



ARIZONA SONORAN COPPER COMPANY INC.

NOTICE AND MANAGEMENT INFORMATION CIRCULAR

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON SEPTEMBER 17, 2024

DATED AS OF JULY 29, 2024



NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an in-person annual and special meeting of the shareholders (the "**Meeting**") of Arizona Sonoran Copper Company Inc. (the "**Company**") will be held at the offices of Benett Jones, Suite 3400, 100 King Street West, Toronto, ON M5X 1A4 on Tuesday, September 17, 2024, at 10:30 a.m. EST. for the following purposes:

1. to receive and consider the audited financial statements of the Company for the fiscal year ended December 31, 2023, together with the report of the auditors thereon;
2. to elect six directors of the Company for the ensuing year;
3. to appoint auditors and to authorize the directors to fix their remuneration
4. to consider and, if thought advisable, to approve, with or without variation, an ordinary resolution: (a) approving all unallocated options, rights and other entitlements under the Company's equity incentive plan; and (b) ratifying, confirming and approving such plan; and (c) approving the granting by Company of options, rights and other entitlements under such plan for a further three years; and,
5. To consider and if thought advisable, pass with or without variation, an ordinary resolution to ratify and approve "Advance Notice Policy", as more particularly described in the accompanying Information Circular.

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 July 29, 2024 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 10:30 a.m. EST. on September 13, 2024 (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. In order to receive a paper copy in time to vote before the meeting, your request should be received by September 6, 2024.

DATED at Toronto, Ontario as of the 29th day of July , 2024.

BY ORDER OF THE BOARD

Signed: "*David Laing*"

David Laing, Chairman

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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 in-person annual and special meeting of shareholders of the Company (the "**Meeting**") on September 17, 2024 at 10:30 a.m. EST 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 an in-person format, accessible in person at the offices of Bennett Jones, Suite 3400, 100 King Street West, Toronto, ON. M5X 1A4 and a dial in option for shareholders to listen to the Meeting, details are provided in this Information Circular.

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 directors, officers and employees 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 current as of July 29, 2024. 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 10:30 a.m. EST on September 13, 2024 (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.

Registered Shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting. A phone in line will be made available, however no voting permissions will be permitted. Questions may be asked of management via the phone line. The Company is not aware of any items of business to be brought before the Meeting other than those described in the 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 "*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**").

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. 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.

Brokers and intermediaries typically establish internal deadlines to vote ahead of the Meeting voting deadline. Non-Registered Shareholders are therefore urged to vote well in advance of the Meeting proxy deadline.

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.

NOTICE-AND-ACCESS RULES

The Company has elected to use the notice-and-access provisions under National Instrument 51-102 – Continuous Disclosure Obligations ("**NI 51-102**") and National Instrument 54-101 – Communications with Beneficial Owners of Securities of a Reporting Issuer ("**NI 54-101**", and together with NI 51-102, the "**Notice-and-Access Provisions**") for the Meeting. The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that allows issuers to post electronic versions of proxy-related materials on-line, via the System for Electronic Document Analysis and Retrieval ("**SEDAR+**") and one other website, rather than mailing paper copies of such materials to Shareholders. Instead of receiving this Information Circular, Shareholders will receive a Notice of Meeting with the proxy or voting instruction form, as the case may be, along with instructions on how to access the Meeting materials online. The Company will send the Notice of Meeting and proxy form directly to registered Shareholders. The Company will pay for intermediaries to deliver the Notice of Meeting, voting instruction form and other Meeting materials requested by non-registered Shareholders. The Information Circular and other relevant materials are available on the Company's website (www.arizonasonoran.com), or SEDAR+ (<https://www.sedarplus.ca>) under the Company's issuer profile. TSX Trust is also webhosting the said materials @ <https://docs.tsxtrust.com/2359>.

The Company will not be using stratification as it relates to Notice-and-Access. If you would like to receive a paper copy of the current Meeting materials by mail, you must request one by September 6, 2024 to ensure timely receipt, by contacting TSX Trust Company by telephone at 1-866-600-5869 or by email at tsxtis@tmx.com. There is no charge to you for requesting a copy.

To obtain paper copies of the materials after the Meeting date, please contact the Company as follows: by mail, Arizona Sonoran Copper Company Inc., 401 Bay Street, Suite 2704, Toronto, Ontario, Canada, M5H 2Y4, or by telephone at 647-249-7677.

ATTENDING MEETING AND VOTING ONLINE PRIOR TO THE MEETING

The Meeting will be hosted in person at the offices of Bennett Jones at Suite 3400, 100 King Street West, Toronto, ON M5X 1A4 with a call-in facility for the shareholders to listen to the Meeting. The Meeting will begin at 10:30 a.m. EST on September 17, 2024. Attending the Meeting in person 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. Registered Shareholders and duly appointed third-party proxyholders can vote at the appropriate times during the Meeting.

To access the Meeting by teleconference, please dial 1-877-385-4099 (Toll Free Canada and USA) and 416-883-0133 (International), Access Code: 2296500. **Shareholders will be able to listen to the Meeting via teleconference but will not be able to participate or vote via teleconference.** As such, Shareholders who wish to listen to the Meeting via teleconference are encouraged to vote on matters before the Meeting by proxy in accordance with the instructions provided in this Circular.

Participant Access code	2296500
Dial In Numbers:	
Toll Free Canada and USA	1-877-385-4099
Toronto	416-883-0133
Ottawa	613-212-4220
Montreal	514-395-9913
Vancouver	604-899-2339
Calgary	403-232-0994
Edmonton	780-421-1483

Voting in Advance of the Meeting

To vote in advance of the Meeting, Registered Shareholders and Non-Registered Shareholders can vote no later than 10:30 a.m. (Toronto time) on September 13, 2024, 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 12-DIGIT CONTROL NUMBER FROM TSX TRUST COMPANY		IF YOU HAVE RECEIVED A PROXY OR VIF WITH A 16-DIGIT CONTROL NUMBER FROM AN INTERMEDIARY
Voting Method	Registered Shareholders (your securities are held in your name in a physical certificate or DRS statement)	Non-Registered Shareholders (your shares are held with a broker, bank, or other intermediary)	Non-Registered Shareholders (your shares are held with a broker, bank, or other intermediary)
Internet	Login to www.voteproxyonline.com Using the control number provided to you complete the online form to submit your proxy form		Go to www.proxyvote.com Enter the 16-digit control number printed on the VIF and follow the instructions on screen
Email	Complete, sign and date the proxy form and email to: tsxtrustproxyvoting@tmx.com		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 July 29, 2024 (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 of the Record Date, there are 109,460,044 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 ⁽¹⁾	Percentage of Common Shares ⁽¹⁾
Tembo Capital Mining GP III Ltd	33,517,350	30.6%

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.

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 have already received the audited financial statements of the Company for the fiscal year ended December 31, 2023. The meeting will approve the financial statements and will consider the auditor's report thereon.

Election of Directors

At the Meeting, shareholders will be asked to elect six directors to the Board. 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 at or prior to the Meeting or any adjournment thereof, the persons named in the form of proxy have the right to vote for the election of the remaining Nominees and may vote for the election of a substitute nominee in their discretion.

The directors of the Company are to be elected in accordance with the Company's majority voting policy (see "*Statement of Corporate Governance Practices – Majority Voting Policy*"). Each director elected will hold office until the close of the next annual meeting of the Shareholders following his or her election unless his or her office is earlier vacated in accordance with the articles of the Company.

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 ⁽⁵⁾
Alan Edwards ⁽¹⁾⁽²⁾⁽⁴⁾ Tucson, Arizona, USA	Director	Since May 2021	Current director of Entrée Resources Ltd., Elevation Gold Mining 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.	245,212
David Laing ⁽²⁾ Vancouver, British Columbia, Canada	Chairman	Since May 2021	Chairman of Fortuna Silver Mines Inc. and director of Blackrock Silver Corp., and former director of Amarillo Gold Corp., Gold X Mining, True Gold Mining, Lavras Gold Corp., Northern Dynasty Minerals Ltd and Aton Resources Incorporated. Independent Consultant since November 2018. Previously, Chief Operating Officer of Equinox Gold Corp. from August 2016 to November 2018.	113,381
George Ogilvie Oakville, Ontario, Canada	President, Chief Executive Officer and Director	Since July 2021	Former Director of Rupert Resources Ltd. from 2021-2024, 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.	1,199,568
Isabella Bertani ⁽¹⁾⁽³⁾ Toronto, Ontario, Canada	Director	Since June 2023	Founder and Chief Client Strategist at Bertani since 2019; Partner at RSM from 2015-2019.	Nil
Mark Palmer ⁽²⁾⁽³⁾⁽⁴⁾ London, UK	Director	Since August 2020	Partner at Tembo Group since 2015. Director at Orion Minerals since 2018.	Nil
Sarah Strunk ⁽¹⁾⁽³⁾⁽⁴⁾ Coronado, California, USA	Director	Since January 2022	Former Chair of the Board of Fennemore Craig, P.C. from 2015-2023; Director of Teck Resources Limited since February 2022 to present, former Chair of Brio Gold (now part of Equinox Gold Corp.)	5,000

Notes:

- (1) Member of the Audit Committee. Isabella Bertani 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. Sarah Strunk is the Chair of the Compensation Committee.
- (5) The nominee furnished this information regarding the number of Common Shares beneficially owned, controlled or directed as of July 29, 2024.

Based on the disclosure available on the System for Electronic Disclosure by Insiders or provided by the Nominee, as of July 29, 2024, the director nominees as a group, beneficially owned, or exercise control or direction over, directly or indirectly, an aggregate of 1,563,161 Common Shares, representing 1.43% of the issued and outstanding Common Shares on a non-diluted basis.

Cease Trade Orders or Bankruptcies

Other than as disclosed below, to the best knowledge of the Company, no 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. 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. 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.

To the best knowledge of the Company, 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 in 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.

Equity Incentive Plan

In connection with the initial public offering by the Company, the Company approved and adopted an equity incentive plan dated June 21, 2021 (the "**Equity Incentive Plan**").

The rules of the TSX provide that all unallocated options, rights or other entitlements under a security-based compensation arrangement which does not have a fixed number of maximum securities issuable must be approved by the shareholders of the applicable issuer every three years. The Company's Equity Incentive Plan is such a plan, and accordingly, Shareholders will be asked to consider, and, if thought fit, to pass, with or without variation, an ordinary resolution approving the Equity Incentive Plan Resolution, provided below. See "*Statement of Executive Compensation*" below for details of the Equity Incentive Plan. A copy of the Equity Incentive Plan is attached hereto as **Schedule B**.

RESOLVED THAT:

- the Equity Incentive Plan of the Company adopted by the Company in July 2021 is hereby ratified, reconfirmed and approved;
- all unallocated options, rights and other entitlements under the Equity Incentive Plan are hereby reconfirmed and approved;
- the granting by the Company of options, rights and other entitlements under the Equity Incentive Plan until September 17, 2027, by shareholders is hereby authorized and approved; and
- any officer or director of the Corporation is hereby authorized and directed to do and perform all such acts and things, including the execution of documents, as such director or officer deems necessary or desirable in order to effect the foregoing resolution.

If approval of the Equity Incentive Plan is obtained at the Meeting, the Company will not be required to seek further approval of the grant of unallocated options under the Equity Incentive Plan until the Company's 2027 annual and special shareholders' meeting (provided that such meeting is held on or prior to September 17, 2027).

If the resolution approving all unallocated entitlements under the Equity Incentive Plan is not approved by the shareholders at the Meeting, then currently outstanding awards will continue in full force and be unaffected. However, no new grants of awards will be made, and the currently outstanding awards that are subsequently cancelled, terminated or expire will not be available to be re-granted by the Company until shareholder approval is obtained.

The persons named in the attached form of proxy intend to vote the Common Shares represented by such proxy FOR the approval of the Equity Incentive Plan Resolution 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.

Advance Notice Policy

On June 19, 2024, the Corporate Governance & Nominating Committee of the board of directors (the "**Board**") recommended, and the Board adopted and approved, an advance notice policy, the full text of which is appended as **Schedule "C"** to this Information Circular (the "**Policy**"). At the Meeting, the shareholders of the Company will be asked to consider, and if deemed advisable approve and ratify the Policy. The Policy is currently in effect, and if approved and ratified by shareholders of the Company, the Policy will continue to be effective as the advance notice policy of the Company. If the Policy does not receive the requisite shareholder approval at the Meeting, the Policy will terminate and be of no further force or effect immediately after the conclusion of the Meeting.

The Company believes the Policy is in the best interests of the Company, its shareholders, and other stakeholders as it will: (i) facilitate an orderly and efficient process for holding annual general meetings and, when the need arises, special meetings of its shareholders; (ii) ensure that all shareholders receive adequate advance notice of director nominations and sufficient information regarding all director nominees; and (iii) allow shareholders to register an informed vote for directors of the Company after having been afforded reasonable time for appropriate deliberation.

Key Terms of the Advance Notice Policy

The following information is intended as a summary of the key terms of the Policy, which summary is qualified in its entirety by the full text of the Policy as appended to this Circular as **Schedule "C"**.

The purpose of the Policy is to provide shareholders, directors and management of the Company with a clear framework for nominating individuals for election as directors of the Company.

The Policy provides for, among other things, a requirement of advance notice to be given by shareholders to the Company (the "**Notice**") in circumstances where nominations of persons for election to the Board of Directors are made by shareholders of the Company (such nominating shareholder, the "**Nominating Shareholder**") and sets forth the information that a Nominating Shareholder must include in the Notice to the Company in order for any nominee to be eligible for election as a director at any annual or special meeting of shareholders. The Policy fixes a deadline by which holders of record of common shares of the Company must submit director nominations to the Company prior to any annual meeting of shareholders or at any special meeting of shareholders at which directors are to be elected. Specifically, the Notice must be provided to the Company:

- in the case of an annual meeting of shareholders, not less than 30 days prior to the date of the annual meeting of shareholders; provided, however, that if the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, the Nominating Shareholder's Notice may be delivered not later than the close of business on the tenth (10th) day following the Notice Date; and
- in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

The Chair of the meeting will have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the Policy and, if any proposed nomination is not in compliance with the Policy, to declare that such defective nomination will be disregarded.

Approval of the Advance Notice Policy by Shareholders

At the Meeting, the shareholders of the Company will be asked to consider and, if thought fit, to pass, with or without variation, an ordinary resolution as follows (the "**Advance Notice Policy Resolutions**"):

UPON MOTION IT WAS RESOLVED THAT:

- (1) the Company's Advance Notice Policy (the "**Advance Notice Policy**"), a copy of which is attached as Schedule "C" to the Company's Information Circular dated July 29, 2024 be and is hereby ratified, confirmed, authorized and approved;
- (2) the board of directors of the Company be and is hereby authorized, in its sole discretion, to administer the Advance Notice Policy and amend or modify the same from time to time in accordance with the provisions thereof, without further shareholder approval, to reflect the changes required by securities regulatory agencies or stock exchanges, to conform to industry standards, or as otherwise determined to be in the best interests of the Company and its shareholders; and
- (3) any one director or officer of the Company is hereby authorized and directed to carry out any act for and on behalf of the Company and to execute and deliver such deeds, documents and other instruments in writing as he or she in his or her discretion may consider necessary for the purpose of giving effect to these resolutions and to do all such other acts and things as such Director or officer may determine to be necessary or advisable to give effect to the intent of these resolutions.

If the Advance Notice Policy Resolutions are approved at the Meeting, the Policy will continue to be in effect in accordance with its terms and conditions beyond the conclusion of the Meeting. Thereafter, the Policy will be subject to review by the Board from time to time and may be amended by majority vote of the Board for the purposes of, among other things, complying with the requirements of applicable securities regulatory agencies or stock exchanges, or so as to meet industry or good governance standards.

If the Advance Notice Policy Resolutions are not approved at the Meeting, the Policy will terminate and be of no further force or effect from and after the termination of the Meeting.

The Board has determined that the Advance Notice Policy is in the best interests of the Company and its shareholders and accordingly, the Board recommends that shareholders ratify and confirm the adoption of the Advance Notice Policy by voting FOR the Advance Notice Policy Resolution.

The persons named in the attached form of proxy intend to vote the Common Shares represented by such proxy FOR the approval of the Advance Notice Policy Resolution 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.

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 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.

The Company's NEOs for the 2023 fiscal year are:

- George Ogilvie, President, Chief Executive Officer and Director;
- Nick Nikolakakis, Chief Financial Officer and Vice President, Finance;
- Harold (Bernie) Loyer, Senior Vice President, Projects (since June 5, 2023);
- Ian McMullan, Chief Operating Officer (until June 5, 2023);
- Rita Adiani, Senior Vice President, Strategy & Corporate Development; and

- Douglas Bowden, Vice President Exploration.

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 is currently comprised of Sarah Strunk (Chair), Alan Edwards and Isabella Bertani. All members of the Compensation Committee are independent within the meaning of National Instrument 58-101 – Disclosure of *Corporate Governance Practices ("NI 58-101")*.

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

- Alan Edwards has more than 40 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, Elevation Gold, and Entrée Resources Ltd. 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. Mr. Edwards previously served on the Compensation Committee for AuRico Gold, Tonogold Resources and Entrée Resources Ltd.
- Sarah Strunk practices in business and finance law, with an emphasis on mineral transactions, including mergers and acquisitions, finance transactions, corporate governance, international sales contracts and exploration projects. Throughout her 38-year law career, she has represented numerous clients in the mining and natural resource industry. She was the Former Chair of the Board of Directors of Fennemore Craig from 2015 until 2023. Prior to joining Fennemore in 2000, Ms. Strunk was Chief Corporate Counsel to the copper/molybdenum division of Cyprus Amax Minerals Company (1992-2000). She has served on the Board of the Arizona Mining Association and was a past trustee of the Foundation for Natural Resource and Energy Law (Rocky Mountain Mineral Law Foundation). Ms. Strunk currently serves as a Director of Teck Resources Limited, where she chairs the Corporate Governance and Nominating Committee and serves on the Safety and Sustainability Committee. Ms. Strunk was the Chair of the Board of Brio Gold (2016-2018), now part of Equinox Gold Corp. and a member of their Audit, Compensation and Governance Committees. She was a recipient of the 2021 Medal of Merit for her work in the mining industry at the American Mining Hall of Fame.
- Isabella Bertani has worked extensively with both private and public companies in numerous industry sectors including manufacturing, food processing, technology, telecommunications, mining and mining related industries, biotech, and retail and distribution. Founder and Chief Strategist at BERTANI, Isabella has held senior positions at Deloitte LLP and a mid-market firm and is a former director of the McMichael Canadian Art Foundation and the Toronto Parks and Trees Foundation. She is a recognized leader in foreign direct investment (FDI), routinely advising global corporations with regards to expansion into the North American market and her clients include numerous foreign subsidiaries of significant global entities. Isabella is a frequent speaker on topics relating to globalization including doing business in Canada, trade agreements, global trade and migration, and the impact of geopolitical trends on global foreign direct investment and global trade. In 2019, Isabella was the recipient of the Joanna Townsend Excellence Award for Leadership in International Trade by the Organization of Women in International Trade in Toronto. She was bestowed the honour of Fellow of the Professional Accountants of Ontario in 2017, the highest distinction conferred on its members. Isabella is a graduate of York University's prestigious Schulich School of Business holding both a Bachelor of Business Administration in accounting and a Master of Business Administration with a focus in policy and finance.

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

Elements of Compensations

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.

Compensation for 2024 is to be awarded or paid to the Company's executive officers, including NEOs, consisting primarily of base salary, RSUs (as defined below), Options (as defined below) and bonuses. 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 executive, competitive market conditions, such executive's related responsibilities, experience and the NEO's skill base, the functions performed by such executive 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 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 ("**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 or consultant'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 or consultant, consideration of the number of Options and RSUs previously granted to the executive officer or consultant 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 objective is to become a mid-tier copper producer in the medium term with low operating costs, develop a project that could generate robust returns for investors and provide a long term sustainable and responsible operation for the community and all stakeholders. To succeed, it is important 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 executives 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, 2023, the Compensation Committee utilized the report provided by Global Governance Advisors ("GGA") on the previous year. GGA was retained in September 2022 to evaluate management compensation levels and prepare revised compensation recommendations.

Managing Compensation Risk

The Compensation Committee and the Board have incorporated the following in the total rewards program which are intended to ensure executives 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 executives, and the bonuses or other awards for executives (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, officers and other employees.

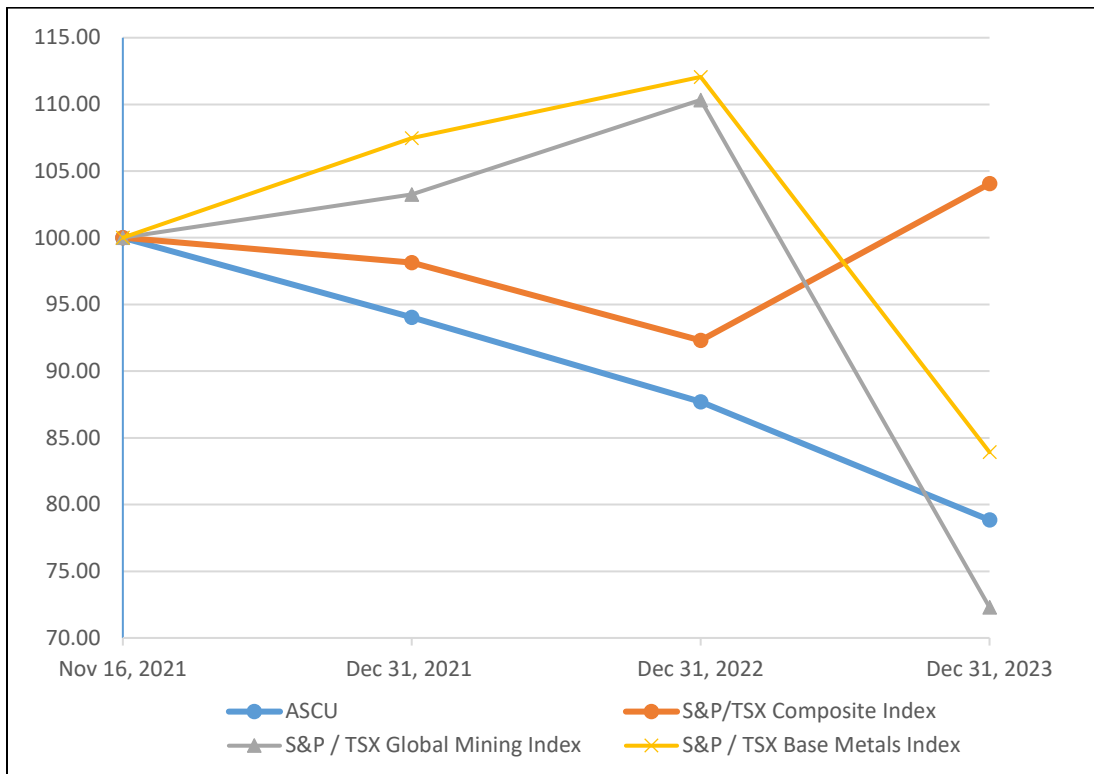
Compensation Consultants and Advisors

As part of the compensation review process for 2024, the Company used the 2022 report issued by GGA to review the Company's compensation peer group as outlined above under the section "*Compensation Discussion and Analysis – Benchmarking*". This peer group is used to assess the competitiveness of its 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 GGA an aggregate fee of US\$28,750 with respect to services provided to the Company for the year ended December 31, 2022. No fees were paid to GGA in 2023 as the 2022 report was still considered relevant to assess changes for 2024.

Performance Graph

The following graph compares, from November 16, 2021, the date the Common Shares commenced trading on the Toronto Stock Exchange (the "TSX"), to December 31, 2023, the cumulative total shareholder return on a C\$100 investment in the Common Shares with the cumulative total return of the S&P/TSX Composite Index, the S&P/TSX Global Mining Index and the S&P/TSX Base Metals Index.



As illustrated by the graph, the Company's share price underperformed the S&P/TSX Composite Index, S&P/TSX Global Mining Index and the S&P/TSX Base Metals Index for the period ended December 31, 2023, since the Common Shares commenced trading.

While share price is an important factor, the share price valuation of base metal exploration and development companies and producers, fluctuates with changes in the underlying commodity prices, and at no time during the period was compensation intended to reflect share price performance driven by externalities. The compensation of the

Named Executive Officers of the Company for the financial year ended December 31, 2023 was determined at arm's length and considered share price performance of the above listed peers. Compensation was awarded at the discretion of the Board based on the recommendations of the Compensation Committee in accordance with the factors described above under the heading "*Compensation Discussion and Analysis*". Alignment with shareholders is nonetheless achieved by awarding a significant portion of compensation in the form of equity-based incentives.

STATEMENT OF EXECUTIVE COMPENSATION

The Company became a reporting issuer on November 9, 2021 and completed its initial public offering on November 16, 2021 (the "IPO").

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, 2023

For 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, 2023 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	Year	Salary (\$) ⁽¹⁾	Share-based awards (\$) ⁽²⁾	Option-based awards (\$) ⁽³⁾	Non-equity incentive plan compensation ⁽⁴⁾	Pension value ⁽⁵⁾	All other compensation	Total compensation
George Ogilvie President, CEO and Director ⁽⁶⁾	2023	314,815	188,889	125,926	289,981	—	—	919,611
	2022	326,923	—	475,532	340,817	—	—	1,143,272
	2021	165,366	279,253	419,986	184,659	—	—	1,049,264
Ian McMullan COO ⁽¹⁰⁾	2023	120,205	—	—	—	—	742,000	862,205
	2022	225,000	—	252,520	94,309	13,005	—	584,834
	2021	225,000	95,970	251,330	100,125	5,450	—	677,875
Nicholas Nikolakakis CFO and VP Finance ⁽⁷⁾	2023	240,741	144,444	96,296	123,481	—	—	604,962
	2022	243,836	148,615	691,111	160,313	—	—	1,243,875
	2021	—	—	—	—	—	—	—
Harold (Bernie) Loyer SVP Projects ⁽⁸⁾	2023	172,603	103,562	69,041	73,776	—	—	418,982
	2022	—	—	—	—	—	—	—
	2021	—	—	—	—	—	—	—
Doug Bowden, VP Exploration	2023	195,000	52,650	35,100	50,010	9,390	—	342,150
	2022	175,000	—	104,749	48,825	8,890	—	337,464
	2021	175,000	—	70,000	47,250	9,096	—	301,346
Rita Adiani SVP ⁽⁹⁾ Corporate Development and Strategy	2023	215,000	96,750	64,500	120,923	12,253	—	509,426
	2022	204,000	—	183,161	100,292	6,120	—	493,573
	2021	102,785	37,500	227,206	105,570	—	25,000	498,061

Notes:

- (1) All compensation amounts are expressed in US\$ in respect of the NEOs. All NEOs are paid in US\$, except for George Ogilvie and Nicholas Nikolakakis who are paid in C\$ converted at an exchange rate of US\$1.35/C\$1.00, being the average Bank of Canada exchange rate for 2023. Represents the amounts earned by the relevant individual for the year ended December 31, 2023.
- (2) Represents the dollar amount based on the fair value of the award on the grant date for the years ended December 31, 2023, 2022 and 2021. Values are calculated based on the market share price on the grant date. The share price for the units granted range from C\$1.34-C\$2.00.
- (3) Represents the dollar amount based on the fair value of the award on the grant date for the years ended December 31, 2023, 2022 and 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 2023, management assumed a risk-free interest rate ranging between 1.51-4.18%, exercise prices ranging between C\$1.55-C\$2.00 market prices ranging from C\$1.34-C\$2.00, volatility ranging from 52-100%, 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 2023, 2022 and 2021.
- (5) Represents all compensation relating to defined benefit or defined contribution plans for the years ended December 31, 2023, 2022 and 2021.
- (6) George Ogilvie joined the Company on July 7, 2021. The compensation for financial year 2021 represents the aggregate compensation that Mr. Ogilvie received in the year ended December 31, 2021 since July 7, 2021, in his capacity as President, CEO and director of the Company. He does not receive director's fees and the compensation he receives is solely in his capacity as NEO of the Company.
- (7) Nicholas Nikolakakis was appointed as CFO and VP Finance of the Company on January 10, 2022. The compensation information for the financial year 2022 relating to Mr. Nikolakakis represents the compensation Mr. Nikolakakis received in his capacity as CFO and VP Finance from January 10, 2022 to December 31, 2022.
- (8) Harold (Bernie) Loyer was appointed as SVP, Projects of the Company on June 5, 2023. The compensation information for the financial year 2023 relating to Mr. Loyer represents the compensation Mr. Loyer received in his capacity as SVP Projects from June 5, 2023 to December 31, 2023 based on an annual salary of \$300,000.
- (9) 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.
- (10) Ian McMullan resigned as COO of the Company on June 5, 2023. The compensation information for the financial year 2023 relating to Mr. McMullan represents the compensation Mr. McMullan received in respect of his capacity as COO from January 1, 2023 to June 5, 2023 and relevant termination in other compensation payments.

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 for the fiscal year ending December 31, 2023.

Name	Option-based Awards				Share-based Awards ⁽³⁾		
	Number of securities underlying unexercised options (#)	Option Exercise Price (C\$)	Option Expiration Date	Value of in-the-money options (2)	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\$) ⁽²⁾
George Ogilvie <i>President & Chief Executive Officer</i>	251,809 552,755 250,000 198,392	1.55	March 14, 2029	50,362	275,627	482,347	
Nick Nikolakakis <i>Chief Financial Officer and VP Finance</i>	192,560 422,695 475,000	1.55	March 14, 2029	38,512	217,806	381,161	Nil
Harold (Bernie) Loyer <i>Senior Vice President, Projects⁽³⁾</i>	138,059 425,000	1.55	March 14, 2029	27,612	90,199	157,848	Nil
Rita Adiani <i>Senior Vice President, Strategy & Corporate Development</i>	128,978 212,905 96,666 149,547	1.55	March 14, 2029	25,796	84,266	147,466	Nil
Douglas Bowden <i>Vice President Exploration</i>	70,188 121,759	1.55	March 14, 2029	116,361	45,856	80,248	Nil

Name	Option-based Awards				Share-based Awards ⁽³⁾		
	Number of securities underlying unexercised options (#)	Option Exercise Price (C\$)	Option Expiration Date	Value of in-the-money options (2)	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\$) ⁽²⁾
	85,986 85,525						
Ian McMullan <i>Chief Operating Officer</i> ⁽³⁾	293,527 107,649 76,166 206,176	2.00	February 28, 2028	Nil	Nil	Nil	Nil

Notes:

- (1) Represents the aggregate Canadian dollar amount of in-the money unexercised options in relation to 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, 2022 and the exercise price of the option.
- (2) Represents the aggregate Canadian dollar market value of RSUs held in relation to 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, 2023.
- (3) Ian McMullan resigned as COO of the Company on June 5, 2023. Harold (Bernie) Loyer was appointed Senior Vice President, Projects on June 5, 2023.

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, 2023.

Name	Option-based awards – Value vested during the year (C\$) ⁽¹⁾	Share-based awards – Value vested during the year (C\$) ⁽²⁾	Non-equity incentive plan compensation – Value earned during the year (C\$)
George Ogilvie <i>President and CEO</i>	Nil	Nil	Nil
Ian McMullan <i>COO</i> ⁽³⁾	Nil	Nil	Nil
Harold (Bernie) Loyer <i>SVP, Projects</i> ⁽³⁾	Nil	Nil	Nil
Nick Nikolakakis <i>CFO and VP Finance</i>	Nil	Nil	Nil
Rita Adiani <i>SVP Strategy and Corporate Development</i>	Nil	Nil	Nil
Doug Bowden <i>VP Exploration</i>	Nil	Nil	Nil

Notes:

- (1) The Company calculated the difference between the closing share price on the date the option tranche vests and the exercise price for the vested stock options to determine the vested option value for 2023.
- (2) Represents the dollar amount based on the fair value of the award on the vesting date for the year ended December 31, 2023, calculated based on the C\$ market price on the vesting date.

- (3) Ian McMullan resigned as COO of the Company on June 5, 2023. Harold (Bernie) Loyer was appointed Senior Vice President, Projects on June 5, 2023.

For further details concerning the incentive plans of the Company, please see "*Summary of 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

On July 6, 2021, and prior to the Company becoming a reporting issuer, the Company entered into an employment agreement with Mr. George Ogilvie as President & Chief Executive Officer of the Company. 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. On January 10, 2022, the Company retained and entered into an employment with Mr. Nicholas Nikolakakis as Chief Financial Officer of the Company. On June 5, 2023, the Company retained and entered into an employment with Mr. Harold (Bernie) Loyer as Senior Vice President, Projects for the Company.

The employment agreements between the Company and each of Messrs. Ogilvie, Loyer, Nikolakakis, and Ms. Adiani are collectively referred to herein as the "**Employment Agreements**" and each individually as an "**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 to each of Messrs. Ogilvie, Nikolakakis and Loyer 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</i>	Severance: 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,	Severance: 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 Benefits: 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	Severance: 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. Benefits: 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	Severance: 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. Continuing the employee's group benefits coverage up to and including the last day of the resignation date. Benefits: None. Bonus: None. Share Awards: See Equity Incentive Plan

	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>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 owing to the Employee under the ESA, without duplication.</p>	<p>by the Company, if any, immediately before the termination of employment.</p> <p>Bonus: an amount equal to two (2) 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>Share Awards: Unvested Options and other equity awards vest immediately, provided that any remaining restricted share units subject to performance conditions not met by the termination date will remain outstanding up to the date which is six (6) months from the termination date (the "Ogilvie Measurement Date") and any remaining unvested restricted share units as at the termination date that vest prior to and including the Ogilvie Measurement Date will be issued within ten (10) days after the Ogilvie Measurement Date. All outstanding restricted share units 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.</p>	<p>by the Company, if any, immediately before the termination of employment.</p> <p>Bonus: an amount equal to two (2) 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>Share Awards: Unvested Options and other equity awards vest immediately, provided that any remaining restricted share units subject to performance conditions not met by the termination date will remain outstanding up to the Measurement Date and any remaining unvested restricted share units as at the termination date that vest prior to and including the Ogilvie Measurement Date will be issued within ten (10) days after the Ogilvie Measurement Date. All outstanding restricted share units 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.</p>	
<p>Nicholas Nikolakakis <i>Vice President, Finance & Chief Financial Officer</i></p>	<p>Severance: 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</i></p>	<p>Severance: 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</p>	<p>Severance: 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</p>	<p>Severance: 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</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><i>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 owing to the Employee under the ESA, without duplication.</p>	<p>entitlement that may be owing to the Employee under the ESA, without duplication</p> <p>Benefits: 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>Bonus: 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 employee's base salary at the termination date.</p> <p>Share Awards: Unvested Options and other equity awards vest immediately, provided any remaining restricted share units subject to performance conditions not met by the termination date will remain outstanding up to the date which is twelve (12) months from the termination date (the "Nikolakakis Measurement Date") and any remaining unvested</p>	<p>entitlement that may be owing to the Employee under the ESA, without duplication.</p> <p>Benefits: 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>Bonus: 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>Share Awards: Unvested Options and other equity awards vest immediately. The employee has the earlier of (A) one hundred and eighty (180) days following the termination date and (B) the specific expiry date of the terms of the Options to exercise vested Options.</p>	<p>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>Benefits: None.</p> <p>Bonus: None.</p> <p>Share Awards: 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
		restricted share units as at the termination date that vest prior to and including the Nikolakakis Measurement Date will be issued within ten (10) days after the Nikolakakis Measurement Date. All outstanding restricted share units 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) one hundred and eighty (180) days following the termination date and (B) the specific expiry date of the terms of the Options to exercise vested Options.		
Harold (Bernie) Loyer <i>Senior Vice President, Projects</i>	Severance: Entitled to base pay and vacation pay accrued and owing up to the termination date. Benefits: None. Bonus: None. Options and Share Awards: All options are forfeited on the termination date. All unvested RSUs may be terminated and cancelled by the Compensation Committee in its sole discretion.	Separation Payment: 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 the months of service, provided that in no event will this payment be less than 50% of the annual base salary or greater than 100% of the base salary; plus (ii) an amount equal to the current annual target bonus percentage multiplied by the amount in (i); plus (iii) \$19,200. ⁽¹⁾ Share Awards: 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 performance conditions are met within six months of date of termination.	Separation Payment: In addition to accrued vacation entitlements, employee is entitled to a lump sum payment equal to: (i) 100% of the employee's annual base salary (ii) an amount equal to the current annual target bonus percentage multiplied by the amount in (i); plus (iii) \$19,200. ⁽¹⁾ Share Awards: 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 performance conditions are met within six months of date of termination.	Severance: Entitled to base pay accrued and owing up to the resignation date. Benefits: Extension of employee benefits up to the resignation date. Bonus: None. Share Awards: Employee has 90 days to exercise vested Options.
Rita Adiani <i>Senior Vice President, Strategy & Corporate Development</i>	Severance: Entitled to base pay and vacation pay accrued and owing up to the termination date. Benefits: None. Bonus: None.	Separation Payment: 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	Separation Payment: 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	Severance: Entitled to base pay accrued and owing up to the resignation date. Benefits: Extension of employee benefits up to the resignation date.

	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>Options and Share Awards: 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>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. ⁽¹⁾</p> <p>Share Awards: 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 performance conditions are met within six months of date of termination.</p>	<p>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. ⁽¹⁾</p> <p>Share Awards: 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 performance conditions are met within six months of date of termination.</p>	<p>Bonus: None.</p> <p>Share Awards: Employee has 90 days to exercise vested Options.</p>

Notes:

- (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, Loyer, Nikolakakis and Ms. Adiani also contain non-solicitation, non-competition and confidentiality provisions, which will apply on a termination of employment with the Company. Non-solicitation restrictions apply for a period of one year from the date the employee's employment with the Company ceases, 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 employment of an employee.

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

- (d) 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;
- (e) 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;
- (f) 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;
- (g) the dissolution of the Company's business or the liquidation of its assets; or
- (h) 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:

- (i) 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;
- (a) 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;

- (b) 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;
- (c) 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;
- (d) a change in the location contemplated by the employment agreement, unless Mr. Nikolakakis expressly consents to the change; or
- (e) any other change in the terms and conditions of Mr. Nikolakakis' employment that would constitute a constructive dismissal at common law.

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

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;

- (a) 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;
- (b) 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;
- (c) the dissolution of the Company's business or the liquidation of its assets; or
- (d) 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. Loyer provides that "**Good Reason**", in the context of Mr. Loyer'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. Loyer 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. Loyer:

- (e) a removal of Mr. Loyer duties materially inconsistent of Senior Vice President, Projects and/or any additional or different title or titles Mr. Loyer holds immediately prior to a Change of Control;

- (a) the Company assigning to Mr. Loyer duties, responsibilities powers, rights and discretion materially inconsistent with the Mr. Loyer's 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. Loyer 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;
- (b) a change in the office or body to whom Mr. Loyer 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;
- (c) a material reduction by the Company of the Mr. Loyer's then base salary, target annual bonus, group benefits or any long-term incentive plan entitlement, representing a reduction of more than 10% of any such component of Mr. Loyer's compensation;
- (d) a change in the location contemplated by the employment agreement of more than 100 miles, unless Mr. Loyer expressly consents to the change; or
- (e) any other change in the terms and conditions of Mr. Loyer's employment that would constitute a constructive dismissal at common law.

The Employment Agreement for 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 Agreement for 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, Loyer, Nikolakakis, and Ms. Adiani under various termination scenarios are outlined in the table below, which estimates assume a termination date of December 31, 2022.

Name	Termination without Cause (US\$) ⁽¹⁾	Termination Subsequent to Change of Control or Resignation for Good Reason Within 180 days of a Change in Control (US\$) ⁽¹⁾
George Ogilvie <i>President & Chief Executive Officer</i>	2,043,162	2,043,162
Nicholas Nikolakakis <i>Chief financial Officer & VP, Finance</i>	835,750	1,032,332
Harold (Bernie) Loyer <i>Senior Vice President, Projects</i>	482,501	782,501
Rita Adiani <i>Senior Vice President, Strategy & Corporate Development</i>	806,274	806,274

Notes:

- (1) Amounts represent severance, bonus payments and vesting of securities granted.

Director Compensation

In 2023, each non-executive director was paid an annual retainer which may be comprised of a combination of cash and deferred share units ("DSUs"). All non-executive directors have the ability to elect to take all or a portion of 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, 2023:

Name	Fees earned (US\$) ⁽¹⁾	Share-based awards (US\$) ⁽²⁾	Option-based awards (US\$)	Non-equity incentive plan compensation (US\$)	Pension value (US\$)	All other compensation (US\$)	Total (US\$)
David Laing	—	71,000	71,000	—	—	—	142,000
Alan Edwards	23,500	44,250	44,250	—	—	—	112,000
Thomas Boehlert ⁽³⁾	24,033	15,315	15,315	—	—	—	54,663
Isabella Bertani ⁽³⁾	—	38,698	38,698	—	—	—	77,396
Mark Palmer	—	50,000	50,000	—	—	—	100,000
Sarah Strunk	—	56,000	56,000	—	—	—	112,000

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, 2023. The directors may elect to receive their fees in cash, DSUs or the combination thereof. In the year ended December 31, 2023, share-based awards in the table above reflect elections by directors to receive all or part of their fees in DSUs. All directors' fees were paid on an annual basis according to the following fee schedule for 2023:

Board Chair	\$130,000 annual retainer
Director	\$100,000 annual retainer
Board Chair	\$12,000 annual retainer
Technical & Sustainability Chair	\$12,000 annual retainer
Audit Committee Chair	\$10,000 annual retainer
Other Committee Chair	\$6,000 annual retainer

- (2) Represents the aggregate Canadian dollar market value of DSUs issued for the year ended December 31, 2023, that have not vested. The market value of the DSUs that have not vested is the Canadian dollar market value per Common Share of C\$2.00 converted at an exchange rate of US\$1.35/C\$1.00 at the grant date.
- (3) Thomas Boehlert did not stand for re-election in 2023 and was replaced by Isabella Bertani on June 21, 2023.

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, 2023.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option Exercise Price (C\$)	Option Expiration Date	Value of in-the-money options ⁽¹⁾	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\$) ⁽²⁾
David Laing	123,499	2.00	February 28, 2028	Nil	133,457	233,550	Nil
Alan Edwards	76,969	2.00	February 28, 2028	Nil	119,273		Nil
Isabella Bertani	42,763	1.67	July 5, 2028	3,421	23,173	40,553	Nil
Mark Palmer	86,971 42,993	2.00 0.56	February 28, 2028 December 14, 2025	51,162	90,292		Nil
Sarah Strunk	92,189	2.00	February 28, 2028	Nil	101,120		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, 2023 (C\$1.75) 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, 2023 (C\$1.75).

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 2023 fiscal year.

Name	Option-based awards – Value vested during the year (C\$) ⁽¹⁾	Share-based awards – Value vested during the year (C\$) ⁽²⁾	Non-equity incentive plan compensation – Value earned during the year (C\$)
David Laing	—	—	—
Alan Edwards	—	—	—
Isabella Bertani	—	—	—
Mark Palmer	—	—	—
Sarah Strunk	—	—	—

Notes:

- (1) The Company's Directors had no stock options vest in-the-money during 2023.
- (2) The DSUs granted to the holders are to be held in a deferred share unit account until they become payable to the DSU holder on their termination date as a director.

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, 2023.

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) ⁽¹⁾
Equity compensation plans approved by security holders	6,798,731 ⁽²⁾	C\$1.78	4,108,003
Equity compensation plans not approved by security holders	—	—	—
Total	6,798,731	C\$1.78	4,108,003

Note:

- (1) Calculated based upon 10% of 109,067,336, which is the total number of issued and outstanding Common Shares at December 31, 2023.

- (2) As of December 31, 2023 includes the following: (i) 6,128,305 Common Shares issuable upon the exercise of outstanding Options under the Equity Incentive Plan; (ii) 203,111 Common Shares issuable upon the vesting of RSUs under the Equity Incentive Plan; and (iii) 467,315 Common Shares issuable upon the vesting of DSUs under the DSU Plan.

Summary of the Equity Incentive Plan

In connection with the initial public offering by the Company, the Company approved and adopted an 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 presented at the Meeting.

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.

As of December 31, 2023, an aggregate of 6,331,416 Awards were outstanding (representing approximately 5.81% of the issued and outstanding Common Shares as of December 31, 2023) under the Equity Incentive Plan, and an aggregate of 10,906,734 Common Shares were reserved for issuance upon the exercise, redemption or settlement, as the case may be, of such Awards and any other security-based compensation arrangement.

The Company's annual burn rate with respect to the Awards granted under the Equity Incentive Plan is set out below:

Equity Incentive Plan			
Year End	Options and RSUs Granted	Weighted Average Shares Outstanding	Burn Rate ¹
2023	3,180,834	105,487,376	3.02%
2022	1,635,483	82,276,370	1.99%
2021	773,313	46,985,594	1.65%

- (1) The annual burn rate is expressed as a percentage and is calculated by dividing the number of securities granted under the plan during the applicable fiscal year by the weighted average number of securities outstanding for the applicable fiscal year.

The Company was incorporated on April 2, 2019, and became a reporting issuer in Canada on November 15, 2021, following the completion of an initial public offering of Common Shares. The Company adopted the Equity Incentive Plan in connection with the initial public offering on June 21, 2021. The burn rate of a particular security-based compensation arrangement is calculated in accordance with section 613(p) of the TSX Company Manual and is required to be calculated for each of the Company's security-based compensation arrangements for the three most recently completed fiscal years. The burn rate of a particular security-based compensation arrangement (such as the Equity Incentive Plan) is equal to the total number of securities of the Company granted under the plan in question during the applicable fiscal year divided by the weighted average number of Common Shares outstanding as of December 31 of the fiscal year in question. The Company's future burn rate under the Equity Incentive Plan are each subject to change from time to time, based on the number of Awards granted thereunder or Common Shares issued thereunder, as applicable, and the total number of Common Shares issued and outstanding.

The following is a summary of the principal terms of the Company's Equity Incentive Plan, which is qualified in its entirety by reference to the text of the Equity Incentive Plan, a copy of which is attached hereto as Schedule "B"—"*Equity Incentive Plan*". Capitalized terms used but not otherwise defined in this section shall have the meanings given to them in the Equity Incentive Plan.

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 TSX, the maximum number of Common Shares that may be issuable pursuant to Awards made to employees and Non-Employee Directors 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 has been delegated to the Compensation Committee of the Board (for the purposes of this section, the "**Committee**"). Any reference to the Board in the Equity Incentive Plan shall also refer to the Committee, as 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 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 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, the Option Term, 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 ten (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, while the Participant 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 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 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, 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.

As of December 31, 2023, an aggregate of 467,315 DSUs were outstanding under the DSU Plan (representing approximately 0.43% of the issued and outstanding Common Shares), and an aggregate of 10,906,734 Common Shares were reserved for issuance upon the exercise, redemption or settlement, as the case may be, of such Awards and any other security-based compensation arrangement.

The Company's annual burn rate with respect to the Awards granted under the DSU Plan is set out below:

DSU Plan			
Year End	DSUs Granted	Weighted Average Shares Outstanding	Burn Rate¹
2023	190,850	105,487,376	0.18%
2022	281,305	82,276,370	0.34%
2021	73,750	46,985,594	0.16%

(1) The annual burn rate is expressed as a percentage and is calculated by dividing the number of securities granted under the plan during the applicable fiscal year by the weighted average number of securities outstanding for the applicable fiscal year.

The Company adopted the DSU Plan in connection with the initial public offering on July 6, 2021.

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 required at such time as the Company wishes to increase the maximum number of Common Shares issuable under the DSU Plan.

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 <https://www.sedarplus.ca/>. Capitalized terms used but not otherwise defined in this section shall have the meanings given to them in the DSU Plan.

Purpose

A DSU is a notional unit granted to an Eligible Director (as defined herein) 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 thirty (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 (5th) 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 or 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 15th 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 thirty (30) days after such Eligible Director's appointment as a director or within thirty (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.

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 15th of the first (1st) 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 15th of the first (1st) 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 (1st) 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 (1st) 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, 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 15th 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 15th, the Redemption Date will be December 15th 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, in all cases settlement/payment upon redemption of DSUs shall be made no later than December 31 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 31st 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 thirty (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 1st and December 15th 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 15th 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 1st of the calendar year following the year in which the U.S. Eligible Director's Termination Date occurs and no later than December 31st of the calendar year following the year in which the U.S. Eligible Director's Termination Date occurs.

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:

- (f) amendments of a housekeeping nature;
- (g) the addition or a change to the vesting provisions of a DSU or the DSU Plan;
- (h) a change to the termination provisions of a DSU or the DSU Plan;
- (i) amendments to reflect changes to applicable securities laws; and
- (j) 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 Tax Act) 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. 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, Isabella Bertani, Alan Edwards, George Ogilvie, Mark Palmer 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, Isabella Bertani, 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 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 and Compensation Committees, 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 IPO.

Governance Practices	
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 (years)	2 years
Mandatory Term Limits for Directors	No
Directors Elected Individually (not by slate)	Yes
Separate Board Chair & CEO	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
Diversity Policy	Yes
Shareholder Engagement Policy	No
Advanced Notice Policy	Proposed for approval at the Meeting

Board Meetings

The Board held 10 board meetings during the fiscal year ended December 31, 2023. 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, 2023. 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 2023, 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 9 meetings in 2023 and all independent directors of the Company attended such *in-camera* sessions.

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, 2023, in respect of his or her attendance record for all Board and committee meetings held:

Members	Attendance					Total	
	Board of Directors	Audit Committee	Compensation Committee	Governance and Nominating Committee	Technical and Sustainability Committee	Committee Meetings	Overall (Board and Committee Meetings)
David Laing ⁽²⁾	10/10 (100%)	—	—	—	6/6 (100%)	6/6 (100%)	16/16
George Ogilvie ⁽²⁾	10/10 (100%)	—	—	—	—	—	10/10 (100%)
Isabella Bertani ⁽¹⁾⁽³⁾	6/6 (100%)	3/3 (100%)	—	1/1 (100%)	—	3/3 (100%)	10/10 (100%)
Alan Edwards ⁽¹⁾⁽²⁾⁽⁴⁾	10/10 (100%)	5/5 (100%)	2/2 (100%)	—	6/6 (100%)	13/13 (100%)	23/23 (100%)
Mark Palmer ⁽²⁾⁽³⁾ ⁽⁴⁾	10/10 (100%)	—	1/1 (100%)	1/1 (100%)	6/6 (100%)	8/8 (100%)	18/18 (100%)
Sarah Strunk ⁽¹⁾⁽³⁾⁽⁴⁾	9/10 (100%)	5/5 (100%)	2/2 (100%)	1/1 (100%)	—	8/8 (100%)	17/18 (99.99%)

Notes:

(1) Members of the Audit Committee

- (2) Members of the Technical & Sustainability Committee
 (3) Members of the Governance and Nominating Committee
 (4) Members of the Compensation Committee

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 contribution. During the period under review, the Governance and Nominating Committee did not hold a formal meeting, but transacted businesses through circular resolution and met informally from time-to-time to fulfill its mandate.

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>	REPORTING OF DIRECTORS' SKILLS/COMPETENCIES					
	David Laing	Isabella Bertani	Alan Edwards	George Ogilvie	Mark Palmer	Sarah Strunk
Senior Management Experience ⁽¹⁾	✓	✓	✓	✓	✓	✓
Board and Governance ⁽²⁾	✓	✓	✓	✓	✓	✓
Financial Reporting ⁽³⁾	✓	✓	✓	✓	✓	✓
Corporate Finance ⁽⁴⁾	✓	✓	✓	✓	✓	✓
Legal ⁽⁵⁾	-	-	-	-	-	✓
Mineral Exploration ⁽⁶⁾	✓	-	✓	✓	✓	-
Mining, Development and Construction ⁽⁷⁾	✓	-	✓	✓	✓	-

Mining, Operations⁽⁸⁾	✓	-	✓	✓	✓	-
Sustainability⁽⁹⁾	✓	✓	✓	✓	✓	✓
Compensation / Human Resources⁽¹⁰⁾	✓	✓	✓	✓	-	✓
Government Relations⁽¹¹⁾	✓	✓	✓	-	-	✓

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 (policymaking, lobbying, etc.).

Other Reporting Issuer Experience

As of December 31, 2023, 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. Blackrock Silver Corp.	TSX TSXV
Isabella Bertani	-	-
Alan Edwards	Entrée Resources Ltd. Americas Gold & Silver Elevation Gold	TSX TSX TSXV
George Ogilvie	Rupert Resources Ltd.	TSX
Mark Palmer	Orion Minerals Ltd.	ASX
Sarah Strunk	Teck Resources	TSX

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 <https://www.sedarplus.ca/>.

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.

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 the Company has two female directors on the Board comprising no less than 30% of the Board. 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.

The Governance and Nominating Committee is responsible for assessing the Company's progress against the Diversity Policy's objectives and continuing to review best practices with respect to diversity and inclusion. The appointment of Isabella Bertani at the last annual shareholders' meeting increased the Board's representation of women from 16.67% to 33% following the Meeting.

In addition, the Company also aspires to have no less than either two female officers, senior management or 30% of senior management. In contemplation of this target, the Company puts in place sponsorship and mentoring programs in place 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 six NEOs is female (16.67%) and two of seven senior management personnel is female (29%).

Committees of the Board of Directors

Audit Committee

The Audit Committee as at December 31, 2023, was comprised of three directors, being Isabella Bertani (Chair), Sarah Strunk and Alan Edwards, 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 31, 2024, under the heading "*Audit Committee*", which is available on SEDAR+ at www.sedarplus.ca/ under the Company's issuer profile.

Governance and Nominating Committee

The Governance and Nominating Committee as at December 31, 2023, was comprised of three directors, being Sarah Strunk (Chair), Mark Palmer and Isabella Bertani, 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*" below.

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.

Compensation Committee

The Compensation Committee as at December 31, 2023, was comprised of three directors, being Mark Palmer (Chair), Alan Edwards and Sarah Strunk, all of whom are "independent" within the meaning of NI 58-101.

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 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.

Technical and Sustainability Committee

The Technical and Sustainability Committee as at December 31, 2023, was 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.

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 the Record Date, Tembo Capital Mining GP III Ltd owns 30.6% of the issued and outstanding Common Shares. Pursuant to the provision of an investor rights agreement among the Company, Tembo Capital Elim Co-Investment LP ("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. Although, RCF holds less than 9.9% of the issued and outstanding Common Shares and no longer has nomination rights pursuant to the investor rights agreement. Mr. Palmer has not materially affected the Company or any subsidiary of the Company.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR+ (www.sedarplus.ca/landingpage/) under the Company's issuer profile or available by request to management at info@arizonasonoran.com. Additional financial information is provided in the Company's financial statements and management discussion and analysis for the fiscal year ended December 31, 2023, which are also available on SEDAR+ under the Company's issuer profile. Copies of the Company's financial statements and management's discussion and analysis for the fiscal year ended December 31, 2023 may be obtained upon written request to Secretary of the Company at Grove Corporate Services Limited, 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 29th of July, 2024

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 coordinate 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.

Arizona Sonoran Copper Company Inc

Equity Incentive Plan

As amended and restated on June 21, 2021

History and Purpose. The purpose of this 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 awards of Options.

**ARTICLE I
INTERPRETATION**

- (a) **Definitions.** As used in this Plan, the following words and terms will have the following meanings:
- (b) **"Award"** means any Option or Restricted Share Unit granted under this Plan which may be denominated or settled in Shares, cash or in such other form as provided herein;
- (c) **"Award Agreement"** means a written or electronic agreement (which includes a Stock Option Certificate), in the form or any one of the forms approved by the Board, evidencing the terms and conditions on which an Award has been granted under this Plan and which need not be identical to any other such agreements;
- (d) **"Board"** means the board of directors of the Company;
- (e) **"Cause"** means a (i) repeated failure to competently and diligently perform duties of Participant's position with the Company (other than due to physical or mental illness); (ii) conviction of guilty or nolo contendere plea to, a misdemeanor which is materially and demonstrably injurious to the Company or any of its subsidiaries or any felony; (iii) commission of an act, or a failure to act, that constitutes fraud, gross negligence or willful misconduct (including without limitation, embezzlement, misappropriation or breach of fiduciary duty resulting or intending to result in personal gain at the expense of the Company or any of its subsidiaries); and (iv) violation of any applicable laws, rules or regulations or failure to comply with applicable confidentiality, non-solicitation and non-competition obligations to the Company or any of its subsidiaries, corporate code of business conduct or other material policies of the Company or any of its subsidiaries in connection with or during performance of the Participant's duties to the Company or any of its subsidiaries that could, in the Board's opinion, cause material injury to the Company or any of its subsidiaries; and (v) failure to maintain applicable professional licenses or certifications. In the case of a violation or failure under (i), (iv) or (v), if such violation or failure is curable, such violation or failure shall only constitute "Cause" if it is not cured within thirty (30) days after notice thereof to the Participant;
- (f) **"Code"** means the United States Internal Revenue Code of 1986, as amended;
- (g) **"Committee"** means the committee appointed by the Board to administer this Plan consisting of not less than three (3) members of the Board, or if no committee is appointed, the Board;
- (h) **"Company"** means Elim Mining Incorporated or any successor corporation;
- (i) **"Consultant"** means any person, including an advisor, engaged by the Company or a Parent or majority-owned Subsidiary of the Company or a Parent, to render services to such entity; *provided that* (i) the consultant or adviser renders bona fide services to the Company or any Parent or Subsidiary of the Company; (ii) the services rendered by the consultant or adviser are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or

indirectly promote or maintain a market for the Company's securities; and (iii) the consultant or adviser is a natural person.

- (j) **"Disability"** means the mental or physical state of an individual such that:
 - (i) the Board, other than such individual, determine that such individual has been unable, due to illness, disease, mental or physical disability or similar cause, to fulfil his or her obligations as an employee, independent contractor, consultant or director of the Company either for any consecutive 6 month period or for any period of 8 months (whether or not consecutive) in any consecutive 12 month period; or
 - (ii) a court of competent jurisdiction has declared such individual to be mentally incompetent or incapable of managing his or her affairs.
- (k) **"Effective Date"** means August 28, 2020;
- (l) **"Eligible Person"** means any person who is means any person who is an employee, officer, director, Consultant, or independent contractor of the Company or its majority-owned subsidiaries (**"subsidiaries"**);
- (m) **"Expiration Date"** means the expiration date specified in the Award Agreement; provided, however, that if at any time the expiry of the term of an Award should be determined to occur either during a period in which the trading of Shares by the awardee is restricted under the insider trading policy or other policy of the Company or within ten business days following such a period, such Expiry Date shall be deemed to be the date that is the tenth business day following the date of expiry of such restriction.
- (n) **"Exercise Price"** means the price at which a holder of an Option may purchase the Shares issuable upon exercise of the Option;
- (o) **"Market Price"** means, as of any date, the value of the Shares, determined as follows:
 - (i) if the Shares are listed on the TSX, the Market Price shall be the closing price of the Shares on the last trading day prior to the date of the grant of the Award or other applicable date;
 - (ii) if the Shares are listed on an exchange other than the TSX, the Market Price shall be the closing price of the Shares (or the closing bid, if no sales were reported) as quoted on such exchange on the last trading day prior to the date of the grant of the Award or other applicable date; and
 - (iii) if the Shares are not listed on an exchange, the Market Price shall be determined in good faith by the Board.
- (p) **"Non-Employee Director"** means a member of the Board who is not otherwise an employee or executive officer of the Corporation or a subsidiary;
- (q) **"Option"** means an award of an option to purchase Shares hereunder;
- (r) **"Option Term"** means the period during which the Option may be exercised, subject to any vesting requirements, this term not to exceed ten years;
- (s) **"Participant"** means every Eligible Person who is approved for participation in the Plan by the Board;

- (t) **“Plan”** means this 2020 Equity Incentive Plan as amended and restated on June 21, 2021;
- (u) **“Restricted Share Unit”** or **“RSU”** means a unit equivalent in value to a Share, credited by means of a bookkeeping entry in the books of the Company in accordance with Section 2.4;
- (v) **“Shares”** means the Common Shares (of any series, if applicable) in the capital of the Company and include any shares of the Company into which such shares may be converted, reclassified, redesignated, subdivided, consolidated, exchanged or otherwise changed;
- (w) **“Termination”** or **“Terminated”** means, for purposes of this Plan with respect to a Participant that the Participant has for any reason ceased to provide continuous services as an employee, independent contractor, director or consultant to the Company. An employee will not be deemed to have ceased to provide services in the case of:
 - (i) sick leave; or
 - (ii) any other leave of absence approved by the Board, provided that such leave is for a period of not more than 90 days unless reemployment upon the expiration of such leave is guaranteed by contract or statute, or unless provided otherwise pursuant to formal policy adopted from time to time by the Company and issued and promulgated to employees in writing.

The Board will have sole discretion to determine whether a Participant has ceased to provide continuous services and the effective date on which the Participant ceased to provide services (the **“Termination Date”**).
- (x) **“Trigger Event”** means:
 - (i) the mailing of a notice of meeting to consider an arrangement between the Company and its creditors or members or any class thereof;
 - (ii) a bona fide offer for Common Shares is made to the optionee, the holder of RSUs, or to shareholders generally, or to a class of shareholders which includes the optionee or the holder of RSUs, which offer, if accepted in whole or in part, would affect materially the control of the Company; or
 - (iii) the date upon which a person, or group of associated persons, becomes entitled, subsequent to the date of issue of the Award, to sufficient shares to give it or them the ability in a general meeting to replace all or allow a majority of directors of the Company in circumstances where such ability was not already held by a person associated with such person or group of associated persons. Notwithstanding the foregoing, the Board may, in its sole discretion, determine that the occurrence of a circumstance in clause (iii) does not constitute a Trigger Event.
- (y) **“TSX”** means the Toronto Stock Exchange.

ARTICLE II THE PLAN AND GRANT OF AWARDS

2.1 **Number of Shares Available, Limits with Respect to Insiders, Annual Grant Limits and Non-Employee Director Limits.**

- (a) Subject to this Section 2.1, Section 2.2 and Article 5, the total number of Shares reserved and available for grant and issuance pursuant to this Plan, as at the Effective Date, shall be a rolling number equal to 10% of the total issued and outstanding Shares from time to time. Subject to this

Section 2.1, Section 2.2 and Article 5, any unissued Shares in respect of which Awards or shares are granted but that are subject to issuance upon exercise of an Option or redemption of an RSU but cease to be issuable under such Award for any reason (other than exercise or redemption of such Award), including without limitation, expiry of the Award or surrender of the Award pursuant to an exchange program, will again be available for grant and issuance in connection with future Awards granted under this Plan. At all times the Company will reserve and keep available a sufficient number of Shares as will be required to satisfy the requirements of all outstanding RSUs or Options granted under this Plan. Notwithstanding the foregoing: (i) the number of Shares reserved for issuance to any one person pursuant to Awards granted under the Plan shall not exceed 10% of the issued and outstanding Shares; (ii) the number of Shares which may be reserved for issuance pursuant to the Plan (together with those 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 Shares outstanding on a non-diluted basis from time to time; (iii) the number of Shares which may be issued pursuant to the Plan (together with those 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 Shares outstanding on a non-diluted basis from time to time; and (iv) if the Shares are listed on the TSX, the maximum number of Shares that may be made issuable pursuant to Awards made to employees and Non-Employee Directors within any one-year period shall not exceed 5% of the issued and outstanding Shares (as of the commencement of such one-year period).

- (b) No Award may be granted if such grant would have the effect of causing the total number of Shares reserved for issuance under this Plan to exceed the maximum number of Shares reserved for issuance under this Plan as set out above.
- (c) The Board may make Awards to Non-Employee Directors under the Plan provided that if the Shares are listed on the TSX:
 - (i) the annual grant of Awards under this Plan to any one Non-Employee Director, shall not exceed \$150,000 in value (based on a Black-Scholes calculation or such other similar and acceptable methodology, applied consistently and appropriately as determined by the Board), of which no more than \$100,000 may comprise Options; and
 - (ii) the maximum number of 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 Shares (as of the commencement of such one-year period).

2.2 Adjustment of Shares. In the event that the number of outstanding 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 Shares reserved for issuance under the Plan; and
- (b) the number of Shares subject to outstanding Options and Restricted Share Units; 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 Code Section 409A to the extent it is applicable; provided, however, that fractions of a Share will not be issued but will either be: (i) paid in cash at the closing market price of the Shares on the TSX on the date of such aforementioned event; or (ii) rounded down to the nearest whole Share, as determined by the Board.

2.3 Options. The Board may grant Options to Eligible Persons and will determine the number of Options, the Exercise Price, the Option Term, the vesting provisions, and all other terms and conditions of the Option, subject to the following:

- (a) **Form of Option Grant.** Each Option granted under this Plan will be evidenced by a stock option agreement or stock option certificate (whether a stock option agreement or stock option certificate, called the “**Stock Option Agreement**”) which will be in such form and contain such provisions (which need not be the same for each Participant) as the Board may from time to time approve, and which will comply with and be subject to the terms and conditions of this Plan;
- (b) **Date of Grant.** The date of grant of an Option will be the date on which the Board approves the grant of such Option and has undertaken all actions required to create a legally binding right, including designating the Participant(s), the number of options granted to each Participant, and the Exercise Price, or such later date as may be specified by the Board. The Stock Option Agreement and a copy of this Plan will be delivered to the Participant within a reasonable time after the granting of the Option;
- (c) **Option Term.** 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 ten (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.
- (d) **Vesting and Exercise Period.** Options may be exercisable, up to the Expiration Date determined by the Board and specified in the Stock Option Agreement, while the Participant 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 Plan. The Board may provide for Options to vest at one time or from time to time, periodically or otherwise, in such manner of Shares or percentage of Shares as the Board determines. If the application of vesting causes the Option to become exercisable with respect to a fractional Share, such Share shall be rounded down to the nearest whole Share;
- (e) **Exercise Price.** 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 of the Shares.
- (f) **Method of Exercise.** Options may be exercised only by delivery to the Company of a written stock option exercise agreement (the “**Exercise Agreement**”) in a form approved by the Board (which need not be the same for each Participant), stating the Participant’s election to exercise the Option, the number of Shares being purchased, the restrictions imposed on the Shares purchased under such Exercise Agreement, if any, and such representations and agreements regarding Participant’s investment intent and access to information and other matters, if any, as may be required or desirable by the Company to comply with applicable securities laws, together with payment in full of the Exercise Price, and any applicable taxes, for the number of Shares being purchased. If someone other than the Participant exercises the Option, then such person must submit documentation reasonably acceptable to the Company that such person has the right to exercise the Option. The Option may not be exercised unless such exercise is in compliance with all applicable securities laws, as they are in effect on the date of exercise.
- (g) **Termination.** Subject to earlier termination pursuant to Article 5 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:
 - (i) 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;

- (ii) 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
- (iii) 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 or such longer period as may be specified in the Stock Option Agreement (but in any event not later than the Expiration Date);
- (h) **Limitations on Exercise.** The Board may specify a reasonable minimum number of Shares that may be purchased on exercise of an Option, provided that such minimum number will not prevent Participant from exercising the Option for the full number of Shares for which it is then exercisable;
- (i) **Modification, Extension or Renewal.** 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 Code Section 409A; and
- (j) **Issuance of Shares.** Provided that the Exercise Agreement and payment are in form and substance satisfactory to counsel for the Company, the Company shall issue the Shares registered in the name of the Participant or Participant's legal representative and shall deliver certificates representing the Shares with the appropriate legends affixed thereto.

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

- (a) **Vesting Criteria and Other Terms.** 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 Restricted Stock Units 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.
- (b) **Earning Restricted Stock Units.** 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 Restricted Stock Units, 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 Restricted Stock Units 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 Share, such Share shall be rounded down to the nearest whole Share.
- (c) **Form and Timing of Payment.** Payment of earned Restricted Stock Units 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 Restricted Stock Units in cash, Shares, or a combination of both.

- (d) **Cancellation.** On the date set forth in the Award Agreement, all unearned Restricted Stock Units will be forfeited to the Company.
- (e) **Tax Withholding.** The Board may take all such measures as it deems appropriate to ensure that the Company's obligations under the withholding provisions under income tax laws applicable to the Company and the Participants and other provisions of applicable laws are satisfied with respect to the grant of the Restricted Share Units under the Plan, including without limiting the generality of the forgoing, the withholding of all or any portion of any payment or the withholding of the grant of Restricted Share Units or Shares or payment of any amount payable, until such time as the Participant has paid the Company or any Affiliate of the Company for any amount which the Company or the Affiliate of the Company is required to withhold with respect to such taxes.

ARTICLE III ADMINISTRATION

3.1 Authority. This Plan will be administered by the Board or, if the Board by resolution so decides, by the Committee. The Board may delegate all or any portion of such powers to the Committee. Any reference to the Board in this Plan shall be 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 Plan and subject to the specific provisions of the Plan to:

- (a) construe and interpret this Plan, any Award Agreement and any other agreement or document executed pursuant to this Plan;
- (b) prescribe, amend and rescind rules and regulations relating to this Plan (subject to Section 6.1);
- (c) select Eligible Persons to receive Options and Restricted Share Units under the Plan;
- (d) determine the form and terms of Awards and Award Agreements, not inconsistent with the terms of the Plan;
- (e) determine the Exercise Price of an Options and the Market Value at any applicable date;
- (f) determine the number of Shares to be covered by each Award;
- (g) determine whether Options will be granted singly, in combination with, in tandem with, in replacement of, or as alternatives to, any other incentive or compensation plan of the Company;
- (h) amend or modify each Award (subject to Section 6.1);
- (i) determine the vesting and exercisability of Options and Restricted Share Units; and
- (j) correct any defect, supply any omission, or reconcile any inconsistency in this Plan, any Option, any Stock Option Agreement or any Exercise Agreement (subject to Section 6.1).

3.2 Board Discretion. Any determination made by the Board with respect to any Option and Restricted Share Units 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 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 shares under this Plan.

3.3 Section 409A. Awards will be designed and operated in such a manner that they are either exempt from the application of, or comply with, the requirements of Code Section 409A, except as otherwise determined in the sole discretion of the Board. The Plan and each Award Agreement under the Plan is intended to meet the requirements of Code Section 409A and will be construed and interpreted in accordance with such intent, except as otherwise determined in the sole discretion of the Board. If an Award is subject to Code Section 409A, any

modification, extension, renewal, assumption or substitution of such Award, including as a result of termination of the Plan, will be undertaken in manner that complies with Code Section 409A. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Code Section 409A the Award will be granted, paid, settled or deferred in a manner that will meet the requirements of Code Section 409A, such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Code Section 409A. To the extent that any Award that constitutes “deferred compensation” under Code Section 409A (a “Deferred Compensation Award”) is otherwise payable or distributable to a Participant solely by reason of the occurrence of a change in control or due to the Participant’s disability or “separation from service” (as such terms are defined under Code Section 409A), such amount or benefit will not be payable or distributable to the Participant by reason of such circumstance unless the Board determines in good faith that (i) the circumstances giving rise to such change in control, disability or separation from service meet the definition of a change in ownership or control, disability, or separation from service, as the case may be, in Section 409A(a)(2)(A) of the Code, or (ii) the payment or distribution of such amount or benefit would be exempt from the application of Code Section 409A by reason of the short-term deferral exemption or otherwise. If payment or distribution with respect to a Deferred Compensation Award otherwise would be made to a Participant who is a “specified employee” (as such term is defined under Code Section 409A) as a result of separation from service, such payment or settlement will be delayed until the date that is six months and one day after the date of the specified employee’s separation from service (or if earlier, upon the specified employee’s death), unless such payment or distribution is exempt from the application of Section 409A by reason of the short-term deferral exemption or otherwise. If the Award Agreement for any Deferred Compensation Award states that payment or settlement will occur in installments, each installment will be treated as a separate payment for purposes of Code Section 409A.

3.4 Legal Compliance and Investment Representations. Shares will not be issued pursuant to the exercise of an Award unless the exercise of such Award and the issuance and delivery of such Shares will comply with Applicable Laws and will be further subject to the approval of counsel for the Company with respect to such compliance. As a condition to the exercise of an Award, the Company may require the person exercising such Award to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required.

ARTICLE IV PRIVILEGES OF OWNERSHIP

4.1 Voting and Dividends. No Participant will have any of the rights of a shareholder with respect to any Shares until the Shares are issued as evidenced by the appropriate entry on securities register of the Company. After Shares are issued to the Participant, the Participant will be a shareholder and have all the rights of a shareholder with respect to such Shares, including the right to vote and receive all dividends or other distributions made or paid with respect to such Shares.

4.2 Non-Transferability of Awards. Unless otherwise approved by the Board, Awards granted under this Plan, and any interest therein, may not be transferred, assigned, pledged or hypothecated in any manner (whether by operation of law or otherwise) other than by will or by the applicable laws of descent.

ARTICLE V CORPORATE TRANSACTIONS

5.1 Trigger Event. Except as otherwise provided in the applicable Award Agreement, upon the occurrence of a Trigger Event, 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.

5.2 Assumption or Replacement of Awards by Successor. Except as otherwise provided in the Applicable Award Agreement, in the event of:

- (a) a merger, consolidation, arrangement, amalgamation, acquisition or other similar transaction in which the Company is not the surviving corporation (other than a merger or consolidation with a wholly-owned subsidiary, or other transaction in which there is no substantial change in the shareholders of the Company or their relative shareholdings and the Awards granted under this Plan are assumed, converted or replaced by the successor corporation, which assumption will be binding on all Participants);
- (b) a merger in which the Company is the surviving corporation but after which shareholders of the Company immediately prior to such merger (other than any shareholder which merges, or which owns or controls another corporation which merges, with the Company in such merger) cease to own their shares or other equity interests in the Company; or
- (c) the sale of substantially all of the assets of the Company,

any or all outstanding Awards may be assumed, converted or replaced by the successor corporation (if any), which assumption, conversion or replacement will be binding on all Participants or, in the alternative, the successor corporation may substitute equivalent Options or provide substantially similar consideration to Participants as was provided to shareholders (after taking into account the existing provisions of the Options). The successor corporation may also issue, in place of outstanding Shares of the Company held by the Participant, substantially similar shares or other property subject to repurchase restrictions and other provisions no less favourable to the Participant than those which applied to such outstanding Shares immediately prior to such transaction described in this Section 5.2, which substitution, provision or other consideration or issuance shall be binding on all Participants. In the event such successor corporation (if any) refuses to assume or substitute Awards, as provided above, pursuant to a transaction described in this Section 5.2, then notwithstanding any other provision in this Plan to the contrary, (i) the vesting of any Award shall be accelerated and (1) with respect to Options, give each Participant the right to exercise his or her Option as to all or a part of the Shares thereof, including Shares as to which the Option would not otherwise be exercisable, and (2) with respect to RSUs, such RSUs shall be settled in accordance with the Plan and the applicable Award Agreement, and (ii) such Awards will expire on such transaction at such time and on such conditions as the Board will determine, in each case in a manner that is compliant with Code Section 409A. In addition, even if such successor corporation (if any) determines to assume or substitute Awards pursuant to a transaction described in this Section 5.2, the Board may, in its sole discretion, (i) accelerate the vesting of any Award and (1) with respect to Options, give each Participant the right to exercise his or her Option as to all or a part of the Shares thereof, including Shares as to which the Option would not otherwise be exercisable, and (2) with respect to RSUs, such RSUs shall be settled in accordance with the Plan, and the applicable Award Agreement and/or (ii) determine if such Awards will expire on such transaction at such time and on such conditions as the Board will determine; in each case in a manner that is compliant with Code Section 409A.

5.3 Assumption of Options by the Company. The Company, from time to time, also may substitute or assume outstanding options granted by another company, whether in connection with an acquisition of such other company or otherwise, by either:

- (a) granting an Option under this Plan in substitution of such other company's option; or
- (b) assuming such option as if it had been granted under this Plan if the terms of such assumed option could be applied to an Option granted under this Plan.

Such substitution or assumption will be permissible if the holder of the substituted or assumed option would have been eligible to be granted an Option under this Plan if the other company had applied the rules of this Plan to such grant. In the event the Company assumes an option granted by another company, the terms and conditions of such option will remain unchanged (except that the exercise price and the number and nature of shares issuable upon exercise of any such option will be adjusted appropriately). In the event the Company elects to grant a new Option rather than assuming an existing option, such new Option may be granted with a similarly adjusted Exercise Price.

5.4 Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, to the extent that an Award has not been previously exercised, it will terminate immediately prior to the consummation of such proposed action. The Board may, in the exercise of its sole discretion in such instances, declare that any

Award shall terminate as of a date fixed by the Board and give each Participant the right to exercise his or her Option as to all or any part of the Shares thereof, including Shares as to which the Option would not otherwise be exercisable.

**ARTICLE VI
AMENDMENT OR TERMINATION OF PLAN**

6.1 Board May Amend. The Board of Directors 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 Plan or any Award granted under the Plan:

- (a) for the purposes of making minor or technical modifications to any of the provisions of the Plan;
- (b) to correct any ambiguity, defective provisions, error or omission in the provisions of the Plan;
- (c) to change any vesting provisions of Restricted Share Units or Options;
- (d) to change the termination provisions of the Restricted Share Units or Options or the 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 Plan;
- (f) to extend the term of any Restricted Share Units or Option previously granted in accordance with the 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 Plan;
- (h) to reduce the exercise price of any Option previously granted in accordance with the Plan; and
- (i) any other amendment that does not require the approval of the shareholders of the Company set out below pursuant to this Section 6.1;

provided however that: such amendment, suspension or termination is in accordance with applicable laws and the rules of any stock exchange on which the 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 of Directors acting in good faith, without his or her consent in writing; and, if the Shares are listed on the TSX or any other stock exchange, the Board of Directors shall obtain shareholder approval of the following:

- (i) any amendment to the maximum number of Shares specified in Section 2.1 in respect of which Awards may be granted under the Plan (other than pursuant to Section 2.2);
- (ii) any amendment to the number of 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 Shares are listed), other than pursuant to Section 2.2;
- (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 Shares are listed) beyond the Expiration Date;
- (v) any amendment which would permit Awards granted under the Plan to be transferable or assignable other than for normal estate settlement purposes; and

(vi) a change to this Section 6.1 of the Plan.

6.2 Powers of the Board Following Termination of the Plan. If the Plan is terminated, the provisions of the Plan and any administrative guidelines and other rules and regulations adopted by the Board of Directors and in force on the date of termination will continue in effect as long as any rights pursuant thereto remain outstanding and, notwithstanding the termination of the Plan, the Board of Directors shall remain able to make such amendments to the Plan or the Awards as they would have been entitled to make if the Plan were still in effect.

ARTICLE VII GENERAL

7.1 No Obligation to Employ. Nothing in this Plan or any Award granted under this Plan will confer or be deemed to confer on any Participant any right to continue in the employ of, or to continue any other relationship with, the Company or limit in any way the right of the Company to terminate Participant's employment or other relationship at any time, with or without cause.

7.2 Term of Plan. Unless earlier terminated as provided herein, this Plan will terminate 10 years from the Effective Date or, if earlier, the date of shareholder approval.

7.3 Governing Law. This Plan and all Awards granted under this Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia.

7.4 Notices. Any notice required to be given or delivered to the Company under the terms of this Plan shall be in writing and addressed to the Corporate Secretary of the Company at its principal corporate offices. Any notice required to be given or delivered to Participant shall be in writing and addressed to participant at the address indicated in the Award Agreement or to such other address as such party may designate in writing from time to time to the Company. All notices shall be deemed to have been given or delivered upon: personal delivery; three (3) days after deposit in the mail by certified or registered mail (return receipt requested); one (1) business day after deposit with any return receipt express courier (prepaid); or one (1) business day after transmission by email, confirmed facsimile, rapidfax or telecopier.

7.5 Successors and Assigns. The Company may assign any of its rights under this Plan. This Plan shall be binding upon and inure to the benefit of the successors and assigns of the Company.

7.6 Non-exclusivity of the Plan. Neither the adoption of this Plan by the Board nor any provision of this Plan will be construed as creating any limitations on the power of the Board to adopt such additional compensation arrangements as it may deem desirable, including, without limitation, the granting of stock options otherwise than under this Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

ARIZONA SONORAN COPPER COMPANY INC

DIRECTORS DEFERRED SHARE UNIT PLAN

EFFECTIVE JULY 9, 2021

ARTICLE ONE

DEFINITIONS AND INTERPRETATION

Section 1.01 **Definitions:** For the purposes of this Plan, unless such word or term is otherwise defined herein or the context in which such word or term is used herein otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the following meanings:

- i. **“Account”** has the meaning ascribed to such term in Section 2.04;
- ii. **“Act”** means the *Business Corporations Act* (British Columbia), or its successor, as amended, from time to time;
- iii. **“Affiliate”** means an affiliate of the Corporation, as the term “affiliate” is defined in paragraph 8 of the Canada Revenue Agency's Interpretation Bulletin IT-337R4, *Retiring Allowances (Consolidated)* [Archived];
- iv. **“Applicable Withholding Taxes”** has the meaning ascribed to such term in Section 4.01(c);
- v. **“Associate”** where used to indicate a relationship with any person or company, is as defined in the *Securities Act* (Ontario), as may be amended from time to time;
- vi. **“Beneficiary”** means, subject to applicable laws, an individual who has been designated by an Eligible Director, as contemplated by Section 3.05, to receive benefits payable under the Plan upon the death of the Eligible Director, or, where no such designation is validly in effect at the time of death, or where the designated individual does not survive the Eligible Director, the Eligible Director's estate;
- vii. **“Blackout Period”** means a period when an Eligible Director is prohibited from trading in the Corporation's securities pursuant to the Corporation's written policies then applicable or a notice in writing to an Eligible Director by a senior officer or a director of the Corporation;
- viii. **“Board”** means the Board of Directors of the Corporation;
- ix. **“Business Day”** means each day other than a Saturday, Sunday or statutory holiday in Toronto, Ontario, Canada;
- x. **“Cease Trade Date”** has the meaning ascribed to such term in Section 3.04(b);
- xi. **“Change of Control”** means the occurrence of any one or more of the following events:
 - a. a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its Affiliates and another corporation or other entity, as a result of which the holders of Voting Securities prior to the completion of the transaction hold less than 50% of the outstanding voting securities of the successor corporation after completion of the transaction;
 - b. the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of assets, rights or properties of the Corporation and/or any of its Affiliates which have an aggregate book value greater than 30% of the book value of the assets, rights and properties of the Corporation and its Affiliates on a consolidated basis to any other person or entity, other than a disposition to a wholly-owned Affiliate in the course of a reorganization of the assets of the Corporation and its Affiliates;
 - c. a resolution is adopted to wind-up, dissolve or liquidate the Corporation;

- d. any person, entity or group of persons or entities acting jointly or in concert (an **“Acquiror”**) acquires or acquires control (including, without limitation, the right to vote or direct the voting) of Voting Securities which, when added to the Voting Securities owned of record or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or Associates and/or Affiliates of the Acquiror to cast or to direct the casting of 50% or more of the votes attached to all of the Corporation's outstanding Voting Securities which may be cast to elect directors of the Corporation or the successor corporation (regardless of whether a meeting has been called to elect directors);
- e. as a result of or in connection with: (A) a contested election of directors, or (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisitions involving the Corporation or any of its Affiliates and another corporation or other entity (a **“Transaction”**), fewer than 50% of the directors of the Corporation are persons who were directors of the Corporation immediately prior to such election or the Transaction; or
- f. the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

For the purposes of the foregoing, **“Voting Securities”** means Shares and any other shares entitled to vote for the election of directors and shall include any security, whether or not issued by the Corporation, which are not shares entitled to vote for the election of directors but are convertible into or exchangeable for shares which are entitled to vote for the election of directors including any options or rights to purchase such shares or securities;

- xii. **“Code”** means the United States Internal Revenue Code of 1986, as amended, and applicable regulations and guidance thereunder.
- xiii. **“Committee”** means the Board or, if the Board so determines in accordance with Section 2.03 of the Plan, the committee of the Board authorized to administer the Plan which includes any compensation committee of the Board;
- xiv. **“Corporation”** means Elim Mining Corporation, a corporation existing under the Act, and includes any successor corporation thereof;
- xv. **“Deferred Share Unit”** means a notional unit credited by the Corporation to the Account of an Eligible Director by way of a bookkeeping entry in the books of the Corporation and administered pursuant to the terms of the Plan, the value of which on a particular date shall be equal to the Market Value at that date;
- xvi. **“Deferred Share Unit Award”** means an award of Deferred Share Units under the Plan to an Eligible Director;
- xvii. **“Deferred Share Unit Grant Letter”** has the meaning ascribed to such term in Section 3.08;
- xviii. **“Designated Broker”** has the meaning ascribed to such term in Section 3.04(e);
- xix. **“Dividend Payment Date”** has the meaning ascribed to such term in Section 3.03;
- xx. **“Dividend Record Date”** has the meaning ascribed to such term in Section 3.03;
- xxi. **“Eligible Director”** means a director of the Corporation who does not receive employment income within the meaning of the Tax Act in respect of services rendered to the Corporation or any Affiliate, otherwise than in his or her capacity as a member of the Board or a member of the board of directors of an Affiliate;
- xxii. **“Insider”** has the meaning ascribed to such term in the Company Manual of the TSX, as may be amended from time to time;

- xxiii. “**Market Value**” means, with respect to any particular date, the greater of either: (a) the weighted average trading price of Shares on the TSX; and (b) the volume weighted average trading prices of the Shares on the TSX, for the thirty (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 Corporation 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 (5th) 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, Market Value shall be such other value as may be determined pursuant to Section 3.04(b). If the 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 Shares are listed and posted for trading as may be selected for such purpose by the Committee. In the event that the 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 Shares as determined by the Committee in its sole discretion, acting reasonably
- xxiv. “**Non-Employee Director**” means any individual who is a director of the Corporation or an Affiliate and who is not a full-time or part-time employee of the Corporation or an Affiliate;
- xxv. “**Plan**” means this Deferred Share Unit Plan, as same may be amended from time to time;
- xxvi. “**Redemption Date**” has the meaning ascribed to such term in Section 3.04(a);
- xxvii. “**Redemption Notice**” means an irrevocable written notice (in such form as the Board may in its discretion deem acceptable) delivered by an Eligible Director following the Eligible Director’s Termination Date requesting redemption of Deferred Share Units within the period permitted under, and in accordance with the requirements of, Section 3.04 hereof;
- xxviii. “**Related Company**” means a corporation which is related to the Corporation for the purposes of the Tax Act;
- xxix. “**Separation from Service**” means separation from service as defined under Section 409A of the Code.
- xxx. “**Shares**” means the common shares in the capital of the Corporation, as adjusted in accordance with the provisions of Article Five of this Plan;
- xxxi. “**Tax Act**” means the *Income Tax Act* (Canada) and any regulations thereto, as may be amended from time to time;
- xxxii. “**Termination Date**” means (i) in respect of an Eligible Director who is not a U.S. Eligible Director, the earliest date on which both of the following conditions are satisfied: (i) the Eligible Director is not a member of the Board nor a member of the board of directors of an Affiliate; and (ii) the Eligible Director is not an employee, within the meaning of the Tax Act, of the Corporation or any Affiliate; and (ii) in respect of a U.S. Eligible Director, the date of the Eligible Director’s Separation from Service.
- xxxiii. “**Trading Day**” means any date on which the TSX is open for the trading of Shares;
- xxxiv. “**TSX**” means the Toronto Stock Exchange;
- xxxv. “**U.S. DSU Holder**” means any holder of Deferred Share Units who is in the United States or is a “U.S. person” (as defined in Rule 902(k) of Regulation S under the U.S. Securities Act);
- xxxvi. “**U.S. Eligible Director**” an Eligible Director who is a U.S. citizen, U.S. permanent resident, or other person whose Deferred Share Units granted under the Plan is subject to U.S. taxation; and
- xxxvii. “**U.S. Outside Payment Date**” has the meaning ascribed to such term in Section 3.04(a); and
- xxxviii. “**U.S. Securities Act**” means United States Securities Act of 1933, as amended and the rules and regulations promulgated thereunder.

Section 1.02 **Headings:** The headings of all articles, Sections, and paragraphs in the Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of the Plan.

Section 1.03 **Context, Construction:** Whenever the singular or masculine are used in the Plan, the same shall be construed as being the plural or feminine or neuter or vice versa where the context so requires.

Section 1.04 **References to this Plan:** The words “herein”, “hereby”, “hereunder”, “hereof” and similar expressions mean or refer to the Plan as a whole and not to any particular article, Section, paragraph or other part hereof.

Section 1.05 **Canadian Funds:** Unless otherwise specifically provided, all references to dollar amounts in the Plan are references to lawful money of Canada.

ARTICLE TWO PURPOSE AND ADMINISTRATION OF THE DEFERRED SHARE UNIT PLAN

Section 2.01 **Purpose of the Deferred Share Unit Plan:** The purpose of the Plan is to assist the Corporation in the recruitment and retention of qualified persons to serve as directors of the Corporation and to align the interests of Eligible Directors with the long-term interests of the shareholders of the Corporation.

Section 2.02 **Administration of the Deferred Share Unit Plan:** The Plan shall be administered by the Committee and the Committee shall have full authority to administer the Plan including the authority to interpret and construe any provision of the Plan and to adopt, amend and rescind such rules and regulations for administering the Plan as the Committee may deem necessary in order to comply with the requirements of the Plan. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Eligible Directors and the Corporation. No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with the Plan and all members of the Committee shall, in addition to their rights as directors of the Corporation, be fully protected, indemnified and held harmless by the Corporation with respect to any such action taken or determination or interpretation made in good faith. The appropriate officers of the Corporation are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of the Plan and of the rules and regulations established for administering the Plan. All costs incurred in connection with the Plan shall be for the account of the Corporation.

Section 2.03 **Delegation to Committee:** All of the powers exercisable hereunder by the directors of the Corporation may, to the extent permitted by applicable law and as determined by resolution of the directors of the Corporation, be exercised by a committee of the Board comprised of not less than three (3) directors of the Corporation, including any compensation committee of the Board.

Section 2.04 **Record Keeping:** The Corporation shall maintain an account for each Eligible Director (an “**Account**”) in which shall be recorded:

- (a) the name and address of the Eligible Director;
- (b) the number of Deferred Share Units granted to and standing to the credit of the Eligible Director from time to time.

Section 2.05 **Determination of Eligible Directors and Participation:** The Committee shall from time to time determine the Eligible Directors who may participate in the Plan. The Committee shall from time to time determine the Eligible Directors to whom Deferred Share Units shall be granted and the provisions and restrictions with respect to such grant, all such determinations to be made in accordance with the terms and conditions of the Plan, and the Committee may take into consideration the present and potential contributions of and the services rendered by the particular Eligible Director to the success of the Corporation and any other factors which the Committee deems appropriate and relevant.

Section 2.06 **Maximum Number of Shares:**

- (a) The aggregate maximum number of Shares available for issuance from treasury under this Plan, subject to adjustment pursuant to Section 5.08, shall not exceed ● Shares.
- (b) If the Shares are listed on the TSX, the maximum number of Shares issuable to Insiders, at any time, pursuant to this Plan and any other security-based compensation arrangements of the Corporation is 10% of the total number of Shares then outstanding. If the Shares are listed on the TSX, the maximum number of Shares issued to Insiders, within any one year period, pursuant to this Plan and any other security based compensation arrangements of the Corporation is 10% of the total number of Shares then outstanding. For purposes of this Section 2.06, the number of Shares then outstanding shall mean the number of Shares outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable Deferred Share Unit.
- (c) If any Deferred Share Unit granted under the Plan shall expire, terminate or be cancelled for any reason (including, without limitation, the satisfaction of the Deferred Share Unit by means of a cash payment) without being paid out or settled in the form of Shares issued from treasury, any unissued Shares to which such Units relate shall be available for the purposes of the granting of further Deferred Share Units under the Plan or other securities pursuant to all other applicable security-based compensation arrangements of the Corporation. If any rights to acquire Shares granted under any other security-based compensation arrangements of the Corporation shall expire or terminate for any reason without having been exercised in full, any Shares to which such security relates shall be available for the purposes of the granting of further Deferred Share Units under the Plan.
- (d) If the Shares are listed on the TSX, the maximum number of Shares issuable to Non-Employee Directors, at any time, pursuant to this Plan and any other security based compensation arrangements of the Corporation is 1% of the total number of Shares then outstanding. If the Shares are listed on the TSX, the total annual grant to any one Non-Employee Director that is to be satisfied by the issuance of Shares, within any one year period, pursuant to this Plan and any other security based compensation arrangements of the Corporation shall not exceed a maximum grant value of \$150,000 worth of securities. For purposes of this Section 2.06(d), the value of securities granted under all security based compensation arrangements of the Corporation shall be determined using a generally-accepted valuation model.
- (e) For purposes of this Section 2.06, the number of Shares then outstanding shall mean the number of Shares outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable Deferred Share Unit.
- (f) For purposes of this Section 2.06, the aggregate number of securities that are to be satisfied by the issuance of Shares granted under all security based compensation arrangements of the Corporation will be calculated without reference the initial securities granted under such arrangements to a person (who was not previously an insider of the Corporation or an Affiliate) upon such person becoming a director of the Corporation or an Affiliate; however, the aggregate number of securities granted under all security based compensation arrangements of the Corporation in such initial grant may not exceed a maximum grant value of \$150,000 worth of securities.

**ARTICLE THREE
DEFERRED SHARE UNITS**

Section 3.01 **Deferred Share Unit Plan:** The Plan is hereby established for Eligible Directors.

Section 3.02 **Grant of Deferred Share Units:** The Committee may from time to time grant Deferred Share Units to an Eligible Director in such numbers, at such times and on such terms and conditions, consistent with the Plan, as

the Committee may in its sole discretion determine to be appropriate in respect of the services the Eligible Director renders as a member of the Board. 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 Deferred Share Units. If such an election is permitted, a written election must be delivered to the Corporation, in a form acceptable to the Corporation, on or before December 15th of the year immediately prior to the 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 Plan is adopted, and in either case the Eligible Director previously has not participated in a plan that is required to be aggregated with this Plan for purposes of Section 409A of the Code, the Eligible Director may elect to receive Deferred Share Units 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 Corporation no later than thirty (30) days after such Eligible Director’s appointment as a director or within thirty (30) days after the Plan was adopted, as applicable. For greater certainty, no Eligible Director will be entitled to receive Deferred Share Units 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. For greater certainty, the Committee shall, in its sole discretion, determine any and all conditions to the vesting of any Deferred Share Units granted to an Eligible Director, which conditions shall be set out in the Deferred Share Unit Grant Letter. The Committee may in its sole and absolute discretion accelerate and/or waive any vesting or other conditions for all or any Deferred Share Units for any Eligible Director at any time and from time to time, subject to the requirements of paragraph 6801(d) of the regulations to the Tax Act, and with respect to U.S. Eligible Directors, subject to the requirements of Section 409A of the Code. There shall be no restriction on the number of Deferred Share Units that are granted by the Corporation that are to be satisfied in cash only as determined by the Corporation.

Section 3.03 Payment of Dividend Equivalents: If determined by the Committee in its sole discretion and if set out in the applicable Deferred Share Unit Grant Letter, on the payment date for cash dividends paid on Shares (the “**Dividend Payment Date**”), the Account for each Eligible Director shall be credited, as an additional bonus for services rendered in that calendar year, with additional Deferred Share Units in respect of the number of Deferred Share Units credited to the Eligible Director's Account as of the record date for payment of such dividends (the “**Dividend Record Date**”). In such case, the number of additional Deferred Share Units will be equal to (computed to two (2) decimal places) the aggregate amount of dividends that would have been paid to the Eligible Director if the Deferred Share Units in the Eligible Director's account on the Dividend Record Date had been Shares divided by the Market Value of a Share on the Dividend Payment Date. However, no Deferred Share Units will be credited to an Eligible Director's Account in respect of dividends paid on Shares where the Dividend Record Date relating to such dividends falls after such Eligible Director's Termination Date. Any Deferred Share Units granted pursuant to this Section 3.03 shall have the same vesting conditions and Redemption Date as the underlying Deferred Share Units in the Eligible Director's Account.

Section 3.04 Redemption of Deferred Share Units

- (a) The “**Redemption Date**”:
- (i) with respect to Deferred Share Units of Eligible Directors who are not U.S. Eligible Directors, shall be a dates 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 15th of the first (1st) calendar year beginning after such Eligible Director's Termination Date, and if no timely Redemption Notice is received by the Corporation, the Redemption Date will be December 15th of the first (1st) calendar year beginning after such Eligible Director's Termination Date, and in any event settlement/payment upon redemption of Deferred Share Units shall be made no later than December 31 of the first (1st) 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 Deferred Share Units redeemed in the calendar year of the Termination Date and the remaining

portion of their Deferred Units redeemed prior to December 15 in the first (1st) calendar year beginning after such Eligible Director's Termination Date; and

- (ii) with respect to Deferred Share Units of U.S. Eligible Directors, subject to Section 5.12 and 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 Deferred Share Units, 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 15th 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 Corporation by December 15th, the Redemption Date will be December 15th 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 Deferred Share Units shall be made no later than December 31 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 Deferred Share Units 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 Corporation, on or before December 31st of the year prior to the calendar year in which the services giving rise to the Deferred Share Units 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 this Plan for purposes of Section 409A of the Code, the U.S. Eligible Director can be permitted to make a Subsequent Year Payment Election within thirty (30) days following the U.S. Eligible Director’s initial election or appointment to the Board, and such election will apply to Deferred Share Units earned after the date such Subsequent Year Payment Election is received by the Corporation. If a Subsequent Year Payment Election has been timely submitted, then, with respect to those Deferred Share Units 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 Deferred Share Units on any date between January 1st and December 15th 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 15th 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 Deferred Share Units that are subject to such election, settlement/payment upon redemption of Deferred Share Units shall occur no earlier than January 1st of the calendar year following the year in which the U.S. Eligible Director’s Termination Date occurs and no later than December 31st 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**).

On the Redemption Date the vested Deferred Share Units credited to the Eligible Director's Account shall be redeemed and shall be paid by the Corporation to the Eligible Director (or if the Eligible Director has died, to the Eligible Director's Beneficiary) in the form of a lump sum cash payment less Applicable Withholding Taxes. The Market Value of the Deferred Share Units for the purposes of this Section 3.04 shall be determined as of the Redemption Date. Each Deferred Share Unit so redeemed shall entitle the Eligible Director to receive the Market Value in cash in an amount that is rounded down to the nearest cent, less any Applicable Withholding Taxes as deducted, withheld and/or remitted in accordance with Section 4.01(c).

- (b) In the event that any Redemption Date is after the date on which the Shares ceased to be traded on the TSX, provided such cessation in trading is not reasonably expected to be temporary (the “**Cease**

Trade Date”), the Market Value of the Deferred Share Units redeemed by or in respect of the Eligible Director pursuant to Section 3.04(a) all be determined in accordance with the following:

- (i) where the Eligible Director's Termination Date is before or not more than one (1) year after the last Trading Day before the Cease Trade Date, the value of each Deferred Share Unit credited to the Eligible Director's Account at his or her Redemption Date shall be equal to the Market Value on the last Trading Day before the Cease Trade Date; and
- (ii) where the Eligible Director's Termination Date is after the date that is more than one (1) year after the last Trading Day before the Cease Trade Date, the value of each Deferred Share Unit credited to the Eligible Director's Account at his or her Redemption Date shall be based on the fair market value of a common share of the Corporation or of a Related Company at his or her Redemption Date as determined on a reasonable and equitable basis by the Board after receiving the advice of one or more independent firms of investment bankers of national repute.

The value of an Eligible Director's Deferred Share Units determined in accordance with subparagraph (i) or (ii) of this Section 3.04(b), as applicable, shall be paid to the Eligible Director (or, if the Eligible Director has died, to his or her Beneficiary) in the form of a lump sum cash payment, less Applicable Withholding Taxes, as soon as practicable after the Eligible Director's Redemption Date, provided that, in any event, such payment date with respect to Deferred Share Units of Eligible Directors who are not U.S. Eligible Directors shall be no later than December 31 of the first (1st) calendar year commencing immediately after the Eligible Director's Termination Date, and such payment with respect to Deferred Share Units of U.S. Eligible Directors shall be no later than the U.S. Outside Payment Date.

- (c) Upon payment of any amount pursuant to this Section 3.04 in satisfaction of Deferred Share Units credited to the Account of an Eligible Director, the particular Deferred Share Units in respect of which such payment was made shall be cancelled and no further payments shall be made from the Plan in relation to such Deferred Share Units.
- (d) Notwithstanding any other provision of the Plan, all amounts payable to, or in respect of, an Eligible Director who is not a U.S. Eligible Director hereunder (including through delivery of Shares pursuant to Section 3.04(d) hereof) shall be paid on or before December 31 of the first (1st) calendar year commencing immediately after the Eligible Director's Termination Date, and no amounts shall be paid prior to the Eligible Director's Termination Date, and all amounts payable to, or in respect of, a U.S. Eligible Director hereunder (including through delivery of Shares pursuant to Section 3.04(d) hereof) shall be paid on or before the applicable U.S. Outside Payment Date, and no amounts shall be paid prior to the U.S. Eligible Director's Termination Date.
- (e) Subject to the remainder of this Section 3.04 and, if the Shares are listed on the TSX, the receipt of all necessary shareholder approvals as required under the rules, regulations and policies of the TSX and any other stock exchange on which Shares are listed or traded, the Corporation may, in its sole discretion and in lieu of the cash payment by the Corporation contemplated above, as soon as practicable after the Redemption Date, and at all times subject to Section 3.04(d):
 - (i) issue to the Eligible Director, the number of whole Shares that is equal to, or is a proportion of (determined in the sole discretion of the Corporation), the number of whole vested Deferred Share Units credited in the Eligible Director's Account on the Redemption Date (less any amounts in respect of any Applicable Withholding Taxes and other source deductions required to be withheld by the Corporation); or
 - (ii) through a broker designated by the applicable Eligible Director, which broker shall deal at arm's length with and be independent of the Corporation and the Eligible Director and act as agent of the Eligible Director (the “**Designated Broker**”), acquire on behalf of such

Eligible Director, the number of whole Shares that is equal to, or is a proportion of (determined in the sole discretion of the Corporation), the number of whole vested Deferred Share Units credited in the Eligible Director's Account on the Redemption Date (less any amounts in respect of any Applicable Withholding Taxes and other source deductions required to be withheld by the Corporation). If the Corporation elects to arrange for the purchase of Shares by a Designated Broker on behalf of the Eligible Director, the Corporation shall contribute to the Designated Broker an amount of cash sufficient, together with any reasonable brokerage fees or commission fees related thereto, to purchase the whole number of Shares to which the Eligible Director is entitled and the Designated Broker shall, as soon as practicable thereafter, purchase those Shares, on behalf of such Eligible Director, on the TSX (or other stock exchange on which the Shares are listed or traded).

If, after issuance of Shares in accordance with subparagraph (i) above, or the purchase of Shares by the Designated Broker in accordance with subparagraph (ii) above, an amount remains payable in respect of the vested Deferred Share Units credited to the Eligible Director, the Corporation shall pay such remaining amount in cash (net of any Applicable Withholding Taxes and other source deductions required to be withheld by the Corporation) to the Eligible Director.

- (f) Subject to Section 3.04(d), in the event that an Eligible Director's Redemption Date as determined pursuant to Section 3.04(a) would otherwise fall between a Dividend Record Date and the related Dividend Payment Date, then notwithstanding Section 3.04(a), the Redemption Date shall be the day immediately following such Dividend Payment Date for purposes of recording in the Account of the Eligible Director amounts referred to in Section 3.03, and making the calculation of the Market Value of the vested Deferred Share Units contemplated by Section 3.04(a). Subject to Section 3.04(d), in the event that the Corporation is unable, by an Eligible Director's Redemption Date, to compute the Market Value of the vested Deferred Share Units recorded in such Eligible Director's Account by reason of the fact that any data required in order to compute the Market Value of a Share has not been made available to the Corporation, then the Redemption Date shall be the next following Trading Day on which such data is made available to the Corporation. Notwithstanding the foregoing, this Section 3.04(f) shall not operate to extend the time of payment/settlement of Deferred Share Units of U.S. Eligible Directors beyond the U.S. Outside Payment Date, except to the extent permitted under Code Section 409A.
- (g) Subject to Section 3.04(d), in the event that an Eligible Director's Redemption Date as determined pursuant to Section 3.04(a) falls on or within ten Business Days of the expiration of a Blackout Period applicable to such Eligible Director, then notwithstanding Section 3.04(a), 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 Deferred Share Units of U.S. Eligible Directors will not be extended beyond the U.S. Outside Payment Date, except to the extent permitted under Code Section 409A.
- (h) If the number of outstanding Shares is increased or decreased as a result of a subdivision, consolidation, reclassification or recapitalization and not as a result of the issuance of Shares for additional consideration or by way of a dividend in the ordinary course, the Committee shall, subject to TSX approval, make appropriate adjustments to the number of Deferred Share Units outstanding under the Plan provided that the dollar value of Deferred Share Units credited to an Eligible Director's Account immediately after such an adjustment shall not exceed the dollar value of the Deferred Share Units credited to such Eligible Director's Account immediately prior thereto. Any determinations by the Committee as to the adjustments shall be made in its sole discretion and all such adjustments shall be conclusive and binding for all purposes under the Plan.

Section 3.05: **Designation of Beneficiary:** Subject to the requirements of applicable laws, an Eligible Director shall designate in writing a person who is a dependant or relation of the Eligible Director as a beneficiary to receive any benefits that are payable under the Plan upon the death of such Eligible Director. The Eligible Director may, subject to Applicable Law, change such designation from time to time. Such designation or change shall be in such

written form as may be determined by the Corporation from time to time. The initial designation of each Eligible Director shall be executed and filed with the Committee: (a) in the case of an existing director, within thirty (30) days following the effective date of this Plan, or (b) in the case of a new director, within thirty (30) days after the Eligible Director's appointment to the Board.

Section 3.06: **Death of Eligible Director:** In the event of an Eligible Director's death, any and all Deferred Share Units then credited to the Eligible Director's Account shall become payable to the Eligible Director's Beneficiary in accordance with Section 3.04 and, for greater certainty, the date of death shall be deemed to the Eligible Director's Termination Date.

Section 3.07: **Market Fluctuation:** For greater certainty, no amount will be paid to, or in respect of, an Eligible Director or any person with whom the Eligible Director does not deal at arm's length, within the meaning of the Tax Act, under the Plan or pursuant to any other arrangement, and no additional Deferred Share Units will be granted to an Eligible Director, to compensate the Eligible Director for any downward fluctuations in the price of a Share nor will any other form of benefit be conferred upon, or in respect of, an Eligible Director or any person with whom the Eligible Director does not deal at arm's length, within the meaning of the Tax Act, for such a purpose.

Section 3.08: **Deferred Share Unit Grant Letter:** Each grant of a Deferred Share Unit Award under the Plan shall be evidenced by a Deferred Share Unit grant letter to the Eligible Director from the Corporation (a "**Deferred Share Unit Grant Letter**"). Such Deferred Share Unit Grant Letter shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions which are not inconsistent with the Plan and which the Committee deems appropriate for inclusion in a Deferred Share Unit Grant Letter. The provisions of the various Deferred Share Unit Grant Letters issued under the Plan need not be identical.

Section 3.9 **Change of Control:** If there is a Change of Control, all Deferred Share Units outstanding shall immediately vest on the date of such Change of Control. In any event, upon a Change of Control, Eligible Directors shall not be treated any more favourably than shareholders of the Corporation with respect to the consideration that the Eligible Directors would be entitled to receive for their Shares.

Section 3.10 **Termination of Unvested Deferred Share Units:** All Deferred Share Units that have not vested prior to the Eligible Director's Termination Date will terminate and be of no further force and effect.

ARTICLE FOUR TAXES

Section 4.01 **Taxes and Other Source Deductions:**

- (a) The Corporation and its Affiliates shall not be liable for any tax imposed on any Eligible Director as a result of the crediting, holding or redemption of Deferred Share Units, amounts paid or credited to such Eligible Director (or Beneficiary), or securities issued or transferred to such Eligible Director (or Beneficiary) under this Plan.
- (b) It is the responsibility of the Eligible Director to complete and file any tax returns which may be required under any applicable tax laws within the period prescribed by such laws.
- (c) The Corporation and each of its Affiliates shall be authorized to deduct, withhold and/or remit from any amount paid or credited hereunder (whether in Shares or cash), or otherwise, such amount as may be necessary so as to ensure the Corporation and any Affiliate will be able to comply with the applicable provisions of any federal, provincial, state or local law relating to the withholding of tax or other required deductions, including on the amount, if any, includable in the income of an Eligible Director or Beneficiary, as the case may be (the "**Applicable Withholding Taxes**").

ARTICLE FIVE GENERAL

Section 5.01 **Effective Time of Deferred Share Unit Plan:** The Plan shall be effective as per the date mentioned herein. The Plan shall remain in effect until it is terminated by the Board.

Section 5.02 **Necessary Approvals:** If the Shares are listed on the TSX, the Plan shall be subject to the approval of the shareholders of the Corporation to be given by a resolution passed at a meeting of the shareholders of the Corporation and acceptance by the TSX or any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation.

Section 5.03 **Amendment and Termination of Deferred Share Unit Plan:** Subject to this Article Five, the Plan may be amended, suspended or terminated in whole or in part at any time by the Board or the Committee, as the case may be, provided that no amendment shall be made which would cause the Plan, or any Deferred Share Units granted hereunder, to cease to comply with the requirements of paragraph 6801(d) of the regulations to the Tax Act or any successor provision thereto and with the requirements of Section 409A of the Code with respect to Deferred Share Units of U.S. Eligible Directors.

The Board or the Committee may make the following amendments to the Plan, provided that if the 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 Plan;
- (b) change the definition of “Eligible Director” under the Plan which would have the potential of narrowing, broadening or increasing insider participation;
- (c) make amendments to the limits on Non-Employee Director participation in Section 2.06(d) of the Plan;
- (d) make amendments to this Section 5.03 of the Plan; or
- (e) make amendments to Section 5.04 of the Plan that would permit Deferred Share Units, or any other right or interest of a Eligible Director under the Plan, to be assigned or transferred, other than for normal estate settlement purposes.

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

- (a) amendments of a housekeeping nature;
- (b) the addition or a change to the vesting provisions of a Deferred Share Unit or the Plan;
- (c) a change to the termination provisions of a Deferred Share Unit or the Plan;
- (d) amendments to reflect changes to applicable securities laws; and
- (e) amendments to ensure that the Deferred Share Units granted under the 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 Deferred Share Unit has been granted may from time to time be resident or a citizen.

Section 5.04 **Assignment and Transfer:** Rights and obligations under the Plan may be assigned by the Corporation to a corporate successor in the business of the Corporation, any corporation resulting from any amalgamation, reorganization, combination, merger or arrangement of the Corporation, or any corporation acquiring all or substantially all of the assets or business of the Corporation. In no event may the rights or interests of an Eligible Director under the Plan be assigned, encumbered, pledged, transferred or alienated in any way, except to the extent

that certain rights may pass to a Beneficiary upon death of an Eligible Director pursuant to the terms of the Plan. Deferred Share Units are non-transferable.

Section 5.05 Rights as a Shareholder: No holder of any Deferred Share Units shall have any rights as a shareholder of the Corporation.

Section 5.06: Unfunded and Unsecured Plan: The Corporation will not contribute any amounts to a third party or otherwise set aside any amounts to fund the benefits that will be provided under the Plan. To the extent any Eligible Director or his or her Beneficiary holds any rights by virtue of a grant of Deferred Share Units under the Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Corporation.

Section 5.07 No Contract of Employment: Nothing contained in the Plan shall confer or be deemed to confer upon any Eligible Director the right to continue in the employment of, or to provide services to, the Corporation or its Affiliates nor interfere or be deemed to interfere in any way with any right of the Corporation or its Affiliates to discharge any Eligible Director at any time for any reason whatsoever, with or without cause. Participation in the Plan by an Eligible Director shall be voluntary.

Section 5.08 Adjustments and Reorganization: In the event of any subdivision, consolidation or distribution of Shares to the shareholders of the Corporation (excluding by way of dividend payment in the ordinary course or a distribution of Shares under any compensation arrangement of the Corporation or any of its subsidiaries or other affiliates controlled by the Corporation, that contemplates the issuance of Shares from treasury), or upon a capital reorganization, reclassification, exchange, or other change with respect to the Shares, or a consolidation, amalgamation, arrangement or other form of business combination of the Corporation with another Person, or a sale, lease or exchange of all or substantially all of the property of the Corporation or other distribution of the Corporation's assets to shareholders (other than by way of dividend payment in the ordinary course), then the Account of each Eligible Director and the Deferred Share Units outstanding under the Plan shall be adjusted in such manner, if any, as the Board or the Committee deems appropriate in order to preserve, proportionally, the interests of the Eligible Directors under the Plan, provided that the dollar value of Deferred Share Units credited to an Eligible Director's Account immediately after such an adjustment shall not exceed the dollar value of the Deferred Share Units in such Eligible Director's Account immediately prior thereto and provided further that the value of Deferred Share Units shall always depend on the fair market value of Shares (or shares of a Related Company). All adjustments under this Section 5.06 shall, at all times, be in compliance with the provisions of paragraph 6801(d) of the regulations to the Tax Act.

Section 5.09 Securities Exchange Take-over Bid: In the event that the Corporation becomes the subject of a take-over bid (within the meaning of the *Securities Act* (Ontario)) pursuant to which 100% of the issued and outstanding Shares are acquired by the offeror either directly or as a result of the compulsory acquisition provisions of the incorporating statute and where consideration is paid in whole or in part in equity securities of the Offeror, the Committee may send notice to all holders of Deferred Share Units requiring them to surrender their Deferred Share Units within 10 days of the mailing of such notice, and the holders of Deferred Share Units shall be deemed to have surrendered such Deferred Share Units on the tenth (10th) day after the mailing of such notice without further formality, provided that:

- (a) the offeror delivers with such notice an irrevocable and unconditional offer to grant replacement deferred share rights to the holders of Deferred Share Units on the equity securities offered as consideration;
- (b) the Committee has determined, in good faith, that such replacement deferred share rights have substantially the same economic value as the Deferred Share Units being surrendered; and
- (c) the surrender of Deferred Share Units and the granting of replacement deferred share rights can be effected on a tax deferred basis under the Tax Act and with respect to Deferred Share Units of U.S. Eligible Directors without adverse tax consequences under Section 409A of the Code.

Section 5.10 No Representation or Warranty: The Corporation makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

Section 5.11 Compliance with Applicable Law: If any provision of the Plan or any Deferred Share Unit contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith.

Section 5.12 Code Section 409A: This Section 5.12 applies to Deferred Share Units of U.S. Eligible Directors. If a U.S. Eligible Director becomes entitled to receive payment in respect of Deferred Share Units as a result of his or her Separation from Service and the U.S. Eligible Director is a “specified employee” (within the meaning of Code Section 409A) at the time of his or her Separation from Service, payment/settlement will be paid on the first day of the seventh month following the date of such Separation from Service or, if earlier, the U.S. Eligible Director's date of death. A U.S. Eligible Director's status as a “specified employee” (within the meaning of Code Section 409A) shall be determined by the Committee as required by Code Section 409A on a basis consistent with Code Section 409A and such basis for determination will be consistently applied to all plans, programs, contracts, agreements, etc. maintained by the Corporation and its Affiliates that are subject to Code Section 409A. Except as permitted under Code Section 409A, payment with respect to Deferred Share Units payable to or for the benefit of a U.S. Eligible Director may not be reduced by, or offset against, any amount owing by the U.S. Eligible Director to the Corporation or any Affiliates. Although the Committee intends that Deferred Share Units will comply with Code Section 409A the Corporation makes no assurances that the Deferred Share Units will be comply with Code Section 409A. Each U.S. Eligible Director, any beneficiary or the U.S. Eligible Director's estate, as the case may be, is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such U.S. Eligible Director in connection with this Plan (including any taxes and penalties under Code Section 409A), and neither the Corporation nor any Affiliates shall have any obligation to indemnify or otherwise hold such U.S. eligible Director or beneficiary or the U.S. Participant's estate harmless from any or all of such taxes or penalties.

Section 5.13 Restrictions on Deferred Share Units of Certain Dual Taxpayers. Notwithstanding anything in the Plan to the contrary, if the Deferred Share Units of a U.S. Eligible Director are subject to tax under both the income tax laws of Canada and the income tax laws of the United States, the following special rules regarding forfeiture will apply. For greater clarity, these forfeiture provisions are intended to avoid adverse tax consequences under Code Section 409A and/or under paragraph 6801(d) of the regulations under the Tax Act, that may result because of the different requirements as to the time of redemption of Deferred Share Units (and thus the time of taxation) with respect to a U.S. Eligible Director's Separation from Service under Code Section 409A and the U.S. Eligible Director's loss of office or employment as contemplated by paragraph 6801(d) of the regulations under the Tax Act (“**Loss of Office**”). The intended consequence of this Section 5.13 is that payments to such U.S. Eligible Directors in respect of Deferred Share Units will only occur if such U.S. Eligible Director's cessation of services to the Corporation or an Affiliate constitutes both a Separation from Service and a Loss of Office. If a U.S. Eligible Director experiences a Loss of Office that does not constitute a Separation from Service, or experiences a Separation from Service that does not constitute a Loss of Office, Deferred Share Units shall instead be immediately and irrevocably forfeited. In order to avoid potential forfeiture under this Section 5.13, , the Corporation will undertake to ensure that at such time as Participant ceases services as a director, such cessation of services will be undertaken in a manner that constitutes both a Separation from Service and a Loss of Office.

Section 5.15 U.S. Securities Laws. Neither the Deferred Share Units granted hereunder nor any securities which may be acquired pursuant to the settlement of such Deferred Share Units have been registered under the U.S. Securities Act or under any securities law of any state of the United States and are considered “restricted securities” (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act) and any securities issued upon settlement of Deferred Share Units issued to a U.S. DSU Holder shall be affixed with an applicable restrictive legend as set forth in the Deferred Share Unit Grant Letter. The Deferred Share Units may not be offered, sold pledged or otherwise transferred, directly or indirectly, in the United States except pursuant to registration under the U.S. Securities Act and the securities laws of all applicable states or pursuant to available exemptions therefrom, and the Company has no obligation or present intention of filing a registration statement under the U.S. Securities Act in respect of any of the Deferred Share Units granted hereunder or the securities underlying such Deferred Share Units, which could result in such U.S. DSU Holder not being able to dispose of any Shares directly issued by the Company upon settlement of vested Deferred Share Units for a considerable length of time. Each U.S. DSU Holder or anyone who becomes a U.S. DSU Holder, who is granted a Deferred Share Units pursuant to this Plan in the United States, who is a resident of the United States or who is otherwise subject to the U.S. Securities Act or the securities laws of any state of the United States will be required to complete a Deferred Share Unit Grant Letter which sets out the applicable United States restrictions.

Section 5.14 Interpretation: This Plan shall be governed by and construed in accordance with the laws of the Province of Ontario.

SCHEDULE C**ARIZONA SONORAN COPPER COMPANY INC.****ADVANCE NOTICE POLICY****INTRODUCTION**

The Company is committed to: (i) facilitating an orderly and efficient process for holding annual general meetings and, when the need arises, special meetings of its shareholders; (ii) ensuring that all shareholders receive adequate advance notice of director nominations and sufficient information regarding all director nominees; and (iii) allowing shareholders to register an informed vote for directors of the Company after having been afforded reasonable time for appropriate deliberation.

PURPOSE

The purpose of this Advance Notice Policy (the "**Policy**") is to provide shareholders, directors and management of the Company with a clear framework for nominating individuals for election as directors of the Company.

This Policy fixes a deadline by which holders of record of common shares of the Company must submit director nominations to the Company prior to any annual meeting of shareholders or at any special meeting of shareholders at which directors are to be elected and sets forth the information that a shareholder must include in the notice to the Company in order for any nominee to be eligible for election as a director at any annual or special meeting of shareholders.

It is the position of the board of directors of the Company (the "**Board**") that this Policy is in the best interests of the Company, its shareholders and other stakeholders. This Policy will be subject to review by the Board from time to time. This Policy may be amended at any time by majority vote of the Board for purposes of, among other things, complying with the requirements of applicable securities regulatory agencies or stock exchanges, or so as to meet industry or good governance standards.

NOMINATIONS OF DIRECTORS

1. Subject only to the *Business Corporations Act* (British Columbia) (the "**Act**"), only persons who are nominated in accordance with the following procedures will be eligible for election as directors of the Company. At any annual meeting of shareholders, or at any special meeting of shareholders at which directors are to be elected, nominations of persons for election to the Board may be made:
 - a. by or at the direction of the Board, including pursuant to a notice of meeting;
 - b. by or at the direction or request of one or more shareholders of the Company pursuant to a valid "proposal" as defined in the Act and made in accordance with Division 7 of Part 5 of the Act;
 - c. pursuant to a requisition of the shareholders of the Company made in accordance with section 167 of the Act; or
 - d. by any person (a "**Nominating Shareholder**"):
 - (i) who, at the close of business on the date on which the Nominating Shareholder gives the notice provided for below in this Policy and at the close of business on the record date fixed by the Company for such meeting, is entered in the securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting or

who beneficially owns shares that are entitled to be voted at such meeting and provides evidence of such ownership that is satisfactory to the Company; and

(ii) who otherwise complies with the notice procedures set forth below in this Policy.

2. In addition to any other requirements under applicable laws, for a nomination to be validly made by a Nominating Shareholder, the Nominating Shareholder must deliver notice (the "**Notice**") thereof that is both timely (in accordance with paragraph 3 below) and in proper written form (in accordance with paragraph 5 below) to the secretary of the Company at the principal executive offices of the Company.
3. To be timely, a Nominating Shareholder's Notice must be delivered to the secretary of the Company at the principal executive offices of the Company:
 - a. in the case of an annual meeting of shareholders, not less than 30 days prior to the date of the annual meeting of shareholders; provided, however, that if the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, the Nominating Shareholder's Notice may be delivered not later than the close of business on the tenth (10th) day following the Notice Date; and
 - b. in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

To the extent that the applicable annual meeting or special meeting of shareholders is adjourned or postponed, the time periods for the giving of timely Notice set forth above shall be calculated based on the new adjourned or postponed date of the annual meeting or special meeting of shareholders and not based on the original date of such meeting.

4. For so long as this Policy is in effect, notwithstanding the provisions of the Company's articles or the Act, the Company will give at least 21 days' notice to shareholders of any annual general or special meeting and will set the record date for such meeting to be at least 21 days prior to the date of the meeting.
5. To be in proper written form, a Notice must set forth:
 - a. as to each person whom the Nominating Shareholder proposes to nominate for election as a director (each, a "**Proposed Nominee**"): (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person for the past five years; (C) all citizenships and residencies held by such person; (D) the class or series and number of shares of the Company which are, directly or indirectly, controlled or directed or which are owned, beneficially or of record, by the person as of the record date for the meeting of shareholders (if such date will then have been made publicly available and will have occurred) and as of the date of such Notice; (E) confirmation that the person meets the qualifications to act as a director set out in the Act; (F) reasonable details of any relationship between such person and the Nominating Shareholder, including whether such person is an employee or director of or shareholder in the Nominating Shareholder; and (G) any other information relating to the person that would be required to be disclosed in a dissident proxy circular or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the Act and applicable securities laws; and
 - b. as to the Nominating Shareholder giving the Notice: (A) the class or series and number of shares of the Company which are controlled or which are owned beneficially or of record by the Nominating Shareholder as of the record date for the meeting of shareholders and as of the date of such Notice; (B) full particulars regarding any proxy, contract, agreement, arrangement or understanding

pursuant to which such Nominating Shareholder has a right to vote or direct the voting of any shares of the Company; and (C) any other information relating to such Nominating Shareholder that would be required to be disclosed in a dissident proxy circular or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the Act and applicable securities laws.

The Company may require any Proposed Nominee to furnish such other information as may be required by the Company acting reasonably in order to determine the independence of the Proposed Nominee or the eligibility of such Proposed Nominee to serve as a director of the Company or member of any committee of the Board or that could be material to a reasonable shareholder's understanding of the experience, independence and/or qualifications, or lack thereof, of such Proposed Nominee.

6. No person will be eligible for election as a director of the Company unless nominated in accordance with the provisions of this Policy; provided, however, that nothing in this Policy will be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter that is properly before such meeting pursuant to the provisions of the Act or the discretion of the chair of the meeting. The chair of the meeting will have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in this Policy and, if any proposed nomination is not in compliance with this Policy, to declare that such defective nomination will be disregarded.
7. For purposes of this Policy "public announcement" will mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company or its transfer agent and registrar under its profile on the System of Electronic Document Analysis and Retrieval+ at www.sedarplus.com.
8. Notwithstanding any other provision of this Policy, Notice given to the secretary of the Company pursuant to this Policy may only be given by personal delivery or by email (at such email address as may be stipulated from time to time by the secretary of the Company for purposes of this Notice), and will be deemed to have been given and made only at the time it is served by personal delivery to the secretary at the address of the principal executive offices of the Company or sent by email (at the address as aforesaid); provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication will be deemed to have been made on the next following day that is a business day.
9. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this Policy.
10. For the purposes of this Policy, "business day" means a day other than a Saturday, Sunday or statutory holiday in British Columbia.

EFFECTIVE DATE

This Policy was approved and adopted by the Board on June 19, 2024 (the "**Effective Date**") and is and shall be effective and in full force and effect in accordance with its terms and conditions from and after such date.

GOVERNING LAW

This Policy shall be interpreted and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

