



# **ASHLEY GOLD CORP.**

**NOTICE OF ANNUAL AND SPECIAL MEETING OF THE SHAREHOLDERS OF  
ASHLEY GOLD CORP.**

- and -

**MANAGEMENT INFORMATION CIRCULAR and PROXY STATEMENT**

Meeting to be held on May 10, 2023

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Circular dated March 31, 2023

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**ASHLEY GOLD CORP.**  
Suite 1150, 707 – 7 Avenue SW  
Calgary, Alberta T2P 3H6

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (“**Shares**”) of **Ashley Gold Corp.** (the “**Corporation**”) will be held at Suite 1150, 707 – 7<sup>th</sup> Avenue SW, Calgary, Alberta T2P 3H6 on Wednesday, May 10, 2023 at 10:00 a.m. (MST) for the following purposes:

**TO PARTICIPATE, VOTE OR SUBMIT QUESTIONS DURING THE MEETING,  
PLEASE REFER TO THE FOLLOWING DIAL-IN INSTRUCTIONS:**

**Dial-in Toll-Free: 1-888-433-2192**  
**Participant Code: 8832221**

The Meeting is to be held for the following purposes:

1. to receive the audited financial statements of the Corporation for the financial years ended December 31, 2022 and 2021, together with the auditors' report thereon;
2. to fix the size of the Board at four (4) members;
3. to elect the Board to serve until the next annual meeting of the Shareholders or until their successors are duly elected or appointed;
4. to appoint MNP LLP, Chartered Accountants, as auditors and to authorize the board of directors to fix the auditors' remuneration;
5. to consider and, if thought advisable, to pass a resolution as set forth in the accompanying Information Circular re-approving the stock option plan for the Corporation; and
6. to transact such other business as may properly be brought before the Meeting, or any adjournment(s) thereof.

Specific details of the matters proposed to be put before the Meeting are set forth in the Information Circular, which accompanies this Notice of Meeting.

Each person who is a Shareholder of record at the close of business on March 31, 2023 (the “**Record Date**”), will be entitled to notice of, and to attend and vote at the Meeting provided that, to the extent a Shareholder as of the Record Date transfers the ownership of any Shares after such date and the transferee of those Shares establishes that the transferee owns the Shares and demands, not later than 10 days before the Meeting, to be included in the list of Shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those Shares at the Meeting.

**THE BOARD OF DIRECTORS AND MANAGEMENT REQUEST ALL SHAREHOLDERS VOTE BY PROXY AND NOT ATTEND THE MEETING IN PERSON. THE CONFERENCE NUMBER IS PROVIDED BELOW AND IT ENABLES SHAREHOLDERS TO PARTICIPATE IN A VOICE ONLY CONFERENCE CALL.**

**Dial-in Toll-Free: 1-888-433-2192**  
**Participant Code: 8832221**

Calgary, Alberta  
March 31, 2023

By Order of the Board of Directors  
(Signed) "**Darcy J. Christian**"  
President and Chief Executive Officer

*Shareholders who are unable to attend the Meeting in person are requested to **COMPLETE AND SIGN THE ACCOMPANYING FORM OF PROXY** and forward it in the enclosed envelope to TSX Trust Company, 301 – 100 Adelaide Street West, Toronto, Ontario M5H 4H1 or by fax to (416) 595-9593 not later than 10:00 a.m. (MST) on **Monday, May 8, 2023**, or 48 hours (excluding Saturdays, Sundays and holidays) prior to the commencement or any adjournment of the Meeting, in order for such proxy to be used at the Meeting, or any adjournment(s) thereof.*

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## GLOSSARY OF TERMS

The following is a glossary of terms and abbreviations used frequently throughout this Information Circular.

“**ABCA**” means the *Business Corporations Act* (Alberta), including regulations promulgated thereunder.

“**Board**” means the board of Directors of the Corporation.

“**CEO**” or “**Chief Executive Officer**” means the individual who served as chief executive officer of the Corporation or acted in a similar capacity during the most recently completed financial year.

“**CFO**” or “**Chief Financial Officer**” means the individual who served as chief financial officer of the Corporation or acted in a similar capacity during the most recently completed financial year.

“**Corporation**” or “**Ashley**” means **Ashley Gold Corp.**, a corporation existing under the ABCA.

“**CSE**” means the Canadian Securities Exchange.

“**Director**” means a member of the Board.

“**Information Circular**” means this management information circular and proxy statement dated March 31, 2023, including the schedules appended hereto.

“**Meeting**” means the annual and special meeting of the Shareholders to be held at Suite 1150, 707 – 7<sup>th</sup> Avenue SW, Calgary, Alberta T2P 3H6 on Wednesday, May 10, 2023 at 10:00 a.m. (MST) for the purposes set forth in the Notice of Meeting.

“**NI 52-110**” means National Instrument 52-110 – Audit Committees.

“**Notice of Meeting**” means the notice of the Meeting accompanying this Information Circular.

“**Options**” means stock options to purchase Shares of the Corporation granted under the Option Plan.

“**Option Plan**” means the stock option plan of the Corporation.

“**option-based award**” means an award under an equity incentive plan of options, including, for greater certainty, Options, share appreciation rights, and similar instruments that have option-like features.

“**Registrar and Transfer Agent**” means TSX Trust Company, the registrar and transfer agent of the Corporation as at the date hereof.

“**Record Date**” means March 31, 2023.

“**SEDAR**” means the system for electronic document analysis and retrieval at [www.sedar.com](http://www.sedar.com).

“**Shareholder**” means a holder of Shares.

“**Share**” or “**Shares**” means common shares in the capital of the Corporation.

“**share-based award**” means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, Shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

**ASHLEY GOLD CORP.**  
Suite 1150, 707 – 7 Avenue SW  
Calgary, Alberta T2P 3H6

**MANAGEMENT PROXY CIRCULAR**  
as of March 31, 2023 *(except as otherwise indicated)*

*Unless otherwise stated herein, all capitalized terms herein shall have the meaning set forth in the Glossary of Terms.*

This Information Circular is furnished to Shareholders in connection with the solicitation of proxies by the management of the Corporation for use at the Meeting and any adjournment(s) thereof.

The Meeting has been called for the purpose of receiving the 2022 and 2021 annual financial statements and auditor's report (available under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com)) considering and voting upon fixing the number of directors and the election of Directors, the appointment of auditor and the re-approval of the stock option plan of the Corporation. The financial disclosure herein is provided for the fiscal year ended December 31, 2022, however, for the purposes of providing current disclosure to Shareholders, certain information is presented as at the date of the Information Circular.

This Information Circular and the accompanying Notice of Meeting and form of proxy as well as other related Meeting materials are being mailed or delivered on or about April 18, 2023 to Shareholders of record as at March 31, 2023. Unless otherwise specified, all dollar amounts in this Information Circular are expressed in Canadian dollars.

**GENERAL PROXY MATERIALS**

**FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF THE CORPORATION FOR THE FINANCIAL YEARS ENDING DECEMBER 31, 2022 AND 2021 TO BE HELD ON MAY 10, 2023.**

**Solicitation of Proxies**

This Information Circular is furnished in connection with the solicitation of proxies by the Board for use at the Meeting and at any adjournment(s) thereof, for the purposes set forth in the accompanying Notice of Meeting.

**Appointment and Revocation of Proxies**

Instruments of proxy must be addressed to the Secretary of the Corporation and reach TSX Trust Company not later than 48 hours before the time for the holding of the Meeting or any adjournment(s) thereof. Only Shareholders of the Corporation at the close of business on the Record Date are entitled to receive notice of and to vote at the Meeting unless after that date a Shareholder of record transfers its Shares and the transferee, upon producing properly endorsed certificates evidencing such Shares or otherwise establishing that he owns such Shares, requests at least 10 days prior to the Meeting that the transferee's name be included in the list of Shareholders entitled to vote, in which case, such transferee is entitled to vote such Shares at the Meeting.

An instrument of proxy shall be in writing and shall be executed by the Shareholder or his attorney authorized in writing or, if the Shareholder is a Corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

**The persons named in the enclosed form of proxy are directors and/or officers of the Corporation. A Shareholder is entitled to appoint a person to attend the Meeting as the Shareholder's representative (who need not be a Shareholder of the Corporation) other than the persons designated in the form of proxy furnished by the Corporation. To exercise such right, the names of the persons designated by management should be crossed out and the name of the Shareholder's appointee should be legibly printed in the blank space required.**

A proxy is revocable. The giving of a proxy will not affect a Shareholder's right to attend and vote in person at the Meeting. In addition to revocation in any other manner permitted by law, a Shareholder may revoke a proxy by instrument in writing executed by the Shareholder or such Shareholder's attorney authorized in writing, or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof, duly authorized, and deposited 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(s) thereof at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment(s) thereof.

## **Persons Making the Solicitation**

**The solicitation is made on behalf of management of the Corporation.** The costs incurred in the preparation and mailing of the form of proxy, the Notice of Meeting and this Information Circular will be paid by the Corporation. In addition to the mailing of these materials, proxies may be solicited by personal interviews or telephone by Directors and officers of the Corporation, who will not be remunerated therefor.

## **Exercise of Discretion by Proxy**

The Shares represented by proxy in favour of management nominees shall be voted on any ballot at the Meeting and where the Shareholder specifies the choice with respect to any matter to be acted upon, the Shares shall be voted on any ballot in accordance with the specification so made.

**In the absence of such specification, Shares will be voted in favour of the proposed resolution. The person appointed under the form of proxy furnished by the Corporation is conferred with discretionary authority with respect to amendments or variations of those matters specified in the form of proxy and Notice of Meeting. At the time of mailing of this Information Circular, management of the Corporation knows of no such amendment, variation or other matter.**

## **Voting of Shares – Advice to Beneficial Holders of Securities**

**The information set forth in this section is of significant importance to many Shareholders as a substantial number of the Shareholders hold their Shares through intermediaries such as brokers and their agents or nominees and not in their own name.** Shareholders who do not hold their Shares in their own name (referred to in this Information Circular as “**Beneficial Shareholders**”) should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of the Shares can be recognized and acted upon at the Meeting. If Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Shares will not be registered under the name of the Shareholder on the records of the Corporation. Such Shares will more likely be registered under the name of the Shareholder's broker or an agent or nominee of that broker. Shares held by brokers or their agents or nominees can only be voted for, or withheld from voting, or voted against any resolution upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers their agents or nominees are prohibited from voting Shares for their clients.

Applicable regulatory policy requires intermediaries and brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary and broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker (or agent or nominee thereof) is identical to the form of the proxy provided to registered Shareholders; however, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder. **A Beneficial Shareholder receiving a proxy from an intermediary cannot use that proxy to vote Shares directly at the Meeting, rather the proxy must be returned to the intermediary well in advance of the Meeting in order to have the Shares voted. A Beneficial Shareholder may however request the intermediary to appoint the Beneficial Shareholder as a nominee of it as a proxy holder. A Beneficial Shareholder should contact the intermediary, broker or agents and nominees thereof, should it have any questions respecting the voting of the Shares.**

## INFORMATION CONCERNING THE CORPORATION

Ashley Gold Corp. was incorporated pursuant to the *Business Corporation Act* (Alberta) on July 15, 2021. The Corporation amended its Articles of Incorporation on September 1, 2021 to remove certain restrictions applicable to private issuers. On April 29, 2022, the Corporation completed its initial public offering and the Shares of the Corporation were listed and posted for trading on the CSE on May 2, 2022, under the symbol "ASHL". The Corporation is a reporting issuer in British Columbia, Alberta and Ontario.

The registered and head office of the Corporation is located at Suite 1150, 707 – 7 Avenue SW, Calgary, Alberta T2P 3H6. The Corporation's main telephone number is (587) 777-9072.

The Corporation is an early-stage natural resource company engaged primarily in the acquisition, exploration, and if warranted, development of mineral projects. The Corporation's objective is to conduct efficient and economical exploration on its growing portfolio of high-quality gold projects, currently focused in northeastern and northwestern Ontario within the western Abitibi and the Eagle-Wabigoon-Manitou Lakes Greenstone Belts.

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

Management of the Corporation is not aware of any material interest, whether direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, of any Director or executive officer of the Corporation who has held that position at any time since the beginning of the Corporation's last financial year, or of any proposed nominee for election as Director of the Corporation or any associate or affiliate of any of the foregoing, other than the election of Directors as disclosed in the section entitled "Particulars of Matters to be Acted Upon".

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Corporation is authorized to issue an unlimited number of Shares. As of March 31, 2023, **18,990,375** Shares were issued and outstanding, each such Share carrying the right to one vote on a ballot at the Meeting.

The Shareholders of record at the close of business on the Record Date are entitled to vote their Shares at the Meeting on the basis of one vote for each Share held, except to the extent that:

- a) such person transfers his Shares after the Record Date; and
- b) the transferee of those Shares produces properly endorsed share certificates or otherwise establishes his ownership to the Shares and makes a demand to the Registrar and Transfer Agent, not later than 10 days before the Meeting, that his or her name be included on the Shareholders' list.

To the knowledge of the Directors or executive officers of the Corporation, no persons beneficially own, directly or indirectly, or exercise control or direction over, voting securities carrying more than 10% of the voting rights attached to all issued and outstanding securities of the Corporation.

The above information, not being within the knowledge of the Corporation, has been derived from information provided by such person or from public sources available to the Corporation.

## FINANCIAL STATEMENTS

The audited financial statements of the Corporation for the years ended December 31, 2022 and 2021, reports of the auditor and related management discussion and analysis will be placed before the Meeting.

## VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. A special resolution is a resolution passed by at least two-thirds of the votes cast on the resolution. If there are more nominees for election as directors or appointment of the Corporation's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

## EXECUTIVE COMPENSATION AND REMUNERATION OF DIRECTORS

### Compensation Discussion and Analysis

The following compensation discussion and analysis (“CD&A”) describes the significant elements of the Corporation's proposed executive compensation program, with particular emphasis on the process for determining compensation payable to the President and Chief Executive Officer, the Chief Financial Officer, and each of the two most highly compensated executive officers other than the President and Chief Executive Officer, and the Chief Financial Officer (collectively, the “Named Executive Officers” or “NEOs”).

Based on compensation levels paid or issued, as the case may be, during 2022 and 2021, the NEOs for the purposes of this CD&A for the year ended **December 31, 2022 and 2021**, were as follows:

- **George E. Stephenson**, President
- **Darcy J. Christian**, Vice President, Operations and Corporate Secretary
- **Elena Clarici**, *former* President, CEO, Corporate Secretary
- **Fred Jones**, *former* CFO

The Directors of the Corporation **who were not NEOs** during the financial year ended December 31, 2022 and 2021 were:

- **Derek A. Wood**
- **Douglas B. Coleman**
- **Robert Lishman**

As of the date of this Information Circular, the NEOs of the Corporation are:

- **George E. Stephenson**, Chairman
- **Darcy J. Christian**, President, CEO and Corporate Secretary
- **Paul J. Rozek**, CFO

#### ***During and after the December 31, 2022 and 2021 Year-End:***

1. Elena Clarici served as a Director, President, CEO and Corporate Secretary from July 15, 2020 until April 1, 2021.
2. Derek A. Wood served as a Director from July 15, 2020 until April 1, 2021.
3. Fred Jones served as a Director and CFO from July 15, 2020 until May 6, 2022.
4. George E. Stephenson was appointed a Director on April 1, 2021, served as President from April 1, 2021 until January 23, 2023 and was appointed Chairman of the Board on January 23, 2023.
5. Darcy J. Christian was appointed a Director on April 1, 2021, served as Vice President, Operations from April 1, 2021 until January 23, 2023, Corporate Secretary from April 1, 2021 and more recently was appointed President and CEO on January 23, 2023.
6. Douglas B. Coleman was appointed a Director on April 1, 2021.
7. Robert W. Lishman was appointed a Director on August 31, 2021.
8. Paul J. Rozek was appointed CFO on July 10, 2022.

This CD&A reflects the current expectations of Management with respect to the Corporation's executive compensation program following the completion of the Offering. While there is no present intention to make any material changes to the Corporation's current executive compensation program, the Corporate Governance and Compensation Committee of the Board may review the Corporation's executive compensation program and, if determined appropriate, may make recommendations to the Board regarding changes to the program in light of relevant factors including the Corporation's status as a public company.



## ***Overview***

The Corporation's executive compensation program is administered by the Corporate Governance and Compensation Committee. As part of its mandate, the Corporate Governance and Compensation Committee reviews and recommends to the Board the remuneration of the NEOs. The Corporate Governance and Compensation Committee is also responsible for reviewing the Corporation's compensation policies, compensation matrix and guidelines generally. For a description of the Corporate Governance and Compensation Committee and its current members, see the Corporation's Statement of Corporate Governance Practices in "*Corporate Governance*".

## **Compensation Philosophy and Objectives of the Compensation Program**

The Corporation's compensation program intends to seek to encourage growth in reserves, production, cash flow and earnings while focusing on achieving attractive returns on capital in order to enhance shareholder value. To achieve these objectives, the Corporation believes it is critical to create and maintain a compensation program that will attract and retain committed, highly qualified personnel by providing appropriate rewards and incentives, motivate their performance in order to achieve the Corporation's strategic objectives and align the interests of executive officers with the long-term interests of the Corporation's shareholders and enhancement in share value.

## ***Components of Compensation***

The Corporation compensates its NEOs through the following: (i) base salary; (ii) discretionary cash bonuses paid from time to time based on performance; and (iii) long-term incentive compensation comprised of grants of Options at levels which the Corporate Governance and Compensation Committee believes are reasonable in light of the performance of the Corporation.

### *Base Salary*

Base salaries are intended to compensate each NEO's core competencies, skills, experience and contribution to the Corporation. The Corporate Governance and Compensation Committee believes that base salaries should be competitive but total compensation should be weighted toward variable, long term performance-based components.

### *Cash Bonus*

Discretionary cash bonuses are intended to motivate and reward the accomplishment of specific business and operating objectives within a defined period. Cash bonuses are paid at the discretion of the Board on the recommendation of the Corporate Governance and Compensation Committee, based upon the achievement of certain corporate objectives. Cash bonuses awarded by the Corporate Governance and Compensation Committee are intended to be generally competitive with the market. The Corporate Governance and Compensation Committee considers the Corporation's performance during the year with respect to the qualitative goals in the context of market and economic trends and forces, extraordinary internal and market-driven events, unanticipated developments and other extenuating circumstance in making bonus determinations.

Proposed cash bonuses for NEOs, excluding the President and Chief Executive Officer, will be recommended by the President and Chief Executive Officer, reviewed by the Corporate Governance and Compensation Committee, and, if deemed appropriate, recommended to the Board for approval. Any cash bonus to be paid to the Chief Executive Officer will be determined by the Board based on recommendations received from the Corporate Governance and Compensation Committee.

### *Option Awards*

The Corporation has adopted an incentive stock option plan which is administered by the Board. The Option Plan provides that the Board may from time to time, in its discretion, and in accordance with the CSE requirements, grant to directors, officers and technical consultants to the Corporation, non-transferable, non-assignable Options, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares. In connection with the foregoing, the number of Common Shares reserved for issuance to any one person in any twelve month period will not exceed 5% of the issued and outstanding Common Shares unless the Corporation has obtained disinterested shareholder approval in respect of such grant and meets applicable CSE requirements. In addition: (i) the number of Common Shares reserved for issuance to any one technical consultant will not exceed 2% of the issued and outstanding Common Shares; and (ii) the number of Common Shares reserved for issuance to persons providing investor relations activities will not exceed 2% of the issued and outstanding Common Shares. Subject to the following, Options must be exercised within a 90 days following cessation of the optionee's position with the Corporation, provided that if the cessation was by reason of death or disability, the Option may be exercised within a maximum period of one year after such death or disability, subject to the expiry date of such Option. The Option Plan is being replaced with a new plan that is similar to the old plan, but which replaces references only to the Capital Pool Company program.

The exercise price of the Options shall be determined by the Board at the time any Option is granted. In no event shall such exercise price be lower than the exercise price permitted by the CSE. Subject to any vesting restrictions imposed by the CSE, the Board may, in its sole discretion, determine the time during which Options shall vest and the method of vesting, or that no vesting restriction shall exist. As of the year ended December 31, 2022, 1,382,237 Options were outstanding (2021: Nil). Subsequent to the year end, 144,000 Options expired unexercised by a former Director of the Corporation. As of the date of this Information Circular, 1,238,337 Options are outstanding.

### **Hedging Activities**

Although the Corporation has no formal hedging policy in place with respect to purchases of securities by NEOs or directors designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by such individuals, to the Corporation's knowledge, no NEO or director has hedged the economic value of his direct or indirect interests in the market value of the Corporation's Common Shares so held or granted as compensation.

### **Risk Assessment and Oversight**

The Board and Corporate Governance and Compensation Committee are keenly aware of the fact that compensation practices can have unintended risk consequences. The Corporate Governance and Compensation Committee will continually review the Corporation's compensation policies to identify any practice that might encourage an employee to expose the Corporation to unacceptable risks. At the present time, the Corporate Governance and Compensation Committee is satisfied that the current executive compensation program does not encourage the Corporation's executives to expose the business to inappropriate risk. The Corporate Governance and Compensation Committee takes a conservative approach to executive compensation rewarding individuals for the success of the Corporation once that success has been demonstrated and incenting them to continue that success through the grant of long-term incentive awards. In addition, the number of options a particular NEO is entitled to receive is limited by the Option Plan.

### **NEO Compensation**

The following table sets forth the compensation paid by the Corporation to the NEOs during the year ended December 31, 2022 and 2021.

Name and Principal Position <sup>(13)</sup>	Year	Salary <sup>(2)</sup> (\$)	Share-based Awards <sup>(3)</sup> (\$)	Stock Option Awards <sup>(1)(7)(8)</sup> (\$)	Non-Equity Incentive Plan Compensation <sup>(4)</sup> (\$)		Pension Value (\$)	All Other Compensation (\$) <sup>(5)(6)</sup>	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
Elena Clarici <sup>(9)</sup> President, CEO and Corporate Secretary	2022	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
	2021	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
Fred Jones <sup>(10)</sup> Chief Financial Officer	2022	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
	2021	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
George E. Stephenson <sup>(11)</sup> President	2022	\$16,000	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$16,000
	2021	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
Darcy J. Christian <sup>(12)</sup> Vice President, Operations and Corporate Secretary	2022	\$32,000	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$32,000
	2021	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil

**Notes:**

- (1) Reflects the fair value of Options issued under the Corporation's Option Plan. The value shown is estimated to be the fair value at the grant date calculated using the Black-Scholes Option pricing model with the assumptions disclosed in the notes to the financial statements for the year ended December 31, 2022. The aggregate of the fair value set out in the Corporation's financial statements for the year ended December 31, 2022 was \$0.08 (2021: Nil). The individual fair value amounts are calculated based on the pro rata number of Options held by each NEO.
- (2) Represents salary paid to NEO's for the year ended December 31, 2022 and 2021. The Corporation did not pay salary to these individuals but will pay them on an hourly basis on such amounts as required in their respective roles.
- (3) The Corporation does not currently provide for any non-equity incentive plan compensation to NEOs.
- (4) The Corporation does not currently provide for, or contribute to, either a defined benefit plan or defined contribution plan on behalf of the NEOs.
- (5) The value of perquisites to be received by NEO's during 2022 and 2021, including property or other personal benefits provided to NEO's that are not generally available to all employees, were not (in aggregate) \$50,000 or greater or more than 10% of each NEO's annualized salaries for 2022 and 2021.
- (6) Represents compensation received by NEOs under a compensation employee profit sharing plan, which the Corporation does not have.
- (7) As of the year-ended December 31, 2022, 1,382,237 Options were outstanding. During the year-ended December 31, 2022, 144,000 Options granted to a former Director and Officer of the Corporation were forfeited unexercised. Subsequent to the year-end and as of the date of this Information Circular, 1,238,337 Options were outstanding.
- (8) Options terminate 90 days following the date an option holder ceases to be an officer or consultant of the Corporation.
- (9) Elena Clarici resigned as President, CEO, Corporate Secretary and a Director on April 1, 2021.
- (10) Subsequent to the year-end, Mr. Jones resigned as CFO and Director on May 6, 2022 and his Options expired unexercised.
- (11) Mr. Stephenson was appointed President and a Director of the Corporation on April 1, 2021 and was granted 144,000 Options on September 15, 2022 and exercisable at \$0.25 and expiring on September 15, 2026. Subsequent to the year-end, Mr. Stephenson resigned as President on January 23, 2023 and was appointed Chairman on January 23, 2023.
- (12) Mr. Christian was appointed the Vice President, Operations, Corporate Secretary and a Director of the Corporation on April 1, 2021 and was granted 144,000 Options on September 15, 2022 and exercisable at \$0.25 and expiring on September 15, 2026. Subsequent to the year-end, Mr. Christian resigned as Vice-President Operations on January 23, 2023 and was appointed President and CEO on January 23, 2023.
- (13) Subsequent to the year-end, Paul Rozek was appointed CFO on July 10, 2022. Mr. Rozek holds no Options as of the date of this Information Circular.

### ***Incentive Plan Awards - Outstanding Options***

The following table sets forth information with respect to the outstanding Options granted under the Option Plan to the NEO's as at the date of December 31, 2022 and 2022.

<b>Name<sup>(2)(7)</sup></b>	<b>Number of Securities Underlying Unexercised Options(#)<sup>(1)</sup></b>	<b>Option Exercise Price(\$)</b>	<b>Option Expiration Date</b>
<b>Elena Clarici<sup>(3)</sup></b> President, CEO and Corporate Secretary	Nil	Nil	Nil
<b>Fred Jones<sup>(4)</sup></b> Chief Financial Officer	144,000	\$0.25	September 15, 2026
<b>George E. Stephenson<sup>(5)</sup></b> President	144,000	\$0.25	September 15, 2026
<b>Darcy J. Christian<sup>(6)</sup></b> Vice President, Operations and Corporate Secretary	144,000	\$0.25	September 15, 2026

**Notes:**

- (1) As of the year-ended December 31, 2022, 1,382,337 Options were outstanding.
- (2) Options terminate 90 days following the date an option holder ceases to be an officer or consultant of the Corporation.
- (3) Elena Clarici resigned as President, CEO, Corporate Secretary and a Director on April 1, 2021.
- (4) Subsequent to the year-end, Mr. Jones resigned as CFO and Director on May 6, 2022 and his Options expired unexercised.
- (5) Mr. Stephenson was appointed President and a Director of the Corporation on April 1, 2021 and was granted 144,000 Options on September 15, 2022 and exercisable at \$0.25 and expiring on September 15, 2026. Subsequent to the year-end, Mr. Stephenson resigned as President on January 23, 2023 and was appointed Chairman on January 23, 2023.
- (6) Mr. Christian was appointed the Vice President, Operations, Corporate Secretary and a Director of the Corporation on April 1, 2021 and was granted 144,000 Options on September 15, 2022 and exercisable at \$0.25 and expiring on September 15, 2026. Subsequent to the year-end, Mr. Christian resigned as Vice-President Operations on January 23, 2023 and was appointed President and CEO on January 23, 2023.
- (7) Subsequent to the year-end, Paul Rozek was appointed CFO on July 10, 2022. Mr. Rozek holds no Options as of the date of this Information Circular.

### ***Options - Value Vested or Earned***

The following table sets forth the aggregate dollar value of option-based awards that vested during the year ended December 31, 2022 for NEO's of the Corporation.

<b>Name</b>	<b>Option-based awards - Value vested during the year (\$)<sup>(1)(2)</sup></b>
<b>Elena Clarici</b> President, CEO and Corporate Secretary	\$Nil
<b>Fred Jones</b> Chief Financial Officer	\$Nil
<b>George E. Stephenson</b> President	\$Nil
<b>Darcy J. Christian</b> Vice President, Operations and Corporate Secretary	\$Nil

**Notes:**

- (1) The value of option-based awards vested during the year ended December 31, 2022 is the value that would have been realized if the options had been exercised on the vesting date and is calculated as the difference between the price of the Common Shares on the CSE on the exercise date (December 31, 2022, \$Nil) and the stock option exercise price.
- (2) As of the year-ended December 31, 2022, 1,1,382,337 Options were outstanding. As of the date of this Information Circular, 1,238,337 Options are outstanding.

### Long-Term Incentive Plans

The Corporation's only long-term incentive plan is the Option Plan. A maximum of 10% of the issued and outstanding Common Shares of the Corporation are reserved for issuance pursuant to the Option Plan. As of the year ended December 31, 2022, 1,382,337 Options were issued and outstanding, with a weighted average exercise price of \$0.08 per Common Share. There are currently 1,238,337 Options issued and outstanding. The following table shows all outstanding Options held by the directors and officers of the Corporation as of the date of this Information Circular.

Name	Option-based Awards			
	Number of securities underlying unexercised options (#) <sup>(2)</sup>	Option Exercise Price (\$)	Option Expiration Date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)
<b>George E. Stephenson</b> Chairman and Director	144,000	\$0.25	September 15, 2026	\$Nil
<b>Darcy J. Christian</b> President, CEO, Corporate Secretary and Director	144,000	\$0.25	September 15, 2026	\$Nil
<b>Douglas B. Coleman</b> Director	95,000	\$0.25	September 15, 2026	\$Nil
<b>Robert W. Lishman</b> Director	380,000	\$0.25	September 15, 2026	\$Nil
<b>Paul J. Rozek</b> CFO	Nil	\$0.25	September 15, 2026	\$Nil
<b>TOTAL:</b>	<b>763,000</b>			

**Notes:**

- (1) Aggregate dollar amount of in-the-money unexercised stock options held as of the date of this Information Circular is calculated based on the difference between the market value of the Shares underlying the stock options on the record date as at March 31, 2023, being \$0.07 and the stock option exercise price.
- (2) As of the date of this Information Circular, 1,238,337 Options are outstanding.

### Termination and Change of Control Benefits

The Corporation does not have any employment agreements in place with the Named Executive Officers. There are no change of control benefits in place other than four consulting agreements which contain termination and change of control provisions.

### Director Compensation

The Corporation does not pay cash compensation (including salaries, director's fees, commissions, bonuses paid for services rendered, bonuses paid for services rendered in a previous year, and any compensation other than bonuses earned by the directors for services rendered) to the directors for services rendered as directors only. No other compensation is paid by the Corporation to directors, however, the directors may receive reimbursements for out-of-pocket expenses incurred in connection with attending Board meetings, audit committee meetings or information meetings.

### Director Compensation - Option-Based Awards and Incentive Plan Compensation

The following table sets forth information with respect to outstanding Options granted to the directors of the Corporation (who are not also Named Executive Officers) under the Option Plan as of December 31, 2022. There are no outstanding share-based awards.

Name <sup>(2)</sup>	Option-Based Awards			
	Number of Securities Underlying Unexercised Options (#) <sup>(2)</sup>	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options (\$) <sup>(1)</sup>
<b>Douglas B. Coleman</b>	95,000	\$0.25	September 15, 2026	\$Nil
<b>Robert W. Lishman</b>	380,000	\$0.25	September 15, 2026	\$Nil

**Notes:**

- (1) The value of option-based awards vested during the year is the value that would have been realized if the options had been exercised on the vesting date and is calculated as the difference between the price of the Shares on the CSE on the exercise date (December 31, 2022: \$0.10) and the stock option exercise price being \$0.25.
- (2) As of December 31, 2022, 1,382,337 Options were outstanding, and 144,000 Options expired subsequent to the year end. As of the date of this Information Circular, 1,238,337 Options are outstanding.

## AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

The purposes of the audit committee of the Corporation (the “**Audit Committee**”) is to assist the Board's oversight of: the integrity of the Corporation's financial statements; the Corporation's compliance with legal and regulatory requirements; the qualifications and independence of the Corporation's independent auditors; and the performance of the independent auditors and the Corporation's internal audit function. NI 52-110 relating to the composition and function of audit committees applies to every CSE listed company.

### Audit Committee Charter

Pursuant to NI 52-110, the Corporation is required to have a written charter which sets out the duties and responsibilities of its audit committee. The charter is attached hereto as “Schedule A”.

### Composition of the Audit Committee

The Audit Committee is comprised of the following members:

Name and Office if Any	Independent	Financially Literate
George E. Stephenson ( <i>Chairman</i> )	No	Yes
Douglas B. Coleman	Yes	Yes
Robert W. Lishman	Yes	Yes

### Relevant Education and Experience

Each member of the Audit Committee has a general understanding of the accounting principles used by the Corporation to prepare its financial statements and will seek clarification from the Corporation's auditors, where required. Each member of the Audit Committee also has direct experience in understanding accounting principles for private and reporting companies, general experience in preparing, auditing, analyzing or evaluating financial statements similar to those of the Corporation, and general understanding of internal controls and the procedures for financial reporting. Each member will receive the necessary training or enrollment in the necessary continuing education course(s) to ensure that their abilities and understanding of any change in relevant accounting principles and/or financial reporting requirements are maintained at a level sufficient to provide the necessary oversight as part of their responsibilities to the Audit Committee.

**George E. Stephenson** – Mr. Stephenson brings 45 years of experience in the areas of Mining, Oil and Gas and the financial industry. Mr. Stephenson currently serves as President and Chief Executive Officer of Ursa Polaris Developments Corporation (est. 1968) from 1985 to present, where he advanced towards production, a number of vein mines in Alaska, Idaho, Northwest Territories and Ontario.

**Douglas B. Coleman** – Mr. Coleman is a Geological Engineer graduated from the Colorado School of Mines with over 30 years of experience in mining exploration in Mexico. He currently holds the position of Head of Mexico for Appian Capital Advisory and is President and CEO of Mexico Mining Center. Douglas has managed exploration projects for both major and junior mining companies. He founded Mexico Mining Center in 2008 and co-founded the annual Discoveries Mining Conference, held each year since 2016. Mr. Coleman is a Fellow Member of the Society of Economic Geologists and was recently the Regional Vice President for Mexico, Central America and the Caribbean. He also serves as an independent director for different mining companies.

**Robert W. Lishman** – Mr. Lishman brings over 40 years of investment industry and business experience to the Corporation's board of directors. He brings strong portfolio management and financing expertise to the Corporation. For the last 10 years Mr. Lishman has worked with Yellowjacket, LP, an investment fund, where he is currently the Managing General Partner. Mr. Lishman spent the first 12 years of his career in the mining industry and has had over 30 years of experience as an investor in a variety of precious metals mining companies.

### Audit Committee Oversight

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

### Reliance on Certain Exemptions

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

## Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services other than the general requirements under the heading “External Audit” of the Audit Committee Charter which states that the Audit Committee must pre-approve any non-audit services to the Corporation and the fees for those services.

## External Auditor Service Fees (By Category)

The aggregate fees billed by the Corporation’s external auditors in the last two fiscal years for audit and non-audit related services are as follows:

Financial Year <sup>(1)</sup>	Audit Fees <sup>(2)</sup>	Audit Related Fees	Tax Fees <sup>(3)</sup>	All Other Fees <sup>(4)</sup>
2022	\$32,720	\$Nil	\$1,500	\$11,390
2021	\$25,890	\$Nil	\$1,500	\$Nil
2020	\$9,000	\$Nil	\$Nil	\$Nil

### Notes:

- (1) Shown in the year that the fees were invoiced.
- (2) Audit fees were for professional services rendered by MNP LLP for the audit of the Corporation's December 31, 2022 financial statements. Audit fees include fees necessary to perform the annual audit and quarterly review 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, review of securities filings and statutory audits.
- (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. These include services provided to the Corporation in connection the adoption of and transition to International Financial Reporting Standards by the Corporation as its accounting principles.

## Exemption

As a venture issuer within the meaning of NI 52-110, the Corporation is relying upon the exemption provided by section 6.1 of NI 52-110, which exempts venture issuers from the requirements of Part 3, *Composition of the Audit Committee* and Part 5, *Reporting Obligations* of NI 52-110.

## CORPORATE GOVERNANCE

### General

Corporate governance refers to the policies and structure of the board of directors 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 of directors from executive management and the adoption of policies to ensure the board of directors 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.

### Board of Directors

Pursuant to National Instrument 58-101, a director is independent if the director has no direct or indirect relationship with the issuer which could, in the view of the issuer’s board of directors, be reasonably expected to interfere with the exercise of a member’s independent judgment. Certain directors are deemed to have a material relationship with the issuer by virtue of their position or relationship with the Corporation. The Board is currently comprised of four (4) members. Currently two (2) directors are independent. In assessing whether a director is independent for these purposes, the circumstances of each director have been examined in relation to a number of factors.

The independent members of the Board are Douglas B. Coleman and Robert W. Lishman. The non-independent members of the Board are George E. Stephenson (Chairman and Director) and Darcy J. Christian (President, CEO and Corporate Secretary).

### Directorships

Some of the existing directors of the Corporation have also been directors of other issuers who are reporting in one or more Canadian jurisdictions as follows:

Name	Name of Reporting Issuer	Exchange or Market
George E. Stephenson	Madrona Mining Limited ( <i>Jan 2007 – Present</i> )	TSXV
Robert W. Lishman	Impact Silver Corp. ( <i>Feb 2019 – Present</i> )	TSXV

## **Orientation and Continuing Education**

The Board is responsible for ensuring that new directors are provided with an orientation and education program, which will include written information about the duties and obligations of directors, the business and operations of the Corporation, documents from recent Board meetings, and opportunities for meetings and discussion with senior management and other directors. Directors are expected to attend all meetings of the Board and are also expected to prepare thoroughly in advance of each meeting in order to actively participate in the deliberations and decisions.

The Board recognizes the importance of ongoing director education and the need for each director to take personal responsibility for this process. The Board notes that it has benefited from the experience and knowledge of individual members of the Board in respect of the evolving governance regime and principles. The Board ensures that all directors are apprised of changes in the Corporation's operations and business.

## **Ethical Business Conduct**

The Board is apprised of the activities of the Corporation and ensures that it conducts such activities in an ethical manner. The Board has not adopted a written code of business conduct and ethics, however, the Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to consultants, officers and directors to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary actions for violations of ethical business conduct. In particular, the Board ensures that directors exercise independent judgment in considering transactions and certain activities of the Corporation by holding in camera sessions of independent directors, when applicable, and by having each director declare his or her interest in a particular transaction and abstaining from voting on such matters, where applicable.

## **Nomination of Directors**

The Board is largely responsible for identifying new candidates for nomination to the Board and does not have a separate nominating committee. The process by which candidates are identified is through recommendations presented to the Board, which establishes and discusses qualifications based on corporate law and regulatory requirements as well as education and experience related to the business of the Corporation.

## **Compensation**

The Board is responsible for determining the compensation of the directors and Chief Executive Officer of the Corporation. The process by which compensation is determined is discretionary and may include an informal comparative analysis of the market for such services and recommendations presented to the Board. The Board reviews and discusses proposals received by the Chief Executive Officer of the Corporation regarding the compensation of management and the directors. The Corporation does not use benchmarking or maintain specific performance goals in determining compensation of the directors and Chief Executive Officer of the Corporation.

## **Other Board Committees**

### ***Compensation Committee***

The corporate governance and compensation committee of the Board (the "Corporate Governance and Compensation Committee") currently consists of Brodie A. Sutherland, Gregory E. Ball and Fred Jones. The Compensation Committee consists of two independent members of the Board and, on behalf of the Board, is responsible for director compensation, including reviewing and determining director compensation. The Compensation Committee reviews the compensation of members of the Board on an annual basis taking into account compensation paid by other issuers of similar size and activity.

## **Assessments**

The Board and its individual directors are assessed on an informal basis continually as to their effectiveness and contribution by the independent members of the Board. The Board encourages discussion amongst the Board as to evaluation of the effectiveness of the Board as a whole and of each individual director. All directors are free to make suggestions for improvement of the practice of the Board at any time and are encouraged to do so.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

### Equity Compensation Plan Information

The following table sets forth information in respect of compensation plans under which equity securities of the Corporation are authorized for issuance, as at the end of the financial year ended December 31, 2022:

Plan Category	Number of securities to be issued upon exercise of outstanding Options, warrants and rights <sup>(4)(5)</sup>	Weighted-average exercise price of outstanding Options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	1,382,337 - Options <sup>(1)(2)</sup>	\$0.25 - Options	516,700 – Options
Equity compensation plans not approved by security holders	Nil - Warrants	\$Nil - Warrants	Nil
<b>TOTAL</b>	<b>1,382,337 - Options<sup>(3)</sup> Nil - Warrants</b>		<b>516,700 – Options</b>

**Notes:**

- (1) Shares issuable upon exercise of outstanding Options.
- (2) During the year ended December 31, 2022, 1,382,337 Options were outstanding.
- (3) As at the date of this Information Circular, 1,238,337 Options are issued and outstanding. Subsequent to the year-end, 144,000 Options expired unexercised by a former Director and Officer of the Corporation. The number of Options available for future grant is 660,701.
- (4) Subsequent to the year-end and as of the date of this Information Circular, 9,337,360 warrants (“Warrants”) are outstanding. These noted “Warrants”, consisted of an aggregate of agent and finder securities-based compensation, including purchase warrants, with exercise prices between \$0.10 and \$0.30, expiring between October 29, 2023 and December 21, 2024, and which are exercisable for one (1) Share. 7,000,000 of these Warrants are held under a Warrant Indenture with TSX Trust Company.
- (5) As of the date of this Information Circular, no Warrants have been exercised.

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than as disclosed below, management of the Corporation is not aware of any indebtedness outstanding to the Corporation or its subsidiaries by Directors, officers, employees or former executive officers as at the end of the most recently completed financial year ended December 31, 2022 or up to the Record Date and thereafter.

As of December 31, 2022, the Corporation advanced an aggregate of \$Nil (December 31, 2021 - \$5,200) for exploration expenses paid to a former director of the Corporation. The term of the due from related party is unsecured, non-interest bearing and due on demand.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed in the Information Circular, management of the Corporation is not aware of any material interest, direct or indirect, of any informed person of the Corporation, any proposed Director or any associate or affiliate of any informed person or proposed Director, in any transaction since the commencement of the Corporation’s most recently completed financial year ended December 31, 2022 or in any proposed transaction which has materially affected or would materially affect Corporation, other than the related part transactions referred to in the financial statements for the year ended December 31, 2022.

As of December 31, 2021, the Corporation advanced an aggregate of \$28,551 (December 31, 2020 - payable of \$167,547) to Pan Pacific Resource Investments Ltd. (“Pan Pacific”), a shareholder of the Corporation, \$750 was inadvertently deposited directly to Pan Pacific for the share subscriptions to the private placement of the Corporation, \$2,900 was related to a payment of exploration expenditures and \$24,901 was for working capital of Pan Pacific. The term of the due from related party is unsecured, non-interest bearing and due on demand.

As of December 31, 2021, the Corporation granted incentive stock options to directors and a former director of the Corporation to purchase an aggregate of 1,382,337 commons shares at an exercise price of \$0.25 per option, pursuant to the Company’s Incentive Stock Option Plan. Subsequent to the year ended December 31, 2021, 144,000 of these options held by a former director expired unexercised. The options are vested immediately and exercisable at a period of five years from the date of grant until September 15, 2026.

### MANAGEMENT CONTRACTS

Management functions of the Corporation are substantially performed by officers of the Corporation and have not been performed, to any substantial degree, by any other person with whom the Corporation has contracted. The Corporation has no management consulting contracts in place as of the date of this Information Circular.



## PARTICULARS OF MATTERS TO BE ACTED UPON

### Fix the Number of Directors

The Shareholders will be asked to consider a resolution fixing the number of directors to be elected at the Meeting. Management proposes that the number of directors to be elected at the Meeting be set at four (4). There are presently four (4) directors of the Corporation, each of whom retires from office at the Meeting. Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of setting the number of directors to be elected at the Meeting at four (4).

### Election of Directors

The affairs of the Corporation are managed by the Directors who are elected annually for a one year term at each annual general meeting of the Shareholders and hold office until the next annual general meeting, or until their successors are duly elected or appointed or until a Director vacates his office or is replaced in accordance with the by-laws of the Corporation.

The Shareholders are entitled to elect the Directors. The persons named below have been nominated for election and have consented to such nomination.

**Unless authority to vote on the election of Directors is withheld, it is the intention of the person named in the accompanying instrument of proxy to vote for the election of such nominees as Directors. If, prior to the Meeting, any vacancies occur in the slate of proposed nominees herein submitted, the persons named in the enclosed form of proxy intend to vote for the election of any substitute nominee or nominees recommended by management of the Corporation and for the remaining proposed nominees.**

The following are the names, occupations, residences and number of Shares held by each of the proposed nominees for election as Directors:

Name and Municipality of Resident	Position with the Corporation and date First Elected or Appointed	Principal Occupation for the Past 5 Years	Number and Percentage of Voting Shares Beneficially Owned, Directly or Indirectly, or Controlled by the Proposed Director <sup>(3)</sup>
<b>George E. Stephenson</b> <sup>(1)(2)</sup> Calgary, Alberta	Chairman (Jan 23, 2023)  Director (Apr 1, 2021)	Since 1985, President and a Director of Ursa Polaris Developments Corporation, a private mining and oil and gas company. President and Director of Madrona Mining Limited, formerly listed on the TSX Venture Exchange since 2007 and 2011, respectively. From 2018 until 2021, President and Director of New Klondike Exploration Ltd., a company listed on the NEX Board of the TSX Venture Exchange.	300,000 Common Shares
<b>Darcy J. Christian</b> Vancouver, British Columbia	President, CEO (Jan 23, 2023)  Corporate Secretary (Apr 1, 2021)  Director (Apr 1, 2021)	Since 2017, President of Braidplain Consulting Ltd. Since November 2022 an Exempt Market Dealer Representative for Sentinel Financial Group. From July 2019 until March 2021, Principal Consultant with Upstream Oil and Gas Consulting. From April 2018 until June 2019, contact Geoscience Technical Advisor. Since May 2022, Vice President Operations, Corporate Secretary and a Director of Ashley Gold Corp, a CSE listed company. Associate with Conduit Capital Advisors Corp. from April 2021 to November 2022. Since May 2022, Director of Cascade Copper Corp., a junior exploration company that is a non-listed reporting issuer.	367,040 Common Shares
<b>Douglas B. Coleman</b> <sup>(1)</sup> Calgary, Alberta	Director (Apr 1, 2021)	Since March 2023, Mr. Coleman has been the Head of Mexico for Appian Capital Advisory. Since 2008, Mr. Coleman has been the founder, President and CEO of Mexico Mining Center, the largest digital media platform serving the Mexican Mining Industry.	200,000 Common Shares
<b>Robert Lishman</b> <sup>(1)</sup> Vancouver, British Columbia	Director (Aug 31, 2021)	For the last 11 years Mr. Lishman has worked with Yellowjacket, LP, an investment fund, where he is currently the Managing Director.	26,719 Common Shares

**Notes:**

- (1) Member of the Audit Committee.
- (2) Chairman of the Audit Committee.
- (3) Shares subject to an Escrow Agreement dated September 20, 2021 between the Corporation, TSX Trust Company and certain shareholders of the Corporation.

### Corporate Cease Trade Orders

Except as disclosed below, no director of the Corporation has, within the ten years prior to the date of this Information Circular, been a director or executive officer of any company that, while such person was acting in that capacity (or after such person ceased to act in that capacity but resulting from an event that occurred while that person was acting in such capacity) was the subject of a cease trade order, an order similar to a cease trade order, or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days.

Mr. Stephenson has been a director and officer of Madrona Mining Limited since February 2011 and January 2007, respectively, which is subject to the terms of an interim cease trade order by the Alberta Securities Commission dated February 25, 2005 for failing to file audited financial statements for the year ended September 30, 2004 and related management's discussion and analysis.

### Bankruptcies

Except as disclosed below, no director of the Corporation has, within the ten years preceding the date of this Information Circular, become bankrupt, been a director or executive officer of any 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.

Mr. Stephenson was, from April 2018 until April 2021, also a director and officer of New Klondike Exploration Ltd. ("**New Klondike**"), a previously listed TSX Venture Exchange ("**TSXV**") mineral exploration company. Prior to Mr. Stephenson's involvement, on August 28, 2015, New Klondike was subject to a suspension of trading and other regulatory matters for failing to hold a shareholder meeting within the time frame prescribed and the TSXV determined New Klondike did not satisfy the continuous listing requirements of the TSXV policies as a Tier 2 Listed Issuer. New Klondike's shares were transferred to the TSXV's NEX Board where they continue to be suspended from trading. Further, on April 4, 2016, New Klondike was subject to a cease trade order by the Ontario Securities Commission for failing to file audited financial statements for the year ended November 30, 2015 and related management's discussion and analysis. Similar cease trade orders were issued by the British Columbia Securities Commission on April 7, 2016 and by the Autorité Des Marchés Financiers on April 5, 2016.

### Penalties or Sanctions

No proposed director of the Corporation 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 has been subject to any other 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.

### **Appointment of Auditor**

The Shareholders will be asked at the Meeting to vote for the appointment of MNP LLP, Chartered accountants as the auditors of the Corporation, for the ensuing year and to authorize the Directors to fix their remuneration.

Unless otherwise directed, Shares representing proxies in favour of management nominees will be voted in favour of the appointment of MNP LLP as auditors of the Corporation, to hold office until the next annual general meeting of the Shareholders, or until their successors are duly elected or appointed, and to authorize the Board to fix their remuneration.

### **Annual Approval of Stock Option Plan**

The Corporation has in place a rolling stock option plan whereby the Directors of the Corporation may allocate a maximum of 10% of the issued and outstanding Shares from time to time for issuance under the Option Plan. The Option Plan was last approved by the Shareholders on May 31, 2021. There have not been any amendments made to the Option Plan since that time, other than administrative amendments that do not affect the rights conveyed under the Option Plan.

The following summary is a brief description of the Stock Option Plan:

1. The maximum number of Common Shares that may be issued upon the exercise of the Corporation's stock options previously granted and those granted under the Stock Option Plan will be a maximum of 10% of the issued and outstanding Common Shares at the time of the grant.
2. Stock options can be issued to persons who are directors, senior officers, employees, advisory board members and consultants of, or employees of management companies providing services to, the Corporation or its subsidiaries, if any.

3. The option price of any Common Share in respect of which an option may be granted under the Stock Option Plan shall be fixed by the board of directors but shall be not less than the minimum price permitted by the CSE.
4. The number of options granted to any one individual may not exceed 5% of the outstanding listed Common Shares in any 12 month period unless the Corporation has obtained disinterested shareholder approval to exceed such limit.
5. The number of options granted to any one consultant may not exceed 2% of the Corporation's outstanding listed Common Shares in any 12 month period.
6. All options granted under the Stock Option Plan may be exercisable for a maximum of ten years from the date they are granted.
7. If the optionee ceases to be (other than by reason of death) an eligible recipient of stock options, then the stock options granted shall expire on the 90th day following the date that the option holder ceases to be eligible, subject to the terms and conditions set out in the Stock Option Plan.
8. If an optionee ceases to be an eligible recipient of stock options by reason of death, an optionee's heirs or administrators shall have until the earlier of: (a) one year from the death of the option holder; and (b) the expiry date of the stock options in which to exercise any portion of stock options outstanding at the time of death of the optionee.
9. The stock options shall expire on the 30<sup>th</sup> day after the optionee who is engaged in Investor Relations Activities for the Corporation ceases to be employed to provide Investor Relations Activities.
10. The stock options shall expire on the date on which the optionee ceases to be an eligible person by reason or termination of the optionee as an employee or consultant of the Corporation for cause (which, in the case of a consultant, includes any breach of an agreement between the Corporation and the consultant).
11. The Stock Option Plan will be administered by the Board who will have the full authority and sole discretion to grant options under the Stock Option Plan to any eligible recipient, including themselves.
12. The stock options are not assignable or transferable by an optionee.
13. The Board may, from time to time, subject to regulatory approval, amend or revise the terms of the Stock Option Plan.

Since the Option Plan is a "rolling plan", annual shareholder approval of the Option Plan is required by the CSE. In accordance with the policies of the CSE, the Corporation requests Shareholders to consider, and if thought fit, approve an ordinary resolution substantially in the form set forth below:

“BE IT RESOLVED AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS THAT:

1. as an ordinary resolution, pursuant to and in compliance with the policies of the CSE and subject to regulatory approval, the Corporation's stock option plan is hereby approved, whereby a maximum of 10% of the Shares of the Corporation will be reserved for issuance under the stock option plan, provided that the number of listed securities that may be reserved for issuance under stock options granted to any one individual or insiders of the Corporation shall not exceed five (5%) percent of the Corporation's issued and outstanding listed securities, and the same is hereby approved;
2. the form of the stock option plan may be amended in order to satisfy the requirements or requests of any regulatory authorities, or at the discretion of the Board acting in the best interests of the Corporation without requiring further approval of the shareholders of the Corporation; and
3. any one director or officer of the Corporation be and is hereby authorized and directed, upon the Board resolving to give effect to this resolution, to take all necessary steps and proceedings, and to execute, deliver and file any and all applications, declarations, documents and other instruments and do all such other acts or things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to the provisions of this resolution.”

To be effective, the resolution must be passed by at least a majority of the votes cast at the Meeting. **Unless otherwise directed, it is intended that the Shares represented by the proxies hereby solicited will be voted in favour of the approval of the Option Plan.**

## BOARD APPROVAL

The contents of this Information Circular have been approved, in substance, and its mailing has been authorized, by the Board pursuant to resolutions passed as of March 31, 2023.

## ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Corporation to request copies of the Corporation's financial statements and management discussion and analysis as follows:

**Ashley Gold Corp.**

Attention: Mr. Darcy J. Christian  
Suite 1150, 707 - 7 Avenue SW  
Calgary, Alberta T2P 3H6

Financial information is provided in the Corporation's comparative financial statements and management discussion and analysis for the financial year ended December 31, 2022 and 2021.

## **SCHEDULE "A" – AUDIT COMMITTEE CHARTER**

### **1.0 Purpose of the Committee**

1.1 The purpose of the Audit Committee is to assist the Board in its oversight of the integrity of the Company's financial statements and other relevant public disclosures, the Company's compliance with legal and regulatory requirements relating to financial reporting, the external auditors' qualifications and independence and the performance of the internal audit function and the external auditors.

### **2.0 Members of the Audit Committee**

2.1 At least one Member must be "financially literate" as defined under NI 52-110, having sufficient accounting or related financial management expertise to read and understand a set of financial statements, including the related notes, that present a breadth and level of complexity of the accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

2.2 The Audit Committee shall consist of no less than three Directors, the majority of whom shall not be executive officers or control persons of the Corporation.

2.3 At least one Member of the Audit Committee shall be "independent" as defined under NI 52-110, while the Company is in the developmental stage of its business.

### **3.0 Relationship with External Auditors**

3.1 The external auditors are the independent representatives of the shareholders, but the external auditors are also accountable to the Board of Directors and the Audit Committee.

3.2 The external auditors must be able to complete their audit procedures and reviews with professional independence, free from any undue interference from the management or directors.

3.3 The Audit Committee must direct and ensure that the management fully co-operates with the external auditors in the course of carrying out their professional duties.

3.4 The Audit Committee will have direct communications access at all times with the external auditors.

### **4.0 Non-Audit Services**

4.1 The external auditors are prohibited from providing any non-audit services to the Company, without the express written consent of the Audit Committee. In determining whether the external auditors will be granted permission to provide non-audit services to the Company, the Audit Committee must consider that the benefits to the Company from the provision of such services, outweighs the risk of any compromise to or loss of the independence of the external auditors in carrying out their auditing mandate.

4.2 Notwithstanding section 4.1, the external auditors are prohibited at all times from carrying out any of the following services, while they are appointed the external auditors of the Company:

- (i) acting as an agent of the Company for the sale of all or substantially all of the undertaking of the Company; and
- (ii) performing any non-audit consulting work for any director or senior officer of the Company in their personal capacity, but not as a director, officer or insider of any other entity not associated or related to the Company.

### **5.0 Appointment of Auditors**

5.1 The external auditors will be appointed each year by the shareholders of the Company at the annual general meeting of the shareholders.

5.2 The Audit Committee will nominate the external auditors for appointment, such nomination to be approved by the Board of Directors.

## **6.0 Evaluation of Auditors**

6.1 The Audit Committee will review the performance of the external auditors on at least an annual basis, and notify the Board and the external auditors in writing of any concerns in regards to the performance of the external auditors, or the accounting or auditing methods, procedures, standards, or principles applied by the external auditors, or any other accounting or auditing issues which come to the attention of the Audit Committee.

## **7.0 Remuneration of the Auditors**

7.1 The remuneration of the external auditors will be determined by the Board of Directors, upon the annual authorization of the shareholders at each general meeting of the shareholders.

7.2 The remuneration of the external auditors will be determined based on the time required to complete the audit and preparation of the audited financial statements, and the difficulty of the audit and performance of the standard auditing procedures under generally accepted auditing standards and generally accepted accounting principles of Canada.

## **8.0 Termination of the Auditors**

8.1 The Audit Committee has the power to terminate the services of the external auditors, with or without the approval of the Board of Directors, acting reasonably.

## **9.0 Funding of Auditing and Consulting Services**

9.1 Auditing expenses will be funded by the Company. The auditors must not perform any other consulting services for the Company, which could impair or interfere with their role as the independent auditors of the Company.

## **10.0 Role and Responsibilities of the Internal Auditor**

10.1 At this time, due to the Company's size and limited financial resources, the Chief Financial Officer of the Company shall be responsible for implementing internal controls and performing the role as the internal auditor to ensure that such controls are adequate.

## **11.0 Oversight of Internal Controls**

11.1 The Audit Committee will have the oversight responsibility for ensuring that the internal controls are implemented and monitored, and that such internal controls are effective.

## **12.0 Continuous Disclosure Requirements**

12.1 At this time, due to the Company's size and limited financial resources, the Chief Financial Officer of the Company is responsible for ensuring that the Company's continuous reporting requirements are met and in compliance with applicable regulatory requirements.

## **13.0 Other Auditing Matters**

13.1 The Audit Committee may meet with the external auditors independently of the management of the Company at any time, acting reasonably.

13.2 The Auditors are authorized and directed to respond to all enquiries from the Audit Committee in a thorough and timely fashion, without reporting these enquiries or actions to the Board of Directors or the management of the Company.

## **14.0 Annual Review**

14.1 The Audit Committee Charter will be reviewed annually by the Board of Directors and the Audit Committee to assess the adequacy of this Charter.

## **15.0 Independent Advisers**

15.1 The Audit Committee shall have the power to retain legal, accounting or other advisors to assist the Committee.

## SCHEDULE "B" – STOCK OPTION PLAN

### ASHLEY GOLD CORP. (the "Company")

#### 1. Purpose

The purpose of the Stock Option Plan (the "Plan") of Ashley Gold Corp., (the "Corporation") a corporation incorporated under the *Business Corporations Act* (Alberta) (the "ABCA") is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation, and of its subsidiaries and affiliates, if any, to acquire common shares in the share capital of the Corporation (the "Shares"), thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs.

#### 2. Administration

The Plan shall be administered by the Board of Directors of the Corporation or by a special committee of the directors appointed from time to time by the Board of Directors of the Corporation pursuant to rules of procedure fixed by the Board of Directors (such committee or, if no such committee is appointed, the Board of Directors of the Corporation, is hereinafter referred to as the "Board"). A majority of the Board shall constitute a quorum, and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the directors.

Subject to the provisions of the Plan, the Board shall have authority to construe and interpret the Plan and all option agreements entered into thereunder, to define the terms used in the Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all participants in the Plan and on their legal personal representatives and beneficiaries.

Each option granted hereunder may be evidenced by an agreement in writing, signed on behalf of the Corporation and by the optionee, in such form as the Board shall approve. Each such agreement shall recite that it is subject to the provisions of this Plan.

Each option granted by the Corporation prior to the date of the approval of the Plan by the shareholders of the Corporation, including options granted under previously approved stock option plans of the Corporation, be and are continued under and shall be subject to the terms of the Plan after the Plan has been approved by the shareholders of the Corporation.

#### 3. Stock Exchange Rules

All options granted pursuant to this Plan shall be subject to rules and policies of any stock exchange or exchanges on which the common shares of the Corporation are then listed and any other regulatory body having jurisdiction hereinafter (hereinafter collectively referred to as, the "Exchange").

#### 4. Shares Subject to Plan

Subject to adjustment as provided in Section 15 hereof, the Shares to be offered under the Plan shall consist of common shares of the Corporation's authorized but unissued common shares. The aggregate number of Shares issuable upon the exercise of all options granted under the Plan shall not exceed 10% of the issued and outstanding common shares of the Corporation from time to time. If any option granted hereunder shall expire or terminate for any reason in accordance with the terms of the Plan without being exercised, the unpurchased Shares subject thereto shall again be available for the purpose of this Plan.

#### 5. Maintenance of Sufficient Capital

The Corporation shall at all times during the term of the Plan reserve and keep available such numbers of Shares as will be sufficient to satisfy the requirements of the Plan.

## **6. Eligibility and Participation**

Directors, officers, consultants, and employees of the Corporation or its subsidiaries, and employees of a person or company which provides management services to the Corporation or its subsidiaries (“**Management Company Employees**”) shall be eligible for selection to participate in the Plan (such persons hereinafter collectively referred to as “**Participants**”). Subject to compliance with applicable requirements of the Exchange, Participants may elect to hold options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the Plan in the same manner as if the options were held by the Participant.

Subject to the terms hereof, the Board shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted and vested, and the number of Shares to be subject to each option. In the case of employees or consultants of the Corporation or Management Company Employees, the option agreements to which they are party must contain a representation of the Corporation that such employee, consultant or Management Company Employee, as the case may be, is a bona fide employee, consultant or Management Company Employee of the Corporation or its subsidiaries.

A Participant who has been granted an option may, if such Participant is otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional option or options if the Board shall so determine.

## **7. Exercise Price**

- (a) The exercise price of the Shares subject to each option shall be determined by the Board, subject to applicable Exchange approval, at the time any option is granted. In no event shall such exercise price be lower than the exercise price permitted by the Exchange.
- (b) Once the exercise price has been determined by the Board, accepted by the Exchange and the option has been granted, the exercise price of an option may be reduced upon receipt of Board approval, provided that in the case of options held by insiders of the Corporation (as defined in the policies of the Exchange), the exercise price of an option may be reduced only if disinterested shareholder approval is obtained.

## **8. Number of Optioned Shares**

- (a) The number of Shares subject to an option granted to any one Participant shall be determined by the Board, but no one Participant shall be granted an option which exceeds the maximum number permitted by the Exchange.
- (b) No single Participant may be granted options to purchase a number of Shares equalling more than 5% of the issued common shares of the Corporation in any one twelve-month period unless the Corporation has obtained disinterested shareholder approval in respect of such grant and meets applicable Exchange requirements.
- (c) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued common shares of the Corporation in any twelve-month period to any one consultant of the Corporation (or any of its subsidiaries).
- (d) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued common shares of the Corporation in any twelve 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 at least 12 months with no more than  $\frac{1}{4}$  of the options vesting in any 3 month period.

## **9. Duration of Option**

Each option and all rights thereunder shall be expressed to expire on the date set out in the option agreement and shall be subject to earlier termination as provided in Sections 11 and 12, provided that in no circumstances shall the duration of an option exceed the maximum term permitted by the Exchange.



Should the expiry date of an Option fall within a Black Out Period or within nine business days following the expiration of a Black Out Period, such expiry date of the Option shall be automatically extended without any further act or formality to that date which is the tenth business day after the end of the Black Out Period, such tenth business day to be considered the expiry date for such Option for all purposes under the Plan. The ten business day period referred to in this paragraph may not be extended by the Board.

“Black Out Period” means the period during which the relevant Participant is prohibited from exercising an Option due to trading restrictions imposed by the Corporation pursuant to any policy of the Corporation respecting restrictions on trading that is in effect at that time.

#### **10. Option Period, Consideration and Payment**

- (a) The option period shall be a period of time fixed by the Board not to exceed the maximum term permitted by the Exchange, provided that the option period shall be reduced with respect to any option as provided in Sections 11 and 12 covering cessation as a director, officer, consultant, employee or Management Company Employee of the Corporation or its subsidiaries, or death of the Participant.
- (b) Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.
- (c) Subject to any vesting restrictions imposed by the Board, options may be exercised in whole or in part at any time and from time to time during the option period. To the extent required by the Exchange, no options may be exercised under this Plan until this Plan has been approved by a resolution duly passed by the shareholders of the Corporation.
- (d) Except as set forth in Sections 11 and 12, no option may be exercised unless the Participant is at the time of such exercise a director, officer, consultant, or employee of the Corporation or any of its subsidiaries, or a Management Company Employee of the Corporation or any of its subsidiaries.
- (e) The exercise of any option will be contingent upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Shares with respect to which the option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Shares with respect to which the option is exercised. No Participant or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any common shares of the Corporation unless and until the certificates for Shares issuable pursuant to options under the Plan are issued to him or them under the terms of the Plan.

#### **11. Ceasing To Be a Director, Officer, Consultant or Employee**

If a Participant shall cease to be a director, officer, consultant, employee of the Corporation, or its subsidiaries, or ceases to be a Management Company Employee, for any reason (other than death), such Participant may exercise his 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, or such other time period approved by the board of directors, which shall not exceed 12 months after the Participant ceases to be a director, officer, consultant, 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 Corporation.

Nothing contained in the Plan, nor in any option granted pursuant to the Plan, shall as such confer upon any Participant any right with respect to continuance as a director, officer, consultant, employee or Management Company Employee of the Corporation or of any of its subsidiaries or affiliates.

#### **12. Death of Participant**

Notwithstanding section 11, in the event of the death of a Participant, the option previously granted to him shall be exercisable only within the one (1) year after such death and then only:

- (a) by the person or persons to whom the Participant's rights under the option shall pass by the Participant's will or the laws of descent and distribution; and
- (b) if and to the extent that such Participant was entitled to exercise the Option at the date of his death.

**13. Rights of Optionee**

No person entitled to exercise any option granted under the Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such option until certificates representing such Shares shall have been issued and delivered.

**14. Proceeds from Sale of Shares**

The proceeds from the sale of Shares issued upon the exercise of options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine.

**15. Adjustments**

If the outstanding common shares of the Corporation are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation or another corporation or entity through re-organization, merger, amalgamation, arrangement, re-capitalization, re-classification, stock dividend, subdivision or consolidation, or any adjustment relating to the Shares optioned or issued on exercise of options, or the exercise price per share as set forth in the respective stock option agreements, shall be adjusted in accordance to the terms of such agreements.

Adjustments under this Section shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Share shall be required to be issued under the Plan on any such adjustment.

**16. Transferability**

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein or the extent, if any, permitted by the Exchange. During the lifetime of a Participant any benefits, rights and options may only be exercised by the Participant.

**17. Amendment and Termination of Plan**

Subject to applicable approval of the Exchange, the Board may, at any time, suspend or terminate the Plan. Subject to applicable approval of the Exchange, the Board may also at any time amend or revise the terms of the Plan; provided that no such amendment or revision shall result in a material adverse change to the terms of any options theretofore granted under the Plan, unless shareholder approval, or disinterested shareholder approval, as the case may be, is obtained for such amendment or revision.

**18. Necessary Approvals**

The ability of a Participant to exercise options and the obligation of the Corporation to issue and deliver Shares in accordance with the Plan is subject to any approvals which may be required from shareholders of the Corporation and any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation. If any Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such Shares shall terminate and any option exercise price paid to the Corporation will be returned to the Participant.

**19. Effective Date of Plan**

The Plan has been adopted by the Board of the Corporation subject to the approval of the Exchange and, if so approved, subject to the discretion of the Board, the Plan shall become effective upon such approvals being obtained.

**20. Interpretation**

The Plan will be governed by and construed in accordance with the laws of the Province of Alberta.

**ASHLEY GOLD CORP.**

**OPTION PLAN**

**OPTION AGREEMENT**

This Option Agreement is entered into between **ASHLEY GOLD CORP.** (the "Corporation") and the Optionholder named below pursuant to the Corporation's Option Plan (the "Plan"), a copy of which is attached hereto, and confirms that:

1. On \_\_\_\_\_ (the "Grant Date");
2. \_\_\_\_\_ (the "Optionholder");
3. Was granted a non-assignable option to purchase \_\_\_\_\_ Common Shares (the "Optioned Shares") of the Corporation;
4. At a price (the "Exercise Price") of \$ \_\_\_\_\_ per Optioned Share; and
5. For a term expiring at 5:00 p.m., Calgary time, on \_\_\_\_\_ (the "Expiry Date").

All on the terms and subject to the conditions set out in the Plan. By signing this agreement, the Optionholder acknowledges that he or she has read and understands the Plan.

**UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE \_\_\_\_\_.**

IN WITNESS WHEREOF the Corporation and the Optionholder have executed this Option Agreement as of \_\_\_\_\_, 20\_\_.

**ASHLEY GOLD CORP.**

By: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
**Name of Optionholder**

\_\_\_\_\_  
**Signature of Optionholder**

**ASHLEY GOLD CORP.  
OPTION PLAN**

**NOTICE OF EXERCISE**

**ASHLEY GOLD CORP.**

Suite 1150, 707 – 7 Avenue SW  
Calgary, Alberta T2P 3H6

Attention: Corporate Secretary

Reference is made to the Option Agreement made as of \_\_\_\_\_, 20\_\_\_\_, between **ASHLEY GOLD CORP.** (the “Corporation”) and the Optionholder named below. The Optionholder hereby exercises the Option to purchase Common Shares (the “Optioned Shares”) of the Corporation as follows:

Number of Optioned Shares for which Option being exercised \_\_\_\_\_

Exercise Price per Optioned Share: \$ \_\_\_\_\_

Total Exercise Price (in the form of a cheque (which need not be a certified cheque) or bank draft tendered with this Notice of Exercise): \$ \_\_\_\_\_

Name of Optionholder as it is to appear on share certificate: \_\_\_\_\_

Address of Optionholder as it is to appear on the register of Common Shares of the Corporation and to which a certificate representing the Common Shares being purchased is to be delivered: \_\_\_\_\_

Dated \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_  
**Name of Optionholder**

\_\_\_\_\_  
**Signature of Optionholder**