



**NOTICE OF ANNUAL AND SPECIAL MEETING  
MANAGEMENT INFORMATION CIRCULAR**

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FOR THE

**ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

TO BE HELD

**FRIDAY, JUNE 2, 2023  
10:00 A.M. (PACIFIC)  
SUITE 1305, 1090 WEST GEORGIA STREET  
VANCOUVER, BRITISH COLUMBIA**

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**COVID-19 GUIDELINE**

In the context of the effort to mitigate potential risk to the health and safety associated with COVID-19, shareholders are encouraged to vote on the matters in advance of the Meeting by submitting completed form of proxies (or voting instruction form) prior to the Meeting by one of the means described in this Information Circular and not to attend the Meeting in person. **Shareholders wishing to attend the Meeting in person must call the Corporate Secretary of the Company at 1.604.685.9316 at least 48 hours prior to the date of the Meeting for further instructions.**

## KINGSMEN RESOURCES LTD.

#1305 - 1090 West Georgia Street  
Vancouver, BC, V6E 3V7

### NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that the annual and special meeting (the "**Meeting**") of the shareholders (the "**Shareholders**") of Kingsmen Resources Ltd. (hereinafter called the "**Company**") will be held at Suite 1305, 1090 West Georgia Street, Vancouver, British Columbia, on Friday, the 2<sup>nd</sup> day of June, 2023, at 10:00 AM (Pacific), for the following purposes:

1. To receive the audited consolidated financial statements of the Company for the fiscal year ended December 31, 2022, together with the report of the auditor therein;
2. To fix the number of directors at five (5);
3. To elect directors;
4. To appoint D&H Group LLP, Chartered Professional Accountants, as the auditor of the Company for the ensuing year and to authorize the directors to fix the auditor's remuneration;
5. To consider and, if thought fit, to pass an ordinary resolution to ratify and approve the Company's incentive stock option plan, as more particularly described in the accompanying management information circular;
6. To consider and, if thought fit, to pass a special resolution, pursuant to Section 74 of the *Business Corporations Act* (British Columbia), to reduce the Company's deficit by a corresponding reduction in the share capital of the Company, as more particularly described in the accompanying Information Circular.

Accompanying this Notice is a Management Information Circular, a form of Proxy and a Request Form for Annual and Interim Financial Statements. The accompanying Management Information Circular provides information relating to the matters to be addressed at the Meeting and is incorporated into this Notice.

To be valid, the accompanying form of Proxy, duly completed, dated and signed, must arrive at the office of the Registrar and Transfer Agent of the Company, Computershare Investor Services Inc., not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or delivered to the Chairman of the Meeting on the day of but prior to the commencement of the Meeting.

If you are a non-registered Shareholder of the Company and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the Income Tax Act (Canada), or a nominee of any of the foregoing that holds your security on your behalf (the "Intermediary"), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

**COVID-19 GUIDANCE:** In light of ongoing concerns related to the spread of COVID-19, and in order to mitigate the potential risks to the health and safety associated with COVID-19, shareholders are strongly encouraged to vote on the matters before the Meeting by proxy rather than attend the meeting in person.

DATED at Vancouver, British Columbia, this 25<sup>th</sup> day of April, 2023.

BY ORDER OF THE BOARD

*"Scott Emerson"*

Scott Emerson, President & CEO

## **KINGSMEN RESOURCES LTD.**

#1305 - 1090 West Georgia Street  
Vancouver, British Columbia V6E 3V7

### **MANAGEMENT INFORMATION CIRCULAR**

(Containing information as at April 25, 2023, unless otherwise stated)

#### **SOLICITATION OF PROXIES**

This management information circular (“**Information Circular**”) is furnished in connection with the solicitation of proxies by the management of Kingsmen Resources Ltd. (the “**Company**”) for use at the Annual and Special Meeting (the “**Meeting**”) of shareholders (the “**Shareholders**”) of the Company (and any adjournment thereof) to be held on June 2, 2023 at the time and place and for the purposes set forth in the accompanying Notice of Annual and Special Meeting. While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by the directors, officers and regular employees of the Company at nominal cost. All costs of solicitation by management will be borne by the Company.

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

#### **COVID-19**

In the context of the effort to mitigate potential risk to the health and safety associated with COVID-19, shareholders are encouraged to vote on the matters in advance of the Meeting by submitting completed form of proxies (or voting instruction form) prior to the Meeting by one of the means described in this Information Circular and not to attend the Meeting in person. **Shareholders wishing to attend the Meeting in person must call the Corporate Secretary of the Company at 1.604.685.9316 at least 48 hours prior to the date of the Meeting for further instructions.**

#### **APPOINTMENT OF PROXYHOLDER**

The individuals named in the accompanying form of proxy are directors and/or officers (“**Management’s Nominees**”) of the Company. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY STRIKING OUT THE NAMES OF THOSE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY AND INSERTING THE DESIRED PERSON’S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER FORM OF PROXY. A proxy will not be valid unless the completed form of proxy is received by Computershare Investor Services Inc. (the “Transfer Agent”), Proxy Department, 9<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting, or any adjournment thereof. Proxies delivered after that time will not be accepted.**

#### **REVOCAION OF PROXIES**

A Shareholder who has given a proxy may revoke it by an instrument in writing executed by the Shareholder or by his attorney duly authorized in writing or, where the Shareholder is a company, by a duly authorized officer or attorney of the company, and delivered to the registered and records office of the Company located at Suite 1305, 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7 (Attention: Corporate Secretary), at any time up to and including the last business day preceding the day of the Meeting, or if adjourned, any reconvening thereof, or to the Chairman of the Meeting on the day of the Meeting or, if adjourned, any reconvening thereof or in any other manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

#### **INFORMATION FOR NON-REGISTERED SHAREHOLDERS**

**Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most Shareholders of the Company are “non-registered” Shareholders because the common shares of the Company**

**(“Common Shares”) they own are not registered in their names but are instead registered in the names of a brokerage firm, bank or other intermediary or in the name of a clearing agency. Shareholders who do not hold their Common Shares in their own name (referred to herein as “Beneficial Shareholders”) should note that only registered Shareholders may vote 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 such Shareholder’s name on the records of the Company. Such Common Shares will more likely be registered under the name of the Shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which company acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the brokers’ clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of Shareholders’ meetings. The various brokers and other intermediaries have their own mailing procedures and provide their 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. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided by the Company to the registered Shareholders. However, its purpose is limited to instructing the registered Shareholder (i.e. 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**”). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction form must be returned to Broadridge (or instructions respecting the voting of Common Shares must be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted.**

This Information Circular and accompanying materials are being sent to both registered Shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own (“**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities they own (“**NOBOs**”). Subject to the provision of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) issuers may request and obtain a list of their NOBOs from intermediaries via their transfer agents. Pursuant to NI 54-101, issuers may obtain and use the NOBO list for distribution of proxy-related materials directly (not via Broadridge) to such NOBOs. If you are a Beneficial Shareholder, and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the Common Shares on your behalf.

The Company’s OBOs can expect to be contacted by Broadridge or their brokers or their broker’s agents as set out above.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker, a Beneficial Shareholder may attend 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 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.**

All references to Shareholders in this Information Circular and the accompanying form of Proxy and Notice of Annual and Special Meeting are to Shareholders of record unless specifically stated otherwise.

## **VOTING OF PROXIES**

The shares represented by a properly executed proxy in favour of Management's Nominees as proxyholders in the accompanying form of proxy will:

- (a) be voted or withheld from voting in accordance with the instructions of the person appointing the proxyholder on any ballot that may be taken; and
- (b) where a choice with respect to any matter to be acted upon has been specified in the form of proxy, be voted in accordance with the specification made in such proxy.

ON A POLL, SUCH SHARES WILL BE VOTED **AS DIRECTED BY MANAGEMENT OF THE COMPANY FOR EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED, OR WHERE BOTH CHOICES HAVE BEEN SPECIFIED, BY THE SHAREHOLDER.**

The enclosed form of proxy when properly completed and delivered and not revoked confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Annual and Special Meeting, and with respect to other matters which may properly come before the Meeting. If any amendments or variations to matters identified in the Notice of Annual and Special Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the persons designated in the enclosed form of proxy to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Information Circular, the management of the Company knows of no such amendment, variation or other matter that may be presented to the Meeting.

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

Except as disclosed herein, no person who has been a director or executive officer of the Company at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors or the appointment of auditors. Directors and senior officers may, however, be interested in the general authorization granted to the directors with respect to stock options to insiders as detailed herein.

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

The authorized capital of the Company consists of an unlimited number of Common Shares without par value. As at April 25, 2023 (the "**Record Date**"), the Company had 19,349,919 Common Shares issued and outstanding.

Only Shareholders of record at the close of business on the Record Date who either personally attend the Meeting or who have completed and delivered a form of proxy in the manner and subject to the provisions described above shall be entitled to vote or to have their shares voted at the Meeting.

On a show of hands, every individual who is present and is entitled to vote as a Shareholder or as a representative of one or more corporate Shareholders will have one vote, and on a poll every Shareholder present in person or represented by a proxy and every person who is a representative of one or more corporate Shareholders, will have one vote for each Common Share registered in that Shareholder's name on the list of Shareholders as at the Record Date, which is available for inspection during normal business hours at the Transfer Agent and will be available at the Meeting. **Shareholders represented by proxy holders are not entitled to vote on a show of hands.**

To the knowledge of the directors and executive officers of the Company, there are no persons or companies who beneficially own, or control or direct, directly or indirectly, common shares carrying 10% or more of the voting rights attached to all outstanding common shares of the Company.

**ELECTION OF DIRECTORS**

The board of directors (the "**Board**") presently consists of four directors and Shareholders will be asked at the Meeting to determine the number of directors at five for the ensuing year. It is proposed that five directors be elected for the ensuing year. Mr. David Henstridge will not be standing for re-election.

The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as management's nominees and the persons named by management as proxyholders in the accompanying form of proxy intend to vote for the election of these nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company or the provisions of the *Business Corporations Act* (British Columbia) (the "**BCBCA**").

The following table and notes thereto set out the name of each of management's nominees for election as a director, the province and country in which he is ordinarily resident, all offices of the Company now held by him, his principal occupation, the period of time he has been a director of the Company, and the number of shares of the Company beneficially owned by him, directly or indirectly, or over which he exercises control or direction, as at the date hereof.

Name, Position and Province and Country of Residence <sup>(1)</sup>	Principal Occupation and, if not at present an elected Director, Occupation during the past five years <sup>(1)</sup>	Director Since	No. of Shares beneficially held <sup>(2)</sup>
<p><b>SCOTT EMERSON</b> President, Chief Executive Officer ("<b>CEO</b>") &amp; Director  (resident of British Columbia, Canada)</p>	<p>President and CEO of the Company. Mr. Emerson has worked in the investment community for over 35 years. Mr. Emerson began his career with a boutique venture capital firm in Vancouver focused on the junior mining sector. His roles have included senior management positions and directorships in the areas of finance, business development, strategic planning and corporate restructuring. Mr. Emerson has extensive experience dealing with the financial, regulatory, legal and accounting issues that are relevant in the investment community.</p>	<p>January 2013</p>	<p>936,125 <sup>(3)</sup></p>
<p><b>NICK DEMARE</b> <sup>(4)</sup> Chief Financial Officer ("<b>CFO</b>") &amp; Director  (resident of British Columbia, Canada)</p>	<p>Chartered Professional Accountant. President of Chase Management Ltd. ("<b>Chase</b>"), a private company which provides accounting, management, securities regulatory compliance and corporate secretarial services to companies listed on the Toronto and TSX Venture Exchanges.</p>	<p>January 2000</p>	<p>269,237 <sup>(5)</sup></p>
<p><b>RODNEY B. JOHNSTON</b> <sup>(4)</sup> Director  (resident of British Columbia, Canada)</p>	<p>Fellow Chartered Professional Accountant. Employed by Adventus Capital Partners Ltd., a Canadian private company which manages two private real estate investment trusts since formation in 2011.</p>	<p>May 2011</p>	<p>Nil</p>

Name, Position and Province and Country of Residence <sup>(1)</sup>	Principal Occupation and, if not at present an elected Director, Occupation during the past five years <sup>(1)</sup>	Director Since	No. of Shares beneficially held <sup>(2)</sup>
<p><b>KIERAN DOWNES</b> Nominee  (resident of British Columbia, Canada)</p>	<p>Professional Geologist. Mr. Downes has over 40 years diversified experience in gold, base metals, uranium and diamond exploration. He holds a B.Sc. (Hons.) in Geology from University College Galway (1971) and a Ph.D. in Geology from Dublin University (1974). He was a Post-Doctoral Fellow at the Institute for Industrial Research &amp; Standards, Dublin (1974-1977). He is a Registered Professional Geologist in British Columbia and president of Tristia Ventures Corp., a company providing services in mineral exploration, property valuation and geochemistry.</p>	<p>N/A</p>	<p>Nil</p>
<p><b>CARLOS GARZA</b> Nominee  (resident of Mexico)</p>	<p>Industrial and Systems Engineer. Mr. Garza's activities have been mostly dedicated to providing consulting services. Initially, his consulting work was focused on the industrial field, mainly directed to the definition and improvement value chain processes and operations for manufacturing companies. Later, he continued as a consultant in the mining industry in Mexico, being part of a consulting company involved in important exploration projects in Mexico, for which he is currently Director of Operations, dedicated to the acquisition, maintenance and management of mining concessions, community relations, operational processes of mineral exploration, as well as being directly involved in production, processing, and commercialization of minerals.</p>	<p>N/A</p>	<p>Nil</p>

NOTES:

- (1) The information as to province or state and country of residence and principal occupation, not being within the knowledge of the Company, has been furnished by the respective directors individually.
- (2) The information as to shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Company, has been furnished by the respective directors individually.
- (3) Includes 576,875 common shares held by Roxbury Capital Group Ltd., a private company owned by Mr. Emerson.
- (4) Denotes member of Audit Committee.
- (5) Includes 102,212 common shares held by DNG Capital Corp., a private company owned by Mr. DeMare and 137,375 common shares held by 888 Capital Corp., a private company 50% owned by Mr. DeMare.

### **Corporate Cease Trade Orders or Bankruptcies**

None of the proposed directors of the Company or any of their personal holding companies:

- (a) is, as at the date of this Information Circular, or has been, within ten years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any Company, including the Company, that:
  - (i) was subject to a cease trade order or similar order or an order that denied the relevant Company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
  - (ii) was subject to a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the person ceased to be a director, chief executive officer or chief financial officer of the Company 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; or
- (b) is as at the date of this Information Circular or has been within the 10 years before the date of this Information Circular, a director or executive officer of any Company, including the Company, that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

None of the proposed directors or any of their personal holding companies 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.

### **STATEMENT OF EXECUTIVE COMPENSATION**

#### **General**

For the purposes of this Form, a “Named Executive Officer” (a “NEO”) means the following persons:

- (a) the Company’s Chief Executive Officer (“CEO”);
- (b) the Company’s Chief Financial Officer (“CFO”);
- (c) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was,



individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6 Statement of Executive Compensation, 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 neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

During the financial years ended December 31, 2022 and 2021, the Company had two NEOs: Scott Emerson, President and CEO, and Nick DeMare, CFO.

### Director and NEO Compensation, Excluding Options and Compensation Securities

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company to each NEO and director of the Company for the completed financial years ended December 31, 2022 and 2021. Options and compensation securities are disclosed under the heading “*Stock Options and Other Compensation Securities and Instruments*” below.

Table of Compensation, Excluding Compensation Securities							
Name and position	Year <sup>(1)</sup>	Salary, consulting fee, retainer or commission (\$) <sup>(2)</sup>	Bonus (\$) <sup>(2)</sup>	Committee or meeting fees (\$) <sup>(2)</sup>	Value of perquisites (\$) <sup>(2)</sup>	Value of all other compensation (\$) <sup>(2)</sup>	Total compensation (\$) <sup>(2)</sup>
Scott Emerson President, CEO and Director	2022	96,000	-	-	-	-	96,000
	2021	96,000	-	-	-	-	96,000
Nick DeMare CFO and Director	2022	6,000	-	-	-	20,300 <sup>(3)</sup>	26,300
	2021	6,000	-	-	-	15,900 <sup>(3)</sup>	21,900
David Henstridge Director	2022	6,000	-	-	-	-	6,000
	2021	6,000	-	-	-	-	6,000
Rodney B. Johnston Director	2022	6,000	-	-	-	-	6,000
	2021	6,000	-	-	-	-	6,000

#### NOTES:

- (1) Financial years ended December 31.
- (2) All amounts shown were paid in Canadian currency, the reporting currency of the Company.
- (3) Paid to Chase Management Ltd. (“Chase”), a private corporation owned by Mr. DeMare, for accounting and administration services provided by Chase personnel, excluding Mr. DeMare.

### Stock Options and Other Compensation Securities and Instruments

#### *Outstanding Compensation Securities of NEOs and Directors*

No compensation securities were outstanding on the last day of or granted by the Company to the NEO and directors of the Company during the financial year ended December 31, 2022.

#### *Exercise of Compensation Securities by NEOs and Directors*

No compensation securities were exercised by the NEOs and directors of the Company for the financial year ended December 31, 2022.

## **Stock Option Plans and Other Incentive Plans**

The Company has no other incentive plans other than its stock option plan (the “**Option Plan**”). The purpose of the Option Plan is to provide the Company with a share related mechanism to enable the Company to attract, retain and motivate qualified directors, officers, employees and other service providers, to reward directors, officers, employees and other service providers for their contribution toward the long term goals of the Company and to enable and encourage such individuals to acquire shares of the Company as long term investments. A description of the significant terms of the Option Plan is found under the heading “*Particulars of Other Matters to be Acted Upon - Ratification of Stock Option Plan*”.

As at the date of this information circular, the Company had 19,349,919 Shares issued and outstanding so that a maximum of 1,934,991 Shares would be available for issuance pursuant to the stock options granted under the Option Plan. There are currently no stock options outstanding leaving 1,934,991 Shares available for grant of options under the Option Plan.

## **Oversight and Description of Director and NEO Compensation**

### *Compensation, Philosophy and Objectives*

The Board meets to discuss and determine management compensation, without reference to formal objectives, criteria or analysis. The general objectives of the Company’s compensation strategy are to (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management’s interests with the long-term interests of shareholders; and (c) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Company is under by virtue of the fact that it is a junior mineral exploration company without a history of earnings.

The Board, as a whole, ensures that total compensation paid to all Named Executive Officers (or NEOs), as hereinafter defined, is fair and reasonable. The Board, as a whole, recommends levels of executive compensation that are competitive, motivating and commensurate with the time spent by executive officers in meeting their obligations. The Board relies on the experience of its members in assessing compensation levels.

### *Analysis of Elements*

Base salary is used to provide the Named Executive Officers a set amount of money during the year with the expectation that each Named Executive Officer 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 Option Plan. A description of the significant terms of the Option Plan is found under the heading “*Particulars of Other Matters to be Acted Upon - Ratification of Stock Option Plan*”.

The Company does not determine executive compensation based on the share price performance. Overall the salaries or consulting fees payable to the NEOs, in particular to the Company’s CEO, have had a minor upward trend in order to provide competitive levels of compensation necessary to attract and maintain executive talent.

The Board has considered the implications of the risks associated with the Company's compensation practices. The Board acknowledges that the Company, as a junior natural resource company, does not presently generate any revenues, and that all management compensation to date has been derived solely from cash in the Company's treasury, acquired by way of equity financings to date, and the grant of incentive stock options to directors, management, contractors and employees. Salary compensation to the Named Executive Officers is provided for under verbal understandings or written consulting agreements with the Named Executive Officers or management companies under their control. Upon the occurrence of certain events, the Company's early termination of these contracts may also trigger additional balloon payments, which could adversely impact the Company's working capital.

### *Option-based Awards*

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

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

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

- parties who are entitled to participate in the Option Plan;
- the exercise price for each stock option granted, subject to the provision that the exercise price cannot be lower than the prescribed discount permitted by the Exchange from the market price on the date of grant;
- the date on which each 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 makes these determinations subject to and in accordance with the provisions of the Option Plan. The Board reviews and approves grants of options on an annual basis and periodically during a financial year.

There is no restriction on NEOs or Directors regarding the purchase of financial instruments, including prepaid variable forward contracts, equity swaps, collars or units or exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held directly or indirectly by the NEO or Director for the financial year ended December 31, 2022.

No NEO or Director, directly or indirectly, purchased any financial instruments or employed a strategy to hedge or offset a decrease in market value of equity securities granted as compensation or held.

### **Termination and Change of Control Benefits**

The Company does not have any plan contract, agreement or plan or arrangement that provides for payments to a NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, a change in control of the Company or a change in the NEO's responsibilities.

### **Pension**

The Company does not have any form of pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement. The Company does not have any form of deferred compensation plan.

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

The following table provides information regarding compensation plans under which securities of the Company are authorized for issuance to directors, officers, employees and consultants in effect as of the end of the Company's most recently completed fiscal year end:

Plan Category	Column (a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Column (b) Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Column (c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) <sup>(1)</sup>
Equity Compensation Plans Approved by Securityholders	Nil	N/A	1,934,991
Equity Compensation Plans Not Approved by Securityholders	Nil	N/A	Nil
Total	Nil	N/A	1,934,991

NOTE:

- (1) Based upon the Company having 19,349,919 common shares issued and outstanding as at December 31, 2022. The Company currently has in place a "rolling" stock option plan whereby the maximum number of common shares that may be reserved for issuance pursuant to the such plan will not exceed 10% of the issued shares of the Company at the time of the stock option grant. See "*Particulars of Other Matters to be Acted Upon – Ratification of Stock Option Plan*" for further particulars of the stock option plan.

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

As of April 25, 2023, the date of this Information Circular, no director, executive officer, employee, proposed management nominee for election as a director of the Company, nor any associate of any such director, executive officer, or proposed management nominee of the Company, or any former director, executive officer or employee of the Company or any of its subsidiaries, was indebted to the Company or any of its subsidiaries, or indebted to another entity where such indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

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

Other than as set out below and elsewhere in this Information Circular, none of the proposed directors, directors or executive officers of the Company, a director or executive officer of a person or company that is itself an informed person (as defined in National Instrument 51-102 *Continuous Disclosure Obligations*) or subsidiary of the Company, nor any person or company who beneficially owns, or controls or directs, directly or indirectly, Common Shares or a combination of both, carrying more than 10% of the voting rights attached to the outstanding Common Shares nor an associate or affiliate of any of the foregoing persons has since January 1, 2022 (being the commencement of the Company's last completed financial year) any material interest, direct or indirect, in any transactions which materially affected or would materially affect the Company or any of its subsidiaries.

### **APPOINTMENT OF AUDITOR**

Unless such authority is withheld, the persons named in the accompanying proxy intend to vote for the appointment of D&H Group LLP, Chartered Professional Accountants, as the auditor of the Company for the ensuing year and to give authorization to the directors to fix the auditor's remuneration.

### **MANAGEMENT CONTRACTS**

Other than as disclosed below, management functions of the Company are substantially performed by directors or senior officers (or private companies controlled by them, either directly or indirectly) of the Company and not, to any substantial degree, by any other person with whom the Company has contracted.

The Company has engaged Chase, a company owned by Mr. DeMare, the CFO and a director of the Company, for accounting, administrative, professional and management services and rent. Chase charges the Company for the services of its employees at competitive rates. During the last completed financial year ended December 31, 2022, Chase billed the Company \$6,000 for Mr. DeMare's services as the CFO and a director of the Company and \$20,300 for accounting and professional and management services provided by Chase personnel, exclusive of Mr. DeMare.

## **AUDIT COMMITTEE**

Under National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), companies are required to provide disclosure with respect to their audit committee, including the text of the audit committee’s charter, the composition of the audit committee and the fees paid to the external auditor.

### **Audit Committee Charter**

The Company has adopted a Charter of the Audit Committee of the Board of Directors, the text of which is set out in the attached Schedule “A” to this Information Circular.

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

The following are the members of the Audit Committee:

<b>Name</b>	<b>Independent <sup>(1)</sup></b>	<b>Financially Literate</b>
Nick DeMare	No	Yes
Rodney Johnston	Yes	Yes
David Henstridge	Yes	Yes

(1) *As defined in NI 52-110.*

The Company is relying on the exemption provided under Section 6.1 of NI 52-110.

### **Relevant Education and Experience**

Mr. Nick DeMare is a Chartered Professional Accountant and has been the President of Chase since 1991. Chase is a private company which provides accounting, management, securities regulatory compliance and corporate secretarial services to companies listed on the Toronto and TSX Venture Exchanges and their predecessors. He also serves as an officer and/or director of a number of public companies listed on the Toronto and TSX Venture Exchanges. He holds a Bachelor of Commerce degree from the University of British Columbia and is a member in good standing with the Institute of Chartered Professional Accountants of British Columbia.

Mr. Rodney Johnston, FCPA, FCA, retired from PricewaterhouseCoopers LLP after serving 35 years with the firm in British Columbia, with the final 25 years as a partner. Mr. Johnston has been employed since 2011 as President and CEO of Adventus Realty Trust, a private REIT investing in U.S. commercial real estate. Mr. Johnston has had a long track record of providing taxation and financial advisory services to businesses in a variety of industries involved with financings in the capital markets, particularly with companies looking to raise capital to expand their businesses. Mr. Johnston has also had extensive experience in advising mining companies throughout his career with PricewaterhouseCoopers. Mr. Johnston holds a Bachelor of Commerce degree from the University of British Columbia and is a member in good standing of the Institute of Chartered Professional Accountants of British Columbia.

Mr. David Henstridge is a self-employed professional geologist and holds a Bachelor of Science (Honours) degree from the University of Adelaide in Australia and professional designations from each of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Geological Society of Australia. Mr. Henstridge brings over 50 years of experience in the mining industry including 20 years in managing public-listed companies. Mr. Henstridge is a director and member of various audit, compensation, corporate governance and nominating committees of other public-listed mineral exploration companies.

Each member of the audit committee has acquired knowledge and understanding of the financial issues and accounting principles that are relevant in assessing this Company’s financial disclosures and internal control systems.

### **Audit Committee Oversight**

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

### **Reliance on Certain Exemptions**

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.

### **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 attached Schedule "A" under the heading "External Auditors" in the Audit Committee Charter.

### **External Auditor Service Fees (By Category)**

The aggregate fees billed by the Company's external auditors in each of the last two financial years for audit fees are as follows:

<b>Financial Year Ending</b>	<b>Audit Fees</b>	<b>Audit Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
December 31, 2022	\$10,000	Nil	Nil	Nil
December 31, 2021	\$10,000	Nil	Nil	Nil

### **Exemption**

The Company is currently a "Venture Issuer", as defined in Section 1.1 of NI 52-110. Accordingly, in providing the disclosure contained in this Schedule "A", the Company is relying upon the exemption in Section 6.1 of NI 52-110 (which is available to all Venture Issuers).

### **CORPORATE GOVERNANCE PRACTICE**

National Instrument 58-101, *Disclosure of Corporate Governance Practices* ("NI 58-101") requires issuers to disclose their governance practices in accordance with that instrument. The Company is a "venture issuer" within the meaning of NI 58-101.

The Board has adopted certain corporate governance policies to reflect the Company's commitment to good corporate governance, and to comply with NI 58-101, Form 58-101F2 - *Corporate Governance Disclosure (Venture Issuers)* and National Policy 58-201 - *Corporate Governance Guidelines*. The Board periodically reviews these policies and proposes modifications to the Board for consideration as appropriate. The Company considers good corporate governance to be central to the effective and efficient management and operation of the Company, and the Board is directly responsible for developing the Company's approach to corporate governance issues. A discussion of the Company's governance practices within the context of NI 58-101 is set out below:

#### ***Board of Directors***

As of the date of this Information Circular, the Company has two independent directors, namely: Messrs. David Henstridge and Rodney B. Johnston. The Company has two directors who are not independent because they are executive officers of the Company, namely: Mr. Scott Emerson, President and CEO, and Mr. Nick DeMare, CFO.

The Board facilitates the exercise of independent supervision over management through various Board meetings held throughout the year. At present, the Board does not have any formal committees other than its Audit Committee. When necessary, the Board will strike a special committee of independent directors to deal with matters requiring independence. The composition of the Board is such that the independent directors have significant experience in

business affairs. As a result, these Board members are able to provide significant and valuable independent supervision over management.

### ***Directorships***

As of the date of this information circular, certain directors of the Company are also serving as directors of other reporting issuers, details of which are as follows:

<u>Scott Emerson:</u>	None.
<u>Nick DeMare:</u>	Auscan Resources Inc. (formerly American Helium Inc.), Cliffmont Resources Ltd., East West Petroleum Corp., Hannan Metals Ltd., Mirasol Resources Ltd., Rochester Resources Ltd., Salazar Resources Limited, T2 Metals Corp. (formerly Aguila Copper Corp.), Tinka Resources Limited, Tribeca Resources Corporation (formerly Hansa Resources Limited) and Whitewater Acquisition Corp.
<u>David A. Henstridge:</u>	Auscan Resources Inc. (formerly American Helium Inc.), Hannan Metals Ltd., Southern Cross Gold Limited and Whitewater Acquisition Corp.
<u>Rodney B. Johnston:</u>	None.

### ***Orientation and Continuing Education***

The CEO and/or the CFO are responsible for providing an orientation for new directors. Director orientation and on-going training will include presentations by senior management to familiarize directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its principal officers and its internal and independent auditors.

### ***Ethical Business Conduct***

The Company does not have a written code of ethical business conduct for its directors, officers and employees. Each director, officer and employee is expected to comply with relevant corporate and securities laws and, where applicable, the terms of their employment agreements.

### ***Nomination of Directors***

When a Board vacancy occurs or is contemplated, any director may make recommendations to the Board as to qualified individuals for nomination to the Board.

In identifying new candidates, the directors will take into account the mix of director characteristics and diverse experiences, perspectives and skills appropriate for the Company at that time.

### ***Compensation***

From time to time, the independent directors of the Board will review the compensation payable to the CEO and CFO. Compensation for Board members is determined by the Board as a whole and in accordance with industry norms and with reference to each individual director's level of involvement with the Company.

### ***Other Board Committees***

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

### ***Assessments***

The Board does not conduct any formal evaluation of the performance and effectiveness of the members of the Board, the Board as a whole or any committee of the Board. These matters are dealt with on a case by case basis at the Board level.

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

### **A. Ratification of the Stock Option Plan**

The Company has in place a 10% rolling stock option plan (the "**Option Plan**") whereby the maximum number of common shares that may be reserved for issuance pursuant to such plan will not exceed 10% of the issued shares of the Company at the time of the stock option grant. In accordance with the policies of the Exchange, issuers with a rolling stock option plan must obtain shareholder approval of such plan on an annual basis.

The purpose of the Option Plan is to provide the Company with a share related mechanism to enable the Company to attract, retain and motivate qualified directors, officers, employees and other service providers, to reward directors, officers, employees and other service providers for their contribution toward the long term goals of the Company and to enable and encourage such individuals to acquire shares of the Company as long term investments.

The following information is intended to be a brief description of the Option Plan and is qualified in its entirety by the full text of the Option Plan which is available for review by any Shareholder up until the day preceding the Meeting at the Company's head office at Suite 1305, 1090 West Georgia Street, Vancouver, British Columbia, and will be available at the Meeting:

#### **Summary of the Option Plan**

##### *Eligibility*

The Option Plan allows the Company to grant Options to attract, retain and motivate qualified directors, officers, employees and consultants of the Company and its subsidiaries (collectively, the "**Option Plan Participants**").

##### *Number of Common Shares Issuable*

The aggregate number of Common Shares that may be issued to Option Plan Participants under the Option Plan will be that number of Common Shares equal to 10% of the issued and outstanding Common Shares on the particular date of grant of the Option, inclusive of any Outstanding Options.

##### *Limits on Participation*

The Option Plan provides for the following limits on grants, for so long as the Company is subject to the requirements of the Exchange, unless disinterested Shareholder approval is obtained or unless permitted otherwise pursuant to the policies of the Exchange:

- (i) the maximum number of Common Shares that may be issued to any one Option Plan Participant (and where permitted pursuant to the policies of the Exchange, any company that is wholly-owned by the Option Plan Participant) under the Option Plan, together with any other security based compensation arrangements, within a 12-month period, may not exceed 5% of the issued Common Shares calculated on the date of grant;
- (ii) the maximum number of Common Shares that may be issued to insiders collectively under the Option Plan, together with any other security based compensation arrangements, within a 12-month period, may not exceed 10% of the issued Common Shares calculated on the date of grant; and
- (iii) the maximum number of Common Shares that may be issued to insiders collectively under the Option Plan, together with any other security based compensation arrangements, may not exceed 10% of the issued Common Shares at any time.

For so long as such limitation is required by the Exchange, the maximum number of Options which may be granted within any 12-month period to Option Plan Participants who perform investor relations activities must not exceed 2% of the issued and outstanding Common Shares, and such Options must vest in stages over 12 months with no more than 25% vesting in any three month period. In addition, the maximum number of Common Shares that may be granted



to any one consultant under the Option Plan, together with any other security based compensation arrangements, within a 12-month period, may not exceed 2% of the issued Common Shares calculated on the date of grant.

#### *Administration*

The plan administrator of the Option Plan (the “**Option Plan Administrator**”) will be the Board or a committee of the Board, if delegated. The Option Plan Administrator will, among other things, determine which directors, officers, employees or consultants are eligible to receive Options under the Option Plan; determine conditions under which Options may be granted, vested or exercised, including the expiry date, exercise price and vesting schedule of the Options; establish the form of option certificate (“**Option Certificate**”); interpret the Option Plan; and make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Option Plan.

Subject to any required regulatory or Shareholder approvals, the Option Plan Administrator may also, from time to time, without notice to or without approval of the Shareholders or the Option Plan Participants, amend, modify, change, suspend or terminate the Options granted pursuant thereto as it, in its discretion, determines appropriate, provided that no such amendment, modification, change, suspension or termination of the Option Plan or any Option granted pursuant thereto may materially impair any rights of an Option Plan Participant or materially increase any obligations of an Option Plan Participant under the Option Plan without the consent of such Option Plan Participant, unless the Option Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable securities laws or stock exchange requirements or as otherwise permitted pursuant to the Option Plan.

All of the Options are subject to the conditions, limitations, restrictions, vesting, exercise and forfeiture provisions determined by the Option Plan Administrator, in its sole discretion, subject to such limitations provided in the Option Plan, and will be evidenced by an Option Certificate. In addition, subject to the limitations provided in the Option Plan and in accordance with applicable law, the Option Plan Administrator may accelerate the vesting of Options, cancel or modify outstanding Options and waive any condition imposed with respect to Options or Common Shares issued pursuant to Options.

#### *Exercise of Options*

Options shall be exercisable as determined by the Option Plan Administrator at the time of grant, provided that no Option shall have a term exceeding 10 years so long as the Common Shares are listed on the Exchange.

Subject to all applicable regulatory rules, the vesting schedule for an Option, if any, shall be determined by the Option Plan Administrator. The Option Plan Administrator may elect, at any time, to accelerate the vesting schedule of an Option, and such acceleration will not be considered an amendment to such Option and will not require the consent of the Option Plan Participant in question. However, no acceleration to the vesting schedule of an Option granted to an Option Plan Participant performing investor relations services may be made without prior acceptance of the Exchange.

The exercise price of an Option shall be determined by the Option Plan Administrator and cannot be lower than the greater of: (i) the minimum price required by the Exchange; and (ii) the market value of the Shares on the applicable grant date.

An Option Plan Participant may exercise the Options in whole or in part through any one of the following forms of consideration, subject to applicable laws, prior to the expiry date of such Options, as determined by the Option Plan Administrator:

- the Option Plan Participant may send a wire transfer, certified cheque or bank draft payable to the Company in an amount equal to the aggregate exercise price of the Common Shares being purchased pursuant to the exercise of the Options;
- subject to approval from the Option Plan Administrator and the Common Shares being traded on the Exchange, a brokerage firm may be engaged to loan money to the Option Plan Participant in order for the Option Plan Participant to exercise the Options to acquire the Common Shares, subsequent to which the

brokerage firm shall sell a sufficient number of Common Shares to cover the exercise price of such Options to satisfy the loan. The brokerage firm shall receive an equivalent number of Common Shares from the exercise of the Options, and the Option Plan Participant shall receive the balance of the Common Shares or cash proceeds from the balance of such Common Shares; and

- subject to approval from the Option Plan Administrator and the Common Shares being traded on the Exchange, consideration may be paid by reducing the number of Common Shares otherwise issuable under the Options, in lieu of a cash payment to the Company, an Option Plan Participant, excluding those providing investor relations services, only receives the number of Common Shares that is equal to the quotient obtained by dividing: (i) the product of the number of Options being exercised multiplied by the difference between the volume-weighted average trading price of the Common Shares and the exercise price of the Options, by (ii) the volume-weighted average trading price of the Common Shares. The number of Common Shares delivered to the Option Plan Participant may be further reduced to satisfy applicable tax withholding obligations.

If an exercise date for an Option occurs during a trading black-out period imposed by the Company to restrict trades in its securities, then, notwithstanding any other provision of the Option Plan, the Option shall be exercised no more than ten business days after the trading black-out period is lifted by the Company, subject to certain exceptions.

*Termination of Employment or Services and Change in Control*

The following describes the impact of certain events that may, unless otherwise determined by the Option Plan Administrator or as set forth in an Option Certificate, lead to the early expiry of Options granted under the Option Plan.

Termination by the Company for cause:	Forfeiture of all unvested Options. The Option Plan Administrator may determine that all vested Options shall be forfeited, failing which all vested Options shall be exercised in accordance with the Option Plan.
Voluntary resignation of an Option Plan Participant:	Forfeiture of all unvested Options. Exercise of vested Options in accordance with the Option Plan.
Termination by the Company other than for cause:	Acceleration of vesting of a portion of unvested Options in accordance with a prescribed formula as set out in the Option Plan. Forfeiture of the remaining unvested Options. Exercise of vested Options in accordance with the Option Plan.
Death or disability of an Option Plan Participant:	Acceleration of vesting of all unvested Options. Exercise of vested Options in accordance with the Option Plan.
Termination or voluntary resignation for good reason within 12 months of a change in control:	Acceleration of vesting of all unvested Options. Exercise of vested Options in accordance with the Option Plan.

Any Options granted to an Option Plan Participant under the Option Plan shall terminate at a date no later than 12 months from the date such Option Plan Participant ceases to be an Option Plan Participant.

In the event of a triggering event, which includes a change in control, dissolution or winding-up of the Company, a material alteration of the capital structure of the Company and a disposition of substantially all of the Company's assets, the Option Plan Administrator may, without the consent of the Option Plan Participant, cause all or a portion of the Options granted to terminate upon the occurrence of such event.

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

Subject to any necessary regulatory approvals, the Option Plan may be suspended or terminated at any time by the Option Plan Administrator, provided that no such suspension or termination shall alter or impact any rights or obligations under an Option previously granted without the consent of the Option Plan Participant.

The following limitations apply to the Option Plan and all Options thereunder as long as such limitations are required by the Exchange:

- any adjustment to Options, other than in connection with a security consolidation or security split, is subject to prior Exchange acceptance;
- any amendment to the Option Plan is subject to prior Exchange acceptance, except for amendments to reduce the number of Shares issuable under the Option Plan, to increase the exercise price of Options or to cancel Options;
- any amendments made to the Option Plan shall require regulatory and Shareholder approval, except for amendments to: (i) fix typographical errors; and (ii) clarify existing provisions of the Option Plan and which do not have the effect of altering the scope, nature and intent of such provisions; and
- the exercise price of an Option previously granted to an insider must not be reduced, or the extension of the expiry date of an Option held by an insider may not be extended, unless the Company has obtained disinterested Shareholder approval to do so in accordance with Exchange policies.

Subject to the foregoing limitations and any necessary regulatory approvals, the Option Plan Administrator may amend any existing Options or the Option Plan or the terms and conditions of any Option granted thereafter, although the Option Plan Administrator must obtain written consent of the Option Plan Participant (unless otherwise excepted out by a provision of the Option Plan) where such amendment would materially decrease the rights or benefits accruing to an Option Plan Participant or materially increase the obligations of an Option Plan Participant.

The Exchange policies require that the Option Plan be approved by the affirmative vote of a majority of the votes cast at the Meeting. Accordingly, the Company requests that the Shareholders pass the following resolution:

"RESOLVED, as an ordinary resolution, that:

1. the stock option plan (the "**Option Plan**") of Kingsmen Resources Ltd. (the "**Company**"), in the form previously approved by the Shareholders of the Company at the last annual general meeting held on March 30, 2022, with or without amendments that may be required to conform to the policies of the TSX Venture Exchange or comply with rules and regulations of any other regulatory body having authority over the Company or the Option Plan, is hereby ratified, confirmed and approved;
2. the Company is authorized to grant stock options pursuant and subject to the terms and conditions of the Option Plan entitling all of the optionholders in aggregate to purchase up to such number of common shares of the Company as is equal to 10% of the number of common shares of the Company issued and outstanding on the applicable grant date; and
3. any one of the directors or officers of the Company be authorized and directed to perform all such acts, deeds and things and execute, under the seal of the Company or otherwise, all such documents and other writings, including treasury orders, stock exchange and securities commission forms, as may be required to give effect to the true intent of this resolution."

An ordinary resolution requires the approval of a simple majority (>50%) of the votes cast by the Shareholders of the Company being entitled to vote in person or by proxy at the Meeting.

**Management of the Company recommends that the shareholders vote in favour of the Ratification of Stock Option Plan Resolution. It is the intention of persons named in the enclosed form of proxy, if not expressly**

directed otherwise in such form of proxy, to vote such proxy FOR the Ratification of Stock Option Plan Resolution.

**B. Reduction of Capital**

As at December 31, 2022, the Company showed a deficit on its balance sheet of \$20,170,373. The majority of the deficit arose as a result of prior unsuccessful business activities previously carried out by the Company. Management wishes to eliminate \$18,127,609 of the deficit by way of a capital reduction. The capital reduction also allows the Company to carry on its corporate existence with a share capital that is not burdened by the deficit accumulated by the Company in prior periods. Section 74 of the *Business Corporations Act* (British Columbia) permits a Company to reduce its capital by special resolution. As a result, the Company is proposing that shareholders pass a special resolution (the “**Reduction of Capital Resolution**”) to reduce the Company's capital in the amount of \$18,127,609. If approved, this reduction of capital will have the effect of reducing the share capital by an amount equal to \$18,127,609 and will also result in the corresponding elimination of \$18,127,609 of the deficit. The reduction of capital would be effective as at a date to be determined by the Board. To illustrate the effect of the reduction of capital, if the reduction were effective as at December 31, 2022, share capital on the December 31, 2022 balance sheet would be reduced from \$18,901,106 to \$773,497, and the deficit of \$20,170,373 would be reduced to \$2,042,764.

As a result, at the Meeting, shareholders will be asked to pass the following special resolution:

“RESOLVED, as a special resolution of the shareholders of the Company, that:

1. Pursuant to section 74 of the *Business Corporations Act* (British Columbia), the capital of the Company be reduced by the amount of \$18,127,609 so that the “**share capital**” account on the Company's balance sheet is reduced by \$18,127,609, and a corresponding entry be made to reduce the deficit on such balance sheet by \$18,127,609;
2. The foregoing resolution shall take effect upon resolution of the board of directors of the Company;
3. Any director or officer of the Company be and is hereby authorized, for and on behalf of the Company to execute and deliver all such documents and to perform and do all such acts and things as such person in his sole discretion considers necessary or advisable to carry out the terms of these resolutions; and
4. Notwithstanding that this resolution has been duly passed by the shareholders of the Company, the board of directors of the Company is hereby authorized, at its discretion, to abandon or terminate the implementation of the reduction of capital without further approval, ratification or confirmation of the Company's shareholders.”

The Reduction of Capital Resolution must be approved by at least two-thirds of the votes cast by the shareholders who, being entitled to do so, vote in person or by proxy at the Meeting in respect of the Reduction of Capital Resolution.

**Management of the Company recommends that the shareholders vote in favour of the Reduction of Capital Resolution. It is the intention of persons named in the enclosed form of proxy, if not expressly directed otherwise in such form of proxy, to vote such proxy FOR the Reduction of Capital Resolution.**

**ANY OTHER MATTERS**

Management of the Company knows of no matters to come before the Meeting other than those referred to in the Notice of Annual and Special Meeting accompanying this Information Circular. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the form of proxy accompanying this Information Circular to vote the same in accordance with their best judgment of such matters.

**ADDITIONAL INFORMATION**

Additional information regarding the Company and its business activities is available on the Company's website at [www.kingsmenresources.com](http://www.kingsmenresources.com) and under the Company's profile on the SEDAR website located at [www.sedar.com](http://www.sedar.com). The Company's financial information is provided in the Company's audited comparative financial statements and related management discussion and analysis for its most recently completed financial year and may be viewed on the SEDAR website at the website noted above. Shareholders of the Company may request copies of the Company's financial statements and related management discussion and analysis by contacting the Company at:

Kingsmen Resources Ltd.  
#1305 – 1090 W. Georgia Street  
Vancouver, BC, V6E 3V7  
Tel: (604) 685-9316 | Fax: (604) 683-1585

Schedule "A"

**KINGSMEN RESOURCES LTD.**  
**CHARTER OF THE AUDIT COMMITTEE**  
**OF THE BOARD OF DIRECTORS**

**Mandate**

The primary function of the audit committee (the "Committee") is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation's systems of internal controls regarding finance and accounting and the Corporation's auditing, accounting and financial reporting processes. The Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Corporation's financial reporting and internal control system and review the Corporation's financial statements.
- Review and appraise the performance of the Corporation's external auditors.
- Provide an open avenue of communication among the Corporation's auditors, financial and senior management and the Board of Directors.

**Composition**

The Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his independent judgment as a member of the Committee. At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Audit Committee Charter, the definition of "financially literate" is 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 presumably be expected to be raised by the Corporation's financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

**Meetings**

The Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

**Responsibilities and Duties**

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- (a) Review and update the Charter annually.
- (b) Review the Corporation's financial statements, MD&A and any annual and interim earnings, press releases before the Corporation publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

External Auditors

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Corporation.
- (b) Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (c) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (d) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Corporation's external auditors.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

**Financial Reporting Processes**

- (a) In consultation with the external auditors, review with management the integrity of the Corporation's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (e) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (f) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (g) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (h) Review certification process.
- (i) Establish a procedure for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

**Other**

Review any related-party transactions.