



NOTICE OF ANNUAL GENERAL MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

OF

SILICON METALS CORP.

to be held at 10:00 a.m. on Friday, February 7, 2025

This document requires immediate attention. If you are in doubt as to how to deal with the documents or matters referred to in this notice and information circular, you should immediately contact your advisor.



SILICON METALS CORP.
15th Floor - 1111 West Hasting St.
Vancouver, BC, V6E 2J3
Telephone: (604) 715-4751

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Meeting**”) of the shareholders of Silicon Metals Corp. (the “**Company**”) will be held at **1111 West Hastings Street, 15th Floor, Vancouver, BC V6E 2J3** on **Friday, February 7, 2025**, at the hour of 10:00 a.m. (Vancouver time), for the following purposes:

1. To receive the audited consolidated financial statements of the Company, together with the auditor’s report thereon, for the fiscal year ended December 31, 2023;
2. To set the number of directors at three (3);
3. To elect Morgan Good, Adrian Smith, and Leighton Bocking as directors of the Company;
4. To appoint Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, as the auditors of the Company for the ensuing year and to authorize the directors of the Company to fix the remuneration to be paid to the auditors; and
5. To transact such further or other business as may properly come before the Meeting and any adjournment or postponement thereof.

An Information Circular and Form of Proxy accompany this Notice. The Information Circular provides additional information relating to the matters to be dealt with at the Meeting and forms part of this Notice.

Registered shareholders as at the close of business on December 30, 2024, are entitled to notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered shareholder at the close of business on that date is entitled to such notice and to vote at the Meeting in the circumstances set out in the accompanying Information Circular.

Registered shareholders who are unable to attend the Meeting, or any adjournment(s) or postponement(s) thereof, in person, are requested to read, complete, sign and return or follow the instructions to vote on the internet the Form of Proxy accompanying this Notice in accordance with the instructions set out in the form of Proxy and in the Information Circular accompanying this Notice. Beneficial shareholders who received the form of Proxy accompanying this Notice through an intermediary must deliver the Proxy in accordance with the instructions given by such intermediary.

DATED in Vancouver, British Columbia, this 30th day of December, 2024.

BY ORDER OF THE BOARD OF

SILICON METALS CORP.

“Morgan Good”

Morgan Good
Chief Executive Officer and Director

PLEASE VOTE. YOUR VOTE IS IMPORTANT. PLEASE COMPLETE, SIGN AND DATE THE ENCLOSED FORM OF PROXY AND PROMPTLY RETURN IT IN THE ENVELOPE PROVIDED.



SILICON METALS CORP.
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Vancouver, BC, V6E 2J3
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MANAGEMENT INFORMATION CIRCULAR

(As at December 30, 2024, except as indicated)

This management information circular ("**Circular**") is furnished in connection with the solicitation of proxies by the management ("**Management**") of Silicon Metals Corp. (the "**Company**") for use at the annual general meeting (the "**Meeting**") of shareholders ("**Shareholders**") of the Company to be held at 10:00 a.m. (Vancouver time) on Friday, February 7, 2025, at the place and for the purposes as set forth in the notice of the Meeting (the "**Notice of Meeting**").

Date and Currency

The date of this Information Circular is December 30, 2024. Unless otherwise stated, all amounts herein are in Canadian dollars.

PROXIES AND VOTING RIGHTS

Management Solicitation

The solicitation of proxies by Management will be conducted by mail and may be supplemented by telephone or other personal contact and such solicitation will be made without special compensation granted to the directors, regular officers and employees of the Company. The Company does not reimburse Shareholders, nominees or agents for costs incurred in obtaining, from the principals of such persons, authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this Circular and related proxy materials to their customers. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Circular. This Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

Registered Shareholders

If you are a registered Shareholder, you may wish to vote by proxy whether or not you attend the Meeting. If you submit a proxy, you must complete, date and sign the proxy, and return it to **Endeavor Trust Corporation**, Proxy Department, Suite 702 – 777 Hornby Street, Vancouver, British Columbia V6Z 1S4 not less than 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) prior to the scheduled time of the Meeting, or any adjournment(s) or postponement(s) thereof.

Non-Registered Shareholders

Only directly registered Shareholders or duly appointed proxyholders are entitled to vote at the Meeting. Most Shareholders are non-registered Shareholders ("**Non-Registered Shareholders**") because the common shares of the Company ("**Common Shares**") they own are not registered in their names but are registered either: (a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Shareholder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESSPs and similar plans); or (b) in the name of a clearing agency such as The Canadian Depository for Securities Limited in Canada or the Depository Trust Company in the United States, of which the Intermediary is a participant.

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

- a) Be given a proxy which **has already been signed by an Intermediary** (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. This form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should otherwise properly complete the form of proxy and **return it in accordance with the instructions provided in the proxy; or**
- b) More typically, be given a voting instruction form which **is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a "**Voting Instruction Form**" or "**VIF**"), which the Intermediary must follow.

In either case, the purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. However, without specific voting instructions, Intermediaries and their agents and nominees are prohibited from voting shares for their clients. **Accordingly, each Non-Registered Shareholder should ensure that voting instructions are communicated to the appropriate party well in advance of the Meeting.**

Should a Non-Registered Shareholder who receives either a proxy or a VIF wish to attend the Meeting or have someone else attend on his or her behalf, the Non-Registered Shareholder should strike out the names of the persons named in the Proxy and insert the Non-Registered Shareholder's (or such other person's) name in the blank space provided or, in the case of a VIF, follow the corresponding instructions on the form.

There are two kinds of beneficial owners – those who object to their name being made known to the issuers of securities which they own (called OBOs for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called NOBOs for Non-Objecting Beneficial Owners). Pursuant to National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), issuers can obtain a list of their NOBOs from intermediaries for distribution of proxy-related materials directly to NOBOs.

These Meeting Materials are being sent to both registered and non-registered owners of the Common Shares. If you are a Non-Registered Shareholder, and the Company or its agent has sent these Meeting Materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. Please return your voting instructions as specified in the request for voting instructions or form of proxy delivered to you.

The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to each OBO, unless the OBO has waived the right to receive them. The Company does not intend to pay for Intermediaries to

forward the Meeting Materials to OBOs. Accordingly, OBOs will not receive the Meeting Materials unless the Intermediary assumes the cost of delivery.

Appointment and Revocation of Proxies

The persons named in the accompanying form of proxy are directors and/or officers of the Company. A Shareholder has the right to appoint a person or company (who need not be a Shareholder) other than the persons whose names appear in such form of proxy, to attend and act for and on behalf of such Shareholder at the Meeting and any adjournment(s) or postponement(s) thereof. Such right may be exercised either by striking out the names of the persons specified in the form of proxy and inserting the name of the person or company to be appointed in the blank space provided in the form of proxy, or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to Endeavor Trust Corporation, Proxy Department, Suite 702 – 777 Hornby Street, Vancouver, British Columbia V6Z 1S4, not less than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting, or any adjournment(s) or postponement(s) thereof.

A registered Shareholder of the Company who has given a proxy may revoke the proxy by: (a) depositing an instrument in writing, including another completed form of proxy, executed by such registered Shareholder or by his or her attorney authorized in writing or by electronic signature or, if the registered Shareholder is a corporation, by an officer or attorney thereof properly authorized, either: (i) at the principal office of the Company at any time prior to 5:00 p.m. (Vancouver time) on the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof, (ii) with the said office Endeavor Trust Corporation, Proxy Department at any time prior to 5:00 p.m. (Vancouver time) on the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof, or (iii) with the Chairman of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof; (b) transmitting, by telephone or electronic means, a revocation that complies with paragraphs (i), (ii) or (iii) above and that is signed by electronic signature, provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of such Shareholder or by or on behalf of his or her attorney, as the case may be; or (c) in any other manner permitted by law including attending the Meeting in person.

A Non-Registered Shareholder who has submitted a proxy or VIF may revoke a VIF or proxy that has been given to an Intermediary or to the service company that the Intermediary uses by following the instructions of the Intermediary respecting the revocation of proxies, provided that an Intermediary is not required to act on a revocation of a proxy or VIF which is not received by the Intermediary at least seven days prior to the Meeting.

Voting and Discretion of Proxies

The Common Shares represented by an appropriate form of proxy will be voted or withheld from voting on any ballot that may be conducted at the Meeting, or at any adjournment or postponement thereof, in accordance with the instructions of the Shareholder thereon. **In the absence of instructions, such Common Shares will be voted in favour of each of the matters referred to in the Notice of Meeting as specified thereon.**

The quorum required for the transaction of business at the Meeting is one person who is, or who represents by Proxy, shareholders who, in aggregate, hold at least 5% of the issued shares entitled to be voted at the Meeting.

The enclosed form of proxy, when properly completed and signed, confers discretionary authority upon the persons named therein to vote on any amendments to or variations of the matters identified in the accompanying Notice of Meeting and on other matters, if any, which may properly come before the Meeting or any adjournment or postponement thereof. At the date of this Circular, management of the Company is not aware of any such amendments, variations or other matters to come before the Meeting.

In the case of abstentions from, or withholding of, the voting of the Shares of a Shareholder on any matter, the Shares that are the subject of the abstention or withholding will be counted for determination of a quorum but will not be counted as affirmative or negative on the matter to be voted upon.

NOTICE AND ACCESS

The Company is not sending the Meeting Materials to registered Shareholders or Non-Registered Shareholders using notice-and-access delivery procedures defined under NI 54-101 and National Instrument 51-102 *Continuous Disclosure Obligations* (“NI 51-102”).

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

No director or executive officer of the Company who was a director or executive officer since the beginning of the Company’s last financial year, no proposed nominee of Management for election as a director of the Company and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting, other than the election of directors.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of Common Shares without par value. As of the record date, determined by the Board of Directors of the Company (the “Board”) to be the close of business on December 30, 2024 (the “Record Date”), a total of 38,887,230 Common Shares were issued and outstanding. Each Common Share entitles the Shareholder of record to one vote at the Meeting. The Company has no other classes of voting securities. Only registered Shareholders as of the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment(s) or postponement(s) of the Meeting.

To the knowledge of the Company’s directors and executive officers, as at the Record Date, no person or company beneficially owns, directly or indirectly, or controls or directs Common Shares carrying 10% or more of the voting rights attached to all of the Company’s Common Shares, other than as set forth below:

Name of Shareholder	Number of Shares Owned	Percentage of Outstanding Shares ⁽¹⁾
CDS &Co.	24,168,334	62.15%
Samuel Anthony Kyler Hardy	4,000,000 ⁽²⁾	10.29%

⁽¹⁾ Based on 38,887,230 Shares issued and outstanding as of December 30, 2024.

⁽²⁾ 200,000 Common Shares are held through Cronin Capital Corp. and 3,800,000 Common Shares are held through Cronin Exploration Inc., both are companies controlled by Samuel Anthony Kyler Hardy.

MATTERS TO BE ACTED UPON AT THE MEETING

TO THE KNOWLEDGE OF THE COMPANY’S DIRECTORS, THE ONLY MATTERS TO BE PLACED BEFORE THE MEETING ARE THOSE REFERRED TO IN THE NOTICE OF MEETING ACCOMPANYING THIS CIRCULAR. HOWEVER, SHOULD ANY OTHER MATTERS PROPERLY COME BEFORE THE MEETING, THE SHARES REPRESENTED BY THE PROXY SOLICITED HEREBY WILL BE VOTED ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSONS VOTING THE SHARES REPRESENTED BY THE PROXY.

1. Financial Statements

The Board has approved the audited consolidated financial statements for the fiscal year ended December 31, 2023, together with the auditor’s report thereon. Copies of the financial statements have been sent to those Shareholders who had requested receipt of the same and are also available on SEDAR+ at www.sedarplus.ca.

2. Set Numbers of Directors

At the Meeting, Shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company for the ensuing year at three (3). The number of directors will be approved if the affirmative vote of at least a majority of Common Shares present or represented by proxy at the Meeting and entitled to vote thereat are voted in favour of setting the number of directors at three (3).

The shares represented by proxy will be voted FOR the resolution to set the number of directors for the ensuing year at three (3), unless the Shareholder has specified in the form of proxy that the Shareholder’s Common Shares are to be voted against the resolution. Management recommends the approval of setting the number of directors of the Company at three (3).

3. Election of Directors

Management of the Company does not contemplate that any of the nominees will be unable to serve as a director but, if that should occur for any reason prior to the Meeting, the persons designated in the enclosed form of Proxy reserve the right to vote for other nominees in their discretion.

Management of the Company proposes to nominate the following three persons as further described in the table below, for election by the Shareholders as directors of the Company to hold office until the next annual meeting. Information concerning such persons, as furnished by the individual nominees, as at the Record Date, is as follows:

Name, Jurisdiction of Residence and Position With the Company	Principal occupation or employment and, if not a previously elected director, occupation during the past 5 years	Served as a Director Continuously Since	Number of Common Shares beneficially owned or directly or indirectly controlled ⁽¹⁾
Morgan Good⁽²⁾ British Columbia, Canada <i>CEO and Director</i>	Venture capitalist with nearly 20 years of experience as a capital markets professional. Has served on various boards assisting in M&A transactions and has been directly and indirectly responsible for raising in excess of \$100M CAD over his career.	December 22, 2023	1,637,500 ⁽³⁾
Leighton Bocking⁽²⁾ British Columbia, Canada <i>Director</i>	Mr. Bocking has been working in the capital markets for over 18 years. He has held various director roles. In addition, he has worked in Corporate Development roles at Gold Standard Ventures Corp. and Timmins Gold Corp. (now Argonaut Gold).	February 13, 2024	100,000 ⁽⁴⁾

Name, Jurisdiction of Residence and Position With the Company	Principal occupation or employment and, if not a previously elected director, occupation during the past 5 years	Served as a Director Continuously Since	Number of Common Shares beneficially owned or directly or indirectly controlled ⁽¹⁾
Adrian Smith ⁽²⁾ British Columbia, Canada Director	Mr. Smith, P.Geo., B.Sc., is a registered professional geologist with over 15 years experience working in mineral exploration industries. Currently Mr. Smith is CEO of First Atlantic Nickel Corp., sits on the boards of M3 Metals Corp. and Usha Resources Ltd., and is the founder of Divitiae Resources Ltd.	December 22, 2023	Nil ⁽⁵⁾

⁽¹⁾ Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised as at the record date, as furnished by the respective nominees individually.

⁽²⁾ Member of Audit Committee.

⁽³⁾ Comprised of 280,000 Common Shares held directly and 1,357,500 Common Shares held indirectly through Patriot Capital Corp., a company controlled by Mr. Good, the Chief Executive Officer and a director of the Company. Does not include: (i) 250,000 Common Shares to be issued on exercise of stock options (each, an "Option"), of which 250,000 are exercisable at a price of \$0.065 until December 28, 2028, and (ii) 1,000,000 Common Shares to be issued on exercise of Share purchase warrants exercisable at a price of \$0.05 until December 22, 2026.

⁽⁴⁾ Common Shares held indirectly through Bocking Financial Corp., a company controlled by Mr. Bocking, a director of the Company. Does not include 100,000 Common Shares to be issued on exercise of Share purchase warrants exercisable at a price of \$0.08 until February 29, 2027.

⁽⁵⁾ Does not include 175,000 Common Shares to be issued on exercise of Options, of which 175,000 Options are exercisable at a price of \$0.065 until December 28, 2028.

Management recommends the election of each of the nominees listed above as a director of the Company.

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

To the best of managements knowledge, no proposed director of the Company:

- a) is, at the date of this Circular, or has been within 10 years before the date of this Circular, a director, Chief Executive Officer ("CEO") or Chief Financial Officer ("CFO") of any company (including the Company), that:
 - (i) 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, for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or
 - (ii) 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, for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO; or
- b) is, as at the date of this Circular, or has been within 10 years before the date of the Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity,

or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, except as set forth below; or

- c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- e) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Shareholders can vote for all of the proposed nominees for directors of the Company, vote for some of the proposed nominees and withhold for others, or withhold from voting for all or any of the proposed nominees. Unless the Shareholder directs that his or her shares be otherwise voted or withheld from voting in connection with the election of directors, the persons named in the enclosed Proxy will vote FOR the election of the three nominees whose names are set forth above.

4. Appointment of Auditors

At the Meeting, Shareholders will be asked to vote for the appointment of Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants (“**DMCL**”), to serve as auditor of the Company for the ensuing year, and to authorize the directors to fix the auditor’s remuneration. DMCL was first appointed auditor of the Company for the year-ended December 31, 2022.

Management recommends that Shareholders vote for the appointment of DMCL as the Company’s auditors for the ensuing year and the authorization of the directors of the Company to fix the remuneration to be paid to the auditors.

OTHER MATTERS WHICH MAY COME BEFORE THE MEETING

Management is not aware of any other matter to come before the Meeting other than as set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the Common Shares represented thereby in accordance with their best judgment on such matter.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

General

The Company’s board of directors believes that good corporate governance improves corporate performance and benefits all shareholders. National Policy 58-201 - Corporate Governance Guidelines provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, National Instrument 58-101 - Disclosure of Corporate Governance Practices (“**NI 58-101**”) prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

Board of Directors

The Company's board of directors facilitates its exercise of independent supervision over the Company's management through meetings of the board of directors.

The Company's board of directors is comprised of three directors, of whom Leighton Bocking and Adrian Smith are independent for the purposes of NI 58-101. Morgan Good is a member of the Company's management and is not independent as he serves as CEO of the Company.

Directorships

Certain of the Company's directors are also currently directors of other reporting issuers as follows:

Name of Director of the Company	Names of Other Reporting Issuers	Securities Exchange
Morgan Good	Miramis Mining Corp.	N/A
	Lightning Ventures Inc.	CSE
	Carlyle Commodities Corp.	CSE
Adrian Smith	Usha Resources Ltd.	TSXV
	M3 Metals Corp.	TSXV
	Xander Resources Inc.	TSXV
	Live Energy Minerals Corp.	OTC
	First Atlantic Nickel Corp.	TSX.V
	Prudent Minerals Corp.	CSE
Leighton Bocking	Carlyle Commodities Corp.	CSE
	Nexco Resources Inc.	CSE
	Alset Capital Inc.	NEX

Orientation and Continuing Education

The Board briefs all new directors with respect to the policies of the Board and other relevant corporate and business information. The Board does not provide any continuing education.

Ethical Business Conduct

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

Nomination of Directors

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

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

Compensation

The Board has not created or appointed a compensation committee given the Company’s current size and stage of development. All tasks related to developing and monitoring the Company’s approach to the compensation of the Company’s NEOs and directors are performed by the members of the Board. The compensation of the NEOs, directors and the Company’s employees or consultants, if any, is reviewed, recommended and approved by the Board without reference to any specific formula or criteria.

Other Board Committees

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

Assessments

Due to the minimal size of the Corporation’s board of directors, no formal policy has been established to monitor the effectiveness of the directors, the Board and its committees.

AUDIT COMMITTEE DISCLOSURE

National Instrument 52-110 – *Audit Committees (“NI 52-110”)*, NI 41-101 and Form 52-110F2 require the Company, as a venture issuer, to disclose certain information relating to the Company’s audit committee (the “**Audit Committee**”) and its relationship with the Company’s independent auditors.

Audit Committee Charter

The text of the Audit Committee’s charter is attached as Schedule A.

Composition of Audit Committee

The members of the Company’s Audit Committee are:

Name of Audit Committee Member	Independence	Financial Literacy
Leighton Bocking	Independent ⁽¹⁾	Financially literate ⁽²⁾
Adrian Smith	Independent ⁽¹⁾	Financially literate ⁽²⁾
Morgan Good	Not Independent ⁽¹⁾	Financially literate ⁽²⁾

⁽¹⁾ A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Company’s board of directors, reasonably interfere with the exercise of a member’s independent judgment.

⁽²⁾ An individual is financially literate if they have the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

For the purposes of NI 52-110, a member of an audit committee is “independent” if the member has no direct or indirect material relationship with the Company which could, in the view of the Board, reasonably interfere with the exercise of a member’s independent judgment. An individual is “financially literate” if he has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are

generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Relevant Education and Experience

The following sets out the education and experience of each Audit Committee member that is relevant to the performance of their responsibilities as an Audit Committee member and that provides each member with: (i) an understanding of the accounting principles used by the Company to prepare its financial statements; (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions, (iii) 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 Company's financial statements, or experience actively supervising one or more individuals engaged in such activities; and (iv) an understanding of internal controls and procedures for financial reporting:

Leighton Bocking (Chair): Mr. Bocking has been working in the capital markets for over 18 years and has been particularly focused on financing and structuring companies. He has held various director roles. In addition, he has worked in Corporate Development roles at Gold Standard Ventures Corp. and Timmins Gold Corp. (now Argonaut Gold).

Adrian Smith: Adrian Smith has gained financial literacy through participating in the management of publicly traded companies. He has served as a member of audit committees of other reporting issuers. Currently Mr. Smith is CEO of First Atlantic Nickel Corp., sits on the boards of M3 Metals Corp. and Usha Resources Ltd., and is the founder of Divitiae Resources Ltd.

Morgan Good: Mr. Good is a Venture Capitalist with 20 years of experience as a capital markets professional focusing in areas of finance, corporate restructuring & development, as well as marketing. Mr. Good has served on various boards assisting in M&A transactions and has been directly and indirectly responsible for raising in excess of \$100M CAD over his career.

Audit Committee Oversight

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

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemption in section 2.4 (De Minimis Non-audit Services) of NI 52-110 (which exempts all non-audit services provided by the Company's auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Company, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit), or an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions) of NI 52-110.

Pre-Approval Policies and Procedures

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by, as applicable, the Board and the Audit Committee, on a case-by-case basis.

External Auditor Service Fees

The aggregate fees billed by the Company's external auditors in the last two fiscal years, by category, are as follows:

Fiscal Year Ended	Audit Fees⁽¹⁾	Audit Related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees⁽⁴⁾
December 31, 2023	\$25,500	\$311	\$2,500	n/a
December 31, 2022	\$16,701	n/a	\$2,850	n/a

(1) "Audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year.

(2) "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit review of the Company's financial statements.

(3) "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning.

(4) "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

Exemption for Venture Issuers

The Company 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 reporting obligations of its Audit Committee in an annual information form as prescribed by NI 52-110.

STATEMENT OF EXECUTIVE COMPENSATION

General

For the purpose of this Statement of Executive Compensation:

"**compensation securities**" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries (if any) for services provided or to be provided, directly or indirectly to the Company or any of its subsidiaries (if any);

"**NEO**" or "**named executive officer**" means:

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

“plan” includes any plan, contract, authorization or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons; and

“underlying securities” means any securities issuable on conversion, exchange, or exercise of compensation securities.

Director and Named Executive Officer Compensation, excluding Compensation Securities

The following table sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company thereof to each NEO and each director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Company or any subsidiary thereof for each of the two most recently completed financial years, other than stock options and other compensation securities:

Name and Position	Fiscal Year Ended	Salary, Consulting Fee, Retainer, Commission or Director Fees (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites ⁽¹⁾ (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Morgan Good ⁽²⁾ <i>CEO and Director</i>	2023 2022	Nil ⁽¹⁰⁾ N/A ⁽¹⁰⁾	Nil ⁽¹⁰⁾ N/A ⁽¹⁰⁾	Nil N/A	Nil N/A	\$10,750 N/A	\$10,750 ⁽¹⁰⁾ N/A ⁽¹⁰⁾
Paul V. John ⁽³⁾ <i>Former CEO and Former Director</i>	2023 2022	Nil N/A	Nil N/A	Nil N/A	Nil N/A	\$4,300 N/A	\$4,300 N/A
Bennett Liu ⁽⁴⁾ <i>CFO</i>	2023 2022	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A
Robert Doyle ⁽⁵⁾ <i>Former CFO</i>	2023 2022	\$18,000 \$18,000	Nil N/A	Nil N/A	Nil N/A	\$2,125 N/A	\$20,125 \$18,000

Name and Position	Fiscal Year Ended	Salary, Consulting Fee, Retainer, Commission or Director Fees (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites ⁽¹⁾ (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Leighton Bocking ⁽⁶⁾ <i>Director</i>	2023 2022	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A
Adrian Smith ⁽⁷⁾ <i>Director</i>	2023 2022	Nil N/A	Nil N/A	Nil N/A	Nil N/A	\$7,525 N/A	\$7,525 N/A
Paul Reynolds ⁽⁸⁾ <i>Former Director</i>	2023 2022	Nil N/A	Nil N/A	Nil N/A	Nil N/A	\$4,300 N/A	\$4,300 N/A
Kevin Dodds ⁽⁹⁾ <i>Former Director</i>	2023 2022	Nil N/A	Nil N/A	Nil N/A	Nil N/A	\$4,300 N/A	\$4,300 N/A

(1) "Perquisites" include perquisites provided to a NEO or director that are not generally available to all employees and that, in aggregate, are: (a) \$15,000, if the NEO or director's total salary for the financial year is \$150,000 or less, (b) 10% of the NEO or director's salary for the financial year if the NEO or director's total salary for the financial year is greater than \$150,000 but less than \$500,000, or (c) \$50,000 if the NEO or director's total salary for the financial year is \$500,000 or greater.

(2) Mr. Good was appointed a director on December 22, 2023.

(3) Mr. John resigned as a director and CEO on February 13, 2024.

(4) Mr. Liu was appointed as CFO on February 13, 2024.

(5) Mr. Doyle resigned as the CFO on February 13, 2024.

(6) Mr. Bocking was appointed as a director on February 13, 2024.

(7) Mr. Smith was appointed as a director on December 22, 2023.

(8) Mr. Reynolds resigned as a director on December 22, 2023.

(9) Mr. Dodds resigned as a director on December 22, 2023.

(10) Comprised of compensation paid through Patriot Capital Corporation, a management company wholly owned by Mr. Good.

Stock Options and Other Compensation Securities and Instruments

The following table of compensation securities provides a summary of all compensation securities granted or issued by the Company to each NEO and directors of the Company for the fiscal year ended December 31, 2023, for services provided, directly or indirectly, to the Company.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class ⁽⁷⁾	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
Morgan Good, CEO and Director ⁽¹⁾	Options	250,000 1.13%	December 28, 2023	\$0.065	\$0.065	\$0.065	December 28, 2028
Paul V. John, Former CEO and Former Director ⁽²⁾	Options	100,000 0.45%	December 28, 2023	\$0.065	\$0.065	\$0.065	December 28, 2028
Bennett Liu, CFO ⁽³⁾	Options	N/A	N/A	N/A	N/A	N/A	N/A
Robert Doyle, Former CFO ⁽⁴⁾	Options	50,000 0.23%	December 28, 2023	\$0.065	\$0.065	\$0.065	December 28, 2028
Leighton Bocking, Director ⁽⁵⁾	Options	N/A	N/A	N/A	N/A	N/A	N/A
Adrian Smith, Director ⁽⁶⁾	Options	175,000 0.79%	December 28, 2023	\$0.065	\$0.065	\$0.065	December 28, 2028
Paul Reynolds, Former Director	Options	100,000 0.45%	December 28, 2023	\$0.065	\$0.065	\$0.065	December 28, 2028
Kevin Dodds, Former Director	Options	100,000 0.45%	December 28, 2023	\$0.065	\$0.065	\$0.065	December 28, 2028

⁽¹⁾ Mr. Good held 1,000,000 common shares and 250,000 options as at December 31, 2023.

⁽²⁾ Mr. John held 500,001 common shares and 150,000 options as at December 31, 2023.

⁽³⁾ Mr. Liu held no common shares and no options as at December 31, 2023.

⁽⁴⁾ Mr. Doyle held no common shares and 200,000 options as at December 31, 2023.

⁽⁵⁾ Mr. Bocking held no common shares and no options as at December 31, 2023.

⁽⁶⁾ Mr. Smith held no common shares and 175,000 options as at December 31, 2023.

⁽⁷⁾ The percentage of the class of compensation securities is calculated based on the aggregate of 22,145,991 common shares outstanding as of December 31, 2023.

Exercise of Compensation Securities by Directors and NEOs

No compensation securities were exercised by directors and NEOs during the year ended December 31, 2023.

Stock Option Plans and Other Incentive Plans

The Company adopted a “rolling 10%” equity incentive plan (the “**Equity Incentive Plan**”) on April 15, 2021, which was approved by the shareholders of the Company at the Company’s annual general meeting held on May 9, 2023. The Equity Incentive Plan provides that, subject to the requirements of the Canadian Securities Exchange (the “**CSE**”), the aggregate number of Common Shares reserved for issuance pursuant to options granted under the Equity Incentive Plan will not exceed 10% of the number of Common Shares of the Company that are issued and outstanding from time to time, less the aggregate number of Common Shares then reserved for issuance pursuant to any other equity compensation arrangement.

The Equity Incentive Plan will be used to provide share purchase options to be granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Company. In determining the number of options to be granted to the executive officers, the Board will take into account the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding options to ensure that such grants were in accordance with the policies of CSE, and closely aligned the interests of the executive officers with the interests of shareholders. The directors of the Company will also be eligible to receive stock option grants under the Equity Incentive Plan, and the Company will apply the same process for determining such awards to directors as with NEOs.

The Equity Incentive Plan includes the following provisions:

- The Equity Incentive Plan is administered by the Board or by a special committee of directors appointed from time to time by the Board;
- All Options granted pursuant to the Equity Incentive Plan are subject to applicable rules and policies of any stock exchange or exchanges on which the Common Shares are listed and any other regulatory body having jurisdiction;
- The aggregate number of Common Shares issuable upon the exercise of all Options granted under the Equity Incentive Plan are not to exceed 10% of the issued and outstanding Common Shares from time to time. If any Option granted under the Equity Incentive Plan expires for any reason without being exercised, the unpurchased Common Shares are available for the purpose of the Equity Incentive Plan;
- Directors, officers, consultants and employees of the Company or its subsidiaries, and employees of a person or company which provides management services to the Company or its subsidiaries are eligible to participate in the Equity Incentive Plan. Subject to compliance with requirements of the applicable regulators, participants may elect to hold Options granted to them in an incorporated entity wholly owned by them and such entity is bound by the Equity Incentive Plan in the same manner as if the Options were held by the participant;
- No single participant may be granted Options to purchase a number of Common Shares equaling more than 5% of the issued Common Shares in any 12 month period unless the Company has obtained disinterested shareholder approval in respect of such grant and meets applicable regulatory requirements;
- Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Common Shares in any 12 month period to a consultant of the Company (or any of its subsidiaries);
- Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Common Shares in any 12 month period to persons employed to provide investor relations activities. Options granted to consultants performing investor relations activities will contain vesting provisions such that vesting occurs over a minimum of 12 months with no more than 1/4 of the Options vesting in any three month period;

- The exercise price of the Common Shares subject to each Option shall be determined by the Board, subject to approval by the regulators (if applicable), at the time any Option is granted;
- Each Option and all rights thereunder shall expire on the date set out in an Option agreement, provided that in no circumstances shall the duration of an Option exceed 10 years, or such other the maximum term permitted by the applicable regulators;
- If any Options expire during a period when trading of the Company's securities by certain persons as designated by the Company is prohibited or within ten business days after the end of such a period, the term of those Options will be extended to ten business days after the end of the prohibited trading period, unless such extension is prohibited by any applicable law or the policies of the applicable regulators;
- If a participant ceases to be a director, officer, consultant or employee of the Company, or its subsidiaries, or ceases to be a management company employee, for any reason (other than death), such participant may exercise their Option to the extent that the participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within 90 days after the participant ceases to be a director, officer, consultant or employee, or a management company employee, unless such participant was engaged in investor relations activities, in which case such exercise must occur within 30 days after the cessation of the participant's services to the Company; and
- In the event of the death of a participant, the Option previously granted shall be exercisable only within 12 months after such death and only if and to the extent that such participant was entitled to exercise the Option at the date of death.

Employment, Consulting and Management Agreements

The Company has no agreement or arrangements with any NEO or director of the Company with respect to change of control, severance, termination or constructive dismissal provisions.

Oversight and Description of Director and NEO Compensation

In assessing the compensation of its executive officers, the Company does not have in place any formal objectives, criteria or analysis; compensation payable is currently determined by the Board. The Company's executive compensation program is based on comparisons of similar type and size companies. Both individual and corporate performances are also taken into account. The Company's directors have not established any benchmark or performance goals to be achieved or met by the Named Executive Officers, however, such Named Executive Officers are expected to carry out their duties in an effective and efficient manner so as to advance the business objectives of the Company. The satisfactory discharge of such duties is subject to ongoing monitoring by the Company's directors. Payments may be made from time to time to individuals or companies they control for the provision of consulting services. Such consulting services are paid for by the Company at competitive industry rates for work of a similar nature by reputable arm's length services providers. The goal of the Company's executive compensation philosophy is to attract, motivate, retain and reward an energetic, goal driven, highly qualified and experienced management team and to encourage them to meet and exceed performance expectations within a calculated risk framework. The Board has not considered the implications of the risk associated with the Company's compensation policies and practices. The compensation program is designed to reward each executive based on individual, business and corporate performance and is also designed to incent such executives to drive the annual and long-term business goals of the organization. Under the Company's compensation policies and practices, Named Executive Officers and directors are not prevented from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director. However, the Board does not believe that the Company's compensation policies and practices encourage executive officers to take unnecessary or excessive risk. For executive officers who are offered compensation, such compensation will primarily and initially be comprised of a base salary or consulting fees, as

applicable, and later stock options to purchase Shares. Manner and amount of compensation of the NEOs is reviewed, recommended and approved by the Board from time to time.

Pension

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plans in place.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table provides information regarding compensation plans under which securities of the Company are authorized for issuance in effect as of the end of the Company's most recently completed financial year ended December 31, 2023:

Plan Category	Number of securities to be issued upon exercise of outstanding options ⁽²⁾	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans ⁽¹⁾ (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	1,965,000	\$0.07	458,370
Equity compensation plans not approved by security holders	Nil	Nil	N/A
Total	1,965,000	\$0.07	458,370

⁽¹⁾ The issued and outstanding capital of the Company was 24,233,703 on December 31, 2023.

⁽²⁾ The Company does not have any warrants or rights outstanding under any equity compensation plans.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than routine indebtedness no current or former director, executive officer, proposed nominee for election to the Board, or associate of such persons is, or at any time since the beginning of the Company's most recently completed financial year has been, indebted to the Company or any of its subsidiaries.

No indebtedness of current or former director, executive officer, proposed nominee for election to the Board, or associate of such person is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no: (a) director, proposed director or executive officer of the Company; (b) person or company who beneficially owns, directly or indirectly, Shares or who exercises control or direction of Shares, or a combination of both, carrying more than ten percent of the voting rights attached to the Shares outstanding (each, an "Insider"); (c) director or executive officer of an Insider; or (d) associate or affiliate of any of the directors, executive officers or Insiders, has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company, except with an interest arising from the ownership of Shares where such person or company will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of the same class of Shares.

MANAGEMENT CONTRACTS

No management functions of the Company or any of its subsidiaries are performed to any substantial degree by a person other than the directors or executive officers of the Company or subsidiaries, except as disclosed herein, at any time since the beginning of the Company's most recently completed financial year.

ADDITIONAL INFORMATION

Shareholders may contact the Company at its office by mail at 15th Floor – 1111 West Hastings Street. Vancouver, BC, V6E 2J3, to request copies of the Company's financial statements and related Management's Discussion and Analysis (the "MD&A"). Financial information is provided in the Company's audited financial statements and MD&A for the most recently completed financial year and in the financial statements and MD&A for subsequent financial periods, which are available on SEDAR+ at www.sedarplus.ca.

APPROVAL OF THE BOARD OF DIRECTORS

The contents of this Circular have been approved, and the delivery of it to each shareholder of the Company entitled thereto and to the appropriate regulatory agencies has been authorized, by the Board.

DATED at Vancouver, British Columbia, this 30th day of December 2024.

ON BEHALF OF THE BOARD OF DIRECTORS OF

SILICON METALS CORP.

"Morgan Good"

Morgan Good
Chief Executive Officer
and Director

SCHEDULE "A"

SILICON METALS CORP. (the "Company")

AUDIT COMMITTEE CHARTER

I. Purpose

The primary objective of the Audit Committee (the "**Committee**") of Silicon Metals Corp. (the "**Company**") is to act as a liaison between the Company's Board of Directors (the "**Board**") and the Company's independent auditors (the "**Auditors**") and to oversee (a) the accounting and financial reporting processes of the Company, including the financial statements and other financial information provided by the Company to its shareholders, the public and others, (b) the Company's compliance with legal and regulatory requirements, (c) the audit of the Company's financial statements, (d) the qualification, independence and performance of the Auditors, and (e) the Company's risk management policies and procedures and internal financial and accounting controls, and management information systems. For greater certainty, references to the financial statements of the Company will include, where applicable, the financial statements of the Company's subsidiary entities.

Although the Committee has the powers and responsibilities set forth in this Charter, the role of the Committee is oversight. The members of the Committee are not full-time employees of the Company and may or may not be accountants or auditors by profession or experts in the fields of accounting or auditing and, in any event, do not serve in such capacity. Consequently, it is not the duty of the Committee to conduct audits or to determine that the Company'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 the Auditors.

The responsibilities of a member of the Committee are in addition to such member's duties as a member of the Board.

II. Organization

A majority of the members of the Committee will be non-executive directors of the Company who satisfy, at a minimum, the laws governing the Company and the independence, financial literacy and financial experience requirements under applicable securities laws, rules and regulations, stock exchange and any other regulatory requirements applicable to the Company.

Members of the Committee must be financially literate as the Board interprets such qualification in its business judgment. A majority of the members of the Committee will not have participated in the preparation of the financial statements of the Company or any current subsidiary at any time during the past three years. All members will be able to read and understand fundamental financial statements, including a company's balance sheet, income statement and cash flow statement.

The Committee will consist of three or more directors of the Company, a majority of whom are not executive officers of the Company. The members of the Committee and the Chair of the Committee will be appointed by the Board. A majority of the members of the Committee will constitute a quorum, provided that if there are only three members, the quorum shall be three.

A majority of the members of the Committee will be empowered to act on behalf of the Committee. Matters decided by the Committee will be decided by majority votes. The chair of the Committee will have an ordinary vote and will not be entitled to exercise a casting vote.

Any member of the Committee may be removed or replaced at any time by the Board and will cease to be a member of the Committee as soon as such member ceases to be a director.

The Committee may form and delegate authority to subcommittees when appropriate.

III. Meetings

The Committee will meet as frequently as circumstances require, but not less frequently than four times per year. The Committee will meet at least quarterly with management, the Company's financial and accounting officer(s) and the Auditors

in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately. Meetings may be held telephonically to the extent permitted by the Company's organizational documents and applicable law. A resolution in writing signed by all members who are entitled to vote on the resolution at the meeting of the Committee is as valid as if it had been passed at a meeting.

In the absence of the appointed Chair of the Committee at any meeting, the members will elect a chair from those in attendance at the meeting. The Chair, in consultation with the other members of the Committee, will set the frequency and length of each meeting and the agenda of items to be addressed at each upcoming meeting. Notice of the time and place of every meeting shall be given in writing, either by email, fax or personal delivery to each member of the Committee at least 24 hours in advance of the meeting.

The Committee will appoint a recording secretary who will keep minutes of all meetings. The recording secretary may be any person and does not need to be a member of the Committee. The recording secretary for the Committee can be changed by simple notice from the Chair.

The Chair will ensure that the agenda for each upcoming meeting of the Committee is circulated to each member of the Committee as well as the other directors in advance of the meeting.

The Committee may invite, from time to time, such persons as it may see fit to attend its meetings and to take part in discussion and consideration of the affairs of the Committee. The Company's accounting and financial officer(s) and the Auditors will attend any meeting when requested to do so by the Chair of the Committee.

IV. Authority and Responsibilities

The Board, after consideration of the recommendation of the Committee, will nominate the Auditors for appointment by the shareholders of the Company in accordance with applicable law. The Auditors report directly to the Audit Committee. The Auditors are ultimately accountable to the Committee and the Board as representatives of the shareholders.

In fulfilling its duties and responsibilities under this Charter, the Committee will be entitled to reasonably rely on (a) the integrity of those persons within the Company and of the professionals and experts (such as the Auditors) from whom it receives information, (b) the accuracy of the financial and other information provided to the Committee by such persons, professionals or experts and (c) the representations made by the Auditors as to any services provided by them to the Company.

The Committee will have the following responsibilities:

(a) Auditors

1. Be directly responsible for the appointment, compensation, retention (including termination) and oversight of the work of any independent registered public accounting firm engaged by the Company (including for the purposes of preparing or issuing an audit report or performing other audit, review or attestation services or other work for the Company and including the resolution of disagreements between management and the Company's independent registered public accounting firm regarding financial reporting) and ensure that such firm will report directly to it; recommend to the Board the independent auditors to be nominated for appointment as Auditors of the Company at the Company's annual meeting, the remuneration to be paid to the Auditors for services performed during the preceding year; and recommend to the Board and the shareholders the termination of the appointment of the Auditors, if and when advisable.
2. When there is to be a change of the Auditor, review all issues related to the change, including any notices required under applicable securities law, stock exchange or other regulatory requirements, and the planned steps for an orderly transition.
3. Review the Auditor's audit plan and discuss the Auditor's scope, staffing, materiality, and general audit approach.
4. Review on an annual basis the performance of the Auditors, including the lead audit partner.

5. Take reasonable steps to confirm the independence of the Auditors, which include:
 - (a) ensuring receipt from the Auditors of a formal written statement in accordance with applicable regulatory requirements delineating all relationships between the Auditors and the Company;
 - (b) considering and discussing with the Auditors any disclosed relationships or services, including non-audit services, that may impact the objectivity and independence of the Auditors;
 - (c) approving in advance all auditing services and any non-audit related services provided by the Auditors to the Company, and the fees for such services, with a view to ensuring the independence of the Auditors and, in accordance with applicable regulatory standards, including applicable stock exchange requirements, with respect to approval of non-audit related services performed by the Auditors; and
 - (d) as necessary, taking or recommending that the Board take appropriate action to oversee the independence of the Auditors.
6. Review and approve any disclosures required to be included in periodic reports under applicable securities laws, rules and regulations and stock exchange and other regulatory requirements with respect to non-audit services.
7. Confirm with the Auditors and receive written confirmation at least once per year as to (i) the Auditor's internal processes and quality control procedures; and (ii) disclosure of any material issues raised by the most recent internal quality control review, or per review within the preceding five years respecting independent audit carried out by the Auditors or investigations or government or professional enquiries, reviews or investigations of the Auditors within the last five years.
8. Consider the tenure of the lead audit partner on the engagement in light of applicable securities law, stock exchange or applicable regulatory requirements.
9. Review all reports required to be submitted by the Auditors to the Committee under applicable securities laws, rules and regulations and stock exchange or other regulatory requirements.
10. Receive all recommendations and explanations which the Auditors place before the Committee.
- (b) Financial Statements and Financial Information**
11. Review and discuss with management, the financial and accounting officer(s) and the Auditors, the Company's annual audited financial statements, including disclosures made in management's discussion and analysis, prior to filing or distribution of such statements and recommend to the Board, if appropriate, that the Company's audited financial statements be included in the Company's annual reports distributed and filed under applicable laws and regulatory requirements.
12. Review and discuss with management, the financial and accounting officer(s) and the Auditors, the Company's interim financial statements, including management's discussion and analysis, and the Auditor's review of interim financial statements, prior to filing or distribution of such statements.
13. Review any earnings press releases of the Company before the Company publicly discloses this information.
14. Be satisfied that adequate procedures are in place for the review of the Company's disclosure of financial information and extracted or derived from the Company's financial statements and periodically assess the adequacy of these procedures.
15. Discuss with the Auditor the matters required to be discussed by applicable auditing standards requirements relating to the conduct of the audit including:
 - (a) the adoption of, or changes to, the Company's significant auditing and accounting principles and practices;

- (b) the management letter provided by the Auditor and the Company's response to that letter; and
 - (c) any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, or personnel and any significant disagreements with management.
16. Discuss with management and the Auditors major issues regarding accounting principles used in the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles. Review and discuss analyses prepared by management and/or the Auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative approaches under generally accepted accounting principles.
17. Prepare, or ensure the preparation of, and review any report under applicable securities law, stock exchange or other regulatory requirements, including any reports required to be included in statutory filings.
- (c) Ongoing Reviews and Discussions with Management and Others**
18. Obtain and review an annual report from management relating to the accounting principles used in the preparation of the Company's financial statements, including those policies for which management is required to exercise discretion or judgments regarding the implementation thereof.
19. Periodically review separately with each of management, the financial and accounting officer(s) and the Auditors; (a) any significant disagreement between management and the Auditors in connection with the preparation of the financial statements, (b) any difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information and (c) management's response to each.
20. Periodically discuss with the Auditors, without management being present, (a) their judgments about the quality, integrity and appropriateness of the Company's accounting principles and financial disclosure practices as applied in its financial reporting and (b) the completeness and accuracy of the Company's financial statements.
21. Consider and approve, if appropriate, significant changes to the Company's accounting principles and financial disclosure practices as suggested by the Auditors or management and the resulting financial statement impact. Review with the Auditors or management the extent to which any changes or improvements in accounting or financial practices, as approved by the Committee, have been implemented.
22. Review and discuss with management, the Auditors and the Company's independent counsel, as appropriate, any legal, regulatory or compliance matters that could have a significant impact on the Company's financial statements, including applicable changes in accounting standards or rules, or compliance with applicable laws and regulations, inquiries received from regulators or government agencies and any pending material litigation.
23. Enquire of the Company's financial and accounting officer(s) and the Auditors on any matters which should be brought to the attention of the Committee concerning accounting, financial and operating practices and controls and accounting practices of the Company.
24. Review the principal control risks to the business of the Company, its subsidiaries and joint ventures; and verify that effective control systems are in place to manage and mitigate these risks.
25. Review and discuss with management any earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information, as well as any financial information and earnings guidance provided to analysts and rating agencies. Such discussions may be done generally (i.e. discussion of the types of information to be disclosed and the types of presentations made).
26. Review and discuss with management any material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities or other

persons, that may have a material current or future effect on financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves or significant components of revenues or expenses. Obtain explanations from management of all significant variances between comparative reporting periods.

27. Review and discuss with management the Company's major risk exposures and the steps management has taken to monitor, control and manage such exposures, including the Company's risk assessment and risk management guidelines and policies.

(d) Risk Management

28. Review, based upon the recommendation of the Auditors and management, the scope and plan of the work to be done by the Company's financial and accounting group and the responsibilities, budget and staffing needs of such group.
29. Ensure that management has designed and implemented effective systems of risk management and internal controls and, at least annually, review the effectiveness of the implementation of such systems.
30. Approve and recommend to the Board for adoption policies and procedures on risk oversight and management to establish an effective and efficient system for identifying, assessing, monitoring and managing risk relating to financial management and internal control.
31. Review the appointment of the chief financial officer and any key financial executives involved in the financial reporting process and recommend to the Board any changes in such appointments.

(e) Other Responsibilities

32. Create an agenda for the ensuing year.
33. Review and approve related-party transactions if required under applicable securities law, stock exchange or other regulatory requirements.
34. Review and approve (a) any change or waiver in the Company's Code of Business Conduct and Ethics applicable to senior financial officers and (b) any disclosures made under applicable securities law, stock exchange or other regulatory requirements regarding such change or waiver.
35. Establish, review and approve policies for the hiring of employees, partners, former employees or former partners of the Company's Auditors or former independent auditors.
36. Review and reassess the duties and responsibilities set out in this Charter annually and recommend to the Board any changes deemed appropriate by the Committee.
37. Review its own performance annually, seeking input from management and the Board.
38. Confirm annually that all responsibilities outlined in this Charter have been carried out.
39. Perform any other activities consistent with this Charter, the Company's constating documents and governing law, as the Committee or the Board deems necessary or appropriate.

V. Reporting

The Committee will report regularly to the Board and will submit the minutes of all meetings of the Audit Committee to the Board. The Committee will also report to the Board on the proceedings and deliberations of the Committee at such times and in such manner as the Board may require. The Committee will review with the full Board any issues that have arisen with respect to quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance or independence of the Auditors or the performance of the Company's financial and accounting group.

VI. Resources and Access to Information

The Committee will have the authority to retain independent legal, accounting and other advisors or consultants to advise the Committee, as it determines necessary to carry out its duties.

The Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities. The Committee has direct access to anyone in the organization and may request any officer or employee of the Company or the Company's outside counsel or the Auditors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee with or without the presence of management. In the performance of any of its duties and responsibilities, the Committee will have access to any and all books and records of the Company necessary for the execution of the Committee's obligations.

The Committee will determine the extent of funding necessary for payment of (a) compensation to the Company's independent public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attestation services for the Company, (b) compensation to any independent legal, accounting and other advisors or consultants retained to advise the Committee and (c) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.