



**ARIZONA SONORAN COPPER COMPANY INC.**

**NOTICE AND MANAGEMENT INFORMATION CIRCULAR**

**ANNUAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON JUNE 21, 2022**

**DATED AS OF MAY 9, 2022**





## NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that an annual meeting of the shareholders (the "**Meeting**") of Arizona Sonoran Copper Company Inc. (the "**Company**") will be held virtually through TSX Trust Company's virtual meeting platform (the "**Platform**") accessible via <https://virtual-meetings.tsxtrust.com/1324> using the password: arizona2022. The Platform will facilitate offer an interactive meeting and live online voting for shareholders of the Company on Tuesday, June 21, 2022, at 2:00 p.m. (Toronto time).

The Meeting will convene for the following purposes:

1. to receive and consider the audited financial statements of the Company for the fiscal year ended December 31, 2021, together with the report of the auditors thereon;
2. to set the number of directors at six;
3. to elect six directors of the Company for the ensuing year; and
4. to appoint auditors and to authorize the directors to fix their remuneration.

The accompanying management information circular provides additional information relating to the matters to be dealt with at the Meeting and forms part of this notice.

**SHAREHOLDERS WHO ARE UNABLE TO ATTEND THE MEETING ARE REQUESTED TO COMPLETE, DATE AND SIGN THE ENCLOSED FORM OF PROXY, AND TO RETURN IT IN THE ENVELOPE PROVIDED FOR THAT PURPOSE.**

The board of directors of the Company has by resolution fixed the close of business on May 6, 2022 as the record date (the "**Record Date**"), being the date for the determination of the registered holders of common shares of the Company entitled to notice of and to vote at the Meeting or any postponement(s) or adjournment(s) thereof.

A shareholder wishing to be represented by proxy at the Meeting or any postponement(s) or adjournment(s) thereof must deposit his, her or its duly executed form of proxy with the Company's transfer agent and registrar, TSX Trust Company, Suite 301, 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, no later than 2:00 p.m. (Toronto time) on June 17, 2022 (or 48 hours (excluding Saturdays, Sundays and holidays) prior to any reconvened Meeting in the event of any postponement(s) or adjournment(s) of the Meeting). Shareholders who are unable to attend the Meeting are requested to complete, date, sign and return the enclosed form of proxy so that as large a representation as possible may be had at the Meeting.

If you wish to receive a paper copy of the Meeting materials please call 1(866) 600-5869 or 416-342-1091 or email [tsxtis@tmx.com](mailto:tsxtis@tmx.com). In order to receive a paper copy in time to vote before the meeting, your request should be received by June 10, 2022.

**DATED** at Toronto, Ontario as of the 9<sup>th</sup> day of May, 2022.

**BY ORDER OF THE BOARD**

Signed: "*David Laing*"

David Laing, Chairman

## TABLE OF CONTENTS

MANAGEMENT INFORMATION CIRCULAR .....	1
SOLICITATION OF PROXIES.....	1
INFORMATION IN THIS CIRCULAR .....	1
APPOINTMENT AND REVOCATION OF PROXIES .....	1
EXERCISE OF DISCRETION BY PROXIES .....	2
NON-REGISTERED HOLDERS AND DELIVERY MATTERS.....	2
VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF .....	5
INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON .....	6
BUSINESS OF THE MEETING.....	6
COMPENSATION DISCUSSION AND ANALYSIS .....	9
STATEMENT OF EXECUTIVE COMPENSATION .....	13
EMPLOYMENT CONTRACTS.....	16
SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS.....	25
STATEMENT OF CORPORATE GOVERNANCE PRACTICES .....	34
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY .....	44
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS .....	44
ADDITIONAL INFORMATION .....	44
DIRECTORS' APPROVAL .....	45
SCHEDULE "A" ARIZONA SONORAN COPPER COMPANY INC. BOARD OF DIRECTORS CHARTER .....	A-1



## MANAGEMENT INFORMATION CIRCULAR

### SOLICITATION OF PROXIES

This management information circular (the "**Information Circular**") is furnished in connection with the solicitation by management of Arizona Sonoran Copper Company Inc. (the "**Company**" or "**ASCU**") of proxies to be used at the annual meeting of shareholders of the Company (the "**Meeting**") on June 21, 2022 at 2:00 p.m. (Toronto time) and at all postponement(s) or adjournment(s) thereof, for the purposes set forth in the notice of annual meeting of shareholders (the "**Notice**") accompanying this Information Circular. The Meeting will be held in a virtual only format, accessible via <https://virtual-meetings.tsxtrust.com/en/1324/> using the password: arizona2022. Shareholders will not be able to attend the Meeting in person. A summary of the information shareholders will need to attend the Meeting is provided below. See "*Attending the Meeting*".

**The solicitation is made by the management of the Company and will be made primarily by mail, but proxies may also be solicited personally or by telephone by the Company's regular employees on behalf of the Company. Any potential solicitation, including costs will be assumed directly by the Company.**

### INFORMATION IN THIS CIRCULAR

Unless otherwise stated, the information contained in this Information Circular is as of May 6, 2022. All dollar amounts referenced herein, unless otherwise indicated, are expressed in United States dollars.

### APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are directors and/or officers of the Company. **Each shareholder has the right to appoint a person or company, who need not be a shareholder of the Company, other than the persons named in the enclosed form of proxy to represent such shareholder at the Meeting or any postponement(s) or adjournment(s) thereof.** Such right may be exercised by inserting such person's name in the blank space provided in the form of proxy and striking out the names of management's nominees in the enclosed form of proxy or by completing another proper form of proxy and, in either case, depositing the completed proxy to the Company's registrar and transfer agent, TSX Trust Company, Suite 301, 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, no later than 2:00 p.m. (Toronto time) on June 17, 2022 (or 48 hours (excluding Saturdays, Sundays and holidays) prior to any reconvened Meeting in the event of any postponement(s) or adjournment(s) of the Meeting). The Chair of the Meeting may waive or extend the proxy cut-off time at his discretion, without notice.

In light of the global COVID-19 pandemic and to mitigate against its risks, the Meeting will be held in a virtual only meeting format. **Shareholders will not be able to attend the Meeting physically.** A virtual-only meeting format is being adopted in response to the COVID-19 pandemic to give all Shareholders an equal opportunity to participate at the Meeting regardless of their geographic location or the particular constraints, circumstances or risks they may be facing as a result of COVID-19. The Company is not aware of any items of business to be brought before the Meeting other than those described in the enclosed Meeting materials.

A shareholder who has given a proxy has the power to revoke it as to any matter on which a vote has not already been cast, pursuant to the authority conferred by such proxy, and may do so either:

1. by delivering another properly executed form of proxy, executed by the shareholder or by the shareholder's attorney duly authorized in writing, bearing a later date and depositing it as described above;
2. by depositing an instrument in writing revoking the proxy, executed by the shareholder or the shareholder's attorney duly authorized in writing, with TSX Trust Company in accordance with the instructions under

*"Attending Virtual Meeting and Voting Online – Voting in Advance of the Meeting"* at any time up to and including the last business day preceding the day of the Meeting, or any postponement(s) or adjournment(s) thereof, at which the proxy is to be used; or

3. in any other manner permitted by law.

Only a Registered Shareholder (as defined below) of the Company has the right to revoke a proxy. A Non-Registered Holder (as defined below) who wishes to change their vote must arrange for the Intermediary (as defined below) to revoke the proxy on their behalf in accordance with the instructions of such Intermediary set out in the voting instructions form.

A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

### **EXERCISE OF DISCRETION BY PROXIES**

The shares represented by the form of proxy will be voted or withheld from voting in accordance with the instructions of the shareholder, contained in the form of proxy, on any ballot that may be called for. If a shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the shares represented by the proxy shall be voted accordingly. **Where no choice is specified, the proxy will confer discretionary authority and will be voted in favour of all resolutions described below. The enclosed form of proxy also confers discretionary authority upon the persons named therein to vote with respect to any amendments or variations to the matters identified in the Notice and with respect to other matters which may properly come before the Meeting in accordance with the best judgment of the named proxy.** At the date of this Information Circular, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting other than as disclosed in the materials accompanying this Information Circular.

### **NON-REGISTERED HOLDERS AND DELIVERY MATTERS**

Only registered holders of Common Shares (a "**Registered Shareholder**") or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a "**Non-Registered Shareholder**") are registered either: (i) in the name of a nominee such as an intermediary (an "**Intermediary**" or "**Intermediaries**") with whom the Non-Registered Shareholder deals in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as The CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant.

In accordance with Canadian securities legislation, the Meeting materials are being sent to both Registered Shareholders and Non-Registered Shareholders. There are two types of Non-Registered Shareholders – shareholders who have objected to the disclosure of their identities and share positions ("**OBOs**") and shareholders who do not object to the Company knowing who they are ("**NOBOs**"). The Company will distribute copies of the Notice, form of proxy, voting information form ("**VIF**") and request for financial statements in respect of the Meeting and this Information Circular, where required, (collectively, the "**Meeting Materials**") to both Registered Shareholders and Non-Registered Shareholders.

In the case of NOBOs, Meeting Materials may have either (a) been sent by the Company (or its agent) directly to NOBOs, or (b) been sent by the Company (or its agent) to intermediaries holding on behalf of NOBOs for distribution to such shareholder, as is the case for this Meeting. If you are a NOBO and the Company (or its agent) has sent the Meeting Materials directly to you, your personal information has been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions.

As it relates to OBOs, the Company intends to pay Intermediaries to send proxy-related materials and voting instruction forms to OBOs under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the proxy related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*.

Most Intermediaries delegate responsibility for obtaining voting instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge mails a VIF in lieu of a form of proxy provided by the Company. For your Common Shares to be voted, you must follow the instructions on the VIF that is provided to you. You can complete the VIF by: (i) calling the phone number listed thereon; (ii) mailing the completed VIF in the envelope provided; or (iii) using the internet at [www.proxyvote.com](http://www.proxyvote.com). Additionally, the Company will utilize Broadridge's QuickVote™ service to assist eligible shareholders with voting their shares directly over the phone. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of the Common Shares to be represented at the Meeting.

If you are a Non-Registered Shareholder and are unable to attend the Meeting but wish that your voting rights be exercised on your behalf by a proxyholder, you must follow the voting instructions on the VIF. If you are a Non-Registered Shareholder and wish to exercise your voting rights in person at the Meeting, you must indicate your own name in the space provided for such purpose on the voting instruction form in order to appoint yourself as a proxyholder and follow the instructions therein with respect to the execution and transmission of the document. See also "*Appointment and Revocation of Proxies*" for further details.

A Non-Registered Shareholder who wishes to change their vote must arrange for the Intermediary to revoke the proxy on their behalf in accordance with the instructions of such Intermediary set out in the VIF and timing may vary with each Intermediary.

### **ATTENDING VIRTUAL MEETING AND VOTING ONLINE**

Recognizing the widespread cancellation of public events for the protection of individuals and public safety in the face of the ongoing COVID-19 pandemic, the Meeting will be hosted online by way of a live webcast. Shareholders will not be able to attend the Meeting in person. A summary of the information shareholders will need to attend the online Meeting is provided below. The Meeting will begin at 2:00 p.m. (Toronto time) on June 21, 2022. Attending the Meeting online enables Registered Shareholders and duly appointed proxyholders, including Non-Registered Shareholders who have duly appointed a proxyholder, who were given a control number or an invite code to participate at the Meeting, ask questions and vote, all in real time. Registered Shareholders and duly appointed third-party proxyholders can vote at the appropriate times during the Meeting. Guests, including Non-Registered Shareholders who have not duly appointed a proxyholder, can log in to the Meeting as set out below. Guests can listen to the Meeting, but are not able to vote.

#### **Attending the Virtual Meeting**

Registered Shareholders and Non-Registered Shareholders can attend the Meeting online by following the below instructions.

	IF YOU HAVE RECEIVED PROXY FROM WITH A <b>12-DIGIT CONTROL NUMBER AND MEETING ACCESS CODE</b> FROM TSX TRUST COMPANY		IF YOU HAVE RECEIVED A PROXY OR VIF WITH A <b>16-DIGIT CONTROL NUMBER</b> FROM AN INTERMEDIARY
	<b>Registered Shareholders</b> (your securities are held in your name in a physical certificate or DRS statement)	<b>Non-Registered Shareholders</b> (your shares are held with a broker, bank, or other intermediary)	<b>Non-Registered Shareholders</b> (your shares are held with a broker, bank, or other intermediary)
<b>PRIOR TO THE MEETING</b>	No action is required prior to the meeting (unless you appointed yourself or someone else). If you appointed yourself or someone else on your proxy, prior to the proxy cut-off date, the	Follow the instructions to appoint yourself as proxyholder on your proxy/VIF. Please complete the Request for Control Number form located here: <a href="https://tsxtrust.com/resource/en/75">https://tsxtrust.com/resource/en/75</a> . Prior to the proxy cut-off date,	Appoint yourself as proxyholder as instructed herein and on the VIF. Please complete the Request for Control Number form located here: <a href="https://tsxtrust.com/resource/en/75">https://tsxtrust.com/resource/en/75</a> . Prior to the proxy cut-off date, please email this form to <a href="mailto:tsxtrustproxyvoting@tmx.com">tsxtrustproxyvoting@tmx.com</a> to

	IF YOU HAVE RECEIVED PROXY FROM WITH A <b>12-DIGIT CONTROL NUMBER AND MEETING ACCESS CODE</b> FROM TSX TRUST COMPANY		IF YOU HAVE RECEIVED A PROXY OR VIF WITH A <b>16-DIGIT CONTROL NUMBER</b> FROM AN INTERMEDIARY
	<b>Registered Shareholders</b> (your securities are held in your name in a physical certificate or DRS statement)	<b>Non-Registered Shareholders</b> (your shares are held with a broker, bank, or other intermediary)	<b>Non-Registered Shareholders</b> (your shares are held with a broker, bank, or other intermediary)
	appointee will need to register with TSX Trust by completing the Request for Control Number form located here: <a href="https://tsxtrust.com/resource/en/75">https://tsxtrust.com/resource/en/75</a> and return the form to <a href="mailto:tsxtrustproxyvoting@tmx.com">tsxtrustproxyvoting@tmx.com</a> prior to the proxy cut off. The appointee will then be provided with a meeting access number to join the virtual meeting on the day of the meeting.	please email this form to <a href="mailto:tsxtrustproxyvoting@tmx.com">tsxtrustproxyvoting@tmx.com</a> . The appointee will then be provided with a meeting access number to join the virtual meeting on the day of the meeting.	receive a control number/meeting access number in order to attend the meeting.
	On the day of the meeting, please access the virtual meeting by going to <a href="https://virtual-meetings.tsxtrust.com/1324">https://virtual-meetings.tsxtrust.com/1324</a> and clicking on "I have a control number/meeting access number". Please enter your control number/meeting access number and the password: arizona2022	Following the proxy cut-off date, if you followed the above instructions, your appointed proxyholder will be provided with a meeting access number to attend the meeting. When joining the meeting, the appointee will click on "I have a control number/meeting access number" enter their meeting access number and the password: arizona2022	AFTER submitting your proxy appointment and prior to the proxy cut off, <b>you MUST contact</b> <a href="mailto:tsxtrustproxyvoting@tmx.com">tsxtrustproxyvoting@tmx.com</a> to obtain a control number/meeting access number in order to join the meeting. When joining the meeting, the appointee will click on "I have a control number/meeting access number" enter their meeting access number and the password: arizona2022
<b>JOINING THE VIRTUAL MEETING</b> (at least 15 minutes prior to start of the Meeting)	<p align="center"><b>Register and login at:</b> <a href="https://virtual-meetings.tsxtrust.com/1324">https://virtual-meetings.tsxtrust.com/1324</a></p> <ul style="list-style-type: none"> <li>Registered Shareholders or validly appointed Proxyholders will need to use their control number/meeting access number to access the meeting. Please join by going to <a href="https://virtual-meetings.tsxtrust.com/1324">https://virtual-meetings.tsxtrust.com/1324</a> and click on "I have a control number/meeting access number." Enter your control number/meeting access number and the password "arizona2022".</li> <li>Guests can also access the meeting by going to <a href="https://virtual-meetings.tsxtrust.com/1324">https://virtual-meetings.tsxtrust.com/1324</a> and clicking "I am a guest"</li> </ul>		

**It is important that you are connected to the internet at all times during the Meeting.** It is your responsibility to ensure connectivity for the duration of the Meeting.

### Voting in Advance of the Meeting

To vote in advance of the Meeting, Registered Shareholders and Non-Registered Shareholders can vote no later than 2:00 p.m. (Toronto time) on June 17, 2022, or at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting (including any adjournment(s) or postponement(s) thereof) by following the below instructions.

	IF YOU HAVE RECEIVED PROXY FROM WITH A <b>12-DIGIT CONTROL NUMBER AND MEETING ACCESS CODE</b> TSX TRUST COMPANY		IF YOU HAVE RECEIVED A PROXY OR VIF WITH A <b>16-DIGIT CONTROL NUMBER</b> FROM AN INTERMEDIARY
Voting Method	<b>Registered Shareholders</b> (your securities are held in your name in a physical certificate or DRS statement)	<b>Non-Registered Shareholders</b> (your shares are held with a broker, bank, or other intermediary)	<b>Non-Registered Shareholders</b> (your shares are held with a broker, bank, or other intermediary)
Internet	Login to <a href="http://www.voteproxyonline.com">www.voteproxyonline.com</a> Using the control number provided to you complete the online form to submit your proxy form		Go to <a href="http://www.proxyvote.com">www.proxyvote.com</a> Enter the 16-digit control number printed on the VIF and follow the instructions on screen

	IF YOU HAVE RECEIVED PROXY FROM WITH A <b>12-DIGIT CONTROL NUMBER AND MEETING ACCESS CODE</b> TSX TRUST COMPANY	IF YOU HAVE RECEIVED A PROXY OR VIF WITH A <b>16-DIGIT CONTROL NUMBER</b> FROM AN INTERMEDIARY
Voting Method	<b>Registered Shareholders</b> (your securities are held in your name in a physical certificate or DRS statement)	<b>Non-Registered Shareholders</b> (your shares are held with a broker, bank, or other intermediary)
Email	Complete, sign and date the proxy form and email to: <a href="mailto:tsxtrustproxyvoting@tmx.com">tsxtrustproxyvoting@tmx.com</a>	N/A
Mail	Enter your voting instructions, sign, date and return the form to TSX Trust Company, Suite 301, 100 Adelaide Street West, Toronto, Ontario, M5H 4H1 in the enclosed envelope	Enter your voting instructions, sign, date and return completed VIF in the enclosed postage paid envelope

### Quorum

The quorum for the transaction of business at any meeting of holders of Common Shares is two shareholders entitled to vote at the meeting whether in person or proxy who hold, in the aggregate, at least 5% of the issued and outstanding Common Shares entitled to be voted at the meeting. In the event that a quorum is not present within one-half hour from the time set for the holding of the Meeting, the Meeting stands adjourned to the same day in the next week at the same time and place.

### VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The board of directors (the "**Board**") has fixed May 6, 2022 (the "**Record Date**") as the record date for the determination of shareholders entitled to receive notice of and vote at the Meeting. All holders of common shares of the Company ("**Common Shares**") of record at the close of business on the Record Date are entitled either to attend the Meeting and vote the Common Shares held by them in person or, provided a completed and executed form of proxy shall have been delivered to the Company's transfer agent and registrar, TSX Trust Company, within the time specified in the attached Notice, to have a proxy attend and vote the Common Shares in accordance with the shareholder's instructions. Each Common Share entitles the shareholder thereof to one vote on all matters to be acted upon at the Meeting for each Common Share registered in the shareholder's name on the Record Date. As at the Record Date, there are 71,182,815 Common Shares issued and outstanding.

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

Name of Shareholder	Number of Common Shares <sup>(1)</sup>	Percentage of Common Shares <sup>(1)</sup>
Tembo Capital Mining GP III Ltd <sup>(2)</sup>	26,771,717	37.6%

**Notes:**

- (1) The information as to Common Shares beneficially owned, controlled or directed, and percentage of voting rights, not being within the knowledge of the Company, has been obtained by the Company from publicly disclosed information and/or furnished by the shareholder listed above.
- (2) Represents 218,788 Common Shares held directly by Tembo Capital Mining GP III Ltd. and 26,552,929 Common Shares held through Tembo Capital Elim Co-Investment LP ("**Tembo**").

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

Except as otherwise disclosed in this Information Circular, none of the directors or executive officers of the Company, no nominee for election as a director of the Company ("**Nominee**"), none of the persons who have been directors or executive officers of the Company since the commencement of the Company's last completed financial year 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, other than the election of directors and the appointment of auditors.

## BUSINESS OF THE MEETING

### Financial Statements

The shareholders will receive and consider the audited financial statements of the Company for the fiscal year ended December 31, 2021, together with the auditor's report thereon.

### Fix the number of Directors

The term of office for each director is from the date of the Meeting at which the director is elected until the next following annual meeting of shareholders of the Company or until their successors are elected or appointed. At the Meeting, it is proposed that the number of directors of the Company be fixed at six directors.

**The persons named in the attached form of proxy intend to vote the Common Shares represented by such proxy FOR the fixing of the number of directors at six directors unless the shareholder specifies in the proxy that the Common Shares represented by such proxy are to be withheld from voting in respect of such resolution.**

### Election of Directors

The articles of incorporation of the Company provide that the Board must consist of a minimum of three directors, to be elected annually. The shareholders of the Company have authorized the Board, by special resolution, to determine the size of the Board. Pursuant to such authorization, the Board has fixed the size of the Board at six directors. Each director is elected to hold office until the next annual meeting of shareholders of the Company, or until their successor is duly elected, unless the director's office is earlier vacated in accordance with the by-laws of the Company. At the Meeting, shareholders will be asked to elect six directors to the Board. **On any ballot that may be called for in the election of directors, the persons named in the enclosed form of proxy intend to cast the votes to which the Common Shares represented by such proxy are entitled for the Nominees whose names are set forth below, unless the shareholder who has given such proxy has directed that the Common Shares be otherwise voted or withheld from voting in respect of the election of directors.** Management does not contemplate that any of the Nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for other Nominees at their discretion.

The following table sets out the name of each of the Nominees proposed to be nominated for election as a director, all positions and offices in the Company held by each of them, the principal occupation or employment of each of them for the past five years, the year in which each was first elected as a director of the Company (where applicable) and the approximate number of Common Shares that each has advised are beneficially owned (directly or indirectly) or subject to his or her control or direction.

Name and Residence	Position with Company	Period of Service as a Director	Principal Occupation, Business or Employment for Past Five (5) Years, if Different from Office Held with the Company	Number of Common Shares Beneficially Owned, Controlled or Directed <sup>(5)</sup>
David Laing <sup>(2)</sup> Vancouver, BC	Chairman	Since May 2021	Chairman of Fortuna Silver Mines Inc. and director of Northern Dynasty Minerals Ltd., Blackrock Silver Corp., Lavras Gold Corp. Consultant since November 2018. Previously, Chief Operating Officer of Equinox Gold Corp. from August 2016 to November 2018.	73,381
George Ogilvie Oakville, ON	President, Chief Executive Officer and Director	Since July 2021	Current director of Rupert Resources Ltd. Former President and Chief Executive Officer of Battle North Gold Corporation (formerly Rubicon Minerals Corporation) from December 2016 to May 2021 and President & Chief Executive Officer of Kirkland Lake Gold from November 2013 to June 2016.	1,123,012
Alan Edwards <sup>(1)(2)(4)</sup> Tucson, AZ	Director	Since May 2021	Current director of Entrée Resources Ltd., Orvana Minerals Corp. and Americas Gold & Silver. President of AE Resources Corp. since January 2017 and Interim Chief Executive Officer of ASCU from May 2021 to July 2021.	118,111
Mark Palmer <sup>(2)(3)</sup> London, UK	Director	Since August 2020	Partner at Tembo since 2015. Director at Orion Minerals since 2018, and was appointed and resigned from the board of directors of Xiana Mining in 2018.	Nil
Thomas Boehlert <sup>(1)(3)(4)</sup> New York City, USA	Director	Since October 2020	Current director and Chief Financial Officer of RCF Acquisition Corp. Executive Vice President and Chief Financial Officer of Bunge Limited from January 2017 to September 2019. Previously, director of TMAC Resources from September 2019 to January 2021.	431,858
Sarah Strunk <sup>(1)(3)(4)(6)</sup> Scottsdale, USA	Director	Since January 2022	Director of Teck Resources, March 2022. Chairwoman of Fennemore Craig, P.C. since 2015. Former Chair of Brio Gold (now part of Equinox Gold).	Nil

**Notes:**

- (1) Member of the Audit Committee. Thomas Boehlert is the Chair of the Audit Committee.
- (2) Member of the Technical & Sustainability Committee. Alan Edwards is the Chair of the Technical & Sustainability Committee.
- (3) Member of the Governance and Nominating Committee. Sarah Strunk is the Chair of the Governance and Nominating Committee.
- (4) Member of the Compensation Committee. Thomas Boehlert is the Chair of the Compensation Committee.
- (5) This information as to the number of Common Shares beneficially owned, controlled or directed has been furnished by the respective nominee as of May 6, 2022.
- (6) Ms. Strunk joined the board of directors of the Company in January 1, 2022 and became a member of the Audit Committee and Compensation Committee and the chair of the Governance and Nominating Committee.

Based on the disclosure available on the System for Electronic Disclosure by Insiders, as of May 6, 2022, the director nominees as a group, beneficially owned, or exercise control or direction over, directly or indirectly, an aggregate of 1,746,362 Common Shares, representing 2.5% of the issued and outstanding Common Shares on a non-diluted basis.

***Cease Trade Orders or Bankruptcies***

Other than as disclosed below, to the knowledge of the Company, no other director, executive officer, Nominee, or any personal holding company of any Nominee, is, as at the date hereof, or was within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company) that (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access

to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an "Order") that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such issuer; or (b) was subject to an Order that was issued after the director or executive officer 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.

Mr. David Laing has been a director of Fortuna Silver Mines Inc. ("**Fortuna**") since September 2016. On April 3, 2017, a management cease trade order ("**MCTO**") was issued by the British Columbia Securities Commission and other Canadian provincial securities regulatory authorities pursuant to National Policy 12-203 – *Management Cease Trade Orders* in connection with the late filing of Fortunas' annual audited financial statements and related management discussion and analysis for the years ended December 31, 2016 and 2015 and the annual information form for the year ended December 31, 2016 (the "**Fortuna Annual Documents**"). The MCTO prohibited the Chief Executive Officer and the Chief Financial Officer of Fortuna from trading in securities of Fortuna until Fortuna completed the required filing of the Fortuna Annual Documents as well as its Fortuna Interim Financial Documents (as defined below) for the first quarter of 2017. The Fortuna Annual Documents were filed on May 15, 2017. Due to the delay in finalizing the Fortuna Annual Documents, Fortuna was delayed in filing its interim financial statements and related management discussion and analysis for the three months ended March 31, 2017 and 2016 (together, the "**Fortuna Interim Financial Documents**"). Fortuna filed the Fortuna Interim Financial Documents on May 24, 2017, and the MCTO was revoked by the British Columbia Securities Commission on May 25, 2017.

Other than as disclosed below, no individual set forth in the above table, nor any personal holding company of any such individual: (a) is, as of the date hereof, or has been, within 10 years before the date hereof, a director or executive officer of any company (including the Company) that, while such individual was acting in that capacity, or within a year of such individual ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, 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 (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such individual.

Mr. Thomas Boehlert was a director and President and Chief Executive Officer of First Nickel Inc. from September 12, 2011 to August 20, 2015. On August 19, 2015, the Ontario Superior Court granted an application made by First Nickel Inc.'s creditors to appoint a receiver under the Bankruptcy and Insolvency Act (Canada). On January 21, 2016, the liquidation of First Nickel Inc.'s assets were substantially complete.

Mr. Alan Edwards was Chairman of the board of directors of Oracle Mining Corp. ("**Oracle**") until his resignation effective on February 15, 2015. On December 23, 2015, Oracle announced that the Superior Court of Arizona had granted the application of Oracle's lender to appoint a receiver and manager over the assets, undertaking and property of Oracle Ridge Mining LLC.

None of the Company's directors or executive officers, nor, to its knowledge, any shareholder holding a sufficient number of its securities to affect materially the control of the Company, 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 shareholder in making an investment decision or in deciding whether to vote for a Nominee.

**IF ANY OF THE NOMINEES ARE FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR ANOTHER NOMINEE IN THEIR DISCRETION UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE COMMON SHARES REPRESENTED BY SUCH PROXY ARE TO BE WITHHELD FROM VOTING IN THE ELECTION OF DIRECTORS.**

**The persons named in the attached form of proxy intend to vote the Common Shares represented by such proxy FOR the election of the Nominees listed in this Information Circular unless a shareholder specifies in the proxy that the Common Shares represented by such proxy are to be withheld from voting in respect of such resolution.**

### **Appointment of Auditors**

The directors propose to nominate PricewaterhouseCoopers LLP ("**PwC**"), the present auditors, as the auditors of the Company to hold office until the close of the next annual meeting of shareholders of the Company. PwC was first appointed as auditors of the Company on July 14, 2020.

Going forward, the directors will negotiate with the auditors of the Company on an arm's length basis in determining the fees to be paid to the auditors. In the past, such fees have been based on the complexity of the matters in question and the time incurred by the auditors. The directors believe that the fees negotiated with the auditors of the Company have been reasonable and, in the circumstances, would be comparable to fees charged by other auditors providing similar services.

In order to appoint PwC as auditors of the Company to hold office until the close of the next annual meeting of shareholders of the Company, and authorize the directors to fix the remuneration thereof, a majority of the votes cast at the Meeting must be voted in favour thereof.

**The persons named in the attached form of proxy intend to vote FOR the appointment of PwC as auditors of the Company and FOR authorizing the directors to fix the remuneration of the auditors, unless a shareholder specifies in the proxy that the Common Shares represented by such proxy are to be withheld from voting in respect of the appointment of auditors and the fixing of their remuneration.**

## **COMPENSATION DISCUSSION AND ANALYSIS**

### **Compensation Discussion and Analysis**

This Compensation Discussion and Analysis provides information regarding all significant elements of compensation paid, payable, granted, given or otherwise provided by the Company to the following individuals (collectively, the "**Named Executive Officers**" or "**NEOs**");

- (a) the Company's chief executive officer, including an individual performing functions similar to a chief executive officer (the "**Chief Executive Officer**");
- (b) the Company's chief financial officer, including an individual performing functions similar to a chief financial officer (the "**Chief Financial Officer**");
- (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 Chief Executive Officer and Chief Financial Officer, 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* under National Instrument 51-102 – *Continuous Disclosure Obligations*, for that financial year; and
- (d) each individual who would be a NEO 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.

For most of 2021, the Company was not a reporting issuer, having become a reporting issuer on November 9, 2021. The Company's NEOs for the 2021 fiscal year are:

- George Ogilvie, President, Chief Executive Officer and director;

- Rodney Prokop, former Chief Financial Officer and Corporate Secretary (from January 7, 2021 to January 10, 2022);
- Ian McMullan, Chief Operating Officer;
- Rita Adiani, Senior Vice President, Strategy & Corporate Development; and
- Douglas Bowden, Vice President Exploration.

John Antwi was the former Chief Executive Officer of the Company from April 3, 2019 until May 4, 2021 and Llee Chapman was the former Chief Financial Officer of the Company from August 14, 2020 to January 7, 2021. Both Messrs. Antwi and Chapman resigned from the Company prior to the completion of the initial public offering on November 16, 2021 (the "**Initial Public Offering**"). In addition, following the resignation of Rodney Prokop as Chief Financial Officer and Corporate Secretary of the Company on January 10, 2022, Nicholas Nikolakakis became the Vice President, Finance and Chief Financial Officer of the Company.

### *Compensation Committee*

The Compensation Committee is appointed by the Board to be responsible for the oversight and setting of the compensation for the Company's executive officers, including among other things, reviewing and making recommendations to the Board in respect of compensation policies and practices of the Company, remuneration of senior officers of the Company, and recommending to the Board for approval any incentive awards to be granted to senior officers of the Company. The Compensation Committee as at December 31, 2021 was comprised of Thomas Boehlert (Chair), Alan Edwards and David Laing. All members of the Compensation Committee are independent within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**"). Sarah Strunk joined the Board on January 1, 2022 and became a member of the Compensation Committee. The Compensation Committee is currently comprised of Thomas Boehlert (Chair), Alan Edwards and Sarah Strunk.

The specific experience of each committee member relevant to his responsibilities as a member of the Compensation Committee is summarized below:

- Mr. Boehlert has extensive experience as an executive in the agribusiness, mining and energy sectors. Mr. Boehlert served as Executive Vice President and Chief Financial Officer of Bunge Limited from 2017 to 2019. Prior to joining Bunge Limited, he was President and Chief Executive Officer of First Nickel Inc. from 2011 to 2015 and Executive Vice President and Chief Financial Officer of Kinross Gold Corporation from 2006 to 2011. Mr. Boehlert also previously served as Executive Vice President and Chief Financial Officer of Texas Genco in 2005, Direct Energy in 2004 and Sithe Energies Inc., from 2000 to 2003. Mr. Boehlert holds an MBA (Finance) from New York University's Leonard N. Stern School of Business. Through his executive roles, Mr. Boehlert has been directly responsible for managing several organizations, including an organization of more than 2,000 employees at Bunge Limited.
- Mr. Edwards has more than 35 years of operations and executive mining industry experience. Mr. Edwards is currently the President of AE Resources Corp., an Arizona based company. He formerly served as Chief Executive Officer of Oracle, President and Chief Executive Officer of Copper One Inc., President and Chief Executive Officer of Frontera Copper Corporation and Chief Operating Officer of Apex Silver Corporation. Currently, Mr. Edwards serves as a Non-Executive Director for Americas Gold and Silver Corporation, Entrée Resources Ltd. and Orvana Minerals Corp. Mr. Edwards has previously held the positions of Non-Executive Chairman of the Boards for Tonogold Resources Inc., Mason Resources Corp. (until its acquisition by Hudbay Minerals Inc.), Rise Gold Corp., AQM Copper Inc. (until its acquisition by Teck Resources Ltd.) and AuRico Gold Inc. Currently, Mr. Edwards serves on the compensation committee for Entrée Gold, and previously for AuRico Gold and Tonogold Resources.
- Mr. Laing has held multiple executive positions in precious base metals companies, including serving as Executive Vice President of Technical Services and Senior Vice President of Operations for Endeavour Mining from 2010 to 2014 and was a key member of the team in implementing the development strategy of

the company. He has also held positions as Chief Operating Officer of Equinox Gold Corp, True Gold Mining Inc. and Quintana Resources. Currently, Mr. Laing is on the compensation committee for Fortuna Silver Mines, Northern Dynasty Minerals, Blackrock Silver and Lavras Gold.

- Ms. Strunk has been the Chair of the Board of Directors of Fennemore Craig since 2015, a Mountain West Law Firm. Prior to joining Fennemore, Ms. Strunk was Chief Corporate Counsel to the copper and molybdenum division of Cyprus Amax Minerals Company (1992-2000). She has served on the Board of the Arizona Mining Association, has been a long-time trustee of the Foundation for Natural Resource and Energy Law (Rocky Mountain Mineral Law Foundation, was the Mining Co-Chair for an Annual Institute and currently serves on their Investment and International Committees and acts as the regional annual institute program co-chair for Arizona for the Foundation. She has presented papers at the Foundation's Special and Annual Institutes, including on Corporate Audits and Investigations and International Mining Due Diligence. Additionally, Ms. Strunk was the Chair of the Board of Brio Gold (2016-2018), now part of Equinox Gold and a member of the Audit, Compensation and Governance Committees.

See "*Statement of Corporate Governance Practices – Committees of the Board of Directors – Compensation Committee*".

### ***Elements of Compensation***

The Company's executive compensation program consists of a combination of base salary, short-term incentives and long-term incentives in the form of participation in the Equity Incentive Plan (as defined below). The objectives of the Company's compensation program are:

- to attract, motivate and retain talented directors and officers;
- to align the interests of directors and officers with the Company's shareholders; and
- to ensure the relationship of corporate and individual performance to individual compensation.

The compensation program of the Company is designed to reward achievement of performance goals which lead to project and corporate development generating shareholder value. To achieve these objectives, the Company believes it is critical to create and maintain a compensation program that attracts and retains committed, highly qualified personnel by providing appropriate rewards and incentives that align the interest of its executive officers with those of its shareholders.

The Company was not a reporting issuer for most part of the year ended December 31, 2021. Compensation for 2022 is to be awarded or paid to the Company's directors and executive officers, including NEOs, consisting primarily of base salary and/or consulting fees, RSUs (as defined below), Options (as defined below) and bonuses. Payments will be made from time to time to executive officers, including NEOs, or companies they control for the provision of consulting or management services. Such services are to be paid for by the Company at competitive industry rates for work of a similar nature by reputable arm's length services providers.

In determining the compensation to be paid or awarded to its executive officers, the Compensation Committee seeks to encourage the advancement of the Company's projects, with a view to enhancing shareholder value. To achieve these objectives, the Company believes it is critical to create and maintain a compensation program that attracts and retains committed, highly qualified personnel by providing appropriate rewards and incentives that align the interest of its executive officers with those of its shareholders.

### ***Base Salary***

The base salary for each NEO is established by the Board, on the recommendation of the Compensation Committee, based upon the position held by such NEO, competitive market conditions, such NEO's related responsibilities, experience and the NEO's skill base, the functions performed by such NEO and the salary ranges for similar positions

in comparable companies. Individual and corporate performance will also be taken into account in determining base salary levels for executives.

### ***Cash Bonuses***

Cash bonuses form a normal part of the Company's executive compensation. The amount of cash bonus compensation will be earned by the executive team member on the basis of timely achievement of corporate and personal targets as set in advance by the Board. These targets are selected based upon consideration of their impact on shareholder value creation and the ability of the Company to achieve certain milestones during specific intervals. The amount of bonus compensation awarded is determined based upon achievement of these targets and any other factors the Compensation Committee may consider appropriate at the time such performance-based bonuses are awarded. The quantity of bonus will normally be a percentage of base salary not to exceed 150%.

### ***Equity Incentive Plan Awards***

The Compensation Committee determines and administers the short-term incentives and grants of Awards (as defined in the Equity Incentive Plan) under the Company's Equity Incentive Plan. Options (the "**Options**") and restricted share units ("**RSUs**") are key compensation elements for the Company. Options and RSUs are important components of aligning the objectives of the Company's executive officers and consultants with those of its shareholders, while encouraging them to remain associated with the Company. The Company expects to provide Option and potential RSU positions to its executive officers and consultants. The precise amount of Options and RSUs to be offered will be governed by the importance of the executive officer's role within the Company, by the competitive environment within which the Company operates and by the regulatory limits on Option and RSU grants that cover organizations such as the Company. The precise amount of RSUs to be offered will also be governed by the achievement of certain milestones. When considering an award of Options and RSUs to an executive officer, consideration of the number of Options and RSUs previously granted to the executive officer may be taken into account, however, the extent to which such prior grants remain subject to resale restrictions will generally not be a factor.

### ***Other Benefits***

The Company pays the majority of the premium costs for employee medical and dental benefits and matches employee's contributions to a plan, which is compliant pursuant to Section 401(k) of the U.S. Internal Revenue Code (the "**US IRC**"), up to a maximum of 4% of base salary and subject to the maximum contribution limit set by the U.S. Internal Revenue Service. The Company does not have a company-sponsored pension plan.

### ***Benchmarking***

The Company's objectives are to become a mid-tier copper producer in the medium term with low operating costs, to develop a project that can generate robust returns for investors and to provide a long term sustainable and responsible operation for the community and all stakeholders. To succeed, it is important for the Company to engage, retain and attract executive officers by providing a reasonable and competitive total compensation package. The Compensation Committee believes it is appropriate to establish total compensation levels for executive officers with reference to benchmark roles among similar companies, both in terms of compensation levels and practices. To benchmark the competitiveness of the compensation program for the Company's executive officers for the financial year ended December 31, 2021, the Compensation Committee in consultation with Hugessen Consulting Inc. considered the size (based on market capitalization of listed peers within the copper and diversified metals and mining segment with operations in the US or Canada) and stage of development (at early production or pre-production stage) to determine an appropriate peer group of comparators including the following eight companies:

Trilogy Metals Inc.	NioCorp Developments Ltd.	Filo Mining Corp.	Millennial Lithium Corp.
Critical Elements Lithium Corporation	NextSource Materials Inc.	Western Copper and Gold Corporation	Excelsior Mining Corp.

### ***Managing Compensation Risk***

The Compensation Committee and the Board have incorporated the following in the total rewards program which are intended to ensure executive officers are compensated fairly and in a manner that does not cause undue risk or encourage excessive risk-taking:

- the Compensation Committee reviews and recommends the base remuneration of all executive officers, and the bonuses or other awards for executive officers (including NEOs), to the Board for the Board's review and approval;
- executive compensation is reviewed annually and industry benchmarking is used to assess competitiveness and appropriateness;
- the annual incentive compensation incorporates both quantitative and qualitative measures that are aligned with the business plan approved by the Board; and
- a consistent compensation structure is applied to the NEOs and all other employees.

The Company's Insider Trading and Blackout Policy provides that all ASCU Mining Personnel (as defined in the Insider Trading and Blackout Policy) must not engage in hedging transactions. More particularly, ASCU Mining Personnel, including NEOs and directors, are prohibited from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the ASCU Mining Personnel.

In addition to the Insider Trading and Blackout Policy, the Company has a number of other policies to encourage a strong governance culture including the Code (as defined below), the Whistleblower Policy and the Foreign Corrupt Practices Policy. The Company's corporate values form the basis of the Company's culture and guide the behaviour of its directors, executive officers and other employees.

### ***Compensation Consultants and Advisors***

As part of the compensation review process for 2021 in connection with the Initial Public Offering, the Company retained Hugessen Consulting Inc. to review the Company's compensation peer group as outlined above under the section "*Compensation Discussion and Analysis – Benchmarking*". The report was issued on March 31, 2021. This peer group is used to assess the competitiveness of the Company's compensation programs and policies, establish target incentives and determine total compensation, including base salary, cash bonuses and equity incentives for its executive officers.

The Company paid Hugessen Consulting Inc. an aggregate fee of US\$35,611 with respect to services provided to the Company related to determining compensation for the Company's executive officers for the year ended December 31, 2021.

## **STATEMENT OF EXECUTIVE COMPENSATION**

The Company became a reporting issuer on November 9, 2021 and completed its Initial Public Offering on November 16, 2021.

All dollar amounts in this Information Circular are expressed in United States dollars, except as otherwise indicated. References to "\$" or "C\$" are to Canadian dollars and references to "US\$" are to United States dollars.

**Summary Compensation Table – Year Ended December 31, 2021**

The following table sets forth all direct and indirect compensation for, or in connection with, services provided to the Company for the financial year ended December 31, 2021 in respect of each NEO of the Company, being the most recently completed year since the Company became a reporting issuer.

Name and Principal Position	Salary (\$) <sup>(1)</sup>	Share-based awards (\$) <sup>(2)</sup>	Option-based awards (\$) <sup>(3)</sup>	Non-equity incentive plan compensation <sup>(4)</sup>	Pension value <sup>(5)</sup>	All other compensation	Total compensation
George Ogilvie President, Chief Executive Officer and director <sup>(6)</sup>	165,366	279,253	419,986	184,659	Nil	Nil	1,049,265
Ian McMullan Chief Operating Officer	225,000	95,970	251,330	100,125	5,450	Nil	677,875
Doug Bowden, Vice President Exploration	175,000	Nil	70,000	47,250	9,096	Nil	301,346
Rita Adiani Senior Vice President <sup>(7)</sup> Corporate Development and Strategy	102,785	37,500	227,206	105,570	Nil	25,000	498,061
Rod Prokop Former Chief Financial Officer <sup>(8)</sup>	220,000	41,459	31,004	110,000	7,785	Nil	410,248

**Notes:**

- (1) All compensation amounts are expressed in US\$ in respect of the NEOs. All NEOs are paid in US\$, except for George Ogilvie who is paid in C\$ converted at an exchange rate of US\$1 = C\$1.25, based on the Bank of Canada USD/CAD noon exchange rate for the year 2021. Represents the amounts earned by the relevant individual for the year ended December 31, 2021.
- (2) Represents the dollar amount based on the fair value of the award on the grant date for the year ended December 31, 2021. Values are calculated based on the market share price on the grant date. The share price for the units granted range from C\$0.38-C\$2.64.
- (3) Represents the dollar amount based on the fair value of the award on the grant date for the year ended December 31, 2021. Values are calculated based on Black-Scholes model at the market share price on the grant date. The Company uses the Black-Scholes model to calculate the fair value of option-based awards on the grant date. The Company chose the Black-Scholes model because it is a widely recognized and utilized model for option pricing. The Black-Scholes model requires six key inputs: risk-free interest rate, exercise price of the option, market price of the Common Share at the date of grant, expected dividend yield, expected life and share price volatility. In calculating the options granted in 2021, management assumed a risk free interest rate ranging between 0.35-0.95%, exercise prices ranging between C\$1.13-C\$2.64, market prices ranging from C\$1.13-C\$2.64, volatility ranging from 68-100%, an expected dividend yield of 0%, and an expected life of 5 years.
- (4) Represents discretionary annual bonuses paid by the Company to the respective NEOs in respect of 2021.
- (5) Represents all compensation relating to defined benefit or defined contribution plans for the year ended December 31, 2021.
- (6) George Ogilvie joined the Company on July 7, 2021. The compensation provided in this table represents the aggregate compensation that Mr. Ogilvie received in the year ended December 31, 2021 since July 7, 2021, in his capacity as President, Chief Executive Officer and director of the Company. He did not receive director's fees in 2021 and the compensation he received was solely in his capacity as NEO of the Company.
- (7) Rita Adiani served as a Consultant from January 4, 2021 to July 31, 2021. Ms. Adiani became the Senior Vice President, Corporate Development and Strategy as of August 1, 2021. All other compensation includes a \$25,000 fee paid to Rita for relocation from London, UK to Phoenix, USA.
- (8) Rodney Prokop served as Chief Financial Officer from November 16, 2020 to January 10, 2022.

**Outstanding Share-Based Awards and Option-Based Awards**

**Outstanding Equity Awards**

The following table sets forth all outstanding option-based and share-based awards granted by the Company for each NEO that remain outstanding as at December 31, 2021.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (C\$)	Option expiration date	Value of unexercised in-the-money options (C\$) <sup>(3)</sup>	Number of shares or units that have not vested (#)	Market or payout value of share-based awards that have not vested (C\$)	Market or payout value of vested share-based awards not paid out or distributed (C\$) <sup>(4)</sup>
George Ogilvie <sup>(1)</sup> <i>President, Chief Executive Officer and director</i>	250,000	2.64	July 6, 2026	Nil	111,111	227,778	Nil
	198,392	2.06	January 31, 2027	Nil			
Rodney Prokop <i>Former Chief Financial Officer and Corporate Secretary</i>	107,649	1.13	January 4, 2026	99,037	Nil	Nil	Nil
Ian McMullan <i>Chief Operating Officer</i>	107,649	0.56	July 20, 2025	160,397	30,466	62,455	Nil
	76,166	1.88	January 4, 2026	12,948			
	206,176	2.06	January 31, 2027	Nil			
Rita Adiani <sup>(2)</sup> <i>Senior Vice President, Strategy &amp; Corporate Development</i>	96,666	1.88	January 4, 2026	16,433	Nil	Nil	Nil
	149,547	2.06	January 31, 2027	Nil			
Douglas Bowden <i>Vice President Exploration</i>	85,986	0.56	July 20, 2025	128,119	Nil	Nil	Nil
	85,525	2.06	January 31, 2027	Nil			

**Notes:**

- (1) George Ogilvie was appointed Chief Executive Officer of the Company on July 6, 2021.
- (2) Rita Adiani was appointed Senior Vice President, Strategy & Corporate Development of the Company on July 22, 2021.
- (3) Represents the aggregate Canadian dollar amount of in-the money unexercised options held at the end of the most recently completed financial year of the Company. The value of the in-the-money unexercised options is calculated based on the difference between the market value per Common Share as at December 31, 2021 and the exercise price of the option.
- (4) Represents the aggregate Canadian dollar market value of RSUs held at the end of the most recently completed financial year of the Company that have not vested. The market value of the RSUs that have not vested is the market value per Common Share as at December 31, 2021.

***Incentive Plan Awards – Value Vested During the Year***

The following table summarizes the value of all share-based awards exercised, vested or earned for each NEO during the financial year of the Company ended December 31, 2021.

Name	Option-based awards – Value vested during the year (US\$) <sup>(3)</sup>	Share-based awards – Value vested during the year (US\$) <sup>(4)</sup>	Non-equity incentive plan compensation – Value earned during the year (US\$) <sup>(5)</sup>
George Ogilvie <sup>(1)</sup> <i>President and Chief Executive Officer and director</i>	Nil	108,598	Nil
Ian McMullan <i>Chief Operating Officer</i>	Nil	179,378	Nil
Rod Prokop <i>Former Chief Financial Officer</i>	Nil	90,045	Nil

Name	Option-based awards – Value vested during the year (US\$) <sup>(3)</sup>	Share-based awards – Value vested during the year (US\$) <sup>(4)</sup>	Non-equity incentive plan compensation – Value earned during the year (US\$) <sup>(5)</sup>
Rita Adiani <sup>(2)</sup> <i>Senior Vice President Strategy and Corporate Development</i>	Nil	48,869	Nil
Doug Bowden <i>Vice President Exploration</i>	Nil	72,035	Nil

**Notes:**

- (1) George Ogilvie was appointed Chief Executive Officer of the Company on July 6, 2021.
- (2) Rita Adiani was appointed Senior Vice President, Strategy & Corporate Development of the Company on July 22, 2021.
- (3) The Company calculated the difference between the closing share price on the date the options vest and the exercise price for the vested stock options to determine the vested option value for 2021. Some options vested prior to the Initial Public Offering date of November 16, 2021 and no market price was available on the vesting dates and in such cases nil value was attributed to those specific vested stock options.
- (4) Represents the dollar amount based on the fair value of the award on the grant date for the year ended December 31, 2021, calculated based on the market price of C\$2.05 per Common Share and calculated at US\$1.00 = C\$1.25, based on the Bank of Canada USD/CAD noon exchange rate for the year 2021.

For further details concerning the incentive plans of the Company, please see "*Summary of the Equity Incentive Plan*" below.

**Pension Plan Benefits**

As of the date of this Information Circular, the Company does not have any pension plans.

**EMPLOYMENT CONTRACTS**

**Termination and Change of Control Benefits**

As at December 31, 2020, the Company has entered into written employment agreements with Messrs. Rodney Prokop and Ian McMullan and John Antwi. On July 6, 2021 and prior to the Company becoming a reporting issuer, the Company retained and entered into an employment agreement with Mr. George Ogilvie as President and Chief Executive Officer of the Company following the departure of Mr. Antwi. On July 22, 2021, the Company retained Ms. Rita Adiani as Senior Vice President for Strategy & Corporate Development and entered into an employment agreement with Ms. Adiani. In addition, subsequent to December 31, 2021, on January 10, 2022, the Company retained and entered into an employment agreement with Mr. Nicholas Nikolakakis as Chief Financial Officer of the Company, with Mr. Prokop leaving the position.

The employment agreements between the Company and each of Messrs. Ogilvie, Prokop, Nikolakakis, McMullan and Ms. Adiani are collectively referred to herein as the "**Employment Agreements**" and each individually as a "**Employment Agreement**".

Each Employment Agreement sets out the terms and conditions of their employment as well as entitlements should the Company terminate their employment other than for cause. The Employment Agreements include termination provisions for several scenarios including a "Change of Control" (as described below) or resignation for "Good Reason" (as described below) within 180 days of a Change of Control.

The following table summarizes the compensation payable by the Company to each of Messrs. Ogilvie, Nikolakakis and McMullan and Ms. Adiani should their employment with the Company be terminated.

	Termination for Cause	Termination without Cause	Termination Subsequent to Change of Control or Resignation for Good Reason Within 180 days of a Change in Control	Voluntary Resignation
George Ogilvie <i>President, Chief Executive Officer and director</i>	<p><b>Severance:</b> Entitled to (a) if the employee is terminated for any reason that provides the Company with the right to terminate employment without notice under Ontario's <i>Employment Standards Act, 2000</i> (the "ESA"), without any working notice, pay in lieu of working notice, statutory severance pay or any other entitlement either by way of anticipated earnings or damages of any kind, except for the regular wages and vacation pay accrued and owing as of the effective termination, the reimbursement of all eligible expenses incurred by the employee that remain owing as of the effective termination date, and any other minimum statutory entitlement that may be owing to the Employee under the ESA, without duplication; or</p> <p>(b) if the employee is terminated for any other reason that constitutes just cause at common law (other than a reason noted above), by providing the employee with only (i) the minimum amount of working notice of termination or payment of the employee's regular wages in lieu of working notice prescribed by the ESA, (ii) statutory severance pay, if any, prescribed by the ESA, (iii) the employee's regular wages accrued and owing as of the effective termination date, (iv) all outstanding vacation pay (including any vacation pay that accrues over the minimum statutory notice period prescribed by the ESA), (v) reimbursement for all eligible expenses incurred by the employee that remain owing as of the effective termination date, and (vi) any other minimum statutory entitlement that may be</p>	<p><b>Severance:</b> In addition to base pay and vacation pay accrued and owing up to the termination date, employee is entitled to payment equal to 24 months' base salary. Any other minimum statutory entitlement that may be owing to the Employee under the ESA, without duplication</p> <p><b>Benefits:</b> the benefit plan contributions necessary to maintain the employee's participation for the minimum statutory notice period prescribed by the ESA and all benefit plans provided to the employee by the Company, if any, immediately before the termination of employment.</p> <p><b>Bonus:</b> an amount equal to two times the employee's then current target bonus pursuant for the year in which the termination date occurs (or if the target bonus amount for the year in which the termination date occurs has not been determined as of the termination date, the target bonus amount for the year prior to the termination date) without regard to the achievement of any corporate and personal targets established in connection with such target bonus amount.</p> <p><b>Share Awards:</b> Unvested Options and other equity awards vest immediately, provided that any remaining RSUs subject to performance conditions not met by the termination date will remain outstanding up to the date which is six months from the termination date (the "<b>Ogilvie Measurement Date</b>") and any remaining unvested RSUs as at the termination date that vest prior to and including the Ogilvie Measurement Date will be issued within 10 days after the Ogilvie Measurement Date. All</p>	<p><b>Severance:</b> In addition to base pay and vacation pay accrued and owing up to the termination date, employee is entitled to payment equal to 24 months' base salary. Any other minimum statutory entitlement that may be owing to the Employee under the ESA, without duplication.</p> <p><b>Benefits:</b> the benefit plan contributions necessary to maintain the employee's participation for the minimum statutory notice period prescribed by the ESA in all benefit plans provided to the employee by the Company, if any, immediately before the termination of employment.</p> <p><b>Bonus:</b> an amount equal to two times the employee's then current target bonus pursuant for the year in which the termination date occurs (or if the target bonus amount for the year in which the termination date occurs has not been determined as of the termination date, the target bonus amount for the year prior to the termination date) without regard to the achievement of any corporate and personal targets established in connection with such target bonus amount.</p> <p><b>Share Awards:</b> Unvested Options and other equity awards vest immediately, provided that any remaining RSUs subject to performance conditions not met by the termination date will remain outstanding up to the Measurement Date and any remaining unvested RSUs as at the termination date that vest prior to and including the Ogilvie Measurement Date will be issued within 10 days after the Ogilvie Measurement Date. All outstanding RSUs subject to performance conditions that have not vested by the</p>	<p><b>Severance:</b> Entitled to base pay and vacation pay accrued and owing up to the resignation date and any other minimum statutory entitlement that may be owing to the employee under the ESA, without duplication.</p> <p>Continuing the employee's group benefits coverage up to and including the last day of the resignation date.</p> <p><b>Benefits:</b> None.</p> <p><b>Bonus:</b> None.</p> <p><b>Share Awards:</b> See Equity Incentive Plan</p>

	Termination for Cause	Termination without Cause	Termination Subsequent to Change of Control or Resignation for Good Reason Within 180 days of a Change in Control	Voluntary Resignation
	owing to the Employee under the ESA, without duplication.	outstanding RSUs subject to performance conditions that have not vested by the Ogilvie Measurement Date shall be forfeited without any further notice or pay or damages in lieu. Employee has 90 days to exercise vested Options.	Ogilvie Measurement Date shall be forfeited without any further notice or pay or damages in lieu. Employee has 90 days to exercise vested Options.	
Nicholas Nikolakakis <i>Vice President, Finance &amp; Chief Financial Officer</i>	<p><b>Severance:</b> Entitled to (a) if the employee is terminated for any reason that provides the Company with the right to terminate employment without notice under Ontario's <i>Employment Standards Act, 2000</i> (the "<b>ESA</b>"), without any working notice, pay in lieu of working notice, statutory severance pay or any other entitlement either by way of anticipated earnings or damages of any kind, except for the regular wages and vacation pay accrued and owing as of the effective termination, the reimbursement of all eligible expenses incurred by the employee that remain owing as of the effective termination date, and any other minimum statutory entitlement that may be owing to the Employee under the ESA, without duplication; or</p> <p>(b) if the employee is terminated for any other reason that constitutes just cause at common law (other than a reason noted above), by providing the employee with only (i) the minimum amount of working notice of termination or payment of the employee's regular wages in lieu of working notice prescribed by the ESA, (ii) statutory severance pay, if any, prescribed by the ESA, (iii) the employee's regular wages accrued and owing as of the effective termination date, (iv) all outstanding vacation pay (including any vacation pay that accrues over the minimum statutory notice</p>	<p><b>Severance:</b> In addition to base pay and vacation pay accrued and owing up to the termination date, employee is entitled to payment equal to 15 months' base salary. Any other minimum statutory entitlement that may be owing to the Employee under the ESA, without duplication</p> <p><b>Benefits:</b> the benefit plan contributions necessary to maintain the employee's participation for the minimum statutory notice period prescribed by the ESA and all benefit plans provided to the employee by the Company, if any, immediately before the termination of employment.</p> <p><b>Bonus:</b> an amount equal to one and one quarter (1.25) times the employee's then current target bonus pursuant for the year in which the termination date occurs (or if the target bonus amount for the year in which the termination date occurs has not been determined as of the termination date, the target bonus amount for the year prior to the termination date) without regard to the achievement of any corporate and personal targets established in connection with such target bonus amount.</p> <p>The bonus amount will be calculated on target annual bonus only and without regard to any potential stretch amount and the target annual bonus amount shall be subject to a minimum of 60% of the</p>	<p><b>Severance:</b> In addition to base pay and vacation pay accrued and owing up to the termination date, employee is entitled to payment equal to 21 months' base salary. Any other minimum statutory entitlement that may be owing to the Employee under the ESA, without duplication.</p> <p><b>Benefits:</b> the benefit plan contributions necessary to maintain the employee's participation for the minimum statutory notice period prescribed by the ESA in all benefit plans provided to the employee by the Company, if any, immediately before the termination of employment.</p> <p><b>Bonus:</b> an amount equal to one and three quarters (1.75) times the employee's then current target bonus pursuant for the year in which the termination date occurs (or if the target bonus amount for the year in which the termination date occurs has not been determined as of the termination date, the target bonus amount for the year prior to the termination date) without regard to the achievement of any corporate and personal targets established in connection with such target bonus amount.</p> <p><b>Share Awards:</b> Unvested Options and other equity awards vest immediately.</p> <p>The employee has the earlier of (A) 180 days following the termination date and (B) the specific expiry date of the terms of</p>	<p><b>Severance:</b> Entitled to base pay and vacation pay accrued and owing up to the resignation date and any other minimum statutory entitlement that may be owing to the employee under the ESA, without duplication.</p> <p>Continuing the employee's group benefits coverage up to and including the last day of the resignation date.</p> <p><b>Benefits:</b> None.</p> <p><b>Bonus:</b> None.</p> <p><b>Share Awards:</b> See Equity Incentive Plan</p>

	Termination for Cause	Termination without Cause	Termination Subsequent to Change of Control or Resignation for Good Reason Within 180 days of a Change in Control	Voluntary Resignation
	<p>period prescribed by the ESA), (v) reimbursement for all eligible expenses incurred by the employee that remain owing as of the effective termination date, and (vi) any other minimum statutory entitlement that may be owing to the Employee under the ESA, without duplication.</p>	<p>employee's base salary at the termination date.</p> <p><b>Share Awards:</b> Unvested Options and other equity awards vest immediately, provided any remaining RSUs subject to performance conditions not met by the termination date will remain outstanding up to the date which is 12 months from the termination date (the "<b>Nikolakakis Measurement Date</b>") and any remaining unvested RSUs as at the termination date that vest prior to and including the Nikolakakis Measurement Date will be issued within 10 days after the Nikolakakis Measurement Date. All outstanding RSUs subject to performance conditions that have not vested by the Nikolakakis Measurement Date shall be forfeited without any further notice or pay or damages in lieu. The employee has the earlier of (A) 180 days following the termination date and (B) the specific expiry date of the terms of the Options to exercise vested Options.</p>	<p>the Options to exercise vested Options.</p>	
<p>Ian McMullan <i>Chief Operating Officer</i></p>	<p><b>Severance:</b> Entitled to base pay and vacation pay accrued and owing up to the termination date.</p> <p><b>Benefits:</b> None.</p> <p><b>Bonus:</b> None.</p> <p><b>Options and Share Awards:</b> All options are forfeited on the termination date. All unvested RSUs may be terminated and cancelled by the Compensation Committee in its sole discretion.</p>	<p><b>Separation Payment:</b> In addition to base pay and vacation pay accrued and owing up to the termination date, employee is entitled to a lump sum payment equal to: (i) the employee's monthly base salary multiplied by 12 + the employee's monthly base salary multiplied by 6 for each completed year of service, not to exceed two years; plus (ii) the monthly premium cost of coverage for employee benefits multiplied by 12 + the monthly premium cost of coverage for employee benefits multiplied by 6 for each completed year of service, not to exceed two years; plus (iii) an amount equal to the employee's then current target bonus amount for the year in</p>	<p><b>Separation Payment:</b> In addition to base pay and vacation pay accrued and owing up to the termination date, employee is entitled to a lump sum payment equal to: (i) the employee's monthly base salary multiplied by 12 + the employee's monthly base salary multiplied by 6 for each completed year of service, not to exceed two years; plus (ii) the monthly premium cost of coverage for employee benefits multiplied by 12 + the monthly premium cost of coverage for employee benefits multiplied by 6 for each completed year of service, not to exceed two years; plus (iii) an amount equal to the employee's then current target bonus amount for the year in</p>	<p><b>Severance:</b> Entitled to base pay and vacation pay accrued and owing up to the resignation date.</p> <p><b>Benefits:</b> None.</p> <p><b>Bonus:</b> None.</p> <p><b>Share Awards:</b> Employee has 90 days to exercise vested Options.</p>

	Termination for Cause	Termination without Cause	Termination Subsequent to Change of Control or Resignation for Good Reason Within 180 days of a Change in Control	Voluntary Resignation
		<p>which the termination date occurs + an amount equal to half of such bonus amount for each completed year of service, not to exceed two years; plus (iv) an amount equal to 4% of the employee's monthly base salary multiplied by 12 + 4% of the employee's monthly base salary multiplied by 6 for each completed year of service, not to exceed two years. <sup>(1)</sup></p> <p><b>Share Awards:</b> Unvested Options and RSUs vest immediately. Employee has 90 days to exercise vested options.</p>	<p>which the termination date occurs + an amount equal to half of such bonus amount for each completed year of service, not to exceed two years; plus (iv) an amount equal to 4% of the employee's monthly base salary multiplied by 12 + 4% of 6 months' of the employee's monthly base salary multiplied by 6 for each completed year of service, not to exceed two years. <sup>(1)</sup></p> <p><b>Options:</b> Unvested Options vest immediately. Employee has one year to exercise vested Options.</p> <p><b>Share Awards:</b> all outstanding RSUs will vest immediately.</p>	
<p>Rita Adiani Senior Vice President, Strategy &amp; Corporate Development</p>	<p><b>Severance:</b> Entitled to base pay and vacation pay accrued and owing up to the termination date.</p> <p><b>Benefits:</b> None.</p> <p><b>Bonus:</b> None.</p> <p><b>Options and Share Awards:</b> All options are forfeited on the termination date. All unvested RSUs may be terminated and cancelled by the Compensation Committee in its sole discretion.</p>	<p><b>Separation Payment:</b> In addition to accrued vacation entitlements, employee is entitled to a lump sum payment equal to: (i) the employee's monthly base salary multiplied by 12 + the employee's monthly base salary multiplied by 6 for each completed year of service, not to exceed two years; plus (ii) the monthly premium cost of coverage for all medical/health plans multiplied by 12 + the monthly premium cost of coverage for all medical/health plans multiplied by 6 for each completed year of service, not to exceed two years; plus (iii) an amount equal to the employee's then current target bonus amount for the year in which the termination date occurs + an amount equal to half of such bonus amount for each completed year of service, not to exceed two years. <sup>(1)</sup></p> <p><b>Share Awards:</b> Unvested Options vest immediately. Employee has 90 days to exercise vested Options. Time vested RSUs vest immediately. RSUs subject to performance conditions vest to the extent</p>	<p><b>Separation Payment:</b> In addition to accrued vacation entitlements, employee is entitled to a lump sum payment equal to: (i) the employee's monthly base salary multiplied by 12 + the employee's monthly base salary multiplied by 6 for each completed year of service, not to exceed two years; plus (ii) the monthly premium cost of coverage for all medical/health plans multiplied by 12 + the monthly premium cost of coverage for all medical/health plans multiplied by 6 for each completed year of service, not to exceed two years; plus (iii) an amount equal to the employee's then current target bonus amount for the year in which the termination date occurs + an amount equal to half of such bonus amount for each completed year of service, not to exceed two years. <sup>(1)</sup></p> <p><b>Share Awards:</b> Unvested Options vest immediately. Employee has 90 days to exercise vested Options. Time vested RSUs vest immediately. RSUs subject to performance conditions vest to the extent</p>	<p><b>Severance:</b> Entitled to base pay accrued and owing up to the resignation date.</p> <p><b>Benefits:</b> Extension of employee benefits up to the resignation date.</p> <p><b>Bonus:</b> None.</p> <p><b>Share Awards:</b> Employee has 90 days to exercise vested Options.</p>

	Termination for Cause	Termination without Cause	Termination Subsequent to Change of Control or Resignation for Good Reason Within 180 days of a Change in Control	Voluntary Resignation
		performance conditions are met within six months of date of termination.	performance conditions are met within six months of date of termination.	

**Note:**

(1) For greater certainty, in no circumstances shall the employee be entitled to more than the equivalent of 24 months' of payments.

The Employment Agreements for Messrs. Ogilvie, McMullan and Prokop and Ms. Adiani also contain non-solicitation, non-competition and confidentiality provisions, which will apply should their employment with the Company be terminated. The non-solicitation restrictions apply for a period of one year from the date the employee's employment with the Company ceases, the non-competition restrictions apply for a period of six months from the date that the employee's employment with the Company ceases and the confidentiality provisions apply, subject to certain exceptions, for an indefinite period of time following the termination of the employee's employment with the Company.

The Employment Agreement for Mr. Ogilvie defines a "**Change of Control**" as

- (a) the direct or indirect sale, lease, exchange or other transfer of all or substantially all of the assets of the Company to any person or entity or group of persons or entities, but not including the entering into of an option, joint venture or other arrangement whereby the Company transfers, or has the right to transfer, an interest in its mineral properties yet maintains control, majority ownership or an operating interest in the mineral properties, resulting entity or new arrangement;
- (b) the amalgamation, merger or arrangement of the Company with or into another entity where the shareholders of the Company immediately prior to the transaction will hold less than 50% of the voting securities of the resulting entity upon completion of the transaction; or
- (c) any person or combination of persons acting jointly or in concert, acquiring or becoming the beneficial owner of, directly or indirectly, of more than 50% of the voting securities of the Company whether through the acquisition of previously issued and outstanding voting securities of the Company or of voting securities of the Company that have not previously been issued or any combination thereof or any other transaction with similar effect.

The Employment Agreement for Mr. Ogilvie provides that "**Good Reason**", in the context of Mr. Ogilvie's resignation of his employment, will exist following the occurrence of any of the following without the employee's written consent and where any of the following conditions continue after Mr. Ogilvie has given the Company written notice of such condition within 30 days following the initial existence of the condition and the Company has failed to cure such condition within 30 days after the date it received notice of the condition from Mr. Ogilvie:

- (a) the Company assigning to Mr. Ogilvie duties and responsibilities materially inconsistent with his duties and responsibilities under his Employment Agreement, including those management duties performed by the Mr. Ogilvie, as an employee of the Company, for an affiliate of the Company; or
- (b) a material reduction by the Company of Mr. Ogilvie's then base salary, representing a reduction of more than 5%.

The Employment Agreement for Mr. Nikolakakis defines a "**Change of Control**" as

- (a) the direct or indirect sale, lease, exchange or other transfer of all or substantially all of the assets of the Company to any person or entity or group of persons or entities, but not including the entering into of an option, joint venture or other arrangement whereby the Company transfers, or has the

right to transfer, an interest in its mineral properties yet maintains control, majority ownership or an operating interest in the mineral properties, resulting entity or new arrangement;

- (b) the amalgamation, merger or arrangement of the Company with or into another entity where the shareholders of the Company immediately prior to the transaction will hold less than 50% of the voting securities of the resulting entity upon completion of the transaction;
- (c) a change of control of the Board resulting from the election by the shareholders of the Company of less than a majority of the persons nominated for election by management of the Company;
- (d) the dissolution of the Company's business or the liquidation of its assets; or
- (e) any person or combination of persons acting jointly or in concert, acquiring or becoming the beneficial owner of, directly or indirectly, whether through a single transaction or a series of transactions, of more than 50% of the voting securities of the Company whether through the acquisition of previously issued and outstanding voting securities of the Company or of voting securities of the Company that have not previously been issued or any combination thereof or any other transaction or a series of transactions with similar effect.

The Employment Agreement for Mr. Nikolakakis provides that "**Good Reason**", in the context of Mr. Nikolakakis' resignation of his employment, will exist following the occurrence of any of the following without the employee's written consent and where any of the following conditions continue after Mr. Nikolakakis has given the Company written notice of such condition within 30 days following the initial existence of the condition and the Company has failed to cure such condition within 30 days after the date it received notice of the condition from Mr. Nikolakakis:

- (f) a removal of Mr. Nikolakakis designation of Chief Financial Officer and/or any additional or different title or titles Mr. Nikolakakis holds immediately prior to a Change of Control;
- (g) the Company assigning to Mr. Nikolakakis duties, responsibilities powers, rights and discretion materially inconsistent with the Mr. Nikolakakis' duties, responsibilities, powers, rights and discretion immediately prior to a Change of Control, including those as an employee of the Company, or of an affiliate, which includes any situation in which the Company becomes, through a Change of Control, a subsidiary or division of another company or any other person (the "**New Parent Company**"), and following the Change of Control, Mr. Nikolakakis retains the same title or titles with the Company that the Employee held with the Company immediately prior to the Change of Control but the Employee is not offered the same position, including the same responsibilities, duties, powers, rights, discretion and hierarchy, with the New Parent Company;
- (h) a change in the office or body to whom Mr. Nikolakakis reports immediately prior to a Change of Control, except if such office or body is of equivalent rank or stature, provided that such shall not include a change resulting from a promotion in the normal course of business;
- (i) a material reduction by the Company of the Mr. Nikolakakis' then base salary, target annual bonus, group benefits or any long-term incentive plan entitlement, representing a reduction of more than 5% of any such component of Mr. Nikolakakis' compensation;
- (j) a change in the location contemplated by the employment agreement, unless Mr. Nikolakakis expressly consents to the change; or
- (k) any other change in the terms and conditions of Mr. Nikolakakis' employment that would constitute a constructive dismissal at common law.

The Employment Agreements for Messrs. McMullan and Ms. Adiani define a "**Change of Control**" as:

- (a) the direct or indirect sale, lease, exchange or other transfer of all or substantially all of the assets of the Company to any person or entity or group of persons or entities, but not including the entering into of an option, joint venture or other arrangement whereby the Company transfers, or has the right to transfer, an interest in its mineral properties yet maintains control, majority ownership or an operating interest in the mineral properties, resulting entity or new arrangement;
- (b) the amalgamation, merger or arrangement of the Company with or into another entity where the shareholders of the Company immediately prior to the transaction will hold less than 50% of the voting securities of the resulting entity upon completion of the transaction;
- (c) any person or combination of persons acting jointly or in concert, acquiring or becoming the beneficial owner of, directly or indirectly, of more than 50% of the voting securities of the Company whether through the acquisition of previously issued and outstanding voting securities of the Company or of voting securities of the Company that have not previously been issued or any combination thereof or any other transaction with similar effect; or
- (d) the Board adopting a resolution to the effect that, for purposes of the employees employment agreement, a Change of Control has occurred, or that such a Change of Control is imminent, in which case, the date of the Change of Control shall be deemed to be the date of such resolution.

The Employment Agreements for Messrs. McMullan and Prokop and Ms. Adiani provide that "**Good Reason**" means the continued occurrence of any of the following conditions without the employee's consent after the employee has given the Company written notice of such condition within 30 days following the initial existence of the condition, and the Company has failed to cure such condition within 30 days of the date it received notice of the condition:

- (a) the Company assigning to the employee duties materially inconsistent with the employee's duties and responsibilities under his/her employment agreement, including those management duties performed by the employee, as an employee of the Company, for the Company or an affiliate;
- (b) a unilateral reduction by the Company of the employee's base salary, or any unilateral change in the basis upon which the employee's base salary is determined or paid if the change is or will be materially adverse to the employee, except where (i) such reduction or change is part of a general reduction in the base salary of all or substantially all of the members of management of the Company and which affects the employee in substantially the same manner as the other members of the management of the Company who are also affected by such general reduction and (ii) such change does not constitute more than 10% of the employee's base salary;
- (c) the Company unilaterally relocating the employee's principal location more than 100 miles from the employee's current work location; or
- (d) any material breach by the Company of any provision of his/her employment agreement, which is not cured by the Company within 30 days following written notice from the employee.

***Estimated Incremental Payments***

The estimated amounts payable to each of Messrs. Ogilvie and McMullan, and Ms. Adiani under various termination scenarios are outlined in the table below, which estimates assume a termination date of December 31, 2021.

Name	Termination without Cause (US\$) <sup>(1)</sup>	Termination Subsequent to Change of Control or Resignation for Good Reason Within 180 days of a Change in Control (US\$) <sup>(1)</sup>
George Ogilvie <sup>(2)</sup> <i>President, Chief Executive Officer and director</i>	1,885,185	1,885,185
Ian McMullan <i>Chief Operating Officer</i>	901,138	901,138
Rita Adiani <sup>(3)</sup> <i>Senior Vice President, Strategy &amp; Corporate Development</i>	318,912	318,912

**Notes:**

- (1) Amounts represent severance, bonus payments and vesting of securities granted.
- (2) Mr. Ogilvie was appointed as President & Chief Executive Officer of the Company on July 6, 2021. Assuming that Mr. Ogilvie was terminated on December 31, 2021, the estimated amounts payable would have been: (i) C\$2,356,481.25 for termination without cause, and (ii) C\$2,356,481.25 for termination subsequent to a change of control or resignation for good reason within 180 days of a Change of Control. The figures in the table is provided in United States dollars on the basis of US\$1 = C\$1.25, based on the Bank of Canada USD/CAD noon exchange rate for the year 2021.
- (3) Ms. Adiani was appointed as Senior Vice President, Strategy & Corporate Development of the Company on July 22, 2021.

**Director Compensation**

In 2021, each non-executive director was paid an annual retainer. Annual retainers may be comprised of a combination of cash and deferred share units ("DSUs"). All non-executive directors have the ability to elect to take their annual cash retainer in DSUs. All directors were reimbursed for their reasonable out-of-pocket expenses incurred while serving as directors.

**Director Compensation Table**

The following table sets out the compensation provided to the directors for the Company's financial year ended December 31, 2021:

Name	Fees earned (US\$) <sup>(1)</sup>	Share-based awards (US\$)	Option-based awards (US\$)	Non-equity incentive plan compensation (US\$)	Pension value (US\$)	All other compensation (US\$) <sup>(2)</sup>	Total (US\$)
David Laing <sup>(3)</sup>	62,000	50,000	—	—	—	—	112,000
Alan Edwards <sup>(4)</sup>	56,000	50,000	—	—	—	—	106,000
Thomas Boehlert	66,000	50,000	—	—	—	—	116,000
Mark Palmer	56,000	50,000	—	—	—	—	106,000

**Notes:**

- (1) Represents all fees awarded, earned, paid, or payable in cash for services as a director, including annual retainer fees, committee, chair, and meeting fees for the year ended December 31, 2021.
- (2) Represents the dollar value of shares issued for services other than director services
- (3) Mr. Laing was appointed as Chairman to the Board in May 2021.
- (4) Mr. Edwards was appointed to the Board in May 2021.
- (5) The relevant disclosure for George Ogilvie is provided under the "Summary Compensation Table – Year Ended December 31, 2021".

**Outstanding Share-Based Awards and Option-Based Awards**

The following table sets forth all outstanding option-based and share-based awards granted by the Company for each director that remain outstanding as at December 31, 2021.

Name <sup>(3)</sup>	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (C\$)	Option expiration date	Value of unexercised in-the-money options (C\$) <sup>(1)</sup>	Number of shares or units that have not vested (#)	Market or payout value of share-based awards that have not vested (C\$)	Market or payout value of vested share-based awards not paid out or distributed (C\$) <sup>(2)</sup>
David Laing	—	—	—	—	16,582	\$33,993	Nil
Alan Edwards	—	—	—	—	24,004	\$49,208	Nil
Thomas Boehlert	116,666	\$0.56	Oct 2, 2025	\$173,832	16,582	\$33,993	Nil
Mark Palmer	42,993	\$0.56	Dec 14, 2025	\$64,060	16,582	\$33,993	Nil

**Notes:**

- (1) Represents the aggregate Canadian dollar amount of in-the money unexercised options held at the end of the most recently completed financial year of the Company. The value of the in-the-money unexercised options is calculated based on the difference between the market value per Common Share as at December 31, 2021 (C\$2.05) and the Canadian dollar exercise price of the option.
- (2) Represents the aggregate Canadian dollar market value of DSUs held at the end of the most recently completed financial year of the Company that have not vested. The market value of the DSUs that have not vested is the Canadian dollar market value per Common Share as at December 31, 2021 (C\$2.05).

***Incentive Plan Awards – Value Vested During the Year***

The following table summarizes the value of all share-based awards exercised, vested or earned for each director during the 2021 fiscal year.

Name <sup>(3)</sup>	Option-based awards – Value vested during the year (US\$) <sup>(1)</sup>	Share-based awards – Value vested during the year (US\$) <sup>(2)</sup>	Non-equity incentive plan compensation – Value earned during the year (US\$)
David Laing	—	Nil	—
Alan Edwards	—	Nil	—
Thomas Boehlert	—	Nil	—
Mark Palmer	—	Nil	—

**Notes:**

- (1) The Company's Directors had no stock options vest in 2021.
- (2) Represents the dollar amount based on the fair value of the award on the grant date for the year ended December 31, 2021. Values are calculated based on a market price of C\$2.05 per Common Share, being the market price of the Common Share on December 31, 2021.

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

The following table sets forth a summary of securities issued and issuable under all equity compensation plans of the Company as at December 31, 2021.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (#) (a)	Weighted-average exercise price of outstanding options, warrants and rights (C\$) (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (#) (c) <sup>(1)</sup>
Equity compensation plans approved by shareholders	8,439,927	C\$1.21	5,144,314
Equity compensation plans not approved by shareholders	—	—	—
<b>Total</b>	8,439,927	C\$1.21	5,144,314

**Note:**

(1) Calculated based upon 10% of the total number of issued and outstanding Common Shares.

**Summary of the Equity Incentive Plan**

In connection with the Initial Public Offering by the Company, the Company approved and adopted the equity incentive plan dated June 21, 2021 (the "**Equity Incentive Plan**"). Pursuant to the TSX Company Manual, Shareholder approval of the unallocated Awards (as defined in the Equity Incentive Plan), rights or other entitlements under the Equity Incentive Plan will be requested at the annual and special meeting of shareholders in 2024.

The purpose of the Equity Incentive Plan is to provide incentives to attract, retain and motivate eligible persons whose present and potential contributions are important to the success of the Company or any subsidiary of the Company, by offering them an opportunity to participate in the Company's future performance through the grant of Awards.

The following is a summary of the principal terms of the Company's Equity Incentive Plan, which summary is qualified in its entirety by reference to the full text of the Equity Incentive Plan, which is available under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

The aggregate number of Common Shares reserved and available for grant and issuance pursuant to the Equity Incentive Plan shall be a rolling number equal to 10% of the total issued and outstanding Common Shares from time to time. At all times the Company will reserve and keep available a sufficient number of Common Shares as will be required to satisfy the requirements of all outstanding RSUs or Options granted under the Equity Incentive Plan. Notwithstanding the foregoing: (i) the number of Common Shares reserved for issuance to any one person pursuant to Awards granted under the Equity Incentive Plan shall not exceed 10% of the issued and outstanding Common Shares; (ii) the number of Common Shares which may be reserved for issuance pursuant to the Equity Incentive Plan (together with those Common Shares which may be issued pursuant to any other share compensation arrangement of the Company) to all insiders of the Company shall not exceed 10% of the Common Shares outstanding on a non-diluted basis from time to time; (iii) the number of Common Shares which may be issued pursuant to the Equity Incentive Plan (together with those Common Shares which may be issued pursuant to any other share compensation arrangement of the Company) to all insiders of the Company, within a one-year period, shall not exceed 10% of the Common Shares outstanding on a non-diluted basis from time to time; and (iv) if the Common Shares are listed on the Toronto Stock Exchange (the "**TSX**"), the maximum number of Common Shares that may be issuable pursuant to Awards made to employees and Non-Employee Directors (as defined in the Equity Incentive Plan) within any one year period shall not exceed 5% of the issued and outstanding Common Shares (as of the commencement of such one-year period). The Board may make Awards to Non-Employee Directors under the Equity Incentive Plan provided that if the Common Shares are listed on the TSX: (i) the annual grant of Awards under the Equity Incentive Plan to any one Non-Employee Director shall not exceed \$150,000 in value, of which no more than \$100,000 may comprise Options, and (ii) the maximum number of Common Shares that may be made issuable pursuant to Awards made to all Non-Employee Directors within any one-year period shall not exceed 1% of the issued and outstanding Common Share (as of the commencement of such one-year period). In the event that the number of outstanding Common Shares

is changed by a stock dividend, recapitalization, stock split, reverse stock split, subdivision, consolidation, combination, reclassification or similar change in the capital structure of the Company without consideration, then:

- (a) the number of Common Shares reserved for issuance under the Equity Incentive Plan; and
- (b) the number of Common Shares subject to outstanding Options and RSUs; and
- (c) the Exercise Prices of outstanding Options;

will be proportionately adjusted, subject to any required action by the Board or the shareholders of the Company and in compliance with applicable securities laws and US IRC Section 409A to the extent it is applicable; provided, however, that fractions of a Common Share will not be issued but will either be: (i) paid in cash at the closing market price of the Common Shares on the TSX on the date of such aforementioned event; or (ii) rounded down to the nearest whole Common Share, as determined by the Board.

The Equity Incentive Plan will be administered by the Board or, if the Board by resolution so decides, by a committee thereof (for the purposes of this section, the "**Committee**"). The Board may delegate all or any portion of such powers to the Committee. Any reference to the Board in the Equity Incentive Plan shall also refer to the Committee, to the extent that the Board has delegated such power and authority to the Committee. The Board shall have the power, where consistent with the general purpose and intent of the Equity Incentive Plan to construe and interpret the Equity Incentive Plan to, among other things: (i) prescribe, amend and rescind rules and regulations relating to the Equity Incentive Plan, (ii) select Eligible Persons (as defined in the Equity Incentive Plan) to receive Options and RSUs under the Equity Incentive Plan, (iii) determine the vesting and exercisability of Options and RSUs, and (iv) to determine the form and terms of Awards and Award Agreements (as defined in the Equity Incentive Plan) not consistent with the terms of the Equity Incentive Plan. Any determination made by the Board with respect to any Option and RSUs will be made in its sole discretion at the time of grant of the Option or RSU or, unless in contravention of any express term of this Equity Incentive Plan, at any later time, and such determination will be final and binding on the Company and on all persons having an interest in any Award or Common Shares under the Equity Incentive Plan.

The Board may grant Options to Eligible Persons and will determine the number of Options, the Exercise Price (as defined in the Equity Incentive Plan), the Option Term (as defined in the Equity Incentive Plan), the vesting provisions, and all other terms and conditions of the Option, subject to the following:

- The Board or the Committee, as the case may be, shall determine, at the time of granting the particular Option, the Option Term, which cannot exceed 10 years from the date the Option is granted. Unless otherwise determined by the Board, all unexercised Options shall be cancelled at the expiry of such Options.
- Options may be exercisable, up to the expiration date determined by the Board and specified in the Stock Option Agreement (as defined in the Equity Incentive Plan), while the Participant (as defined in the Equity Incentive Plan) is in continuous service and has not ceased to provide services to the Company, or as otherwise provided in the applicable Stock Option Agreement or pursuant to the Equity Incentive Plan. The Board may provide for Options to vest at one time or from time to time, periodically or otherwise, in such manner of Common Shares or percentage of Common Shares as the Board determines. If the application of vesting causes the Option to become exercisable with respect to a fractional Common Share, such Common Share shall be rounded down to the nearest whole Common Share.
- The Exercise Price of an Option will be determined by the Board when the Option is granted and shall not be less than the Market Price (as defined in the Equity Incentive Plan) of the Common Shares.
- Subject to earlier termination pursuant to the Equity Incentive Plan and the discretion of the Board, and except as otherwise provided in the Stock Option Agreement, exercise of an Option will be subject to the following:
  - If the Participant is terminated by the Company for cause, the Board, in its sole discretion, may terminate and cancel all unexercised Options, whether vested or unvested;

- if the Participant is terminated for any reason other than the Participant's death, disability or termination by the Company for cause, then the Participant may exercise such Participant's Options, (but only to the extent that such Options would have been vested and exercisable upon the termination date), during the three month period following the termination date or such longer period as may be specified in the Stock Option Agreement (but in any event, not later than the expiration date); and
- if the Participant is terminated because of the Participant's death or disability, then such Participant's Options may be exercised, (but only to the extent that such Options would have been vested and exercisable by Participant on the termination date) by Participant (or Participant's legal representative or authorized assignee), during the 12 month period after the Termination Date (as defined in the Equity Incentive Plan) or such longer period as may be specified in the Stock Option Agreement (but in any event not later than the expiration date).
- The Board may modify, extend or renew outstanding Options and authorize the grant of new Options in substitution thereof or, provided that any such action may not, without the written consent of a Participant, impair any of such Participant's rights under any Option previously granted and any such actions will be undertaken in a manner that complies with US IRC Section 409A.

RSUs may be granted at any time and from time to time as determined by the Board. After the Board determines that it will grant RSUs, it will advise the Participant in an Award Agreement of the terms, conditions, and restrictions related to the grant, including the number of RSUs.

- The Board will set vesting criteria in its discretion, which, depending on the extent to which the criteria are met, will determine the number of RSUs that will be paid out to the Participant. The Board may set vesting criteria based upon the achievement of Company-wide, business unit, or individual goals (including, but not limited to, continued employment or service, achievement of a going public transaction or other liquidity event as defined in the Award Agreement), or any other basis determined by the Board in its discretion.
- Upon meeting the applicable vesting criteria, the Participant will be entitled to receive a payout as determined by the Board. Notwithstanding the foregoing, at any time after the grant of RSUs, the Board, in its sole discretion, may reduce or waive any vesting criteria that must be met to receive a payout, and the timing of settlement of the RSUs will be governed by the terms of the Award Agreement. If the application of vesting causes the RSU to become payable with respect to a fractional Common Share, such Common Share shall be rounded down to the nearest whole Common Share.
- Payment of earned RSUs will be made as soon as practicable after the date(s) determined by the Board and set forth in the Award Agreement. The Board, in its sole discretion, may settle earned RSUs in cash, Common Shares or a combination of both.
- On the date set forth in the Award Agreement, all unearned RSUs will be forfeited to the Company.

Except as otherwise provided in the applicable Award Agreement, upon the occurrence of a Trigger Event (as defined in the Equity Incentive Plan), the Board may, in its sole discretion, determine that (i) any number of Awards will immediately become fully vested, whereupon the RSU will be settled in accordance with its terms and such Option may be exercised in whole or in part by the optionee for the remainder of the term of the Option or (ii) use their reasonable efforts to procure that an offer is made to awardees on like terms (having regard to the value of the Awards) to the terms proposed under the Trigger Event in which case the Board may determine an appropriate period during which the optionee may elect to accept.

The Board shall have the power to, without shareholder approval, at any time and from time to time, either prospectively or retrospectively, amend, suspend, or terminate the Equity Incentive Plan or any Award granted under the Equity Incentive Plan:

- (a) for the purposes of making minor or technical modifications to any of the provisions of the Equity Incentive Plan;

- (b) to correct any ambiguity, defective provisions, error or omission in the provisions of the Equity Incentive Plan;
- (c) to change any vesting provisions of RSUs or Options;
- (d) to change the termination provisions of the RSUs or Options or the Equity Incentive Plan which does not entail an extension beyond the original expiry date of the either;
- (e) to add or change provisions relating to any form of financial assistance provided by the Company to Participants that would facilitate the purchase of securities under the Equity Incentive Plan;
- (f) to extend the term of any RSUs or Option previously granted in accordance with the Equity Incentive Plan (but not beyond the original expiration date of such Award);
- (g) any amendment which accelerates the date on which any Option may be exercised under the Equity Incentive Plan;
- (h) to reduce the exercise price of any Option previously granted in accordance with the Equity Incentive Plan; and
- (i) any other amendment that does not require the approval of the shareholders of the Company set out below;

*provided however* that: such amendment, suspension or termination is in accordance with applicable laws and the rules of any stock exchange on which the Common Shares are listed; no such amendment, suspension or termination shall be made at any time to the extent such action would materially adversely affect the existing rights of an awardee with respect to any then outstanding Award, as determined by the Board acting in good faith, without his or her consent in writing; and if the Common Shares are listed on the TSX or any other stock exchange, the Board shall obtain shareholder approval of the following:

- (i) any amendment to the maximum number of Common Shares (as specified in the Equity Incentive Plan) in respect of which Awards may be granted under the Equity Incentive Plan (subject to any adjustments made in accordance with the Equity Incentive Plan);
- (ii) any amendment to the number of Common Shares that may be made issuable pursuant to Awards made to employees and Non-Employee Directors;
- (iii) any amendment that would reduce the Exercise Price of an outstanding Option granted to an insider (within the meaning of the rules of the TSX or any other exchange on which the Common Shares are listed), other than any adjustments made to the Exercise Price made in accordance with the Equity Incentive Plan;
- (iv) any amendment that would extend the term of any Award granted to an insider (within the meaning of the rules of the TSX or any other exchange on which the Common Shares are listed) beyond the expiration date;
- (v) any amendment which would permit Awards granted under the Equity Incentive Plan to be transferable or assignable other than for normal estate settlement purposes; and
- (vi) a change to the amendment and termination provisions of the Equity Incentive Plan.

### *DSU Plan*

On July 6, 2021, the Board approved the adoption of the deferred share unit plan of the Company (the "**DSU Plan**"). The Board decided that it is desirable to have a wide range of incentive plans, including the DSU Plan, in place to attract, retain and motivate directors of the Company.

Under the DSU Plan, an aggregate of up to 491,356 Common Shares (representing approximately 1% of the issued and outstanding Common Shares as at July 21, 2021) may be issued from treasury to participants by the Company to settle vested DSUs. As of the date hereof, the Company has not granted any DSUs.

The DSUs of the Company provide for the payment of certain amounts, or the issuance of Common Shares, to the participants as described below. Pursuant to the TSX Company Manual, Shareholder approval of the unallocated DSUs under the DSU Plan will be requested at the annual and special meeting of Shareholders in 2024.

The following is a summary of the key terms of the DSU Plan, which summary is qualified in its entirety by reference to the full text of the DSU Plan, which is available under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

#### *Purpose*

A DSU is a notional unit granted to an Eligible Director (as defined below) and that is represented by a bookkeeping entry on the books of the Company, the value of which on any particular date is equal to the Market Value (as defined below) at that date. The DSU Plan is designed to assist the Company in the recruitment and retention of qualified persons to serve as directors of the Company and to align the interests of Eligible Directors with the long-term interests of the shareholders of the Company.

No holder of any DSUs shall have any rights as a shareholder of the Company. The rights of a DSU holder shall be no greater than the rights of an unsecured creditor of the Company. The Company will not contribute any amounts to a third party or set aside any amounts to fund the benefits that will be provided under the DSU Plan.

For the purposes of the DSU Plan, "**Market Value**" means, with respect to any particular date, the greater of either: (a) the weighted average trading price of the Common Shares on the TSX; and (b) the volume weighted average trading prices of the Common Shares on the TSX, for the 30 consecutive trading days immediately prior to the date as of which Market Value is determined, provided that (i) where the Market Value would be determined with reference to a period commencing after a fiscal quarter end of the Company and ending prior to the public disclosure of interim financial statements for such quarter (or annual financial statements in the case of the fourth quarter), the calculation of the Market Value will be made with reference to the fifth trading day immediately following the date of public disclosure of the financial statements for that quarter, and (ii) in the event of a Cease Trade Date (as defined in the DSU Plan), Market Value shall be such other value as may be determined pursuant to the DSU Plan. If the Common Shares are not trading on the TSX, then the Market Value shall be determined based on the trading price on such stock exchange or over-the-counter market on which the Common Shares are listed and posted for trading as may be selected for such purpose by the Board of a designated committee thereof (for the purposes of this section the "Committee"). In the event that the Common Shares are not listed and posted for trading on any stock exchange or over-the-counter market, the Market Value shall be the fair market value of such Common Shares as determined by the Committee in its sole discretion, acting reasonably.

#### *Participants*

The DSU Plan authorizes the Board to grant DSUs to Eligible Directors of the Company. For the purposes of the DSU Plan, "**Eligible Director**" means a director of the Company who does not receive employment income in respect of services rendered to the Company or any affiliate of the Company, other than in his or her capacity as a member of the Board or a member of the board of directors of an affiliate of the Company; and "**U.S. Eligible Director**" means an Eligible Director who is a U.S. citizen, U.S. permanent resident or other person whose DSUs granted under the DSU Plan is subject to U.S. taxation;

### *Administration*

The DSU Plan is administered by the Board or, if the Board so determines, the Committee.

### *Grant of Units and Vesting*

The Committee may grant DSUs to an Eligible Director in accordance with the DSU Plan and with regards to what it determines is appropriate in respect of the services the Eligible Director renders as a member of the Board. Any and all conditions to the vesting of any DSUs granted to an Eligible Director shall be set out in the DSU grant letter. The Committee may accelerate and/or waive any vesting or other conditions for any DSUs for any Eligible Director at any time. In addition, in its sole discretion, the Committee may permit an Eligible Director to elect to receive a portion of the compensation for services performed as an Eligible Director that otherwise would be paid in cash ("**Director Cash Compensation**") to be paid instead in DSUs. If such an election is permitted, a written election must be delivered to the Company, in a form acceptable to the Company, on or before December 15<sup>th</sup> of the year immediately prior to the calendar year in which the services giving rise to the Director Cash Compensation are performed. Further, where an individual becomes an Eligible Director for the first time during a calendar year, or where the Eligible Director is serving as an Eligible Director in the first calendar year in which the DSU Plan is adopted, and in either case the Eligible Director previously has not participated in a plan that is required to be aggregated with the DSU Plan for purposes of Section 409A of the US IRC of 1986, as amended, and applicable regulations and guidance thereunder (the "**US Tax Code**"), the Eligible Director may elect to receive DSUs in lieu of Director Cash Compensation with respect to fiscal quarters beginning after the Committee receives the written election, which election must be received by the Company no later than 30 days after such Eligible Director's appointment as a director or within 30 days after the DSU Plan was adopted, as applicable. For greater certainty, no Eligible Director will be entitled to receive DSUs pursuant to an election for the quarter in which they submit their first election or any previous quarter. Elections shall be irrevocable with respect to Director Cash Compensation earned during the period to which the election relates.

The aggregate maximum number of Common Shares available for issuance from treasury under the DSU Plan shall not exceed 491,356 Common Shares. If the Common Shares are listed on the TSX, the maximum number of Common Shares issuable to insiders, at any time, pursuant to the DSU Plan and any other security-based compensation arrangements of the Company is 10% of the total number of the Common Shares then outstanding. If the Common Shares are listed on the TSX, the maximum number of Common Shares issued to insiders, within any one-year period, pursuant to the DSU Plan and any other security-based compensation arrangements of the Company is 10% of the total number of Common Shares then outstanding. If the Common Shares are listed on the TSX, the maximum number of Common Shares issuable to non-employee directors, at any time, pursuant to the DSU Plan and any other security-based compensation arrangements of the Company is 1% of the total number of Common Shares then outstanding. If the Common Shares are listed on the TSX, the total annual grant to any one non-employee director, within any one-year period, pursuant to the DSU Plan and any other security-based compensation arrangements of the Company shall not exceed a maximum grant value of \$150,000 worth of securities.

If any DSUs granted under the DSU Plan expire, terminate or are cancelled for any reason (including, without limitation, the satisfaction of the DSU by means of a cash payment) without being paid out or settled in the form of Common Shares issued from treasury, any unissued Common Shares to which such DSUs relate shall be available for the purposes of the granting of further DSUs under the DSU Plan or other securities pursuant to all other applicable security-based compensation arrangements of the Company. If any rights to acquire Common Shares granted under any other security-based compensation arrangements of the Company shall expire or terminate for any reason without having been exercised in full, any Common Shares to which such security relates shall be available for the purposes of the granting of further DSUs under the DSU Plan.

If determined by the Committee in its sole discretion and if set out in the applicable DSU grant letter, on the Dividend Payment Date (as defined in the DSU Plan), the account for each Eligible Director shall be credited, as an additional bonus for services rendered in that calendar year, with additional DSUs in respect of the number of DSUs credited to the Eligible Director's account as of the Dividend Record Date (as defined in the DSU Plan). In such case, the number of additional DSUs will be equal to (computed to two decimal places) the aggregate amount of dividends that would have been paid to the Eligible Director if the DSUs in the Eligible Director's account on the Dividend Record Date had been Common Shares divided by the Market Value of a Common Share on the Dividend Payment Date.

### *Redemption*

Under the DSU Plan, the "**Redemption Date**" with respect to DSUs of Eligible Directors who are not U.S. Eligible Directors, shall be a date to be determined by the Committee, in accordance with any valid and timely Redemption Notice submitted by an Eligible Director on or after the Eligible Director's Termination Date and prior to December 15<sup>th</sup> of the first calendar year beginning after such Eligible Director's Termination Date, and if no timely Redemption Notice is received by the Company, the Redemption Date will be December 15<sup>th</sup> of the first calendar year beginning after such Eligible Director's Termination Date, and in any event settlement/payment upon redemption of DSUs shall be made no later than December 31 of the first (1<sup>st</sup>) calendar year commencing immediately after the Eligible Director's Termination Date. The Redemption Notice submitted by the Eligible Director may include the election by the Eligible Director to have a portion of their DSUs redeemed in the calendar year of the Termination Date and the remaining portion of their DSUs redeemed prior to December 15 in the first calendar year beginning after such Eligible Director's Termination Date.

Except as provided in the DSU Plan, the "**Redemption Date**" with respect to DSUs of U.S. Eligible Directors with respect to DSUs of U.S. Eligible Directors, provided that a timely "**Subsequent Year Payment Election**" (as defined below) was *not* submitted for all or any portion of the U.S. Eligible Director's DSUs, shall be the date determined by the Committee in accordance with any valid and timely filed Redemption Notice submitted by a U.S. Eligible Director on or after the U.S. Eligible Director's Termination Date and prior to December 15<sup>th</sup> of the calendar year in which the U.S. Eligible Director's Termination Date occurs (the "**Default U.S. Redemption Year**"), and if a timely Redemption Notice is not received by the Company by December 15<sup>th</sup>, the Redemption Date will be December 15<sup>th</sup> of the calendar year in which the U.S. Eligible Director's Termination Date occurs. For greater certainty, unless a Subsequent Year Payment Election is timely submitted, and except as provided otherwise in Section 5.12, in all cases settlement/payment upon redemption of DSUs shall be made no later than December 31<sup>st</sup> of the year in which the U.S. Eligible Director's Termination Date occurs (the "**U.S. Outside Payment Date**"). Notwithstanding the foregoing, the Committee, in its sole discretion, may permit U.S. Eligible Directors to elect to have all or a portion of their DSUs redeemed in the calendar year beginning immediately *after* the year in which their Termination Date occurs (a "**Subsequent Year Payment Election**") provided that such written irrevocable Subsequent Year Payment Election must be made, in a form acceptable to the Company, on or before December 31<sup>st</sup> of the year prior to the calendar year in which the services giving rise to the DSUs are performed (except that where an individual becomes an Eligible Director for the first time during a calendar year, and the U.S. Eligible Director previously has not participated in a plan that is required to be aggregated with the DSU Plan for purposes of Section 409A of the US Tax Code, the U.S. Eligible Director can be permitted to make a Subsequent Year Payment Election within 30 days following the U.S. Eligible Director's initial election or appointment to the Board, and such election will apply to DSUs earned after the date such Subsequent Year Payment Election is received by the Company. If a Subsequent Year Payment Election has been timely submitted, then, with respect to those DSUs for which a Subsequent Year Payment Election was made, a U.S. Eligible Director may submit (following his or her Termination Date) a Redemption Notice requesting redemption of DSUs on any date between January 1<sup>st</sup> and December 15<sup>th</sup> of the calendar year beginning after the year in which the U.S. Eligible Director's Termination Date occurs, and if no timely Redemption Notice is received, the Redemption Date will be December 15<sup>th</sup> of the calendar year following the year in which the U.S. Eligible Director's Termination Date occurs. For greater certainty, if a Subsequent Year Payment Election has been made, then for those DSUs that are subject to such election, settlement/payment upon redemption of DSUs shall occur no earlier than January 1<sup>st</sup> of the calendar year following the year in which the U.S. Eligible Director's Termination Date occurs and no later than December 31<sup>st</sup> of the calendar year following the year in which the U.S. Eligible Director's Termination Date occurs (the "**U.S. Outside Payment Date for Deferred Share Units subject to a Subsequent Year Payment Election**").

### *Transferability*

The DSUs are non-transferable. Subject to the requirements of applicable laws, an Eligible Director shall designate in writing a person who is a dependent or relation of the Eligible Director as a beneficiary to receive any benefits that are payable under the DSU Plan upon the death of such Eligible Director. The Eligible Director may, subject to applicable laws, change such designation from time to time in writing.

### *Blackout Periods*

For the purposes of the DSU Plan, "**Blackout Period**" refers to a period when an Eligible Director is prohibited from trading in the Company's securities pursuant to the Company's written policies then applicable or a notice in writing to an Eligible Director by a senior officer or a director of the Company. Subject to the terms of the DSU Plan, in the event that an Eligible Director's Redemption Date falls on or within ten business days of the expiration of a Blackout Period applicable to such Eligible Director, the Redemption Date shall be extended to the close of business on the tenth business day following the expiration of the Blackout Period, provided that the Redemption Date with respect to DSUs of U.S. Eligible Directors will not be extended beyond the U.S. Outside Payment Date, except to the extent permitted under US Tax Code Section 409A.

### *Amendment and Termination*

The DSU Plan provides that the Board or Committee may at any time amend, suspend or terminate in whole or in part the DSU Plan in such respects as it may consider advisable. The Board or Committee may make the following amendments to the DSU Plan, provided that if the Common Shares are listed on the TSX, the following shall be subject to receipt of requisite regulatory and shareholder approval:

- (a) amend the number of securities under the DSU Plan;
- (b) change the definition of Eligible Director under the DSU Plan, which has the potential to narrow, broaden or increase insider participation;
- (c) make amendments to the limits on non-employee director participation;
- (d) make amendments to the amending provisions of the DSU Plan; or
- (e) make amendments to the DSU Plan that would permit DSUs, or any other right or interest of an Eligible Director under the DSU Plan, to be assigned or transferred, other than for normal estate settlement purposes.

The DSU Plan provides that the Board or the Committee may, subject to receipt of applicable regulatory approval, where required, without obtaining shareholder approval and in its sole discretion, make all other amendments to the DSU Plan that are not of the type listed above, including, without limitation:

- (a) amendments of a housekeeping nature;
- (b) the addition or a change to the vesting provisions of a DSU or the DSU Plan;
- (c) a change to the termination provisions of a DSU or the DSU Plan;
- (d) amendments to reflect changes to applicable securities laws; and
- (e) amendments to ensure that the DSUs granted under the DSU Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction of which an Eligible Director to whom a DSU has been granted may from time to time be resident or a citizen.

For the purposes of the DSU Plan, the "**Termination Date**" means (i) in respect of an Eligible Director who is not a U.S. Eligible Director, the earliest date on which the Eligible Director: (a) is not a member of the Board nor a member of the board of directors of an affiliate of the Company; and (b) is not an employee (within the meaning of the *Income Tax Act* (Canada)) of the Company or any affiliate of the Company; and (ii) in respect of a U.S. Eligible Director, the date of the Eligible Director's Separation from Service (as defined in the DSU Plan). All DSUs that have not vested prior to the Eligible Director's Termination Date will terminate. If there is a Change of Control (as defined in the DSU Plan), all DSUs outstanding shall immediately vest on the date of such Change of Control.

### *Changes in Capital*

DSUs may be adjusted if there is a subdivision, consolidation, reclassification or recapitalization or other change with respect to the number of outstanding Common Shares and not as a result of the issuance of Common Shares for additional consideration or by way of a dividend in the ordinary course. In such a case, the Committee shall, subject to TSX approval if the Common Shares are listed on the TSX, make adjustments to the number of DSUs outstanding under the DSU Plan provided that the dollar value of DSUs credited to an Eligible Director's account immediately after such an adjustment shall not exceed the dollar value of the DSUs credited to such Eligible Director's account immediately prior thereto.

## **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

The Company and the Board recognize the importance of corporate governance to the effective management of the Company and to the protection of its employees and shareholders. The Company's approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of the Company are effectively managed to enhance shareholder value. The Board fulfills its mandate directly and through its committees at regularly scheduled meetings or at meetings held as required. Frequency of meetings may be increased and the nature of the agenda items may be changed depending upon the state of the Company's affairs and in light of opportunities or risks which the Company faces. The directors are kept informed of the Company's business and affairs at these meetings as well as through reports and discussions with management on matters within their particular areas of expertise.

### **The Board**

The Board currently consists of six directors, David Laing, Thomas Boehlert, Mark Palmer, Alan Edwards, George Ogilvie and Sarah Strunk of whom five are independent based upon the test for director independence in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). The independent directors are David Laing, Mark Palmer, Thomas Boehlert, Alan Edwards and Sarah Strunk. George Ogilvie is the President and Chief Executive Officer of the Company and is not independent as a result. As of the date of this Information Circular, David Laing is the Chairman of the Board (the "**Chairman**") and is considered to be independent within the meaning of NI 58-101. None of the independent directors worked for the Company, received remuneration from the Company or had material contracts with or material interests in the Company which could interfere with their ability to act with a view to the best interests of the Company.

### **Board Mandate**

The Board is responsible for the stewardship of the Company, the supervision of senior management of the Company and overseeing the general affairs and conduct of the business of the Company. The Board has adopted a formal charter (the "**Board Charter**"), set forth in Schedule "A" to this Information Circular and available on the Company's website at [www.arizonasonoran.com](http://www.arizonasonoran.com), that includes, among other things, the following duties and obligations:

- ensure that legal requirements have been met and documents and records have been properly prepared, approved and maintained;
- ensure that appropriate structures and procedures are in place to permit the Board to function independently of management;
- participate with management, in the development of, and ultimately approve, the Company's strategic plan;
- approve annual capital and operating budgets that support the Company's ability to meet its strategic objectives;
- approve financial and operating objectives used in determining compensation if they are different from the strategic, capital or operating plans referred to above;

- monitor the Company's progress towards its strategic objectives, and revise and alter its direction through management in light of changing circumstances;
- conduct periodic reviews of human, technological and capital resources required to implement the Company's strategy and the regulatory, cultural or governmental constraints on the business;
- primarily through the Audit Committee, take reasonable steps to ensure the integrity and effectiveness of the Company's internal controls and management information systems;
- review operating and financial performance relative to budgets and objectives;
- understand the principal risks of the business in which the Company is engaged;
- ensure that there are systems in place which effectively monitor and manage those risks with a view to the long-term viability of the Company;
- be responsible for the Company risk management processes;
- promote a culture of integrity, ethical leadership, diversity, inclusion and sustainability within the Company;
- appoint the Chief Executive Officer, monitor and assess the Company's Chief Executive Officer performance against corporate and personal goals and objectives, determine compensation for the Chief Executive Officer, considering the recommendations of the Governance and Nominating Committee and Compensation Committee, and provide advice and counsel in the execution of the Chief Executive Officer's duties;
- annually consider what additional skills and competencies would be helpful to senior management and the Board, with the Governance and Nominating Committee and the Compensation Committee (having received input from the Board) being responsible for identifying specific candidates for consideration for appointment to management and / or the Board;
- the evaluation of the relevant relationships for director independence and, where applicable, appointing a lead director in circumstances in which the Chairman of the Board is not considered independent under applicable laws;
- adopt a communication or disclosure policy for the Company and ensure that the Company has in place effective communication processes with shareholders and other stakeholders (including measures to enable stakeholders to communicate with the independent directors of the Board) and with financial, regulatory and other institutions and agencies; and
- ensure that adequate provision has been made to train and develop management and for the orderly succession of the Chief Executive Officer and the other senior officers.

At the Company's expense, the Board may retain, when it considers it necessary or desirable, outside consultants or advisors to advise the Board independently on any matter. The Board shall have the sole authority to retain and terminate any such consultants or advisors, including sole authority to approve a consultant's or advisor's fees and other retention terms. The Board discharges its responsibilities directly and through its committees, currently consisting of the Audit Committee, the Compensation Committee, the Governance and Nominating Committee and the Technical & Sustainability Committee.

### **Summary of Governance Practices**

The Chairman, with the assistance of the Corporate Secretary, develops and sets the agenda for each meeting of the Board, in consultation with other members of the Board and management. Materials for each meeting are distributed

to the Board in advance of the meeting. The following table depicts a summary of the governance practices adopted by the Board since the Initial Public Offering.

<b>Governance Practices</b>	
Size of Board	6
Number of Independent Directors (%)	83.3%
Fully Independent Audit, Governance and Nominating and Compensation Committees	Yes
Majority of Independent Directors on All Other Committees	Yes
Annual Election of Directors	Yes
Average Tenure of Director Nominees (months)	11.5 months
Mandatory Term Limits for Directors	No
Directors Elected Individually (not by slate)	Yes
Separate Chairman & Chief Executive Officer	Yes
In Camera Sessions of Independent Directors	Yes
Share Ownership Policies for Directors and Executives, including anti-hedging	No
Board Orientation/Education Program	Yes
Code of Business Conduct and Ethics with Annual Certification	Yes
Annual Advisory Vote on Executive Compensation	Yes
Formal Board Evaluation Process	Yes
Executive Compensation Claw-back Policy	No
Diversity Policy	Yes
Shareholder Engagement Policy	No

### ***Board Meetings***

The Board held 17 board meetings during the fiscal year ended December 31, 2021, with one meeting held since November 16, 2021, following the completion of the Company's Initial Public Offering. The independent directors also hold separate meetings (*in-camera* meetings) when necessary at which non-independent directors and members of management are not present.

The information set forth below reflects the attendance of each director of the Company at each meeting of the Board and the various committees thereof during the fiscal year ended December 31, 2021. During its first year of operation, the Company had not specified the sub-committees for directors. Board members are being proposed for the particular sub-committees, as laid out in the notes below the following table, and in the following pages describing the committee charters and members.

### ***Meetings of Independent Directors***

The Board believes it functions independently of management. Pursuant to the Board Charter, to enhance the Board's ability to act independently of management, the independent directors of the Company shall hold regularly scheduled meetings, at least once per annum or as required at each meeting of the Board, at which non-independent directors and members of management are not in attendance. In 2021, the Board held in-camera sessions of the independent directors at the end of each meeting of the Board. The Board held such in-camera sessions at 17 meetings in 2021, with one meeting occurring following the completion of the Company's Initial Public Offering.

### **Board and Committee Meeting Attendance Record**

The following table sets out a summary of the attendance record of each director for the year ended December 31, 2021 in respect of his or her attendance record for all Board and committee meetings held since November 16, 2021 following the completion of the Company's Initial Public Offering.

Members <sup>(5)</sup>	Attendance – 2021 Meetings since Initial Public Offering					Total	
	Board of Directors	Audit Committee	Compensation Committee	Governance and Nominating Committee	Technical and Sustainability Committee	Committee	Overall
David Laing <sup>(2)(3)(4)</sup>	1	0	1	0	1	2	3
George Ogilvie	1	0	1	0	1	2	3
Mark Palmer <sup>(1)(2)(3)</sup>	1	0	1	0	1	2	3
Thomas Boehlert <sup>(1)(3)(4)</sup>	1	0	1	0	1	2	3
Alan Edwards <sup>(1)(2)(4)</sup>	1	0	1	0	1	2	3

**Notes:**

- (1) Members of the Audit Committee in 2021.
- (2) Members of the Technical & Sustainability Committee in 2021.
- (3) Members of the Governance and Nominating Committee in 2021.
- (4) Members of the Compensation Committee in 2021.
- (5) Ms. Strunk joined the Board and the Audit and Technical & Sustainability Committees in January 2022, and as such, was not in attendance at any of the Board or committee meetings in 2021.

In order to ensure that the Board can function independently of management, the independent directors will also, in appropriate circumstances, meet separately from the non-independent director as an ad hoc subcommittee of the Board and appoint a non-executive independent lead director or Chairman from among its members. The Board reviews its procedures on an ongoing basis to ensure it can function independently of management.

### **Board Succession and Skills Matrix**

The Governance and Nominating Committee, which is 100% comprised of independent directors, is responsible for identifying and recommending proposed nominees for the Board and considers the competencies needed for the Board, as well as other factors, including the individual's competencies and expertise and contractual obligations of the Company. The Governance and Nominating Committee and the Board use a skills matrix to assist in identifying any potential gaps in the skills and competencies considered to be the most significant for the Company.

The Governance and Nominating Committee is responsible for annually assessing the effectiveness of the Board as a whole, its committees and individual directors. The current practice is for the Board to make ongoing, informal assessments of the performance of the Board, its committees and individual directors, including with respect to their effectiveness and contributions.

The following table highlights the broad skill set of the Board and reflects those competencies considered most necessary for the Board to carry out its mandate effectively.

<i>Technical Skills and Experience</i>	<b>REPORTING OF DIRECTORS' SKILLS/COMPETENCIES</b>					
	<i>Directors</i>					
	<b>David Laing</b>	<b>Thomas Boehlert</b>	<b>Mark Palmer</b>	<b>Alan Edwards</b>	<b>George Ogilvie</b>	<b>Sarah Strunk</b>
<b>Senior Management Experience<sup>(1)</sup></b>	✓	✓	✓	✓	✓	✓
<b>Board and Governance<sup>(2)</sup></b>	✓	✓	✓	✓	✓	✓
<b>Financial Reporting<sup>(3)</sup></b>	✓	✓	✓	✓	✓	✓
<b>Corporate Finance<sup>(4)</sup></b>	✓	✓	✓	✓	✓	✓
<b>Legal<sup>(5)</sup></b>						✓
<b>Mineral Exploration<sup>(6)</sup></b>	✓		✓	✓	✓	
<b>Mining, Development and Construction<sup>(7)</sup></b>	✓		✓	✓	✓	
<b>Mining, Operations<sup>(8)</sup></b>	✓	✓	✓	✓	✓	
<b>Sustainability<sup>(9)</sup></b>	✓	✓	✓	✓	✓	✓
<b>Compensation / Human Resources<sup>(10)</sup></b>	✓	✓		✓	✓	✓
<b>Government Relations<sup>(11)</sup></b>	✓	✓		✓		✓

**Notes:**

- (1) **Senior Management Experience:** Ability to: (i) plan, operate and control various activities of a business; and, (ii) to apply/generate strategic thinking of relevance to the company.
- (2) **Board and Governance:** Understanding of (i) the requirements/process for oversight of management; (ii) various stakeholder requirements; and (iii) evolving trends with respect to governance of public companies.
- (3) **Financial Reporting:** Ability to understand: (i) financial statements; and (ii) financial controls and measures.
- (4) **Corporate Finance:** Ability to understand: (i) capital markets; and (ii) financing options.
- (5) **Legal:** Experience as a current or former lawyer, solicitor or barrister.
- (6) **Mineral Exploration:** Understanding of exploration activities.
- (7) **Mining, Development and Construction:** Understanding of construction and development of mines.
- (8) **Mining, Operations:** Understanding of (i) mine operations; (ii) risks management as it relates to mining industry; (iii) planning, scheduling, monitoring of construction, contract administration and forecasting; and (iv) marketing of metals.
- (9) **Sustainability:** Ability to: (i) understand and evaluate environmental risks and mitigation of such risks (ii) understand and prioritize all social aspects including community relations, employees, health and safety and First Nations.
- (10) **Compensation / Human Resources:** Ability to: (i) review management structure for large organization; (ii) develop/assess/monitor remuneration packages (salary, benefits, long-term and short-term incentives); and (iii) understand how to motivate people.
- (11) **Government Relations:** Understanding of: (i) legislative and decision-making process of governments; and (ii) experience in dealing with governments (policy-making, lobbying, etc.).

***Other Reporting Issuer Experience***

As of December 31, 2021, the following members of the Board currently held directorships with other reporting issuers as follows:

Name of Director	Name of Reporting Issuers	Markets
David Laing	Fortuna Silver Mines Inc. Northern Dynasty Minerals Ltd. Blackrock Silver Corp. Amarillo Gold Corp.	TSX TSX TSXV TSXV
Thomas Boehlert	RCF Acquisition Corp.	NYSE
Alan Edwards	Entrée Resources Ltd. Orvana Minerals Corp. Americas Gold & Silver	TSX TSX TSX
George Ogilvie	Rupert Resources Ltd.	TSXV
Mark Palmer	Orion Minerals Ltd.	ASX

The Company acknowledges that its directors gain a benefit from service on boards of other companies, to the extent such service does not conflict significantly with the interests of the Company. The Governance and Nominating Committee evaluates the nature of, and time involved in, a director's service on other boards to determine if an individual director is suitable for election or re-election.

### Majority Voting Policy

The Board has adopted a majority voting policy which is included in the Board Charter. Pursuant to the majority voting policy, each director must be elected by a majority (50% +1 vote) of the votes cast with respect to his or her election other than at a contested meeting. If a director is not elected by at least a majority (50% +1 vote) of the votes cast with respect to his or her election, such director must immediately tender his or her resignation to the Board. The Board shall determine whether or not to accept the resignation within 90 days after the date of the relevant security holders' meeting. The Board shall accept the resignation absent exceptional circumstances and the resignation will be effective when so accepted by the Board. The Board shall promptly issue a press release to announce its decision, a copy of which shall be provided to the TSX. If the Board declines to accept the resignation, it should include in the press release the reasons for its decision. A director who tenders a resignation pursuant to this provision will not participate in any meeting of the Board or any sub-committee of the Board at which the resignation is considered. If a resignation is accepted, the Board may, in accordance with the Business Corporations Act (British Columbia) and the Company's articles of incorporation, appoint a new director to fill any vacancy created by the resignation or reduce the size of the Board.

### Position Descriptions

The Board has adopted a written position description for the Chief Executive Officer which sets out the key responsibilities of the Chief Executive Officer, including, among other duties in relation to providing strategic leadership and vision by working with the Board: serving as the primary external spokesperson of the Company; fostering a corporate culture that promotes ethical and responsible practices and decision making; taking all reasonable steps to satisfy the Board as to the integrity of the Chief Executive Officer and other senior officers and ensuring a culture of fairness and integrity is created throughout the Company; communicating regularly and in a timely fashion with the Board; assisting the Governance and Nominating Committee with the development of mandates for the Board and committees of the Board; recommending strategic, operating and financial plans to the Board; providing general management of the day-to-day operation of the business; developing and maintaining a strong working relationship with all senior management and ensuring that the Company has an effective management team; and meeting annually with the Compensation Committee to discuss goals, objectives and performance of other senior officers of the Company.

The Board Charter also sets out the responsibilities of the Chairman of the Board. The Chairman of the Board is primarily responsible for the management, development and effective performance of the Board and provides

leadership to the Board, including: organizing the Board to function independently of management; promoting ethical and responsible decision making, appropriate oversight of management and best practices in corporate governance; managing the affairs of the Board, including ensuring that the Board is organized properly, functions effectively and meets its obligations and responsibilities; ensuring the Board has the opportunity to meet without members of management present on a regular basis; coordinating with management and the Corporate Secretary of the Company to ensure that matters to be considered by the Board are properly presented and given the appropriate opportunity for discussion; communicating with all members of the Board to co-ordinate their input, ensure their accountability and provide for the effectiveness of the Board and its committees as well as to keep members up to date on all major developments concerning the Company; providing advice, counsel and mentorship to other members of the Board, the Chief Executive Officer and other senior officers; presiding as chair of each meeting of the Board and meeting of the shareholders of the Company; and ensuring the Company, and where appropriate the Board, is adequately represented at official functions and meetings with major shareholder groups, other stakeholders, financial analysts, media and the investment community.

The Board has also adopted a written position description for each of the committee chairs, as provided in each of the committee's charter, which sets out each of the committee chair's key responsibilities, including, among others, duties relating to providing leadership to the committee, chairing the committee meetings, setting committee meeting agendas and working with the respective committee and management to ensure, to the greatest extent possible, the effective functioning of the committee.

### **Orientation and Continuing Education**

New members of the Board are provided with: (i) a copy of the Company's corporate governance documents; (ii) information respecting the Company's operations and corporate structure; and (iii) access to senior management.

Board members are encouraged to communicate with management and auditors; keep themselves current with industry trends and developments and changes in legislation with management's assistance; attend related industry seminars; and visit the Company's operations. During the last two financial years, three of the Company's five directors visited the Company's principal asset, the Cactus Mine Project, and attended corporate presentations outlining the Company's local activities, operations and applicable laws, among other matters.

External legal counsel to the Company, Bennett Jones LLP, updates the Board on relevant changes in the law. Board members also have full access to the Company's records.

### **Ethical Business Conduct**

The Board is committed to maintaining the highest standards of ethical conduct, promoting integrity, deterring wrongdoing and complying with applicable laws, rules and regulations and has adopted the Code of Business Conduct and Ethics (the "**Code**") for its directors, officers, consultants and employees ("**Company Individuals**"). A copy of the Code is available on the Company's website and will be available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The Board is responsible for monitoring compliance with the Code. The objective of the Code is to provide guidelines for maintaining the integrity, reputation, honesty, objectivity and impartiality of the Company and its subsidiaries. The Code addresses compliance with laws, rules and regulations, conflicts of interest, inside information and securities trading, corporate opportunity, confidentiality, fair dealings, protection and proper use of Company assets, discrimination and harassment, gifts and entertainment, payments to government personnel, lobbying, health and safety, accuracy of business records and reporting, competitive information, use of e-mail and internet services, social media use and media, public and governmental inquiries. All Company Individuals must work to ensure prompt and consistent action against violations of the Code. Company Individuals must promptly advise either a supervisor, or the Chairman, if a Company Individual believes that he or she has observed, has knowledge of or suspects a violation of the Code by any Company Individual, or by anyone purporting to be acting on the Company's behalf. Any such reports may be made anonymously and Company Individuals are encouraged to talk to supervisors, managers or other appropriate personnel about observed illegal or unethical behaviour. Confidentiality will be maintained, to the extent permitted by law. If a Company Individual is not comfortable reporting such behaviour to a supervisor, or the Chairman, the individual may report it to the Company's external legal counsel. Inappropriate delay in reporting a

suspected or discovered violation is itself a violation of this Code. The Board will annually review and evaluate the effectiveness of the Code.

The Board has also adopted a Whistleblower Policy for individuals to report complaints and concerns regarding, among other things, violations of the Code. In addition, the Company has a Foreign Corrupt Practices Policy which requires that directors, officers, other employees, consultants and contractors of the Company conduct business in an honest and ethical manner that does not contravene anti-bribery and anti-corruption laws that apply to the Company, including the *Corruption of Foreign Public Officials Act* (Canada). The Board is responsible for monitoring compliance with this policy. Employees may approach their immediate supervisor or management of the Company, or if preferred the Chief Executive Officer or Chief Financial Officer to communicate any violations under the Foreign Corrupt Practices Policy.

### **Term Limits**

The Board has not adopted term limits or other automatic mechanisms of board renewal. Rather than adopting formal term limits, mandatory age-related retirement policies and other mechanisms of board renewal, the Governance and Nominating Committee will seek to maintain the composition of the Board in a way that provides, in the judgement of the Governance and Nominating Committee, the best mix of skills and experience to provide for the Company's overall stewardship. The Governance and Nominating Committee is also expected to conduct a process for the assessment of the effectiveness and performance of the Board and each committee, and to report evaluation results to the Company's board of trustees. See also "*Diversity and Inclusion*".

### **Diversity and Inclusion**

The Company believes that decision-making is enhanced through diversity in the broadest sense and in 2021, it adopted a Diversity and Inclusion Policy to reflect this principle. The Company believes that diversity includes valuing an individual's experiences, knowledge, inventiveness, innovation, self-expression, capabilities, talent, race, colour, gender identity or expression, age, religion, ethnicity, socio-economic status, as well as other factors. The objective of the Diversity and Inclusion Policy is to attract and retain a highly skilled and diverse workforce; to encourage and enforce respectful communication and cooperation between all employees; to build teamwork and employee participation; to permit the representation of all groups and perspectives; and to encourage and enforce employer and employee contributions to the communities the Company serves in order to promote a greater understanding and respect for diversity. In addition, the Company strives to build and maintain a safe and inclusive work environment, set measurable objectives for gender diversity and to build a workforce that is provided with adequate opportunities for career advancement, learning and development. A copy of the Company's Diversity and Inclusion Policy is available on the Company's website at [www.arizonasonoran.com](http://www.arizonasonoran.com).

### ***Policies, Consideration and Targets Regarding the Representation of Women on Board and Management***

The Company recognizes that gender diversity is a significant aspect of diversity and as such, while the Company has only recently become a reporting issuer listed on the TSX, the Company aspires to have female directors comprise no less than 30% of the Board by 2023. In line with the Company's gender diversity initiative, the Governance and Nominating Committee maintains an evergreen list of potential candidates for election to the Board which includes parity between men and women candidates and takes into account the level of representation of women on the Board. Currently, the Board consists of six members, one of whom is female (17%).

In addition, the Company aspires to have female officers / senior management comprise not less than 25% of senior management, by 2023. In contemplation of this target, the Company puts in place sponsorship and mentoring programs for the development of women, ensures that at least one female candidate is considered for each open position within the Company and strives to cultivate a work environment that accommodates family and work life balance. Currently, one of five NEOs is female (20%).

## **Committees of the Board of Directors**

### ***Audit Committee***

The Audit Committee is currently comprised of three directors, being Thomas Boehlert (Chair), Alan Edwards and Sarah Strunk, all of whom are "independent" and "financially literate" as those terms are defined in NI 52-110, according to the Board's independence standards as set out in the Company's Board Guidelines and applicable Canadian securities laws and regulations.

Pursuant to the Charter of the Audit Committee, the Audit Committee shall provide assistance to the Board in fulfilling its oversight responsibilities under applicable laws with respect to: (i) the overall integrity of the Company's financial reporting processes; (ii) financial reporting and disclosure requirements; (iii) the system of internal control over financial reporting that management has established; (iv) the internal (if applicable) and external audit process; (v) compliance with legal and regulatory requirements; (vi) the processes for identifying, evaluating and managing the Company's principal risks impacting financial reporting; and (vii) the independent auditors' qualifications and independence.

Information regarding the Audit Committee, including the complete text of the Charter of the Audit Committee, is set forth in the annual information form of the Company dated March 30, 2022 under the heading "*Audit Committee*", which is available under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

### ***Governance and Nominating Committee***

The Governance and Nominating Committee is currently comprised of three directors, being Sarah Strunk (Chair), Mark Palmer and Thomas Boehlert, all of whom are "independent" within the meaning of NI 58-101.

The Governance and Nominating Committee has been delegated the responsibility of: (i) developing and recommending to the Board, administering and monitoring compliance with, the corporate governance procedures, charters and policies of the Company, in addition to monitoring significant developments in the law and practice of corporate governance and of the duties and responsibilities of public companies; (ii) identifying and assisting the Board in selecting potential candidates for the Board and recommending to the Board director nominees for election at the next annual meeting of shareholders of the Company; (iii) providing continuing education for directors; (iv) reviewing and approving corporate governance disclosure before the Company publicly discloses the information; and (v) annually conducting an evaluation of the Board and its committees. See "*Board Succession and Skills Matrix*" above.

The Governance and Nominating Committee considers from time to time the desirable number of directors of the Company, identifies and recommends to the Board proposed nominees to be directors of the Company and considers a skills matrix for the Board which includes the competencies and skills which each individual director possesses.

In addition, the Governance and Nominating Committee assists the Company and the Board in fulfilling their respective corporate governance responsibilities under applicable securities laws, and to promote a culture of integrity throughout the Company. The Governance and Nominating Committee is also responsible for, among other things: considering, or presenting to the Board for consideration, any transaction involving the Company and any related party; monitoring any related party transaction and reporting to the Board on a regular basis regarding the status of any related party transaction; providing an orientation session for new directors and continuing education for existing directors; and annually conducting an evaluation of the effectiveness of the Board as a whole, its committees and individual directors.

A copy of the Charter of the Governance and Nominating Committee is available on the Company's website at [www.arizonasonoran.com](http://www.arizonasonoran.com).

### ***Compensation Committee***

The Compensation Committee is responsible for the oversight and setting of the compensation for the Company's executive officers, including the Company's Chief Executive Officer and the Board and for establishing frameworks for incentive compensation, equity-based and pension plans considered advisable. In particular, the Compensation Committee is responsible for, among other things: reviewing and making recommendations to the Board with respect to the compensation philosophy, policies and programs that support the Company's overall business strategy; annually reviewing and approving corporate goals and objectives relevant to the compensation of the Chief Executive Officer; reviewing and approving the remuneration of executive officers of the Company; reviewing and making recommendations to the Board with respect to the Company's incentive compensation, equity-based and pension plans; reviewing and making a recommendation to the Board on the approval of any employment agreement or any compensatory transaction with an officer involving compensation; establishing and reviewing policies concerning perquisite benefits and approving all special perquisites, special cash payments and other special compensation and benefits arrangements for officers and employees of the Company; determining and recommending to the Board change-of-control or parachute payments; reviewing and making recommendations to the board with respect to executive officer and director indemnification and insurance matters; reviewing and making a recommendation to the Board for approval of the compensation of directors of the Company for their service to the Board; approving compensation awards, as may be required to comply with applicable tax and state corporate laws; reviewing the Company's compensation disclosure in its annual management information circular and assisting management in complying with such requirements; preparing any reports required by applicable rules and regulations or listing standards; annually reviewing and assessing the adequacy of the Compensation Committee Charter; determining the Board's compensation in light of Company goals and objectives; and regularly reporting to the Board.

On an annual basis the Compensation Committee reviews and approves corporate goals and objectives relevant to the compensation of the Chief Executive Officer and other executive officers, evaluates the Chief Executive Officer's and other executive officers' performance in light of those goals and objectives, determines and approves the Chief Executive Officer's compensation based on this evaluation and makes a recommendation to the Board for the compensation of the other executive officers with respect to the their performance in light of the evaluation.

Appropriate compensation is determined by the Board through periodic and annual reports from the Compensation Committee on the Company's overall compensation and benefits philosophies with such compensation realistically reflecting the responsibilities and risks of the positions. See "*Director and Executive Compensation*".

The Compensation Committee has the authority to engage, at the expense of the Company, independent counsel and other experts or advisors as is considered necessary or appropriate in carrying out its duties, including compensation consultants to assist in determining appropriate compensation policies and levels, provided that the Compensation Committee is directly responsible for the oversight of such advisors.

A copy of the Charter of the Compensation Committee is available on the Company's website at [www.arizonasonoran.com](http://www.arizonasonoran.com).

### ***Technical and Sustainability Committee***

The Technical & Sustainability Committee is currently comprised of three directors, being Alan Edwards (Chair), David Laing and Mark Palmer, all of whom are "independent" within the meaning of NI 58-101.

The Company has established a Technical & Sustainability Committee to assist the Board in fulfilling its oversight responsibilities with respect to: (i) technical matters relating to the Company's exploration, development and mining activities; (ii) procedures for the preparation and disclosure of resource and reserve information; (iii) exploration, development, and operating and production plans and budgets for proposed and existing operation of the Company; (iv) policies and practices regarding health, safety, environment and sustainability matters; (v) policies and practices regarding corporate social responsibility matters and compliance with the Company's Environmental, Sustainable and Governance Framework (the "**ESG Strategy**"); and (vi) the Company's public disclosure relating to health, safety, environment, social responsibility and sustainability matters. The Technical & Sustainability Committee shall report to the Board on a regular basis, as requested by the Board or as otherwise necessary or appropriate to ensure the Board is properly apprised on technical and operational matters. The Technical & Sustainability Committee is responsible

for, among other things: conducting site visits to key property or properties to meet local management and receive a review of operations; reviewing the assumptions and methodology underpinning the Company's mineral reserve and resource estimates and to recommend to the Board for approval any new, updated or annual statements of mineral reserves and resources; reviewing any draft technical reports, including the processes used to prepare such reports and to recommend to the Board for approval any technical report proposed to be filed by the Company; reviewing annual exploration, development and operating and production plans, together with reports, for proposed and existing material properties and making recommendations to the Board for consideration, as appropriate; and ensuring an appropriate risk management process exists to identify, assess and manage technical, operational and health and safety risks.

Moreover, the Technical & Sustainability Committee assists the Company and the Board in fulfilling their respective obligations relating to safety, health, environmental and sustainability matters concerning the Company. It is also responsible for, among other things: reviewing and discussing activities as required in connection with the Company's ESG Strategy; reviewing and recommending to the Board, for approval, changes in or additions to the safety, health, environment and sustainability policies of the Company; reviewing and reporting to the Board on the results of any material safety, health, environment or sustainability incident and audits at any of the Company's operations; reviewing management's response to all health, safety, environment and sustainability audits and material incidents; investigating, or causing to be investigated, material negative safety, health, environment or sustainability performance; reviewing and reporting to the Board on the safety, health, environment and sustainability risks associated with the Company's operations and the procedures and plans designed to manage and mitigate those risks; and reviewing reports from management of the Company's corporate social responsibility programs and ensuring management develops, adopts and implements social policies, programs, procedures and activities in communities where the Company conducts its business that are consistent with industry best practice and are aligned with the Company's ESG Strategy.

A copy of the Charter of the Technical & Sustainability Committee is available on the Company's website at [www.arizonasonoran.com](http://www.arizonasonoran.com).

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

There has been no outstanding indebtedness at any time in the Company's last completed fiscal year owing to the Company or any subsidiary of the Company, or to another entity which is or was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any subsidiary of the Company, of: (i) any director, executive officer or employee of the Company or any of its subsidiaries; (ii) any former director, executive officer or employee of the Company or any of its subsidiaries; (iii) any Nominee; or (iv) any associate of any of the foregoing.

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

To the knowledge of the directors and executive officers of the Company, as of May 6, 2022, Tembo Capital Mining GP III Ltd owns, directly or indirectly, 37.6% of the issued and outstanding Common Shares. Pursuant to the provision of an investor rights agreement among the Company, Tembo and RCF Opportunities Fund L.P. ("RCF") dated July 10, 2020, Mark Palmer was nominated as Tembo's representative to ASCU as a director of the Company and Thomas Boehlert was nominated as its representative to ASCU as a director; despite RCF holding less than 10% (approximately 5.5%) of the issued and outstanding Common Share. Mr. Boehlert continues to be a valued member of the Board. Neither appointee has materially affected the Company or any subsidiary of the Company.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com) or available by request to management at [info@arizonasonoran.com](mailto:info@arizonasonoran.com). Additional financial information is provided in the Company's comparative annual financial statements and management discussion and analysis for the fiscal year ended December 31, 2021, which are also available under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com). Copies of the Company's financial statements and management's discussion and analysis for the fiscal year ended December 31, 2021 may be obtained upon written request to the Secretary of the Company at Grove Corporate Services, c/o Arizona Sonoran Copper Company, 401 Bay Street, Suite 2704 Toronto, ON M5H 2Y4.

**DIRECTORS' APPROVAL**

The contents of this Information Circular and the sending thereof to each director of the Company, to the auditors and the shareholders of the Company and to the appropriate governmental agencies, have been approved by the directors of the Company.

**DATED** as of the 9<sup>th</sup> day of May, 2022

**BY ORDER OF THE BOARD OF DIRECTORS**

Signed: "*David Laing*"

**SCHEDULE "A"**  
**ARIZONA SONORAN COPPER COMPANY INC.**  
**BOARD OF DIRECTORS CHARTER**

Adopted by the Board of Directors on June 21, 2021.

**1. PURPOSE**

The Board of Directors (the "**Board**") of Arizona Sonoran Copper Company Inc. (the "**Company**") has the responsibility for the stewardship of the Company, the supervision of senior management of the Company and to oversee the general affairs and conduct of the business of the Company. The Board's fundamental objectives are to enhance and preserve long-term shareholder value, ensure that the Company meets its obligations on an ongoing basis and that the Company operates in a reliable, sustainable, safe and socially responsible manner. In performing its functions, the Board should also consider the legitimate interests of its other stakeholders, such as employees, customers and communities. The Board should conduct the procedures, and manage the responsibilities and obligations set out below, either directly or through committees of the Board.

**2. COMPOSITION**

**2.1 Authority**

The Board operates by delegating certain of its authorities to management and by reserving certain powers to itself. The Board retains the responsibility for managing its own affairs, including selecting the chair of the Board ("**Chair**"), nominating candidates for election to the Board, constituting committees of the full Board and determining compensation of the directors of the Company ("**Directors**").

Subject to the Company's constating documents and the *Business Corporations Act* (British Columbia) ("**BCBCA**"), the Board may constitute, seek the advice of and delegate powers, duties and responsibilities to committees of the Board.

**2.2 Members**

Directors are elected annually at the Company's annual meeting of shareholders and must meet the requirements of applicable corporate laws and securities laws, instruments, rules, regulations and guidelines of all applicable securities regulatory authorities, including without limitation the securities commissions in each of the provinces and territories of Canada, and stock exchanges on which the Company's securities will be listed, including the Toronto Stock Exchange (collectively, the "**Securities Laws**"). The majority of the Directors and the Chair shall be independent as determined by Securities Laws.

**2.3 Majority Voting Policy**

Each Director must be elected by a majority (50% +1 vote) of the votes cast with respect to his or her election other than at contested meeting. If a Director is not elected by at least a majority (50% +1 vote) of the votes cast with respect to his or her election, such Director must immediately tender his or her resignation to the Board. The Board shall determine whether or not to accept the resignation within 90 days after the date of the relevant security holders' meeting. The Board shall accept the resignation absent exceptional circumstances and the resignation will be effective when so accepted by the Board. The Board shall promptly issue a press release to announce its decision, a copy of which shall be provided to the Toronto Stock Exchange. If the Board declines to accept the resignation, it should include in the press release the reasons for its decision. A Director who tenders a resignation pursuant to this provision will not participate in any meeting of the Board or any sub-committee of the Board at which the resignation is considered. If a resignation is accepted, the Board may, in accordance with the BCBCA and the Company's articles, appoint a new director to fill any vacancy created by the resignation or reduce the size of the Board.

### **3. MEETINGS AND PROCEDURES**

#### **3.1 Meetings**

The Board shall meet at least four times per year and may also hold additional meetings as considered necessary.

#### **3.2 Independent Meetings**

The independent Directors shall hold regularly scheduled meetings, without the non-independent Directors and officers present, at least once per annum or as required at each meeting of the Board.

#### **3.3 Quorum**

Quorum for the transaction of business at any meeting of the Board shall be as set out in the articles of the Company in effect at the time.

#### **3.4 Notice**

Board meetings shall be held from time to time and at such place as any member of the Board shall determine with not be less than twenty-four (24) hours advanced notice. The notice period may be waived by the Director or as provided in the Articles of the Company. Any member of the Board may call a meeting.

#### **3.5 Participation**

Members may participate in a meeting of the Board in person or by means of telephone, web conference or other communication equipment. The Board may invite such officers and employees of the Company and such other advisors and persons as is considered advisable to attend any meeting of the Board. For greater certainty, the Board shall have the right to determine who shall and who shall not be present at any time during a meeting of the Board.

#### **3.6 Agenda and Minutes**

The Chair, with the assistance of the Corporate Secretary, shall develop and set the Board's agenda, in consultation with other members of the Board and management. The agenda and information concerning the business to be conducted at each Board meeting shall be, to the extent practical, communicated to members of the Board sufficiently in advance of each meeting to permit meaningful review. The Board will keep minutes of its meetings.

#### **3.7 Voting**

Any matter to be determined by the Board shall be decided by a majority of the votes cast at a meeting of the Board called for such purpose. Any action of the Board may also be taken by written resolution signed by all of Board members, in accordance with the Articles of the Company, and any such action shall be as effective as if it had been decided by a majority of the votes cast at a Board meeting.

#### **3.8 Assessment of Charter**

The Governance and Nominating Committee will annually review this charter and submit any recommended changes to the Board for approval.

### **4. BOARD CHAIR**

#### **4.1 Appointment of Chair**

The Chair shall be appointed annually by the Board and shall have such skills and abilities appropriate to the appointment of Chair as shall be determined by the Board. The Chair shall be a duly elected member of the Board and shall, unless otherwise considered desirable and approved by the Board, be independent as defined under Securities

Laws. Where a vacancy occurs at any time in the position of Chair, it shall be filled by the Board. The Board may remove and replace the Chair at any time.

#### **4.2 Outside Consultants or Advisors**

The Chair, when he or she considers it necessary or desirable, may retain, at the Company's expense, outside consultants or advisors to advise the Chair or the Board independently on any matter. The Chair shall have the authority to retain and terminate any such consultants or advisors, including authority to review the fees and other retention terms of such persons.

#### **4.3 Duties**

The Chair is accountable to the Board and shall have the duties of a member of the Board as set out in Applicable Laws. The Chair is responsible for the management, development and effective performance of the Board and leads the Board to ensure that it fulfills its duties as required by Applicable Laws and as set out in these terms of reference. In particular, the Chair shall:

- 4.3.1 organize the Board to function independently of management;
- 4.3.2 promote ethical and responsible decision making, appropriate oversight of management and best practices in corporate governance;
- 4.3.3 ensure the Board has the opportunity to meet without members of management present on a regular basis;
- 4.3.4 determine, in consultation with the Board and management, the time and places of the meetings of the Board and of the annual meeting of shareholders;
- 4.3.5 manage the affairs of the Board, including ensuring that the Board is organized properly, functions effectively and meets its obligations and responsibilities;
- 4.3.6 co-ordinate with management and the Corporate Secretary to ensure that matters to be considered by the Board are properly presented and given the appropriate opportunity for discussion;
- 4.3.7 provide advice, counsel and mentorship to other members of the Board, the Chief Executive Officer of the Company ("CEO") and other senior officers;
- 4.3.8 preside as chair of each meeting of the Board;
- 4.3.9 preside as chair of each meeting of the shareholders of the Company;
- 4.3.10 communicate with all members of the Board to co-ordinate their input, ensure their accountability and provide for the effectiveness of the Board and its committees as well as to keep members up to date on all major developments concerning the Company; and
- 4.3.11 ensure the Company, and where appropriate the Board, is adequately represented at official functions and meetings with major shareholder groups, other stakeholders, financial analysts, media and the investment community.

### **5. DUTIES AND RESPONSIBILITIES**

The Board's principal duties and responsibilities fall into a number of categories, which are outlined below.

## 5.1 Legal Requirements

- 5.1.1 The Board has the responsibility to ensure that legal requirements have been met and documents and records have been properly prepared, approved and maintained; and
- 5.1.2 The Board has the statutory responsibility to:
- (a) supervise the management of the business and affairs of the Company;
  - (b) act honestly and in good faith with a view to the best interests of the Company;
  - (c) exercise the care, diligence and skill that reasonable, prudent people would exercise in comparable circumstances; and
  - (d) act in accordance with its obligations contained in the BCBCA and the regulations thereto, the Company's constating documents, Securities Laws and other applicable laws and regulations (collectively, "**Applicable Laws**").

## 5.2 Independence

The Board has the responsibility to ensure that appropriate structures and procedures are in place to permit the Board to function independently of management, including having a majority of directors who are "independent" as defined by National Instrument 58-101 – Disclosure of Corporate Governance Practices ("**NI 58-101**") and under applicable stock exchange requirements. The Board, in consultation with the Governance and Nominating Committee will, at least annually, review the relationship of each Director to determine if each Director is or remains "independent" within the meaning of NI 58-101 and applicable stock exchange requirements. In addition, the independent Directors shall hold an in camera session without the presence of management or any non-independent Directors at each meeting. In determining the independence of any member of the Board, the Board will consider all relevant factors, including any relationship a Director has with the Company, its management, its shareholders and other direct or indirect material relationships which could, in the view of the Board, be reasonably expected to interfere with the exercise of a Board member's independent judgment.

## 5.3 Strategy Determination

The Board has the responsibility to:

- 5.3.1 participate with management, in the development of, and ultimately approve, the Company's strategic plan, taking into account, among other things, the opportunities and risks of the Company's business and long term sustainability;
- 5.3.2 approve annual capital and operating budgets that support the Company's ability to meet its strategic objectives;
- 5.3.3 approve the entering into, or withdrawing from, lines of business that are, or are likely to be, material to the Company;
- 5.3.4 approve financial and operating objectives used in determining compensation if they are different from the strategic, capital or operating plans referred to above;
- 5.3.5 approve material divestitures and acquisitions;
- 5.3.6 monitor the Company's progress towards its strategic objectives, and revise and alter its direction through management in light of changing circumstances;

- 5.3.7 conduct periodic reviews of human, technological and capital resources required to implement the Company's strategy and the regulatory, cultural or governmental constraints on the business; and
- 5.3.8 review, at every regularly scheduled Board meeting if feasible, recent developments that may affect the Company's strategy, and advise management on emerging trends and issues.

#### **5.4 Financial and Corporate Issues**

The Board has the responsibility to:

- 5.4.1 primarily through the Audit Committee, take reasonable steps to ensure the integrity and effectiveness of the Company's internal controls and management information systems, including the evaluation and assessment of information provided by management and others (e.g., internal and external auditors) about the integrity and effectiveness of the Company's internal controls and management information systems;
- 5.4.2 review operating and financial performance relative to budgets and objectives;
- 5.4.3 with the Audit Committee, review and approve the interim and annual financial statements and notes thereto, management's discussion & analysis of financial condition and results of operations, the annual information form and the management information circular;
- 5.4.4 approve the delegation of financial authority for budgeted and unbudgeted expenditures to the CEO;
- 5.4.5 upon recommendation by the Audit Committee and subject to confirmation by the shareholders of the Company at each annual meeting, appoint the external auditor for the Company and upon recommendation by the Audit Committee, to approve the auditor's fees for audit and interim review services;
- 5.4.6 consider, and if established, review from time to time, and approve of a dividend and any dividend policy of the Company; and
- 5.4.7 approve significant contracts, transactions, and other arrangements or commitments that may be expected to have a material impact on the Company.

#### **5.5 Managing Risk**

The Board has the responsibility to:

- 5.5.1 understand the principal risks of the business in which the Company is engaged;
- 5.5.2 achieve a proper balance between risks incurred and the potential return to shareholders;
- 5.5.3 ensure that there are systems in place which effectively monitor and manage those risks with a view to the long-term viability of the Company; and
- 5.5.4 be responsible for the Company risk management processes including:
  - (a) reviewing the Company's risk register and enterprise risk management framework;
  - (b) receiving reports from management and other Board committees, including without limitation the Audit Committee, and the Sustainability Committee, on the identification, assessment and management of new material risks; and

- (c) reviewing major risk exposures and the guidelines and policies that management has put in place to govern the process of monitoring, controlling and reporting such exposures.

## 5.6 **Culture & Sustainability**

The Board has the responsibility to promote a culture of integrity, ethical leadership, diversity, inclusion and sustainability within the Company, including to oversee the Company's overall human resources strategy and the Company's strategy and practices relating to sustainability (including health, safety, environmental and corporate social responsibility) matters.

## 5.7 **Appointment, Training and Monitoring Senior Management**

The Board has the responsibility to:

- 5.7.1 appoint the CEO, monitor and assess CEO performance against corporate and personal goals and objectives, determine compensation for the CEO, considering the recommendations of the Governance and Nominating and Compensation Committees, and provide advice and counsel in the execution of the CEO's duties;
- 5.7.2 annually consider what additional skills and competencies would be helpful to senior management and the Board, with the Governance and Nominating Committee and the Compensation Committee (having received input from the Board) being responsible for identifying specific candidates for consideration for appointment to management and / or the Board;
- 5.7.3 approve certain decisions relating to senior officers, including:
  - (a) the appointment and discharge of senior officers;
  - (b) compensation and benefits for senior officers;
  - (c) acceptance by the CEO of any outside directorships on public companies or any significant public service commitments; and
  - (d) employment, consulting, retirement and severance agreements, and other special arrangements proposed for senior officers;
  - (e) ensure that adequate provision has been made to train and develop management and for the orderly succession of the CEO and the other senior officers; and
  - (f) to the extent possible, satisfy itself as to the integrity of the CEO and other senior officers and satisfy itself that the CEO and other senior officers are creating a culture of integrity throughout the Company.

## 5.8 **Policies, Procedures and Compliance**

The Board has the responsibility to:

- 5.8.1 ensure that the Company operates at all times within Applicable Laws and to the highest ethical and moral standards;
- 5.8.2 approve and monitor compliance with significant policies and procedures by which the Company is operated;
- 5.8.3 ensure the Company sets high environmental and community relations standards in its operations and is in compliance with environmental laws and legislation;

- 5.8.4 ensure the Company has in place appropriate programs and policies for the health, safety and security of its employees in the workplace; and
- 5.8.5 review significant new corporate policies or material amendments to existing policies (including, for example, policies regarding business conduct, conflict of interest and the environment).

## 5.9 **Governance**

The Board has the responsibility to:

- 5.9.1 appoint Board committees and delegate to those committees any appropriate powers of the Board;
- 5.9.2 review the size and composition required of the Board and approve nominations for candidates for election to the Board, with a view to ensuring that the Board is comprised of Directors with the necessary skills, experience and other qualities such as independence and diversity to facilitate effective decision-making;
- 5.9.3 develop the Company's approach to corporate governance;
- 5.9.4 ensure the establishment and compliance of appropriate standard of corporate conduct, adopt a code of business conduct and ethics for all employees, including senior officers, and shall ensure that procedures are in place to monitor compliance with such code; and
- 5.9.5 review annually its charter and its performance and the performance of the Board committees, the Chair and the chairs of the committees to ensure that the Board and the committees are operating effectively.

## 5.10 **Reporting and Communication**

The Board has the responsibility to:

- 5.10.1 adopt a communication or disclosure policy for the Company and ensure that the Company has in place effective communication processes with shareholders and other stakeholders (including measures to enable stakeholders to communicate with the independent Directors of the Board) and with financial, regulatory and other institutions and agencies;
- 5.10.2 ensure that the financial performance of the Company is accurately reported to shareholders, other security holders and regulators on a timely and regular basis in accordance with Applicable Laws;
- 5.10.3 ensure that the financial results are reported fairly and in accordance with generally accepted accounting principles and Applicable Laws;
- 5.10.4 ensure the timely reporting of any other developments that have a significant and material impact on the value of the Company;
- 5.10.5 approve the content of the Company's major communications to shareholders and the investing public, including the interim and annual financial statements and management's discussion and analysis, the management information circular (including the compensation, discussion and analysis and disclosure of corporate governance practices), the annual information form, any prospectuses that may be issued, and any significant information respecting the Company contained in any documents incorporated by reference in any such prospectuses; and
- 5.10.6 report to shareholders on its stewardship of the affairs of the Company for the preceding year.

## **6. INDIVIDUAL DIRECTORS**

### **6.1 Each Director:**

- 6.1.1 shall act honestly and in good faith in the best interests of the Company and its shareholders; and
- 6.1.2 must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

### **6.2 Responsibilities of Corporate Stewardship**

Each Director has the responsibility to:

- 6.2.1 represent the best interests of the Company and its shareholders, assist in the maximization of shareholder value and work towards the long-term success of the Company;
- 6.2.2 advance the interests of the Company and the effectiveness of the Board by bringing his or her knowledge and experience to bear on the strategic and operational issues facing the Company;
- 6.2.3 provide constructive counsel to and oversight of management;
- 6.2.4 respect the confidentiality of information and matters pertaining to the Company;
- 6.2.5 maintain his or her independence, generally and as defined under Applicable Laws;
- 6.2.6 be available as a resource to the Board; and
- 6.2.7 fulfill the legal requirements and obligations of a director and develop a comprehensive understanding of the statutory and fiduciary roles of a director.

### **6.3 Responsibilities of Integrity and Loyalty**

Each Director has the responsibility to:

- 6.3.1 comply with the Company's governance policies;
- 6.3.2 disclose to the Corporate Secretary, prior to the beginning of his or her service on the Board, and thereafter as they arise, all actual and potential conflicts of interest; and
- 6.3.3 disclose to the Chair, in advance of any Board vote or discussion, if the Board or a committee of the Board is deliberating on a matter that may affect the Director's interests or relationships outside the Company and abstain from discussion and/or voting on such matter as determined to be appropriate.

### **6.4 Responsibilities of Diligence**

Each Director has the responsibility to:

- 6.4.1 prepare for each Board and committee meeting by reading the reports, minutes and background materials provided for the meeting;
- 6.4.2 attend in person the annual meeting of the Company and attend all meetings of the Board and all meetings of the committees of the Board of which the Director is a member, in person or by telephone, video conference, or other communication facilities that permit all persons participating in the meeting to communicate with each other; and

- 6.4.3 as necessary and appropriate, communicate with the Chair and with the President and CEO between meetings, including to provide advance notice of the Director's intention to introduce significant and previously unknown information at a Board meeting.

## 6.5 **Responsibilities of Effective Communication**

Each Director has the responsibility to:

- 6.5.1 participate fully and frankly in the deliberations and discussions of the Board;
- 6.5.2 encourage free and open discussion of the Company's affairs by the Board;
- 6.5.3 establish an effective, independent and respected presence and a collegial relationship with other Directors;
- 6.5.4 focus inquiries on issues related to strategy, policy, and results;
- 6.5.5 respect the CEO's role as the chief spokesperson for the Company and participate in external communications only at the request of, with the approval of, and in coordination with, the Chair and the CEO;
- 6.5.6 communicate with the Chair and other Directors between meetings when appropriate;
- 6.5.7 maintain an inquisitive attitude and strive to raise questions in an appropriate manner and at proper times; and
- 6.5.8 think, speak and act in a reasoned, independent manner.

## 6.6 **Responsibilities of Committee Work**

Each Director has the responsibility to:

- 6.6.1 participate on committees and become knowledgeable about the purpose and goals of each committee; and
- 6.6.2 understand the process of committee work and the role of management and staff supporting the committee.

## 6.7 **Responsibilities of Knowledge Acquisition**

Each Director has the responsibility to:

- 6.7.1 become generally knowledgeable about the Company's business and its industry;
- 6.7.2 participate in Director orientation and education programs developed by the Company or other relevant organizations from time to time;
- 6.7.3 maintain an understanding of the regulatory, legislative, business, social and political environments within which the Company operates;
- 6.7.4 become acquainted with the senior officers and key management personnel; and
- 6.7.5 gain and update his or her knowledge about how the Company's facilities are operated and any related health, safety, security, environmental, community relations and social matters relating thereto by visiting such facilities when appropriate.

## **7. LEAD DIRECTOR**

### **7.1 Appointment**

The Board will appoint a Lead Director in circumstances in which the Chair is not considered independent under Applicable Laws in order to provide independent leadership, as required, to the Board and for the other purposes set forth below.

If a Lead Director is required, the Governance and Nominating Committee will recommend a candidate for the position of Lead Director from amongst the independent members of the Board. The Board will be responsible for appointing the Lead Director and approving the Lead Director's remuneration.

### **7.2 Duties**

The Lead Director, if any, will serve at the pleasure of the Board. The Lead Director, if any, will provide as required, independent leadership to the Board and will facilitate as required the functioning of the Board independently of the senior officers and the Chair. The Lead Director, if any, will:

- 7.2.1 in the absence of the Chair, act as chair of meetings of the Board;
- 7.2.2 review with the Chair and the CEO matters for presentation to the Board;
- 7.2.3 consult and meet with any or all of the other independent directors, at the request of any of them and with or without the attendance of the Chair and senior management, and represent such directors in discussions with the senior officers and Chair concerning corporate governance and other matters;
- 7.2.4 together with the Chair and the CEO, ensure that all required matters are presented to the Board, such that the Board is able to supervise the management of the business and affairs of the Company; and
- 7.2.5 together with the Chair and the Chair of the Governance and Nominating Committee, ensure that the Board, the committees of the Board, individual directors and the senior officers understand and discharge their obligations under the approach to corporate governance established by the Board from time to time.

## **8. COMMITTEE CHAIRS**

### **8.1 Appointment**

The chair of each Committee ("Committee Chair") shall be appointed annually by the Board. Each Committee Chair shall be a duly elected member of the Board and independent as determined pursuant to Securities Laws. Where a vacancy occurs at any time in the position of a Committee Chair, it shall be filled by the Board. The Board may remove and replace a Committee Chair at any time.

### **8.2 Duties**

Each Committee Chair shall lead and oversee the Committee to ensure it fulfills its mandate as set out in its terms of reference. In particular, each Committee Chair shall:

- 8.2.1 organize the Committee to function independently of management;
- 8.2.2 ensure that the Committee has an opportunity to meet without members of management present at regular intervals;

- 8.2.3 determine, in consultation with the Committee and management, the time and places of the meetings of the Committee;
- 8.2.4 manage the affairs of the Committee, including ensuring that the Committee is organized properly, functions effectively and meets its obligations and responsibilities;
- 8.2.5 co-ordinate with management and the secretary to the Committee to ensure that matters to be considered by the Committee are properly presented and given the appropriate opportunity for discussion;
- 8.2.6 provide advice and counsel to the CEO and other senior officers in the areas covered by the Committee's mandate;
- 8.2.7 preside as chair of each meeting of the Committee; and
- 8.2.8 communicate with all members of the Committee to co-ordinate their input, ensure their accountability and provide for the effectiveness of the Committee.

## **9. OUTSIDE CONSULTANTS OR ADVISORS**

At the Company's expense, the Board may retain, when it considers it necessary or desirable, outside consultants or advisors to advise the Board independently on any matter. The Board shall have the sole authority to retain and terminate any such consultants or advisors, including sole authority to approve a consultant's or advisor's fees and other retention terms.