



ISM RESOURCES CORP.

NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

FOR

ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD ON

April 25, 2023, at 10:00 a.m. PST

AT

1055 West Georgia Street, Suite 1500, Vancouver, B.C., V6E 4N7

ISM RESOURCES CORP.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Annual General Meeting of the shareholders (the “**Notice of Meeting**”) of ISM Resources Corp. (“**ISM**” or the “**Company**”) will be held at 1055 West Georgia Street, Suite 1500, Vancouver, B.C., V6E 4N7, on April 25, 2023, at the hour of 10:00 a.m. (PDT), for the following purposes (the “**Meeting**”):

1. To receive and consider the audited financial statements of the Company together with the auditor's report thereon for the financial year ended January 31, 2022;
2. To appoint De Visser Gray LLP as auditor of the Company until the close of the next annual meeting of shareholders of the Company and to authorize the directors of the Company to fix their remuneration;
3. To determine the number of directors and elect directors for the ensuing year;
4. To consider and, if thought appropriate, pass, with or without variation, an ordinary resolution reconfirming approval of the Company’s Stock Option Plan; and
5. To transact such further or other business as may properly come before the Meeting and any adjournments thereof.

This Notice of Meeting is accompanied by a form of Proxy and Information Circular which sets forth the details of the matters proposed to be put before the Meeting. Holders of record of common shares at the close of business on March 10, 2023 are entitled to receive notice of the Meeting and will be entitled to vote the common shares, except to the extent that (i) the shareholder has transferred any such shares since the close of business March 10, 2023 and (ii) the transferee of such shares produces properly endorsed share certificates or otherwise establishes that the transferee owns such shares and demands, not later than ten calendar days before the Meeting, by written notice to the Company, that the transferee’s name be included on the list of holders of shares entitled to vote at the Meeting, in which case the transferee will be entitled to vote such shares at the Meeting.

Note for Notice-and-Access: The Company has elected to use the notice-and-access provisions under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Continuous Disclosure Obligations* (the “**Notice-and-Access Provisions**”) for the Meeting. The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to shareholders by allowing the Company to post its Information Circular and any additional materials online. Shareholders will receive this Notice of Meeting and a form of proxy (together, the “notice package”), and a shareholder may choose to receive a paper copy of the Information Circular. The Company will not use “stratification” in relation to Notice-and-Access Provisions, which occurs when an issuer using Notice-and-Access Provisions provides a paper copy of the Information Circular to some shareholders with the notice package. In relation to the Meeting, all shareholders will receive the required documentation under the Notice-and-Access Provisions, which will not include a paper copy of the Information Circular.

A copy of the Information Circular is posted for viewing and available on the Company’s website at www.ISMresources.com. Shareholders who wishes to receive a paper copy of the Information Circular or

would like more information about the Notice-and-Access Provisions may contact the Company's transfer agent, Endeavor Trust Corporation, at 604-559-8880 or toll free at 1-888-787-0888.

Under the Notice-and-Access Provisions, the notice package and the Information Circular must be available for viewing up to one year from the date of the Meeting. A paper copy of the Information Circular may be requested at any time during this period. To allow for a shareholder to receive and review a paper copy of the Information Circular and then submit their vote by 10:00 a.m. Pacific Time on April 21, 2023, a shareholder should ensure their request for a paper copy is received by the Company by April 19, 2023.

The Information Circular contains details of matters to be considered at the Meeting, and a copy is posted for viewing on the Company's website at www.ISMresources.com. Please review the Information Circular before voting.

Note of Caution Concerning Covid-19 Outbreak: The Company intends to hold the Meeting in person. Management of the Company, however, requests shareholders to consider voting their shares by proxy and not attend the Meeting in person due to the COVID-19 outbreak, to mitigate risk to the health and safety of our communities, shareholders and management. If there is any change in the Meeting location, date or time as a result of COVID-19, the Company will promptly notify shareholders and communicate any changes by way of a news release.

If you cannot be present to vote in person at the Meeting, please complete and sign the enclosed form of proxy and return it in the envelope provided. Reference is made to the accompanying Information Circular for further information regarding completion and use of the proxy and other information pertaining to the Meeting.

DATED at Vancouver, British Columbia, on this 13th day of March, 2023.

BY ORDER OF THE BOARD OF DIRECTORS OF THE COMPANY

"Glenn Collick"

Glenn Collick
President, CFO and a director

Table of Contents

GENERAL PROXY INFORMATION	5
Management Solicitation	5
Appointment of Proxy	6
Revocation of Proxy	7
Voting of Common Shares and Proxies and Exercise of Discretion by Designated Persons	7
ADVICE TO BENEFICIAL SHAREHOLDERS	8
NOTICE AND ACCESS	9
INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON	9
PRINCIPAL SHAREHOLDERS	10
Cautionary Notice Regarding Forward-Looking Statements and Information	11
BUSINESS OF THE MEETING	11
Annual Report and Financial Statements	11
Appointment of Auditors	11
Election of Directors	12
Nominees	12
Bankruptcies and Insolvencies	14
Personal Bankruptcies	15
Penalties and Sanctions	15
Approval of Existing Stock Option Plan	15
Other Matters	16
EXECUTIVE COMPENSATION	17
Compensation Discussion and Analysis	17
Summary Compensation Table	18
Management Agreements	19
Director Compensation	19
Exercise of Compensation Securities	20
Pension Plan Benefits	20
Other Benefits Plan	20
Employment Contracts	20
Termination and Change of Control Benefits	21
Description of the Plan	21
INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS	24
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS	24
STATEMENT OF CORPORATE GOVERNANCE PRACTICES	25
Statement of Corporate Governance	25
Board of Directors	25
Directorships	25
Orientation and Continuing Education	26
Ethical Business Conduct	26
Nomination of Directors	26
Compensation Committee	26
Other Board Committees	27
Assessments	27
AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS	27
Audit Committee's Charter	27
Composition of the Audit Committee	27
Audit Committee Oversight	29
Pre-Approval Policies and Procedures	29
Audit Fees, Audit-Related Fees, Tax Fees, and All Other Fees	29
INTERESTS OF CERTAIN PERSONS or Companies in matters to be acted upon	30
AUDITORS	30
TRANSFER AGENT AND REGISTRAR	30
OTHER BUSINESS	30

OTHER INFORMATION30

APPROVAL BY DIRECTORS30

CERTIFICATE.....30

ISM RESOURCES CORP.

MANAGEMENT INFORMATION CIRCULAR

GENERAL PROXY INFORMATION

Management Solicitation

The solicitation of proxies by management of the Company (“**Management**”) will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation by the directors, officers and employees of the Company. The Company does not reimburse shareholders, nominees or agents for costs incurred in obtaining from their principal’s authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers, and the Company will reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

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

The Company has arranged for intermediaries to forward the Meeting materials to beneficial owners of common shares of the Company (each, a “**common share**”) held of record by those intermediaries. The Company has distributed or made available for distribution, copies of the Notice of the Meeting (the “**Notice**”), this Information Circular and form of proxy (the “**Form of Proxy**”) to clearing agencies, securities dealers, banks and trust companies or their nominees (collectively, the “**Intermediaries**”) for distribution to holders (the “**Beneficial Shareholders**”) of the Company’s common shares held of record by those Intermediaries. Such Intermediaries are required to forward such documents to the Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. The solicitation of proxies from Beneficial Shareholders will be carried out by the Intermediaries or by the Company if the names and addresses of the Beneficial Shareholders are provided by Intermediaries. The Company will pay the permitted fees and costs of the Intermediaries for reasonable fees and disbursements incurred in connection with the distribution of these materials.

There are two kinds of Beneficial Shareholders – those who object to their name being made known to the issuers of securities which they own (called “**OBOs**” for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called “**NOBOs**” for Non-Objecting Beneficial Owners).

National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) permits the Company, in its discretion, to obtain a list of its NOBOs from intermediaries and use such NOBO list for the purpose of distributing the proxy-related materials directly to, and seeking voting instructions directly from, such NOBOs. As a result, the Company is entitled to deliver the proxy-related materials to Beneficial Shareholders in two manners: (a) directly to NOBOs and indirectly through intermediaries to OBOs; or (b) indirectly to all Beneficial Shareholders through intermediaries. In

accordance with the requirements of NI 54-101, the Company is sending the proxy-related materials indirectly to all Beneficial Shareholders through intermediaries. The cost of the delivery of the proxy-related materials by intermediaries to OBOs will not be borne by the Company and OBOs will not receive the proxy-related materials unless the OBO's intermediary assumes the cost of delivery.

These materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

Appointment of Proxy

Registered shareholders are entitled to vote at the Meeting. On a show of hands, every registered shareholder is entitled to one vote for each common share that such registered shareholder holds on the record date of March 10, 2023 (the “**Record Date**”), on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting. The list of registered shareholders is available for inspection during normal business hours at the offices of the Company's registrar and transfer agent, Endeavor Trust Corporation (the “**Transfer Agent**”), and will be available at the Meeting.

The persons named as proxyholders (the “**Designated Persons**”) in the enclosed Form of Proxy are: (1) Glenn Collick, President, CFO and a director of the Company; and (2) Thomas J. Deutsch, counsel for the Company.

A shareholder has the right to appoint a person or company (who need not be a shareholder) to attend and act for or on behalf of that shareholder at the Meeting, other than the designated persons named in the enclosed Form of Proxy.

To exercise the right, the shareholder may do so by striking out the printed names and inserting the name of such other person and, if desired, an alternate to such person, in the blank space provided in the Form of Proxy. Such shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as proxy and should provide instruction to the nominee on how the shareholder's shares should be voted. The nominee should bring personal identification to the Meeting.

In order to vote, the completed Form of Proxy must be received by the Transfer Agent by any of the following methods: by mail: to Suite 702, 777 Hornby Street, Vancouver, B.C., V6Z 1S4; or by fax: (604) 559-8908; or online: www.eproxy.ca not later than 10:00 a.m. (Pacific Time) on April 21, 2023 or at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time and date of any adjournment or postponement of the Meeting. The Company may extend the deadline to accept proxies in its complete and sole discretion.

A proxy may not be valid unless it is dated and signed by the shareholder who is giving it or by that shareholder's attorney-in-fact duly authorized by that shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer or attorney-in-fact for the corporation. If a Form of Proxy is executed by an attorney-in-fact for an individual shareholder or joint shareholders, or by an officer or attorney-in-fact for a corporate shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarially certified copy thereof, must accompany the Form of Proxy.

Revocation of Proxy

A registered shareholder who has given a proxy may revoke it at any time before it is exercised by an instrument in writing: (a) executed by that shareholder or by that shareholder's attorney-in-fact authorized in writing or, where the shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation; and (b) delivered either: (i) to the Company at the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (ii) to the Chair of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either: (i) attendance at the Meeting and participation in a poll (ballot) by a registered shareholder; or (ii) submission of a subsequent proxy in accordance with the foregoing procedures. A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

Voting of Common Shares and Proxies and Exercise of Discretion by Designated Persons

As of the Record Date, the Company had 23,792,934 common shares issued and outstanding. The holders of common shares are entitled to one vote for each common share held. In order to be effective, each ordinary resolution to be submitted to shareholders at the Meeting must be approved by the affirmative vote of at least 50% plus one of the votes cast thereon; and each special resolution must be approved by the affirmative vote of at least 66% of the votes cast thereon.

A shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space. If the instructions as to voting indicated in the proxy are certain, the common shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy. If the shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the common shares represented will be voted or withheld from the vote on that matter accordingly. The common shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for; and if the shareholder specifies a choice with respect to any matter to be acted upon, the common shares will be voted accordingly.

If no choice is specified in the proxy with respect to a matter to be acted upon, the proxy confers discretionary authority with respect to that matter upon the designated persons named in the Form of Proxy. It is intended that the designated persons will vote the common shares represented by the proxy in favour of each matter identified in the proxy and for the nominees of the Board of Directors of the Company (the "Board of Directors") for directors and auditor.

The enclosed Form of Proxy confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, Management of the Company is not aware of any such amendments, variations, or other matters to come before the Meeting.

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

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set out in this section is of significant importance to those shareholders who do not hold shares 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 Company as the registered holders of common shares can be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those common shares will not be registered in the shareholder's name on the records of the Company. Such common shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In the United States, the vast majority of such common shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited which acts as nominee for many Canadian brokerage firms). **Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person well in advance of the Meeting.**

The Company does not have access to the names of Beneficial Shareholders. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the form of proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge") in the United States and in Canada. Broadridge typically prepares a special voting instruction form, mails this form to the Beneficial Shareholders and asks for appropriate instructions regarding the voting of common shares to be voted at the Meeting. Beneficial Shareholders are requested to complete and return the voting instructions to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free number and access Broadridge's dedicated voting website (each as noted on the voting instruction form) to deliver their voting instructions and to vote the common shares held by them. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form as a proxy to vote common shares directly at the Meeting. Rather, such a voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have the common shares voted at the Meeting.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his or her broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their common shares as proxyholder for the registered shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent) well in advance of the Meeting.

Alternatively, a Beneficial Shareholder may request in writing that his or her broker send to the Beneficial Shareholder a legal proxy which would enable the Beneficial Shareholder to attend the Meeting and vote his or her common shares.

All references to shareholders in this Information Circular are to registered shareholders, unless specifically stated otherwise.

NOTICE AND ACCESS

The Company has elected to deliver the materials in respect of the Meeting pursuant to the notice-and-access provisions (the “**Notice-and-Access Provisions**”) concerning the delivery of proxy-related materials to shareholders, found in section 9.1(1) of National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”), in the case of registered shareholders, and section 2.7.1 of NI 54-101, in the case of Beneficial Shareholders. The Notice-and-Access Provisions are a set of rules that reduce the volume of proxy-related materials that must be physically mailed to shareholders by allowing issuers to deliver meeting materials to shareholders electronically by providing shareholders with access to these materials online.

The use of the Notice-and-Access Provisions reduces paper waste and mailing costs to the Company. In order for the Company to utilize the Notice-and-Access Provisions to deliver proxy-related materials by posting this Information Circular (and if applicable, other materials) electronically on a website that is not the SEDAR, the Company must send the Notice of Meeting to shareholders, including Beneficial Shareholders, indicating that the proxy-related materials have been posted and explaining how a shareholder can access them or obtain a paper copy of those materials from the Company.

In accordance with the Notice-and-Access Provisions, the Notice of Meeting and the Form of Proxy or voting information form, as applicable, have been sent to all shareholders informing them that this Information Circular is available online and explaining how this Information Circular may be accessed, in addition to outlining relevant dates and matters to be discussed at the Meeting. This Information Circular has been posted in full under the Company’s SEDAR profile at www.sedar.com and www.ISMresources.com.

The Company will cause Endeavor Trust Corporation to deliver copies of the proxy-related materials to the intermediaries for onward distribution to the NOBOs. The Company does not intend to pay for the intermediaries to deliver to OBOs the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* of NI 54-101. Accordingly, OBOs will not receive copies of the proxy-related materials and related documents unless the OBO or their intermediary assumes the cost of delivery.

Any shareholder who wishes to receive a paper copy of this Information Circular free of charge must contact Endeavor Trust Corporation at: (a) Suite 702, 777 Hornby Street, Vancouver, British Columbia V6Z 1S4; (b) by phone at 604-559-8880; or (c) by emailing a request to proxy@endeavortrust.com. In order to ensure that a paper copy of this Information Circular can be delivered to a requesting shareholder in time for such shareholder to review this Information Circular and return the Form of Proxy or voting information form prior to the deadline to receive proxies, it is strongly suggested that shareholders ensure their request is received no later than April 19, 2023.

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

No director or executive officer of the Company, nor any person who has held such a position since the beginning of the last completed financial year of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest – direct or indirect – by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting, other than with respect to the approval of the Company’s Stock Option Plan, which all directors and officers are entitled to participate and receive options under the Company’s Stock Option Plan.

PRINCIPAL SHAREHOLDERS

To the best knowledge of the directors and officers of the Company, as of March 10, 2023, the only persons or companies who beneficially own, directly or indirectly, equity shares carrying more than 10% of the voting rights attached to all equity shares of the Company, are as follows:

Name and Municipality of Residence	No. of Common Shares Outstanding or Controlled	Percentage of Common Shares ⁽¹⁾
CDS & Co	11,262,290	47.33%

Note:

(1) Based on 23,792,934 common shares issued and outstanding as of March 10, 2023.

The only shares issued and outstanding in the capital of the Company are the common shares which total 23,792,934 as of the Record Date. Of those shares, as of the Record Date, the directors and senior officers (as a group) beneficially own, directly or indirectly, and control 283,488 common shares which represent approximately 1.19% of the issued common shares of the Company.

The directors and senior officers of the Company have no knowledge of any other person who beneficially own, directly or indirectly, voting securities of the Company carrying more than 10% of the voting rights attached to all securities of the Company. However, this information is not reasonably within the power of the directors and senior officers to ascertain or procure for a number of reasons, including the fact that many persons who appear as registered shareholders are in fact not Beneficial Shareholders, and many persons who become beneficial owners of the Company's shares do not register such shares in their name.

CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS AND INFORMATION

This Information Circular, and the documents incorporated by reference herein, may contain “forward-looking information” and “forward-looking statements” within the meaning of applicable Canadian securities legislation. All information contained herein that is not historical in nature may constitute forward-looking information. Often, but not always, forward-looking statements can be identified by the use of words such as “expects”, “anticipates”, “could”, “will”, or variations of such words and phrases.

Forward-looking statements herein include, but are not limited to, the expected date of the Meeting and are based on Management’s current expectations and assumptions that, while considered reasonable by Management, are inherently subject to business, market and economic risks, uncertainties and contingencies which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

For additional information on these risks and uncertainties, see the Company’s most recently filed interim management discussion and analysis (“MD&A”) for the nine months ended October 31, 2022, which is available on the Company’s profile on SEDAR at www.sedar.com; and the Company’s listing statement (prepared in accordance with CSE Form 2A – Listing Statement) (the “**Listing Statement**”), a copy of which has been posted on the Company’s SEDAR and CSE profiles. The risk factors identified in the MD&A and the Listing Statement are not intended to represent a complete list of factors that could affect the Company. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not assume any obligation to update the forward-looking information contained in this Information Circular, unless required by law.

BUSINESS OF THE MEETING

Annual Report and Financial Statements

Pursuant to the *Business Corporations Act* (British Columbia), the directors will place before the shareholders at the Meeting the audited financial statements of the Company for the fiscal year ended January 31, 2022. Shareholder approval is not required in relation to the audited financial statements.

Appointment of Auditors

At the Meeting the shareholders will be asked to vote for the appointment of De Visser Gray LLP, Chartered Professional Accountants, of Vancouver, British Columbia, as the auditor of the Company, to hold office until the close of the next annual meeting of shareholders of the Company, or until its successor is appointed, and to authorize the Board of Directors of the Company to fix the remuneration paid to the auditor. De Visser Gray LLP, Chartered Professional Accountants, has been the auditor of the Company since October 26, 2021.

The text of the resolution which Management intends to place before the Meeting to approve the appointment of the auditor of the Company is as follows:

“**BE IT RESOLVED**, as an ordinary resolution, that:

1. The appointment of De Visser Gray LLP, Chartered Professional Accountants, as the auditor of the Company, to hold office until the earlier of the next annual meeting of shareholders or until their successor is duly appointed pursuant to applicable laws, at

remuneration to be fixed by the Board of Directors of the Company, be and is hereby authorized and approved; and

2. Any director or officer of the Company is hereby authorized, empowered and instructed, acting for, in the name and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise, and to deliver or to cause to be delivered all such other documents and to do or to cause to be done all such other acts and things as in such person's opinion may be necessary or desirable in order to carry out the intent of the foregoing paragraph of these resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or the doing of such act or thing.”.

The persons designated in the enclosed Form of Proxy intend to vote the common shares represented by such Form of Proxy for a resolution re-appointing De Visser Gray LLP, Chartered Professional Accountants, as the auditor of the Company, to hold such office until the close of the next annual meeting of the shareholders of the Company, or until its successor is appointed, and authorizing the Board of Directors of the Company to fix the remuneration of the auditor, unless the shareholder who has given such Form of Proxy has directed that the common shares be withheld from voting in respect of the appointment of the auditor.

Election of Directors

The Articles of the Company provide for a Board of Directors of the Company of no fewer than three directors and no greater than a number as fixed or changed from time to time by majority approval of the shareholders. Management is seeking shareholder approval to set the number of directors of the Company at four for the ensuing year. The resolution setting the number of directors must be passed by a simple majority of the votes cast with respect to the resolution by the shareholders present in person or by proxy at the Meeting.

The persons designated in the enclosed form of proxy (unless instructed otherwise) intend to vote FOR setting the number of directors to be elected at the Meeting at four.

The directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. **Unless the authority to do so is withheld, the persons designated in the enclosed form of proxy intend to vote FOR the election of Messrs. Glenn Collick, Ryan Arthur, Michael Gheyle and Nicholas Houghton as directors of the Company for the ensuing year.**

If, prior to the Meeting, any vacancies occur in the slate of nominees listed below, unless the authority to do so is withheld, it is intended that discretionary authority shall be exercised to vote the common shares represented by the proxies solicited in respect of the Meeting for the election of such other person or persons as directors in accordance with the best judgment of Management. Management is not aware of any such nominees who would be unwilling or unable to serve as a director if elected.

Nominees

Management of the Company proposes to nominate each of the following persons for election as a director. All the proposed nominees' names listed below have consented in writing to serve as directors, if elected. As of March 13, 2023, information concerning such persons as furnished by the individual nominees is as follows:

Name, state/province/country of residence and position	Principal Occupation, Business or Employment for Last Five Years ⁽¹⁾	Director from	Approximate number of Common Shares beneficially owned, directly or indirectly, or controlled or directed ⁽²⁾
Michael Gheyle , Director and Chief Executive Officer <i>British Columbia, Canada</i>	Mr. Gheyle has worked for over 25 years in international capital markets. His experience includes wealth management, derivative trading, corporate finance, institutional sales, mergers and acquisitions, venture capital and private equity. Most recently he has been a director at FBP Capital Corp. until 2019, Vice President of Plutus Bridge Capital until 2021, and CEO and a director of ISM Resources Corp.	11/29/2021	Nil ⁽⁴⁾
Glenn Collick , ⁽³⁾ Director, President and Interim Chief Financial Officer <i>British Columbia, Canada</i>	Mr. Collick brings an extensive 35-year background in executive level management of emerging natural resource and alternative energy companies. During the past six years Mr. Collick has been active in pursuing mineral projects that could meet demands for today's new evolving markets including lithium, graphite and rare earth elements.	10/26/2021	143,938 ⁽⁵⁾
Ryan Arthur , ⁽³⁾ Director <i>British Columbia, Canada</i>	Mr. Arthur is currently the president of CR7 Investments Inc., which actively identifies promising mining and technology projects for purpose of investment, and technical and strategic partnership to ensure the growth and success of these projects. His professional experience spans various industries including retail, mining, Industrial, and Technology. Mr. Arthur has assisted in financing several public companies and brings a pleather of knowledge in the capital markets. He has acted as a director of Nova Lithium Corp. and ISM Resources Corp. since 2021.	11/29/2021	89,550 ⁽⁶⁾
Nicholas Houghton , ⁽³⁾ Director <i>British Columbia, Canada</i>	Mr. Houghton has primarily acted as a consultant for his company Cadiam Investments Ltd. while also serving on the boards of several publicly traded companies.	05/24/2022	50,000 ⁽⁷⁾

Notes:

- (1) The information as to principal occupation, business or employment and common shares beneficially owned or controlled is not within the knowledge of the Management of the Company and has been furnished by the respective nominees. Unless otherwise indicated, each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years. The number of common shares beneficially owned by the above nominees for directors, directly or indirectly, is based on information furnished by the nominees themselves.
- (2) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised as March 13, 2023 is based on information furnished to the Company by individual directors or as indicated on www.sedi.ca.
- (3) Audit Committee Member.
- (4) Mr. Gheyle holds 150,000 stock options exercisable at \$0.20 per share until September 23, 2025.
- (5) Mr. Collick holds 31,250 stock options exercisable at \$0.35 per share until April 30, 2026, 37,500 stock options exercisable at \$0.35 per share until February 9, 2027, and 150,000 stock options exercisable at \$0.20 per share until September 23, 2025. He also holds 75,000 warrants. Each warrant is exercisable for one share of the Company at \$0.40 per share until September 23, 2024.
- (6) Mr. Arthur holds 50,000 stock options exercisable at \$0.20 per share until September 23, 2025. He also holds 89,300 warrants. Each warrant is exercisable for one share of the Company at \$0.20 per share until March 7, 2025. Mr. Houghton holds 50,000 common shares indirectly in his company, Cadiam Investments Ltd. He also holds
- (7) 50,000 stock options exercisable at \$0.20 per share until September 23, 2025. Mr. Houghton's company, Cadiam Investments Ltd., also holds 50,000 warrants. Each warrant is exercisable for one share of the Company at \$0.20 per share until March 7, 2025.

None of the proposed directors of the Company is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and officers of the Company acting solely in such capacity.

Cease Trade Orders and Sanctions

To our knowledge no director or executive officer of the Company is as at the date of this Information Circular, or was within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company that:

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

Bankruptcies and Insolvencies

Nicholas Houghton, a director of the Company, was the President, CEO and a director of True North Gems Inc., a TSX-V listed company, when its operating subsidiary, True North Gems Greenland A/S ("TNGG"), a company incorporated under the laws of Greenland, initiated voluntary bankruptcy proceedings under the *Bankruptcy Act* (Greenland) in September 2016. The court appointed two trustees who assumed all accounting and administrative duties of TNGG. In September 2018, the trustees distributed the remaining assets of TNGG to its creditors.

Other than as described above, to our knowledge no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, is, or has been within 10 years before the date of this Information Circular, 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, become 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.

Personal Bankruptcies

Other than as disclosed below, no director or officer of the Company, or a shareholder holding sufficient securities of the Company to affect materially the control of the Company, or a personal holding company of any such persons has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer.

In 2013, Glenn Collick, the President, Interim CFO and a director of the Company, made a proposal to creditors under the *Bankruptcy and Insolvency Act* (Canada) that was accepted by all the creditors including the largest creditor, the Canada Revenue Agency (the “CRA”). There were two separate payment arrangements under this proposal; one that applied to all creditors (except the CRA) and required Mr. Collick to pay the bankruptcy trustee; and another that applied to the CRA and required Mr. Collick to pay the CRA directly. Mr. Collick fully performed his obligations under the first arrangement; however, he defaulted under the second arrangement with the CRA since the payment schedule was too onerous. As a result of the default, the bankruptcy trustee applied to the courts for a discharge and an order of trustee discharge was granted on March 23, 2017. The result is that Mr. Collick has not been fully discharged as bankrupt, and that the CRA as his sole remaining creditor is able to pursue him to collect the outstanding debt. Mr. Collick is continuing to work with the CRA to resolve this matter.

Penalties and Sanctions

To the best of the Company’s knowledge, no proposed director has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Approval of Existing Stock Option Plan

At the Meeting, shareholders will be asked to consider and, if thought advisable, pass an ordinary resolution approving the Company’s Stock Option Plan.

On July 5, 2022, the Board of Directors approved a new rolling 10% equity incentive plan dated for reference July 5, 2022 (the “Plan”). At the Record Date under the Plan, the maximum number of common shares that may be issued upon exercise of stock options is 2,379,293, and, as of the date of this Information Circular, there were 718,750 stock options issued under the Plan.

The Board of Directors periodically reviews (such review to be performed at least annually) the status of the Company's equity incentive plans and is responsible for setting and amending any equity incentive plans and individual grants, such as stock option grants, under any equity incentive plan. When considering new stock option grants to directors, officers and consultants, the Board of Directors takes into consideration previous grants made as well as the number of shares reserved for issuance under the Plan.

The Plan is described in more detail under the section titled "Securities Authorized for Issuance Under Equity Compensation Plans - Description of Plan" in this Information Circular.

At the Meeting, shareholders of the Company will be asked to reapprove the continuation of the Plan resolution (the "**Plan Resolution**") by ordinary resolution as follows:

"BE IT RESOLVED, as an ordinary resolution, that:

1. The Company's existing 10% rolling stock option plan (the "**Plan**") be and is hereby reconfirmed and approved, subject to acceptance by the Canadian Securities Exchange, if required;
2. The number of common shares of the Company that may be reserved for issuance pursuant to the Plan shall not exceed 10% of the Company's issued and outstanding common shares at the time a stock option is granted;
3. To the extent permitted by law, the Company be and is hereby authorized to terminate or abandon all or any part of the Plan if the Board of Directors deems it appropriate and in the best interests of the Company to do so; and
4. Anyone or more of the directors or officers of the Company be authorized to perform all such acts deeds and things and execute under corporate seal of the Company or otherwise, all such documents as may be required to give effect to this resolution."

To pass the Plan Resolution a simple majority of the votes in favor must be cast, in person or by proxy, on the resolution at the Meeting.

Proxies received in favor of Management will be voted in favor of the Plan Resolution unless the shareholder has specified in proxy that his or her common shares are to be voted against such resolution or withheld.

The Board of Directors and Management of the Company recommends shareholders vote in favor of the Plan.

Other Matters

It is not the intention of the Management of the Company to bring any other matters before the Meeting other than those matters referred to in this Information Circular. If any other business properly comes before the Meeting, it is the intention of the persons named in the form of proxy to vote the common shares represented thereby in accordance with their best judgment on such matter.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Board of Directors is responsible for determining, by way of discussions at Board of Directors' meetings, the compensation to be paid to the directors and executive officers of the Company. The Company does not currently have a formal compensation program in place with specific performance goals or similar conditions; however, the performance of each executive officer is considered along with the Company's ability to pay compensation and its results of operation for the period. The Company does not use any benchmarking in determining compensation or any element of compensation.

The Company's compensation program for all of its employees, including its named executive officers, consists of long-term incentive compensation comprised of share options and base salaries. This program is designed to achieve the following key objectives:

- (a) support the Company's overall business strategy and objectives;
- (b) provide market competitive compensation that is substantially performance-based;
- (c) provide incentives that encourage superior corporate performance and retention of highly skilled and talented employees; and
- (d) align executive compensation with corporate performance and therefore shareholders' interests.

The value of this program is used as a basis for assessing the overall competitiveness of the Company's compensation package. The fixed element of compensation provides a competitive base of secure compensation required to attract and retain executive talent. The variable performance-based, or "at risk" compensation, is designed to encourage both short-term and long-term performance by employees of the Company.

The decision to grant options is made by the Board of Directors as a whole, and neither total compensation nor any significant element thereof is tied to specific performance criteria or goals.

Analysis of Elements

Base salary is used to provide the Company's Named Executive Officers (as defined herein, and each, an "NEO") a set amount of money during the year with the expectation that each NEO will perform his responsibilities to the best of his ability and in the best interests of the Company.

The Company considers the granting of incentive stock options to be a significant component of executive compensation as it allows the Company to reward each NEO's efforts to increase value for shareholders without requiring the Company to use cash from its treasury. Stock options are generally awarded to executive officers at the commencement of employment and periodically thereafter.

The terms and conditions of the Company's stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Company's Plan.

Long Term Compensation and Option-Based Awards

The Company has no long-term incentive plans other than its Plan. The Company's directors and officers and certain consultants are entitled to participate in the Plan. The Plan is designed to encourage share ownership and entrepreneurship on the part of the senior management and other employees. The Board of Directors believes that the Plan aligns the interests of the NEOs and the Board of Directors with shareholders by linking a component of executive compensation to the longer-term performance of the Company's common shares.

Stock options are granted by the Board of Directors. In monitoring or adjusting the stock option allotments, the Board of Directors takes into account its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value, previous stock option grants and the objectives set for the NEOs and the Board of Directors. The scale of stock options is generally commensurate to the appropriate level of base compensation for each level of responsibility.

In addition to determining the number of stock options to be granted pursuant to the methodology outlined above, the Board of Directors also makes the following determinations:

- parties who are entitled to participate in the Plan;
- the exercise price of stock options granted under the Plan will be set by the Board of Directors in its sole discretion, provided that such price shall not be less than the greater of the closing market price of the underlying securities on (i) the trading day prior to the date of grant, and (ii) the date of grant of the stock option;
- the date on which each stock option is granted;
- the vesting period, if any, for each stock option;
- the other material terms and conditions of each stock option grant; and
- any re-pricing or amendment to a stock option grant.

The Board of Directors makes these determinations subject to and in accordance with the provisions of the Plan. The Board of Directors reviews and approves grants of stock options on an annual basis and periodically during a financial year.

Summary Compensation Table

The following table summarizes the compensation paid over the last three fiscal years to each NEO of the Company; which is defined as:

- (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer (“**CEO**”);
- (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer (“**CFO**”);

- (c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5), for that financial year; and
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year.

Table of compensation excluding compensation securities ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾

Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compen- sation (\$)	Total compen- sation (\$)
Glenn Collick, President and a director ⁽⁵⁾	2022	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) The value of perquisites including property or other personal benefits provided to an NEO that are generally available to all employees and that, in the aggregate, are worth less than \$50,000 or are worth less than 10% of an NEO's total salary for the financial year are not reported herein.
- (2) "Share-based Awards" means an award under an equity incentive plan of equity-based instruments that do not have stock option-like features including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units and common share equivalent units and stock.
- (3) "Option-based Awards" means an award under an equity incentive plan of stock options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features.
- (4) "Non-equity Incentive Plan Compensation" includes all compensation under an incentive plan or portion of an incentive plan that is not an equity incentive plan.
- (5) Glenn Collick has served as President and a director of the Company from October 26, 2021 to present. On March 7, 2023 he was appointed as CFO to replace Graeme Wright.

Management Agreements

There are no arrangements under which NEOs were compensated by the Company and its subsidiaries during the most recently completed financial year for their services in their capacity as NEOs or consultants.

Director Compensation

There are no arrangements under which directors were compensated by the Company and its subsidiaries during the most recently completed financial year for their services in their capacity as directors or consultants.

The following table sets out compensation provided to the directors of the Company as at the fiscal year ended January 31, 2022 excluding a director who is already set out in the disclosure for NEOs for the Company.

Name	Year	Fees earned \$	Share- based awards \$	Option based awards \$	Non- equity incentive plan compen- sation (\$)	Pension value (\$)	All other compen- sation (\$)	Total (\$)
Michael Gheyle ⁽¹⁾	2022	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Ryan Arthur ⁽²⁾	2022	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Nicholas Houghton ⁽³⁾	2022	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Graeme Wright ⁽⁴⁾	2022	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Michael Gheyle has served as a director of the Company from October 26, 2021 to present. He has also served as CEO from May 24, 2022 to present.
- (2) Ryan Arthur has served as a director of the Company from November 29, 2021 to present.
- (3) Nicholas Houghton has served as a director of the Company from December 20, 2021 to present.
- (4) Graeme Wright served as a director of the Company from November 29, 2021 to March 7, 2023.

Stock Options and Other Compensation Securities and Instruments

There were no compensation securities granted or issued to any director or NEO by the Company or one of its subsidiaries in the most recently completed financial year (January 31, 2022) for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries.

Exercise of Compensation Securities

No stock options or other compensation securities were exercised by a director or named executive officer during the year ended January 31, 2022.

Pension Plan Benefits

The Company does not have a pension plan, nor does it provide any benefits following or in connection with retirement.

Other Benefits Plan

The Company offers no benefit plan specific to its executive officers. All employees of the Company are covered under similar terms and conditions, in accordance with generally accepted market practice.

Employment Contracts

The Company has no formal employment or consulting agreements with any other of its NEOs which provide for termination or change of control benefits.

Termination and Change of Control Benefits

The Company does not have any contracts, agreements, plans, or arrangements that provide for payment to an NEO at, following, or in connection with any termination, resignation, or retirement, a change in control of the Company or a change in an NEO's responsibility.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Currently, the Company's only equity incentive plan is the Plan. The Plan was approved by the Board of Directors of the Company on July 5, 2022.

The following table sets forth details of all compensation plans under which equity securities of the Company were authorized for issuance, as of the end of the Company's most recently completed financial year:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans [excluding securities reflected in column (a)] ⁽¹⁾
Equity compensation plans approved by security holders	Nil	Nil	200,100
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	Nil	Nil	200,100

Note:

- (1) As of the date of this Information Circular the Company has 23,792,934 common shares issued, meaning that the maximum number of stock options which can be granted by the Company is 2,379,293, of which the Company has granted 718,750 stock options leaving 1,660,543 available for issue under its Plan.

Description of the Plan

Under the Plan the Board of Directors may, at their discretion, grant stock options to participants. The purpose of the Plan is to provide compensation opportunities to participants which align their interests and those of shareholders and which assists in attracting and retaining individuals of who can assist the Company in its business.

A summary of the key terms of the Plan is set out below, which is qualified in its entirety by the full text of the Plan. A copy of the Plan will be available at the Meeting and on request from the Company.

Administration of the Plan

The Plan shall be administered by the Board of Directors. Subject to the terms and conditions of the Plan, the Board of Directors is authorized to provide for the granting, exercise and method of exercise of Options (as hereinafter defined), all on such terms (which may vary between Options granted from time to time) as it shall determine. In addition, the Board of Directors shall have the authority to: (i) construe and interpret this Plan and all Option agreements entered into hereunder; (ii) prescribe, amend and rescind rules and regulations relating to the Plan; and (iii) make all other determinations necessary or advisable for the administration of this Plan. All determinations and interpretations made by the Board of Directors shall be binding on all Optionees (as defined in the Plan) and on their legal personal representatives, beneficiaries and successors, subject to such shareholder approval as may be required by any stock exchange on which the common shares are listed.

The Board of Directors shall have the right to delegate the administration and operation of this Plan, in whole or in part, to a committee of the Board of Directors. Whenever used herein, the term “Board of Directors” shall be deemed to include any committee or officer to which the Board of Directors has, fully or partially, delegated responsibility and/or authority relating to this Plan or the administration and operation of the Plan pursuant to this Section 3 of the Plan.

Eligibility

All directors, employees, consultants, and members of any advisory board are eligible to participate in the Plan. The extent to which any such individual is entitled to receive a grant of an award pursuant to the Plan will be determined in the sole and absolute discretion of the Board of Directors.

Shares Subject to the Plan

The Plan is a rolling plan which, the aggregate number of common shares reserved for issuance under the Plan shall be equal to 10% of the aggregate common shares issued and outstanding from time to time (calculated on a non-diluted basis), such number being 718,750 as at the date of this Information Circular.

Exercise Price

The Board of Directors shall, at the time an Option is granted under this Plan, fix the exercise price at which common shares may be acquired upon the exercise of such Option provided that such exercise price shall not be less than that from time to time permitted under the rules of any stock exchange on which the common shares are listed

Number of Optioned Common Shares

The Plan also provides that the aggregate number of common shares reserved for issuance under this Plan, together with any other security based compensation arrangement of the Company, shall not, at the time of grant, exceed 10% of the aggregate number of common shares issued and outstanding from time to time (calculated on a non-diluted basis) unless the Company receives the permission of any stock exchange on which the common shares are listed to exceed such threshold.

Furthermore, the Plan provides that (a) Options may not be granted to any one Optionee entitling that Optionee to acquire more than 5% of the issued and outstanding common shares in any 12-month period (unless the Company has obtained disinterested shareholder approval for such grant); (b) Options may not be granted to any one consultant entitling that consultant to acquire more than 2% of the issued and

outstanding common shares in any 12-month period; (c) Options may not be granted to any one person conducting investor relations activities entitling that person to acquire more than an aggregate of 2% of the issued and outstanding common shares persons in any 12-month period and (d) the Company obtains disinterested shareholder approval where, together with all of the Company's previously established and outstanding stock option plans or grants: (i) the number of common shares reserved for issuance under stock options granted to insiders exceeds 10% of the issued and outstanding common shares; (ii) the grant to insiders, within any 12-month period, of Options entitling those insiders to acquire more than 10% of the issued and outstanding common shares; or (iii) the grant to any one Optionee, within a 12-month period, of Options entitling that Optionee to acquire more than 5% of the issued and outstanding common shares

Term

While the Plan does not stipulate a specific term for awards granted thereunder, as discussed below, awards may not expire beyond five years from its date of grant, except where shareholder approval is received or where an expiry date would have fallen within a blackout period of the Company.

All awards must vest and settle in accordance with the provisions of the Plan and any applicable award agreement, which award agreement may include an expiry date for a specific award.

Black-out Periods

In the event an award expires, at a time when a scheduled blackout is in place, the expiry of such award will be the date that is seven business days after which such scheduled blackout terminates.

Termination of Employment or Services

Subject to any written agreement between the Company and an Optionee providing otherwise, if any Optionee ceases to hold the position or positions of director, officer, employee or consultant of the Company or any of its subsidiaries or affiliates for any reason other than death or permanent disability of the Optionee, the Option granted to the Optionee will terminate at 5:00 p.m. (Vancouver time) on the earlier of the date of the expiration of the Option Period (as defined in the Plan) and 60 days after the date such Optionee ceases to hold the position or positions of director, officer, employee or consultant or, as the case may be, ceases to actively perform services for the Company. An Option granted to an Optionee who performs investor relations activities on behalf of the Company shall terminate on the date of termination of the employment or cessation of services being provided and shall be subject to any exchange policies and procedures for the termination of Options for investor relations activities. For greater certainty, the termination of any Option held by the Optionee, and the period during which the Optionee may exercise any Option, shall be without regard to any notice period arising from the Optionee's ceasing to hold the position or positions of director, officer, employee or consultant of the Company or any of its subsidiaries or affiliates.

In the event of the death or permanent disability of an Optionee, any Option previously granted to the Optionee shall be exercisable until the end of the Option Period or until the expiration of 12 months after the date of death or permanent disability of such Optionee, whichever is earlier, and then only: (a) by the person or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or applicable law; and (b) to the extent that the Optionee was entitled to exercise the Option as at the date of the Optionee's death or permanent disability.

Change in Control

The Board shall have the power, in the event of a Change of Control (as defined in the Plan) to make such arrangements as it shall deem appropriate for the exercise of outstanding Options or continuance of outstanding Options, including to accelerate and amend any stock option agreement to permit the exercise of any or all of the remaining Options prior to the completion of any such transaction. If the Board of Directors shall exercise such power, the Option shall be deemed to have been amended to permit the exercise thereof in whole or in part by the Optionee at any time or from time to time as determined by the Board of Directors prior to the completion of such transaction.

Non-Transferability of Awards

All benefits, rights and Options accruing to any Optionee in accordance with the terms and conditions of this Plan shall be non-transferable and non-assignable unless specifically provided therein. During the lifetime of an Optionee, any Options granted hereunder may only be exercised by the Optionee and in the event of the death or permanent disability of an Optionee, by the person or persons to whom the Optionee's rights under the Option pass by the Optionee's will or applicable law.

Amendments to the Plan

The Board of Directors may amend or terminate this Plan or any outstanding Option granted thereunder at any time without the approval of the shareholders of the Company or any Optionee whose Option is amended or terminated, in order to conform this Plan or such Option, as the case may be, to applicable law or regulation or the requirements of any stock exchange on which the common shares are listed or any relevant regulatory authority, whether or not such amendment or termination would affect any accrued rights, subject to the approval of any stock exchange on which the common shares are listed or such regulatory authority.

The Board of Directors may amend or terminate the Plan or any outstanding Option granted thereunder for any reason, other than the reasons set forth in Section 19(a) of the Plan, subject to the approval of any stock exchange on which the common shares are listed or any relevant regulatory authority and the approval of the shareholders of the Company if required by any stock exchange on which the common shares are listed or such regulatory authority. No such amendment or termination will, without the consent of an Optionee, alter or impair any rights which have accrued to such Optionee prior to the effective date thereof.

This Plan, and any amendments thereto, shall be subject to acceptance and approval by any stock exchange on which the common shares are listed. Any Options granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless and until such approval and acceptance are given.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

During the last completed fiscal year, no director, executive officer, senior officer, or nominee for director of the Company or any of their associates has been indebted to the Company, nor has any of these individuals been indebted to another entity whose indebtedness is the subject of a guarantee, support in agreement, letter of credit, or other similar arrangement or understanding provided by the Company.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of Management of the Company, no informed person or nominee for election as a director of the Company, or any associate or affiliate of an informed person or proposed director, has or had any

material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or will materially affect the Company other than as set out herein. We define an "informed person" as a director or executive officer of the Company, or any person or corporation who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company, other than voting securities held by the person or corporation as underwriter in the course of a distribution.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Statement of Corporate Governance

National Instrument 58-101 - *Disclosure of Corporate Governance Practices*, requires all companies to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the "**Guidelines**") adopted in National Policy 58-201. These Guidelines are not prescriptive but have been used by the Company in adopting its corporate governance practices. The Company's approach to corporate governance is set out below.

Board of Directors

As of March 13, 2023, the Company's Board consists of four directors: Glenn Collick, Michael Gheyle, Ryan Arthur and Nicholas Houghton.

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

The Guidelines suggest that the board of directors of every listed corporation should be constituted with a majority of individuals who qualify as "independent" directors under section 1.4 of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). A director is independent if the individual has no direct or indirect material relationship with the Company which could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of a director's independent judgment whether on the Board or a committee of the Board of Directors. Notwithstanding the foregoing, an individual who is, or has been, within the last three years, an employee or executive officer of the Company is considered to have a material relationship with the Company.

Ryan Arthur and Nicholas Houghton are not officers or employees of the Company or of affiliates of the Company and are, thus, independent. Glenn Collick is the President and CFO of the Company and, therefore, is not independent. Michael Gheyle is the Chief Executive Officer of the Company and, therefore, is not independent.

Directorships

The following table sets out the directors, individuals nominated for election as directors, and officers of the Company that are, or have been, within the last six years, directors or officers of other issuers that are or were reporting issuers in a Canadian jurisdiction:

Name of Director, Officer or Promoter	Name of Reporting Issuer	Name of Exchange or Market	Position	Term
Glenn Collick	Ameriwest Lithium Inc.	CSE	Director and COO	2017 to Present
	Nova Lithium Corp.	CSE	Director and CEO	2021 to Present
Ryan Arthur	Nova Lithium Corp.	CSE	Director	2021 to Present
Nicholas Houghton	West Mining Corporation	CSE	CEO and President	2021 to 2022
	Shepard Ventures Inc.	TSX-V	Director	2018 to Present
	KEON Capital Inc.	TSX-V	Director	2023 to Present

Orientation and Continuing Education

The Board of Directors briefs all new directors with respect to the policies of the Board of Directors and other relevant corporate and business information. The Board of Directors does not provide any continuing education but does encourage directors to individually and as a group keep themselves informed on changing corporate governance and legal issues. Directors are individually responsible for updating their skills required to meet their obligations as directors. In addition, the Board of Directors undertakes strategic planning sessions with management.

Ethical Business Conduct

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

Nomination of Directors

The Board of Directors is responsible for identifying individuals qualified to become new Board of Directors' members and recommending to the Board of Directors new director nominees for the next annual meeting of shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the required time, show support for the Company's mission and strategic objectives and a willingness to serve.

Compensation Committee

The Board of Directors conducts reviews with regard to the compensation of the directors, the CEO and the CFO once a year. To make its recommendations on such compensation, the Board of Directors informally takes into account the types of compensation and the amounts paid to directors and officers of comparable publicly traded Canadian companies. There is no specific peer group that the Board of Directors reviews in determining compensation.

Other Board Committees

The Company does not have any standing committees other than the Audit Committee at this time. For details on the Audit Committee please refer to the “Audit Committee” section herein.

Assessments

The Board of Directors regularly monitors the adequacy of information given to directors, communications between the Board of Directors and Management and the strategic direction and processes of the Board of Directors and its committees. The Board of Directors is currently responsible for assessing its own effectiveness, the effectiveness of individual directors and the effectiveness of the Audit Committee.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS

Pursuant to section 223 of the *Business Corporations Act* (British Columbia), the Company is required to have an audit committee (the “**Audit Committee**”). NI 52-110 requires the Company, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor.

The general function of the Audit Committee is to review all financial statements, the overall audit plan, the Company’s system of internal controls, the results of the external audit and to resolve any potential dispute with the Company’s auditor.

Audit Committee’s Charter

On July 5, 2022, the Company adopted an Audit Committee Charter, the text of which is included as Schedule “A” to this Information Circular.

Composition of the Audit Committee

The following table sets out the members of the Company’s Audit Committee and indicates whether they are “independent” and “financially literate” within the meaning of NI 52-110.

Name of Member	Independent ⁽¹⁾⁽²⁾	Financially Literate ⁽³⁾
Ryan Arthur	Independent	Financially Literate
Nicholas Houghton ⁽⁴⁾	Independent	Financially Literate
Glenn Collick	Not Independent	Financially Literate

Notes:

- (1) A member of the audit committee is independent if he or she has no direct or indirect ‘material relationship’ with the Company. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member’s independent judgment. An executive officer of the Company such as the President or Secretary is deemed to have a material relationship with the Company.
- (2) Despite note (1) above, the following individuals are considered to have a material relationship with the Company:
 - (a) an individual who is, or has been within the last three years, an employee or executive officer of the Company;
 - (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the Company;
 - (c) an individual who:
 - i. is a partner of a firm that is the Company’s internal or external auditor,
 - ii. is an employee of that firm, or
 - iii. was within the last three years a partner or employee of that firm and personally worked on the Company’s audit within that time;

- (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
 - i. is a partner of a firm that is the Company's internal or external auditor,
 - ii. is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
 - iii. was within the last three years a partner or employee of that firm and personally worked on the Company's audit within that time;
 - (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the Company's current executive officers serves or served at that same time on the entity's compensation committee; and
 - (f) an individual who received, or whose immediate family member who is employed as an executive officer of the Company received, more than \$75,000 in direct compensation from the Company during any 12-month period within the last three years.
- (3) A member of the audit committee is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.
- (4) Chair of Audit Committee.

The Company is relying on the exemption provided under Section 6.1 of National Instrument 52-110 for venture issuers which exempts venture issuers from the requirements of Part 3 (Audit Committee Composition) and Part 5 (Reporting Obligations) of National Instrument 52-110. Part 5 requires that if Management of an issuer solicits proxies from the shareholders for the purpose of electing directors, the issuer must include a cross-reference to the issuer's Annual Information Form that contains additional information about the qualifications of its directors. The Company has not filed an Annual Information Form.

Relevant Audit Committee Member Education and Experience

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

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

Glenn Collick has gained an understanding of internal controls and procedures for financial reporting from his experience as an Executive Director of companies over the last 30 years, including Government quarterly reporting on grants and direct involvement with accountants who prepare those companies' quarterly and year end financials.

Ryan Arthur has been President of CR7 Investments Inc. since 2021 and grown its investment portfolio from \$1M to over \$5M. In his role as a director at Nova Lithium Corp., Mr. Arthur oversees all financial decisions. Mr. Arthur has assisted in financing several public companies, as well as assisting private and public companies reach their objectives and goals.

Nicholas Houghton has worked for many years in the Luxury Retail and Capital markets. UK educated, Nicholas Houghton has extensive experience in recognizing, delineating and financing business opportunities either through funding or mergers and acquisitions. Mr. Houghton has served on many varying Private and Public Company Boards (True North Gems TSX-V TGX. Less Mess Storage TSX-V LMS. Ironwood Capital Corporation TSX-V IRN) as Director, Vice President, President, CEO and Chairman. His understanding of the importance of executive, corporate and team structure allows for maximization of the Company's potential.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year did the Board of Directors fail to adopt a recommendation of the Audit Committee to nominate or compensate an auditor.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Audit Committee Charter under the heading "Audit Fees, Audit-Related Fees, Tax Fees, and All Other Fees".

Audit Fees, Audit-Related Fees, Tax Fees, and All Other Fees

In the following table, "audit fees" are billed by the Company's external auditors for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditors for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements. "Tax fees" are fees billed by the auditors for professional services rendered for tax compliance, tax advice, and tax planning. "All other fees" are fees billed by the auditors for products and services not included in the foregoing categories.

The fees paid by the Company to its auditor in each of the last three fiscal years, by category, are as follows:

Financial Year Ended	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
January 31, 2022	\$6,971	Nil	Nil	Nil

Notes:

- (1) "**Audit Fees**" include fees necessary to perform the annual audit and quarterly reviews of the Company's financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "**Audit-Related Fees**" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "**Tax Fees**" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "**All Other Fees**" include all other non-audit services.

At no time since the commencement of the Company's most recently completed financial year has the Company 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. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

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

Other than as described elsewhere in this Information Circular, none of the directors or executive officers of the Company or any of the persons who have been directors or executive officers of the Company at any time since the beginning of the Company's last financial year, no proposed nominee for election as a director of the Company, and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise in any matter to be acted upon at the Meeting.

AUDITORS

The auditor for the Company is De Visser Gray, LLP, Chartered Accountants, of 401 – 905 West Pender Street, Vancouver, B.C., V6C 1L6.

TRANSFER AGENT AND REGISTRAR

The Transfer Agent and registrar of the common shares of the Company is Endeavor Trust Corporation, of Suite 702, 777 Hornby Street, Vancouver, B.C., V6Z 1S4.

OTHER BUSINESS

As of the date of this Information Circular, the Board of Directors does not know of any other matters to be brought to the Meeting other than those set forth in the Notice of Meeting. If other matters are properly brought before the Meeting, the persons named in the enclosed proxy will vote the proxy on such matters in accordance with their best judgment.

OTHER INFORMATION

Any security holder may obtain copies of the Notice of Meeting, Information Circular and Form of Proxy in the English language which are available at no cost at the Company's operational office located at 306 – 1110 Hamilton Street, Vancouver, B.C., V6B 2S2 and on www.sedar.com.

Financial information is provided in the Company's comparative annual financial statements and MD&A for its most recently completed financial year.

APPROVAL BY DIRECTORS

The contents and sending of this Information Circular have been approved by the Board of Directors of the Company.

CERTIFICATE

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

DATED at Vancouver, British Columbia, on this 13th day of March, 2023.

BY ORDER OF THE BOARD OF DIRECTORS OF THE COMPANY

“Glenn Collick”

Glenn Collick
President, CFO and a director

SCHEDULE “A”

ISM RESOURCES CORP. **AUDIT COMMITTEE CHARTER**

1. MANDATE

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

- (a) The quality and integrity of the Company’s financial statements and other financial information;
- (b) The compliance of such statements and information with legal and regulatory requirements;
- (c) The qualifications and independence of the Company’s independent external auditor (the “**Auditor**”); and
- (d) The performance of the Company’s internal accounting procedures and Auditor.

2. STRUCTURE AND OPERATIONS

2.1 Composition

The Committee shall be comprised of three or more members.

2.2 Qualifications

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

2.3 Appointment and Removal

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

2.4 Chair

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

2.5 Meetings

The Committee shall meet as frequently as circumstances dictate. The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the

Company's annual financial statements and, if the Committee feels it is necessary or appropriate, at every other meeting. Upon request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board or the shareholders of the Company.

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

As part of its goal to foster open communication, the Committee may periodically meet separately with management and/or the Auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and management annually to review the Company's financial statements in a manner consistent with Section 3 of this Charter.

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

3. DUTIES

3.1 Introduction

The following functions shall be the common recurring duties of the Committee in carrying out its purposes outlined in Section 1 of this Charter. These duties should serve as a guide with the understanding that the Committee may fulfill additional duties and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section 1 of this Charter. The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern which the Committee in its sole discretion deems appropriate for study or investigation by the Committee. The Committee shall be given full access to the Company's internal accounting staff, managers, other staff and Auditor as necessary to carry out these duties. While acting within the scope of its stated purpose, the Committee shall have all the authority of, but shall remain subject to, the Board.

3.2 Powers and Responsibilities

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

Independence of Auditor

- (a) Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor and, if necessary, obtain a formal written statement from the Auditor setting forth all relationships between the Auditor and the Company.
- (b) Take, or recommend that the Board take, appropriate action to oversee the independence of the Auditor.
- (c) Require the Auditor to report directly to the Committee.

- (d) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditor of the Company.

Performance & Completion by Auditor of its Work

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

Internal Financial Controls & Operations of the Company

Establish procedures for:

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

Preparation of Financial Statements

- (a) Discuss with management and the Auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.
- (b) Discuss with management and the Auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies.
- (c) Discuss with management and the Auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
- (d) Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.

- (e) Discuss with the Auditor the matters required to be discussed relating to the conduct of any audit, in particular:
 - (i) the adoption of, or changes to, the Company's significant auditing and accounting principles and practices as suggested by the Auditor, internal auditor or management;
 - (ii) the management inquiry letter provided by the Auditor and the Company's response to that letter; and
 - (iii) any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

Public Disclosure by the Company

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

MANNER OF CARRYING OUT ITS MANDATE

- (a) Consult, to the extent it deems necessary or appropriate, with the Auditor, but without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (b) Request any officer or employee of the Company or the Company's outside counsel or Auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.
- (c) Meet, to the extent it deems necessary or appropriate, with management, any internal auditor and the Auditor in separate executive sessions.
- (d) Have the authority, to the extent it deems necessary or appropriate, to retain special independent legal, accounting or other consultants to advise the Committee advisors.
- (e) Make regular reports to the Board.

- (f) Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
- (g) Annually review the Committee's own performance.
- (h) Provide an open avenue of communication among the Auditor, the Company's financial and senior management and the Board.
- (i) Not delegate these responsibilities.

3.3 Limitation of Audit Committee's Role

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