as suggested by the Auditor, internal auditor or management.
  - (b) The management inquiry letter provided by the Auditor and the Corporation's response to that letter.
  - (c) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

#### *Public Disclosure by the Corporation*

1. Review the Corporation's annual and interim financial statements, management's discussion and analysis (MD&A) and earnings press releases before the Board approves and the Corporation publicly discloses this information.
2. Review the Corporation's financial reporting procedures and internal controls to be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assessing the adequacy of those procedures.
3. Review disclosures made to the Committee by the Corporation's Chief Executive Officer and Chief Financial Officer during their certification process of the Corporation's financial statements about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Corporation's internal controls.

#### *Manner of Carrying Out its Mandate*

1. Consult, to the extent it deems necessary or appropriate, with the Auditor, but without the presence of management, about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements.

2. Request any officer or employee of the Corporation or the Corporation’s outside counsel or Auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.
3. Meet, to the extent it deems necessary or appropriate, with management, any internal auditor and the Auditor in separate executive sessions.
4. Have the authority, to the extent it deems necessary or appropriate, to retain special independent legal, accounting or other consultants to advise the Committee advisors.
5. Make regular reports to the Board.
6. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
7. Annually review the Committee’s own performance.
8. Provide an open avenue of communication among the Auditor, the Corporation’s financial and senior management and the Board.
9. Not delegate these responsibilities.

**B. Limitation of Audit Committee’s Role**

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation’s financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations.

These are the responsibilities of management and not the auditor.

**Composition of the Audit Committee**

The Corporation has an audit committee (the “**Audit Committee**”) that is currently comprised of James Sung Fu Tong, Richard Sung Yin Tong, and Dwayne Yaretz.

<b>Name of Member</b>	<b>Title</b>	<b>Independent or Not</b>	<b>Financial Literacy</b>
James Sung Fu Tong	Interim Chief Executive Officer, and Director	No	Yes
Richard Sung Yin Tong	Chief Financial Officer, Secretary and Director	No	Yes
Dwayne Yaretz	Director	Yes	Yes

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Corporation. A material relationship means a relationship which could, in the view of the Corporation’s Board, reasonably interfere with the exercise of a member’s independent judgment.

A member of the Audit Committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation.

### **Relevant Education and Experience**

In addition to each member's general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member is as follows:

**James Sung Fu Tong** - Mr. Tong has been involved in the public markets for over 38 years. After receiving his license in 1980, Mr. Tong was a stock broker from 1980 to 1991. Afterwards, he went on to join a number of public companies as a director, officer, or a consultant. Mr. Tong's focus has been on projects related to China trades and investments for the last 25 years. Over the last 10 years, James has been a self-employed business consultant specializing in corporate communications for junior publicly listed companies in industries as diverse as minerals exploration, China SINO JV companies and sustainable green industry related projects. Mr. Tong has been a consultant with Matica Enterprises Inc. (CSE: MMJ) from 2009 to 2016 and with FTI Foodtech International Inc. (TSX-V: FTI) from 2014 to 2017.

**Richard Sung Yin Tong, CPA, CGA** - Mr. Tong has been a CPA, CGA member in good standing since 1998 and is a graduate (1991) of the University of British Columbia with a Bachelor of Arts, majoring in Economics. Mr. Tong was a Manager with TELUS for seven years where he was primarily focused on business strategy and planning, supporting internet, multimedia, and TELUS TV, within the teams of consumer marketing, venture capital, and finance. Prior to his tenure at TELUS, he was with several smaller companies in the industries of technology, entertainment, retail, mining, and manufacturing. Mr. Tong has spent the last 15 years in consulting roles in accounting and human resources. Mr. Tong was the CFO of Matica Enterprises Inc. (CSE:MMJ) from 2013 to October 2015.

**Dwayne Yaretz** - Mr. Yaretz is a seasoned entrepreneur with more than 25 years of experience in corporate leadership. Mr. Yaretz has acted for several private and publicly traded companies in various capacities including President, CEO and Corporate Secretary and is experienced in mergers and acquisitions as well as the financing of numerous ventures, both private and public. Mr. Yaretz has structured Initial Public Offerings and Reverse Takeovers in various business sectors, including mining exploration, technology and manufacturing. Mr. Yaretz has also served on various Boards of Directors, including technology companies involved in clean-tech, agri-business, sustainable packaging technologies, consumer electronics and state-of-the-art thermal and infrared imaging cameras deployed in the security and industrial sectors.

Each member of the Audit Committee has adequate education and experience that would provide the member with:

- (a) an understanding of the accounting principles used by the Corporation to prepare its financial statements;
- (b) the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the



breadth and complexity of issues that can reasonably be expected to be raised by the Corporation’s financial statements, or experience actively supervising individuals engaged in such activities; and

(d) an understanding of internal controls and procedures for financial reporting.

**Audit Committee Oversight**

At no time since incorporation has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

**Reliance on Certain Exemptions**

As a result of the resignation of audit committee member Rodney Stevens from the board of directors on July 14, 2022, the Corporation has relied on the exemption granted under Part 6 Section 6.1.1(6) of NI 52-110 which permits the board of directors to fill a vacancy on the audit committee without the application of Section 6.1.1(3) until the later of:

- a) the Corporation’s next annual meeting;
- b) the date that is six months from the date the vacancy was created.

**Pre-Approval Policies and Procedures**

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

**External Auditor Service Fees**

The Audit Committee has reviewed the nature and amount of the non-audited services provided by Clearhouse LLP, for the period ended December 31, 2021, and December 31, 2020 to the Corporation to ensure auditor independence. Fees billed for audit and non-audit services in the last two fiscal years for audit fees are outlined in the following table:

Nature of Services	Fees Billed by Auditor for the Period Ended December 31, 2021	Fees Billed by Auditor for the Period Ended December 31, 2020
Audit Fees <sup>(1)</sup>	\$31,011 <sup>(5)(6)</sup>	\$10,453 <sup>(5)(6)</sup>
Audit-Related Fees <sup>(2)</sup>	\$0	\$0
Tax Fees <sup>(3)</sup>	\$1,978	\$1,413
All Other Fees <sup>(4)</sup>	\$438	\$0
<b>TOTAL:</b>	<b>\$33,427</b>	<b>\$11,866</b>

**Notes:**

(1) “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of the Corporation’s financial statements. Audit Fees include fees for review of tax provisions and for

accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) “Audit-Related Fees” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) “All Other Fees” include all other non-audit services.

(5) Fees paid out subsequent to December 31, 2021.

(6) Inclusive of GST.

### **Exemption**

The Corporation has relied upon the exemption provided by Section 6.1 of NI 52-110, which exempts a venture issuer from the requirement to comply with the restrictions on the composition of its Audit Committee and the disclosure requirements of its Audit Committee in an annual information form as prescribed by NI 52-110.