



**Annual General Meeting of Shareholders
to be held Thursday, December 7, 2023**

NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

October 25, 2023



NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD ON THURSDAY, DECEMBER 7, 2023

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**Meeting**”) of the shareholders of Barksdale Resources Corp. (the “**Company**”) will be held at Main Boardroom, **Suite 1400, 1125 Howe Street, Vancouver, B.C.**, on **Thursday, December 7, 2023, at 10:30 a.m.** (Vancouver time) for the following purposes:

The Meeting will be held for the following purposes:

1. To receive the audited financial statements of the Company for the year ended March 31, 2023 and the report of the auditor on those statements.
2. To set the number of directors for the ensuing year at five.
3. To elect directors for the ensuing year.
4. To appoint the auditor for the Company for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditor.
5. To consider and, if thought advisable, pass an ordinary resolution ratifying and approving the Company’s existing “rolling” stock option plan as more particularly described in the Company’s management information circular dated October 25, 2023 (the “**Information Circular**”) accompanying this Notice of Meeting.
6. To transact such other business as may properly come before the Meeting or any adjournments thereof.

This Notice of Meeting is accompanied by the Information Circular and either a form of proxy for registered shareholders or a voting instruction form for beneficial shareholders (collectively the “**Meeting Materials**”). Shareholders are requested to read the Information Circular and, in lieu of attending the Meeting in person, complete, date, sign and return the proxy or voting instruction form, as applicable, so that as large a representation as possible may be had at the Meeting.

As described in the Notice and Access notification mailed to shareholders of the Company, the Company will deliver the applicable Meeting Materials to shareholders by posting the Meeting Materials on <https://www.barksdaleresources.com/investors/agm>. The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and it will also reduce the Company’s printing and mailing costs. The Meeting Materials will be available on <https://www.barksdaleresources.com/investors/agm> as of November 1, 2023, and will remain on the website for one full year thereafter. The Meeting Materials will also be available on SEDAR+ at www.sedarplus.ca as of November 1, 2023.

All shareholders will receive a Notice and Access notification, together with a proxy or voting instruction form, as applicable, which will contain information on how to obtain electronic and paper copies of the Meeting Materials in advance of the Meeting.

Shareholders who wish to receive paper copies of the Meeting Materials may request copies using the control number as it appears on the proxy or voting instruction form accompanying your Notice and Access notification. For holders with a 15 digit control number, you may request materials by calling toll free, within North America – 1-866-962-0498 or direct, from outside North America – 1-514-982-8716, and entering your control number as indicated on your proxy or voting instruction form. For holders with a 16 digit control number, you may request materials by calling toll free, within North America – **1-877-398-5385** or direct, from outside North America – **1-604-398-5385**. Meeting Materials will be sent to you at no cost within three business days of your request, if such request is made before the Meeting. To ensure that you receive the Meeting Materials in advance of the voting deadline and Meeting date, all requests must be received no later than **Monday, November 27, 2023**. If you do request paper copies of the Meeting Materials, please note that another proxy/voting instruction form will not be sent and you should retain your current one for voting purposes. To obtain paper copies of the Meeting Materials after the Meeting date, please contact **1-604-398-5385**.

(ii)

The Board of Directors of the Company has fixed the close of business on October 25, 2023 as the record date, being the date for the determination of the registered holders of common shares entitled to receive notice of, and to vote at, the Meeting and any adjournment thereof. The Board of Directors has also fixed **10:30 a.m.** (Vancouver time) on Tuesday, **December 5, 2023**, or no later than 48 hours before the time of any adjourned Meeting (excluding Saturdays, Sundays and holidays), as the time before which proxies to be used or acted upon at the Meeting or any adjournment thereof shall be deposited with the Company's registrar and transfer agent, Computershare Investor Services Inc.

DATED at Vancouver, British Columbia, as of the 25th day of October, 2023.

BARKSDALE RESOURCES CORP.

By: (signed) "*Rick Trotman*"

Rick Trotman
President and Chief Executive Officer



INFORMATION CIRCULAR

FORWARD-LOOKING INFORMATION

Information contained in this Information Circular that is not current or historical factual information may constitute forward-looking information within the meaning of applicable Canadian securities laws. All information other than historical information included in this Information Circular that addresses activities, events or developments that the Company expects or anticipates will or may occur in the future, including without limitation, information regarding any objectives, expectations, intentions, plans, results, levels of activity, goals or achievements is or involves forward-looking information. Although forward looking information contained in this Information Circular is based on what management considers to be reasonable assumptions based on information currently available to it, there can be no assurances that actual events, performance or results will be consistent with this forward-looking information, and management's assumptions may prove to be incorrect. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "anticipates", "assumes", "believes", "budget", "could", "estimates", "expects", "forecasts", "guidance", "indicates", "intends", "likely", "may", "objective", "outlook", "plans", "potential", "predicts", "scheduled", "should", "target", "trends", "will", or "would" or the negative or other variations of these words or other comparable words or phrases. All such forward-looking information is subject to important risks, uncertainties and assumptions. This information is forward-looking because it is based on current expectations, estimates and assumptions. It is important to know that: (i) unless otherwise indicated, forward-looking information in this Information Circular describes expectations as at the date hereof; (ii) actual results and events could differ materially from those expressed or implied in the forward-looking information in this Information Circular, if known or unknown risks affect the business of the Company, or if its estimates or assumptions turn out to be inaccurate; as a result, the Company cannot guarantee that the results or events expressed or implied in any forward-looking information will materialize, and accordingly, you are cautioned not to place undue reliance on this forward-looking information; and (iii) the Company disclaims any intention and assumes no obligation to update or revise any forward-looking information even if new information becomes available, as a result of future events or for any other reason, except in accordance with applicable securities laws. The Company has made a number of assumptions in making forward-looking information in this Information Circular. Additional information identifying risks and uncertainties is contained in filings by the Company with the Canadian securities regulators, which filings are available on SEDAR+ at www.sedarplus.ca.

GENERAL INFORMATION

The information contained in this Information Circular, unless otherwise indicated, is as of October 25, 2023.

This Information Circular is being mailed by management of the Company to everyone who was a shareholder of record of the Company on October 25, 2023 (the "**Record Date**"), which is the date that has been fixed by the Board of Directors of the Company (the "**Board**") as the record date to determine the shareholders who are entitled to receive notice of and to vote at the Meeting.

This Information Circular is furnished in connection with the solicitation of proxies by and on behalf of management for use at the annual general meeting of the shareholders of the Company that is to be held on **Thursday, December 7, 2023 at 10:30 a.m.** (Vancouver time) at Main Boardroom, Suite 1400, 1125 Howe Street, Vancouver, BC V6Z 2K8. The solicitation of proxies will be primarily by mail. Certain employees, officers or directors of the Company may also solicit proxies by telephone, email or in person. The cost of solicitation will be borne by the Company.

The Meeting Materials (as defined below) are being sent to both registered and non-registered owners of the Company's common shares as of the Record Date (each a "**Share**") in accordance with National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") and arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to deliver proxy solicitation materials to the beneficial owners of the Shares. The Company may pay the reasonable costs incurred by such persons in connection with such delivery.

This year, as described in the Notice and Access notification (the "**Notice and Access Notice**") mailed to shareholders, the Company will deliver the Meeting Materials to Shareholders by posting the Meeting Materials on <https://www.barksdaleresources.com/investors/aggm>. The Meeting Materials will be available on this website as of November

1, 2023, and will remain on the website for one full year thereafter. The Meeting Materials will also be available on SEDAR+ at www.sedarplus.ca.com as of November 1, 2023. See “Notice and Access” below.

If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of Shares have been obtained in accordance with applicable securities laws from the Intermediary (as defined below) holding the Shares 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 proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Under the Company’s articles (the “**Articles**”), at least one person who is, or who represents by proxy, one or more shareholders who, in the aggregate, hold at least 5% of the issued Shares entitled to vote must be present at the Meeting before any action may validly be taken at the Meeting. If such a quorum is not present in person or by proxy, the Company will reschedule the Meeting.

PART 1 – VOTING

HOW A VOTE IS PASSED

Voting at the Meeting will be by a show of hands, each shareholder having one vote, unless a poll is requested or otherwise required, in which case each shareholder is entitled to one vote for each Share held.

In order to approve a motion proposed at the Meeting a majority of greater than 50% of the votes cast will be required (an “**ordinary resolution**”) unless the motion requires a special resolution in which case a majority of 66 ²/₃% of the votes cast will be required (a “**special resolution**”).

WHO CAN VOTE?

Registered shareholders whose names appear on the Company’s central securities register maintained by Computershare Investor Services Inc. (“**Computershare**”), the Company’s registrar and transfer agent, as of the close of business on October 25, 2023, the Record Date, are entitled to attend and vote at the Meeting. Each Share is entitled to one vote.

If your Shares are registered in the name of a “nominee” (usually a bank, trust company, securities dealer or other financial institution) you should refer to the section entitled “Non-Registered Shareholders” set out below.

HOW TO VOTE

If you are a registered shareholder and eligible to vote, you can vote your shares in person at the Meeting or by signing and returning the accompanying form of proxy (the “**Proxy**”) by mail in the return envelope provided or vote by telephone or using the Internet as indicated on the form. Please see “Registered Shareholders” below.

If your shares are not registered in your name but are held by a nominee (usually a bank, trust company, securities broker or other financial institution), please see “Non-Registered Shareholders” below.

REGISTERED SHAREHOLDERS

Voting Instructions:

- complete, date and sign the Proxy and return it to Computershare by mail or hand delivery to Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1.
- using the telephone, call 1-866-732-VOTE (8683) toll free and follow the prompts. You will need your 15 digit control number found at the bottom of the first page of the Proxy to vote by telephone.
- log on to Computershare’s website at www.investorvote.com and following the instructions given on the website. You will need to insert your 15 digit control number found at the bottom of the first page of the Proxy to vote by the Internet.

Whichever method you choose, the Proxy must be received or voting instructions completed at least forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays) prior to the time set for the Meeting or any adjournment thereof. In the case of a corporation, the Proxy must be executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation.

If you plan to vote in person at the Meeting do NOT complete and return the Proxy. Instead, you will need to register with Computershare when you arrive at the Meeting and your vote will be taken and counted at the Meeting. If your Shares are registered in the name of a corporation, a duly authorized officer of the corporation may attend on its behalf but documentation indicating such officer's authority should be presented at the Meeting.

NON-REGISTERED SHAREHOLDERS

Only registered shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. Most shareholders are "non-registered shareholders" ("**Non-Registered Holders**") because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares. Shares beneficially owned by a Non-Registered Holder are registered either: (i) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of the Shares (including, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP's, RRIFFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. or The Depository Trust & Clearing Corporation) of which the Intermediary is a participant. In accordance with applicable securities law requirements, the Company has distributed copies of the Notice of Meeting, the Notice and Access Notice, this Information Circular and the Proxy or voting instruction form, as applicable, (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders. This year, the Company has decided to use Notice and Access to deliver the Meeting Materials to Shareholders. The Meeting Materials will be available on <https://www.barksdaleresources.com/investors/agg> as of November 1, 2023, and will remain on the website for one full year thereafter. The Meeting Materials will also be available on SEDAR+ at www.sedarplus.ca as of November 1, 2023. All Shareholders will receive a Notice and Access Notice which will contain information on how to obtain electronic and paper copies of the Meeting Materials in advance of the Meeting. See "Notice and Access" below.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders and seek voting instructions unless in the case of certain proxy-related materials the Non-Registered Holder has waived the right to receive them. The majority of Intermediaries now delegate responsibility for obtaining instructions from Non-Registered Holders to Broadridge Financial Solutions Inc. ("**Broadridge**"). Broadridge typically mails a scannable voting instruction form or "VIF" to Non-Registered Holders and asks Non-Registered Holders to return the VIF to Broadridge in accordance with its instructions. Alternatively, where applicable, a Non-Registered Holder may go online to www.investorvote.com or call 1-866-732-VOTE (8683) toll free to vote or return the completed and signed VIF directly to Computershare as provided above.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Shares they beneficially own. However, without specific voting instructions, Intermediaries and their agents and nominees are prohibited from voting shares for their clients. **Accordingly, each Non-Registered Shareholder should ensure that voting instructions are communicated to the appropriate party well in advance of the Meeting so that your nominee has enough time to submit your instructions to us.**

A Non-Registered Holder cannot use the VIF provided to vote directly at the Meeting. Should a Non-Registered Holder wish to attend and vote at the Meeting in person, the Non-Registered Holder must insert his or her name (or the name of such other person as the Non-Registered Holder wishes to attend and vote on his or her behalf) in the blank space provided for that purpose on the VIF and return the completed VIF in accordance with the instructions provided well in advance of the Meeting. If you bring your VIF to the Meeting, your vote will NOT count.

Only registered shareholders have the right to revoke a proxy. Non-Registered Holders of Shares who wish to change their vote must, in sufficient time in advance of the Meeting, arrange for their respective Intermediaries to change their vote and if necessary, revoke their proxy in accordance with the revocation procedures set out below. See "Revocation of Proxies".

You May Choose Your Own Proxyholder

The persons named in the Proxy are directors or officers of the Company. **YOU HAVE THE RIGHT TO APPOINT A PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT ON YOUR BEHALF AT THE**

MEETING OTHER THAN THE PERSONS NAMED IN THE PROXY AS PROXYHOLDERS. TO EXERCISE THIS RIGHT, YOU MUST STRIKE OUT THE NAMES OF THE PERSONS NAMED IN THE PROXY AS PROXYHOLDERS AND INSERT THE NAME OF YOUR NOMINEE IN THE SPACE PROVIDED OR COMPLETE ANOTHER PROXY.

Your Voting Instructions

A shareholder completing the enclosed Proxy may indicate the manner in which the persons named in the Proxy are to vote with respect to any matter by marking an “X” in the appropriate space. On any poll requested, those persons will vote or withhold from voting the shares in respect of which they are appointed in accordance with the directions, if any, given in the Proxy provided such directions are certain.

If a shareholder wishes to confer a discretionary authority with respect to any matter, then the space should be left blank. **In such instance, the Proxyholder, if nominated by management, intends to vote the Shares represented by the Proxy in favour of the motion.**

The Proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting and other matters which may properly come before the Meeting. **It is the intention of the persons designated in the Proxy to vote in accordance with their best judgement on such matters or business.** At the time of printing of this Information Circular, management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting.

The Proxy must be dated and signed by the shareholder or the shareholder’s attorney authorized in writing. In the case of a corporation, the Proxy must be dated and duly executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation.

The completed Proxy, together with the power of attorney or other authority, if any, under which it was signed or a notarially certified copy thereof, must be deposited with Computershare in accordance with the above instructions before the time set out in the Proxy. Non-Registered Holders must deliver their completed VIF in accordance with the instructions given by the Intermediary that forwarded the VIF to them.

In order to be effective, a Proxy must be deposited at the office of Computershare, no later than 10:30 a.m. (Vancouver Time) on Tuesday, December 5, 2023 or not less than 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment or postponement of the Meeting. The deadline for the deposit of Proxies may be waived by the Chairman of the Meeting at his or her sole discretion without notice. Failure to properly complete or deposit a Proxy may result in its invalidation.

Revocation of Proxies

Only registered shareholders have the power to revoke Proxies previously given. Revocation can be effected by an instrument in writing (which includes a Proxy bearing a later date) executed by the shareholder or by the shareholder’s attorney authorized in writing and in the case of a corporation, duly executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation, and either delivered at any time up to the close of business on the last business day preceding the day of the Meeting, or any adjournment thereof, to:

| Barksdale’s Head Office | | Computershare Investor Services Inc. |
|--|----|--|
| 67 East 5 th Avenue Vancouver, B.C. V5T 1G7 Canada | Or | 8 th Floor - 100 University Avenue Toronto, Ontario M5J 2Y1 |
| Or deposited with the Chairman of the Meeting on the day of the Meeting, prior to the hour of commencement | | |

Non-Registered Holders of Shares who wish to change their vote must, in sufficient time in advance of the Meeting, arrange for their respective Intermediaries to change their vote and if necessary, revoke their proxy in accordance with the revocation procedures set out above.

NOTICE AND ACCESS

The Company will deliver the Meeting Materials to Shareholders by posting the Meeting Materials on <https://www.barksdaleresources.com/investors/agm>. The Meeting Materials will be available on this website as of November 1, 2023, and will remain on the website for one full year thereafter. The Meeting Materials will also be available on SEDAR+ at www.sedarplus.ca as of November 1, 2023.

All Shareholders will receive a Notice and Access Notice which will contain information on how to obtain electronic and paper copies of the Meeting Materials in advance of the Meeting.

Shareholders who wish to receive paper copies of the Meeting Materials may request copies using the control number as it appears on the Proxy or VIF accompanying your Notice and Access Notice. For holders with a 15 digit control number, you may request materials by calling toll free, within North America – 1-866-962-0498 or direct, from outside North America – 1-514-982-8716, and entering your control number as indicated on your Proxy or VIF. For holders with a 16 digit control number, you may request materials by calling toll free, within North America – **1-877-398-5385** or direct, from outside North America – **1-604-398-5385**. Meeting Materials will be sent to you at no cost within three business days of receipt of your request, if such request is made before the Meeting. To ensure that you receive the Meeting Materials in advance of the voting deadline and Meeting date, all requests must be received no later than **Monday, November 27, 2023**. If you do request paper copies of the Meeting Materials, please note that another Proxy/VIF will not be sent and you should retain your current one for voting purposes. To obtain paper copies of the Meeting Materials after the Meeting date, please contact: **1-604-398-5385**.

UNITED STATES SHAREHOLDERS

This solicitation of proxies involves securities of a corporation incorporated in Canada and is being effected in accordance with the corporate laws of the province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States *Securities Exchange Act of 1934*, as amended, are not applicable to the Company or this solicitation. Shareholders should be aware that disclosure and proxy solicitation requirements under the securities laws of the provinces of Canada differ from the disclosure and proxy solicitation requirements under United States securities laws. The enforcement by shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia), the majority of its directors and executive officers are residents of Canada and a significant portion of its assets and the assets of such persons are located outside the United States. Shareholders may not have standing to bring a claim against a foreign corporation or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign corporation and its officers and directors to subject themselves to a judgment by a United States court.

PART 2 - VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company has only one class of shares entitled to be voted at the Meeting, namely, common shares without par value. All issued Shares are entitled to be voted at the Meeting and each has one vote. As of October 25, 2023 there were **81,368,122** Shares issued and outstanding.

Only those shareholders of record on October 25, 2023 will be entitled to vote at the Meeting or any adjournment thereof.

To the knowledge of the directors and executive officers of the Company, only the following persons beneficially own, or exercises control or direction, directly or indirectly, over Shares carrying 10% or more of the voting rights attached to all outstanding Shares of the Company which have the right to vote in all circumstances.

| Name and Municipality of Residence | Number of Shares ⁽¹⁾ | Percentage of Issued and Outstanding Shares |
|--|---------------------------------|---|
| Crescat Portfolio Management LLC Denver, Colorado | 8,187,703 | 10.06% |

- (1) This information is not within the knowledge of the management of the Company and has been furnished by the holder, or has been extracted from the register of shareholdings maintained by the Company's transfer agent or from insider reports filed by the holder and available through the Internet at www.sedi.ca.

PART 3 - THE BUSINESS OF THE MEETING

FINANCIAL STATEMENTS

The audited financial statements of the Company for the year ended March 31, 2023 will be placed before you at the Meeting. A copy of these financial statements, together with the auditor's report thereon, and management's discussion and analysis, were mailed to those shareholders who indicated that they wished to receive same in response to the Company's annual and interim financial statement request inquiry mailed to shareholders in connection with the Company's last annual general meeting held on December 8, 2022. These financial statements and MD&A are also available for review under the Company's profile on SEDAR+ at www.sedarplus.ca. See Part 8 "OTHER INFORMATION – Additional Information" below.

ELECTION OF DIRECTORS

Directors of the Company are elected for a term of one year. Management proposes to nominate the persons named under the heading "*Nominees for Election*" below for election as directors of the Company. Each director elected will hold office until the next annual general meeting or until his successor is duly elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company or he becomes disqualified to act as a director.

It is proposed to set the number of directors at five (5). This requires the approval of the shareholders of the Company by an ordinary resolution. Accordingly, at the Meeting the shareholders will be asked to consider, and if deemed advisable, to pass the following resolution:

"RESOLVED, as an ordinary resolution, THAT the number of directors of the Company for the ensuing year be set at five (5)"

Unless the shareholder directs that his or her Shares be otherwise voted or withheld from voting in connection with the setting of the number of directors, the persons named in the enclosed Proxy will vote FOR the number of directors of the Company to be set at five (5).

Nominees for Election

The Board of the Company presently consists of five (5) directors to be elected annually. At the Meeting, it is proposed to maintain the number of directors elected at five (5) directors to hold office until the next annual general meeting or until their successors are duly elected or appointed. The Company has nominated the five (5) nominees whose names are set forth below for election as directors of the Company at the Meeting. Management does not contemplate that any of such nominees will be unable to serve as a director; however, if that should occur for any reason prior to the Meeting, the persons named in the enclosed Proxy shall have the right to vote for another nominee in their discretion.

The following table and notes thereto state the names, provinces/states and countries of residence of all persons proposed to be nominated for election as directors, the date on which each of them first became a director of the Company, all positions and offices with the Company held by each of them, the principal occupation or employment of each of them, and the approximate number of Shares of the Company beneficially owned, or controlled or directed, directly or indirectly, by each of them as at the Record Date. The biographical information set out below as to principal occupation of, and number of Shares owned by, each of the nominees, not being within the knowledge of the Company, has been furnished by the nominees. The Company also has an audit committee, a joint compensation and corporate governance and nominating committee, and a health, safety & environmental committee, the members of which are indicated below.

| Name, Province/State and Country of Residence and Position with Company | Present Principal Occupation ⁽¹⁾ | Previously a Director Since | Shares Owned ⁽²⁾ |
|---|--|-----------------------------|------------------------------------|
| Darren Blasutti ⁽³⁾⁽⁴⁾ Ontario, Canada <i>Chairman & Director</i> | President, Chief Executive Officer, Americas Gold and Silver Corporation (TSX; NYSE-American) and predecessor companies, 2012 to present; Senior Vice-President, Corporate Development, Barrick Gold Corporation, until January 2011 | April 26, 2019 | 182,516 direct 245,035 indirect |

| Name, Province/State and Country of Residence and Position with Company | Present Principal Occupation ⁽¹⁾ | Previously a Director Since | Shares Owned ⁽²⁾ |
|--|--|-----------------------------|-----------------------------------|
| Richard (Rick) Trotman ⁽⁵⁾ B.C., Canada <i>President, CEO & Director</i> | Professional Geologist since 2009; President and Chief Executive Officer, Barksdale Resources Corp., December, 2017 to present; Director of Kenorland Minerals Ltd., August 2019 to present; Director of Kingfisher Metals Corp., March 2021 to present; CEO & Director of CMP Mining Inc., September 2021 to present; Associate with Resource Capital Funds (a mining focused private equity firm), 2012 to 2017. | April 26, 2019 | 1,407,904 direct |
| Peter McRae ⁽³⁾⁽⁴⁾ Ontario, Canada <i>Director</i> | Senior Vice-President, Corporate Affairs and Chief Legal Officer of Americas Gold and Silver Corporation (TSX; NYSE-American) and predecessor companies, November 2011 to present; Director of Nomad Royalty Company Ltd., October 2019 to May 2020; Attorney at Weil Gotshal & Manges LLP, 2007 to 2011. | October 11, 2017 | 91,717 direct 75,000 indirect |
| Jeffrey O'Neill ⁽³⁾⁽⁵⁾ B.C., Canada <i>Director</i> | President/Owner, JMO Enterprises Ltd. (private consulting firm), 2002 to present; Director for Sanibel Ventures Corp, a capital pool company, June, 2018 to present; Director of Northern Lion Gold Corp., May, 2020 to present Director of Leviathan Gold Ltd., November, 2022 to present; CFO of Renegade Gold Inc., February 2023 to present; Regional Sales Manager, Western Canada, Primus Business Solutions, 2007 to 2013; Co-founder of Momentum Conferencing in 2004 and former Vice President, Sales until 2007. | August 26, 2016 | 55,374 direct 945,000 indirect |
| William Wulfange, P. Geo ⁽⁴⁾⁽⁵⁾ Nevada, USA <i>Director</i> | Licensed Professional Geologist, 2002 to present; Vice President of Exploration at Ensign Minerals Inc., February 2021 to present; Former President, Officer & Trustee of the Society of Economic Geologists Foundation, January 2020 to 2021; Senior Vice President of Exploration at Yamana Gold Inc., July, 2013 to January, 2018. | December 4, 2020 | 0 |

- (1) Includes occupations for preceding five years unless the director was elected at the previous annual meeting and was shown as a nominee for election as a director in the information circular for that meeting.
- (2) The approximate number of Shares of the Company carrying the right to vote in all circumstances beneficially owned, directly or indirectly, or over which control or direction is exercised by each proposed nominee as of October 25, 2023. This information is not within the knowledge of the management of the Company and has been furnished by the respective individuals, or has been extracted from the register of shareholdings maintained by the Company's transfer agent or from insider reports filed by the individuals and available through the Internet at www.sedi.ca.
- (3) Member of audit committee. Darren Blasutti is the Chair of the audit committee.
- (4) Member of joint compensation and corporate governance and nominating committee. Peter McRae is the Chair of the joint compensation and corporate governance and nominating committee.
- (5) Member of health, safety & environmental committee. William Wulfange is the Chair of the health, safety & environmental committee.

The Company does not have an executive committee. Pursuant to the provisions of the *Business Corporations Act* (British Columbia), the Company is required to have an audit committee whose members are indicated above. See also Part 6 "AUDIT COMMITTEE" below. The Company also has a joint compensation and corporate governance and nominating committee and a health, safety & environmental committee whose members are indicated above. See also Part 4 "EXECUTIVE COMPENSATION" and Part 7 "CORPORATE GOVERNANCE" – *Board Committees*".

At the Meeting the shareholders will be asked to consider, and if deemed advisable, to pass the following resolution with respect to the election of directors of the Company:

“RESOLVED, as an ordinary resolution, THAT Darren Blasutti, Rick Trotman, Peter McRae, Jeffrey O’Neill and William Wulfange be elected as directors of the Company for the ensuing year to hold office until the next annual general meeting or until their successors are elected or appointed.”

The Company’s management recommends that shareholders vote in favour of the above nominees for election as directors. **Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the election of the five nominees as directors of the Company for the ensuing year.**

Corporate Cease Trade Orders or Bankruptcy

Save as set out below, as of the date of this Information Circular, no proposed nominee for election as a director of the Company is, or has been, within ten years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that, while that person was acting in that capacity:

- (b) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days (an “**Order**”);
- (c) was subject to an event that resulted, after the director or executive officer ceased to be director or executive officer, in the company being subject to an Order; or
- (d) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. O’Neill is a director of Sanibel Ventures Corp., a capital pool company that was suspended from trading by the TSX Venture Exchange (the “**TSXV**” or “**Exchange**”) on July 30, 2020 for failure to complete a qualifying transaction within 24 months of its listing.

Penalties or Sanctions

As of the date of this Information Circular, no proposed nominee for election as a director of the Company is, or has been, subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcy

As of the date of this Information Circular, no proposed nominee for election as a director of the Company has, within the ten years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Conflicts of Interest

Certain of the directors are currently, or may in the future become, involved in managerial or director positions with other issuers, both reporting and non-reporting, whose operations may, from time to time, be in direct competition with those of the Company or with entities which may, from time to time, provide financing to, or make equity investments in, competitors of the Company.

The directors are required by law to act honestly and in good faith with a view to the best interest of the Company and to disclose any interests which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will consider, among other things, the degree of risk to which the Company may be exposed relative to the potential reward and its financial position at that time.

In addition, the directors of the Company also have other employment or other business or time restrictions placed on them and accordingly will only be able to devote part of their time to the business and affairs of the Company.

Save as aforesaid, to the Company's knowledge, there are no known existing or potential conflicts of interest among the Company and its promoters, directors, officers or other members of management as a result of their outside business interests.

Advance Notice Policy

The Articles contain advance notice provisions with a view to providing shareholders, directors and management of the Company with a fair and transparent procedure for nominating directors. The advance notice provisions establish a deadline on or before which holders of record of Shares must submit, in writing, director nominations to the Company prior to any annual general or special meeting of shareholders, and the information that such holder(s) must include with such nominations in order for any director nominee to be eligible for election at any annual general or special meeting of shareholders. A copy of the Company's Articles are available for review under the Company's profile on SEDAR+ at www.sedarplus.ca. As of the date of this Information Circular, the Company has not received notice of any additional director nominations in connection with the Meeting.

APPOINTMENT OF THE AUDITOR

Davidson & Company LLP, Chartered Professional Accountants, were first appointed as auditor of the Company on July 5, 2017. See also Part 6 "AUDIT COMMITTEE – *External Auditor Service Fees*".

At the Meeting the shareholders will be asked to consider, and if deemed advisable, to pass the following resolution with respect to the appointment of auditors for the Company:

"RESOLVED, as an ordinary resolution, THAT that Davidson & Company LLP, Chartered Professional Accountants, be appointed as the Company's auditor for the ensuing year, at a remuneration to be fixed by the Board of Directors."

Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the above resolution with respect to the appointment of Davidson & Company LLP as the auditor of the Company for the ensuing year and authorizing the Board to fix the remuneration to be paid to the auditor.

ANNUAL RATIFICATION OF STOCK OPTION PLAN

Policy 4.4 *Security Based Compensation* of the TSX Venture Exchange (the "TSXV") specifies that all listed issuers must implement plan for the granting of stock options. The Company's current stock option plan, which was originally adopted on December 13, 2017 was amended and restated October 24, 2022 (the "**Option Plan**"), in order to conform with the TSXV's updated and amended Policy 4.4 which became effective November 24, 2021. At the request of the TSXV, further minor edits were made to the Option Plan in 2023 to conform with language required by Policy 4.4 and the current form of the Option Plan has received conditional acceptance of the TSXV. The full text of the current Option Plan is available for review on SEDAR+ under the Company's profile at www.sedarplus.ca. The Option Plan is a "rolling" plan as characterized by Exchange policy pursuant to which the aggregate number of Shares reserved for issuance thereunder may not exceed, at the time of grant, in aggregate 10% of the Company's issued and outstanding Shares from time to time. TSXV policy requires that shareholder approval for "rolling" stock option plans must be obtained annually.

The principal purposes of the Option Plan are to provide the Company with the advantages of the incentive inherent in share ownership on the part of those persons responsible for the success of the Company; to create in those persons a proprietary interest in, and a greater concern for, the welfare and success of the Company; to encourage such persons to remain with the Company; to attract new talent to the Company; and to reduce the cash compensation the Company would otherwise have to pay.

The material terms of the Stock Option Plan are as follows:

1. The number of Shares subject to each option is determined by the Board, or if appointed, by a special committee of directors appointed from time to time by the Board (the "**Committee**"), provided, at the time the options are granted, that:

- (a) the aggregate number of Shares reserved for issuance pursuant to options shall not, at any time, exceed 10% of the Company's then issued Shares (together with any other Security Based Compensation Plan including Shares issuable upon exercise of any Pre-Plan Options assumed by the Stock Option Plan);
 - (b) the aggregate number of Shares that may be reserved for issuance pursuant to the Plan, and any other Security Based Compensation Plans, to any one Optionee at any point in time and in any 12-month period must not exceed 5% of the issued and outstanding Shares (determined at the Date of Grant), unless, as may be required by the Exchange, "disinterested" shareholder approval is obtained;
 - (c) the aggregate number of Shares subject to Options granted to all Investor Relations Service Providers must not exceed two percent (2%) of the issued and outstanding Shares in any 12 month period (determined at the Date of Grant);
 - (d) the aggregate number of Shares that may be reserved for issuance pursuant to the Plan, and any other Security Based Compensation Plans, to Insiders (as a group) must not exceed, at any point in time, ten percent (10%) of the issued and outstanding Shares (determined at the Date of Grant), unless, as may be required by the Exchange, the requisite "disinterested" shareholder approval is obtained;
 - (e) the aggregate number of Shares that may be reserved for issuance pursuant to the Plan, and any other Security Based Compensation Plans, to Insiders (as a group) at any point in time and in any 12 month period must not exceed ten percent (10%) of the issued and outstanding Shares (determined at the Date of Grant), unless, as may be required by the Exchange, the requisite "disinterested" shareholder approval is obtained; and
 - (f) subject to any longer vesting period as may be set out in the related Option Agreement, an Option granted to an Investor Relations Service Provider shall vest in stages over a period of 12 months such that:
 - (i) no more than $\frac{1}{4}$ of the Shares subject to the Option vest no sooner than three months after the Date of Grant;
 - (ii) no more than another $\frac{1}{4}$ of the Shares subject to the Option vest no sooner than six months after the Date of Grant;
 - (iii) no more than another $\frac{1}{4}$ of the Shares subject to the Option vest no sooner than nine months after the Date of Grant; and
 - (iv) the remainder of the Shares subject to the Option vest no sooner than twelve months after the Date of Grant
2. The exercise price per Share subject to an Option shall be determined by the Committee at the time the Option is granted, provided that the exercise price shall not be less than the Market Price less applicable discounts permitted by the Exchange, or such other minimum exercise price as may be required by the Exchange. For greater certainty and notwithstanding the above, in no case the exercise price of the options shall be less than \$0.05 per Share
 3. The options may be exercisable for a period of up to 10 years from the Date of Grant.
 4. The vesting schedule for each Option shall be determined by the Committee at the time the Option is granted and shall be specified in the Option Agreement in respect of the Option. Any Option granted to an Investor Relations Service Provider shall be subject to the vesting requirements over a period of 12 months as set out in item 1(f) above.
 5. All Options, benefits and rights accruing to any Optionee in accordance with the terms and conditions of the Plan are non-assignable and non-transferable, except as specifically provided in the Plan with regards to the event of the death of the Optionee. During the lifetime of the Optionee, all such Options, benefits and rights may only be exercised by the Optionee.
 6. The Board may amend any Option with the consent of the affected Optionee and the Exchange, including any shareholder approval required by the Exchange. For greater certainty, disinterested shareholder approval is required for: (i) a reduction in the exercise price of an Option if the Optionee is an Insider at the time of the proposed amendment; or (ii) an extension

of the Option Period of an Option if the Optionee is an Insider at the time of the proposed amendment, except where the Option Period is extended because it would have expired during a Black Out Period.

7. If the amendment of an Option requires regulatory or shareholder approval, such amendment may be made prior to such approvals being given, but no such amended Options may be exercised unless and until such approvals are given.
8. The option can only be exercised by the optionee and only so long as the optionee is a director, officer, employee or consultant of the Company, any of its subsidiaries or a management company employee or within a reasonable period of time, not to exceed one year, after the optionee ceases to be in at least one of such positions to the extent that the optionee was entitled to exercise the option at the date of such cessation provided that if the Optionee is terminated for cause, breach of contract or breach of fiduciary duty, the option shall expire immediately upon such termination.
9. Subject to the approval of the Board, cashless exercise of options is permitted provided that the Company has an arrangement with a brokerage firm to loan money to the optionee to exercise the option and the brokerage firm sells a sufficient number of Shares to cover the exercise price of the options in order to repay the loan made to the optionee. The brokerage firm then receives an equivalent number of Shares from the exercise of the options and the optionee receives the balance of the Shares or the cash proceeds from the balance of such Shares.
10. Subject to the approval of the Board, net exercises of options is permitted whereby options, excluding options held by persons providing investor relations service, are exercised without the optionee making any cash payment so the Company does not receive any cash from the exercise of the options, and instead the optionee receives only the number of Shares that is equal to the quotient obtained by dividing:
 - A. the product of the number of options being exercised multiplied by the difference between the five-day volume weighted average price (the “VWAP”) of the Shares underlying the options and the exercise price of the options; by
 - B. the VWAP of the underlying Shares
11. In the event of death of an optionee, the option previously granted to him or her shall be exercisable as to all or any of the common shares in respect of which such option has not previously been exercised at the date of the optionee’s death (including the right to purchase common shares not otherwise vested at such time), by the legal representatives of the optionee until the earlier of (a) the expiration of one year following such death, unless an earlier date is provided for in the option agreement with the optionee, and (b) the expiry of the option.
12. In the event of a consolidation, merger, amalgamation, arrangement or other similar business combination or transaction involving the Company and another corporation or entity in which holders of common shares prior to such combination or transaction will hold less than 50% of the outstanding shares of the successor corporation after such combination or transaction or in the event of a take-over bid or tender offer for the common shares of the Company, the Board may, by resolution, and in the case of options granted to optionees employed to provide “investor relations activities” subject to prior acceptance of the Exchange, permit all options outstanding to become immediately exercisable in order to permit the shares issuable under such options to participate in such combination or transaction or to be tendered to such bid or offer.

The full text of the Option Plan is available for review on SEDAR+ under the Company’s profile at www.sedarplus.ca.

At the Meeting, the shareholders will be asked to consider, and if deemed advisable, to pass the following resolutions:

“RESOLVED, as an ordinary resolution, THAT:

1. the Company’s stock option plan adopted October 23, 2023 (the “**Option Plan**”), be and is hereby ratified, confirmed and approved;
2. the reservation under the Option Plan (combined with all other security-based compensation arrangements, if any) of up to a maximum of 10% of the issued shares of the Company, on a rolling basis, as at the time of granting of the stock option pursuant to the Option Plan be and the same is hereby authorized and approved; and

3. any one director or officer of the Company be and is hereby authorized and directed, for and on behalf of the Company, to execute and deliver all such documents, agreements and instruments, 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 foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such documents, agreements or instruments or the doing of any such act or thing.”

Recommendation of the Board

The Board unanimously recommends that the shareholders vote in favour of ratifying and approving the amended and restated Option Plan.

Unless the shareholder directs that his or her Shares be otherwise voted or withheld from voting in connection with the ratification and approval of the Option Plan, the persons named in the enclosed Proxy will vote FOR the approval of the above resolution.

PART 4 – STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUER

See the “STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUER” attached as **Exhibit “A”** to this Information Circular for details of, inter alia, the executive compensation paid to the Company’s “Named Executive Officers” for the fiscal year ended March 31, 2023.

PART 5 – SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following information is as of March 31, 2023, the Company’s most recently completed financial year.

| Plan Category | Number of securities to be issued upon exercise of outstanding options, warrants and rights | Weighted-average exercise price of outstanding options, warrants and rights | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) |
|---|--|--|--|
| Equity compensation plans approved by securityholders | 8,082,701 | \$0.61 | 1,406,201 |
| Equity compensation plans not approved by securityholders | N/A | N/A | N/A |
| Total | 8,082,701 | \$0.61 | 1,406,201 |

As of the date of this Information Circular, the Company’s only equity compensation plan is its “rolling” Stock Option Plan for directors, officers, employees and consultants of the Company. See Part 3 “THE BUSINESS OF THE MEETING – *Annual Ratification of Stock Option Plan*” for details of the material terms of the Company’s Stock Option Plan.

PART 6 – AUDIT COMMITTEE

National Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators (“**NI 52-110**”) requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with the Company’s external auditor as set forth below.

1. The Audit Committee Charter

The Company’s audit committee is governed by an audit committee charter, the text of which is attached as **Exhibit “B”** to this Information Circular.

2. Composition of Audit Committee

The Company's Audit Committee is currently comprised of three directors, Darren Blasutti (Chair), Peter McRae and Jeffrey O'Neill. All three members of the Company's audit committee are considered "independent" as that term is defined in applicable securities legislation.

All three members also have the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements and are therefore considered "financially literate".

3. Relevant Education and Experience

All of the audit committee members are business persons with experience in financial matters; each has an understanding of accounting principles used to prepare financial statements and varied experience as to general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavor.

Mr. Blasutti is currently the President and Chief Executive Officer of Americas Gold and Silver Corporation (TSX; NYSE-American), a position he has held for over nine years both at Americas Gold and Silver Corporation and in its predecessor companies. He was the Senior Vice President of Corporate Development for Barrick Gold Corporation until January 2011. At Barrick Gold Corporation, he reported to the Chief Executive Officer and played a lead role in the strategic development of Barrick Gold Corporation for over 13 years, during which time he executed over 25 gold mining transactions including the acquisition of Homestake Mining Company and Placer Dome Inc. and the consolidation of the world class Cortez property from Rio Tinto. Mr. Blasutti is a member of the Chartered Professional Accountants Canada and was previously at PricewaterhouseCoopers LLP where he planned, supervised and managed audits for a variety of clients.

Peter McRae, B.S. in finance and J.D., is Senior Vice President, Corporate Affairs of Americas Gold and Silver Corporation (TSX; NYSE-American). He has led the execution of this company's corporate development and financing efforts. Previously, Mr. McRae was an attorney at Weil, Gotshal & Manges LLP, based in New York, in the firm's corporate department representing some of the largest organizations and private equity firms in the world. Peter is a member of the New York and Ontario Bars and holds a certificate in Mining Law.

Jeffrey O'Neill is President and owner of JMO Enterprises Ltd., a private consulting firm specializing in acquiring mineral exploration projects in Canada and the USA. From 2007 to 2013 Mr. O'Neill acted as Regional Sales Manager, Western Canada, for Primus Business Solutions. In 2004, Mr. O'Neill co-founded Momentum Conferencing Solutions, the then largest Canadian reseller of voice collaboration solutions, and acted as Vice President, Sales until 2007.

4. Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year ended March 31, 2023, the Board has not failed to adopt a recommendation of the audit committee to nominate or compensate an external auditor.

5. Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year ended March 31, 2023, the Company has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

6. Pre-Approval Policies and Procedures

All non-audit services which are proposed to be provided by the Company's external auditor are subject to the prior approval of the audit committee, provided that the audit committee may delegate to one or more independent members the authority to approve non-audit services if such services are presented to the full audit committee at its next scheduled meeting. The audit committee may also satisfy the requirement for pre-approval of non-audit services if (i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than 5% of the total amount of fees paid by the Company and its subsidiaries to the external auditor during the applicable fiscal year, (ii) the services are

brought to the attention of, and approved prior to completion of the audit by, the audit committee or by one or more of its members to whom authority to grant such approval has been delegated, or (iii) by adopting specific policies and procedures for the engagement of non-audit services provided that such policies and procedures are detailed as to the particular service, the audit committee is informed of each non-audit service and the procedures do not include delegation of the audit committee’s responsibilities to management.

7. External Audit Service Fees (By Category)

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

The fees paid by the Company to Davidson & Company LLP, the Company’s auditor, for services rendered to the Company in each of the last two fiscal years, by category, are as follows:

| Financial Period Ending | Audit Fees | Audit Related Fees | Tax Fees | All Other Fees |
|--------------------------------|-------------------|---------------------------|-----------------|-----------------------|
| March 31, 2023 | \$50,610 | Nil | Nil | Nil |
| March 31, 2022 | \$35,427 | Nil | Nil | Nil |

8. Exemption

The Company is relying on the exemption provided by section 6.1 of NI 52-110, which provides that the Company, as a venture issuer, is not required to comply with Part 5 (Reporting Obligations) of NI 52-110.

PART 7 – CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Company. The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Company.

National Policy 58-201 *Corporate Governance Guidelines* (“**NP 58-201**”) establishes corporate governance guidelines, which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company’s practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted.

National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) also requires the Company to disclose annually in its Information Circular certain information concerning its corporate governance practices. As a “venture issuer” the Company is required to make such disclosure with reference to the requirements of Form 58-101F2, which disclosure is set forth below.

Board of Directors

Structure and Composition

The Board is currently composed of five directors.

NP 58-201 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as “independent” directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect “material relationship” with the company. “Material relationship” is defined as a relationship which could, in the view of the Company’s board of directors, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The Board is responsible for determining whether a director is an independent director. Of the current directors, Rick Trotman is not an independent director because of his position as President and Chief Executive Officer. However, Darren Blasutti, Peter McRae, Jeffrey O'Neill and William Wulfange are considered to be independent directors of the Company as they have no ongoing interest or material relationship with the Company other than their shareholdings and stock options in the Company and serving as directors.

Accordingly, the Board is comprised of a majority of independent Board members.

Mandate of the Board

The mandate of the Board is to manage or supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company's affairs directly and through its committees (see "Committees of the Board of Directors" below). In fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Company's overall business strategies and its annual business plan, reviewing and approving the annual corporate and exploration budget and forecast, reviewing and approving significant capital investments outside the approved budget; reviewing major strategic initiatives to ensure that the Company's proposed actions accord with shareholder objectives; reviewing succession planning; assessing management's performance against approved business plans and industry standards; reviewing and approving the reports and other disclosure issued to shareholders; ensuring the effective operation of the Board; and safeguarding shareholders' equity interests through the optimum utilization of the Company's capital resources. The Board also takes responsibility for identifying the principal risks of the Company's business and for ensuring these risks are effectively monitored and mitigated to the extent reasonably practicable. At this stage of the Company's development, the Board does not believe it is necessary to adopt a written mandate, as sufficient guidance is found in the applicable corporate and securities legislation and regulatory policies. However, as the Company grows, the Board will move to develop a formal written mandate.

The Board delegates to management, through the Company's executive officers, responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing the Company's cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans and annual operating plans.

The Board is currently comprised of a majority of independent directors thus providing the independent directors with significant input and leadership in exercising their responsibilities for independent oversight of management. In addition, each member of the Board understands that he is entitled to seek the advice of an independent expert if he reasonably considers it warranted under the circumstances and the "independent" directors have the ability to meet independently of management whenever deemed necessary.

Directorships

As of the date of this Information Circular, the directors of the Company are currently directors and/or executive officers of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows.

| Name of Director | Name of Other Reporting Issuer | Market/Tier | Position | Period |
|-------------------------|---|------------------------------|---|---|
| Darren Blasutti | Americas Gold and Silver Corporation | TSX NYSE-American | President and CEO | Since 2011 (with predecessor companies) |
| Richard Trotman | Kenorland Minerals Ltd. Kingfisher Metals Corp. CMP Mining Inc. | TSXV TSXV CSE | Director Director CEO and Director | Since August 2019 Since March 2021 Since September 2021 |
| Peter McRae | Americas Gold and Silver Corporation | TSX NYSE-American | SVP, Corporate Affairs, CLO and Corporate Secretary | Since November 2011 (with predecessor companies) |
| Jeffrey O'Neill | Northern Lion Gold Corp. Sanibel Ventures Corp. Leviathan Gold Ltd. Renegade Gold Inc. | TSXV TSXV TSXV TSXV | Director Director Director CFO | Since May 2020 Since June 2018 Since November, 2022 Since February, 2023 |

| Name of Director | Name of Other Reporting Issuer | Market/Tier | Position | Period |
|-------------------|--------------------------------|-----------------------|----------------------------|----------------------|
| William Wulftange | Ensign Minerals Inc. | Reporting Issuer only | Vice President Exploration | Since February, 2020 |

The above information has been provided by the directors and has not been independently verified by the Company.

Ethical Business Conduct

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company’s business plan and to meet performance goals and objectives.

The Board itself must comply with the conflict of interest provisions of the *Business Corporations Act* (British Columbia), as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

The Board has also adopted a written Code of Business Conduct and Ethics (the “**Code**”) to assist all Company personnel in making decisions regarding the affairs of the Company. The Code establishes certain standards and procedures to be complied with by all directors, officers, employees and consultants of the Company relating to, among other things, financial reporting and disclosure, compliance with laws, conflicts of interest, stock trading and use of material information, environmental standards and safety, and use of email and Internet with a view to conducting the Company’s business and affairs honestly and with integrity, using high ethical standards. Any breach of the Code is reportable immediately to the Company’s Corporate Secretary or the Chair of the Audit Committee, with a written report made to the Board annually (or otherwise upon request) summarizing all complaints received during the previous year, all outstanding unresolved complaints, how such complaints are/were handled, and the results of any investigation and any corrective actions taken.

Nomination and Assessment

The Board of the Company has appointed a Joint Compensation and Corporate Governance and Nominating Committee (the “**CCGNC Committee**”) comprised of Peter McRae (Chair), Darren Blasutti, and William Wulftange, all independent directors. The CCGNC is responsible for, among other things, assisting the Board in determining the appropriate size of the Board, the necessary competencies and skills of the Board as a whole and of the individual directors and making recommendations for new nominees to the Board. The CCGNC also makes recommendations to the Board on the compensation of directors and NEOs (see “Compensation” below) as well as being responsible for establishing the Company’s corporate governance policies and procedures and monitoring compliance with such policies and procedures. See also “Committees of the Board of Directors” below.

New directors are briefed on strategic plans, short, medium and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing company policies. However, there is no formal orientation for new members of the Board, and this is considered to be appropriate, given the Company’s size and current operations.

The skills and knowledge of the Board as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies, particularly mineral resource companies. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management’s assistance. Board members have full access to the Company’s records. Reference is made to the table under the heading “*Election of Directors*” in Part 3 “THE BUSINESS OF THE MEETING” for a description of the current principal occupations of the Company’s Board.

The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Company’s current size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The Board plans to continue evaluating its own effectiveness and the effectiveness and contribution of its committees or individual directors on an ad hoc basis.

Committees of the Board of Directors

At the present time, the Board of the Company has appointed three formal committees, being the Audit Committee, the CCGNC Committee and the Health, Safety & Environmental (HSEC) Committee.

The Audit Committee is comprised of Darren Blasutti (Chair), Peter McRae and Jeffrey O'Neill and is primarily responsible for the policies and practices relating to integrity of financial and regulatory reporting of the Company, as well as internal controls to achieve the objectives of safeguarding the Company's assets; reliability of information; and compliance with policies and laws. See Part 6 "AUDIT COMMITTEE" for further information regarding the mandate of the Company's audit committee, its specific authority, duties and responsibilities, as well as the Audit Committee Charter.

The CCGNC Committee is comprised of Peter McRae (Chair), Darren Blasutti, and William Wulfange, all independent directors, and is primarily responsible for advising the Board on compensation and human resources principles, as well as related policies, programs and practices designed to achieve the strategic goals and financial objectives of the Company. The CCGNC also makes recommendations to the Board on nominees for new directors and compensation of directors and NEOs. See "Nomination and Assessment" above and "Compensation" below. The CCGNC is also responsible for establishing the Company's corporate governance policies and procedures and monitoring compliance with such policies and procedures.

The HSEC Committee is comprised of William Wulfange (Chair), Rick Trotman and Jeffrey O'Neill and is primarily responsible for advising the Board on review and establishment of policies related to health, safety and environmental matters.

Compensation

The CCGNC Committee is responsible for, inter alia, making recommendations to the Board on all forms of compensation (including long-term incentive in the form of stock options) to be granted to the Company's executive officers and to the directors to ensure such arrangements reflect the responsibilities and risks associated with each position. See the heading "*Oversight and Description of Director and Named Executive Officer Compensation*" in Part 4 "STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUER" of this Information Circular for a discussion of the Company's philosophy, objectives and processes with respect to executive compensation.

PART 8 – OTHER INFORMATION

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Aggregate Indebtedness

No individual who is, or at any time during the most recently completed financial year of the Company was, a director or officer of the Company, no proposed nominee for election as a director of the Company, and no associate of any one of them is, or at any time since the beginning of the most recently completed financial year of the Company has been, indebted to the Company or any of its subsidiaries (other than in respect of amounts which would constitute routine indebtedness) or to another entity (where such indebtedness to such other entity is, or was at any time during the most recently completed financial year of the Company, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries).

Indebtedness of Directors and Executive Officers under Securities Purchase and Other Programs

As of the date hereof, there is no indebtedness owing to the Company, any of its subsidiaries or any other entity (where such indebtedness to such other entity is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries) in connection with the purchase of securities or otherwise by any current or former executive officers, directors or employees of the Company or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person (as defined below), proposed nominee for election as a director, or any associate or affiliate of any informed person or proposed nominee, has had a material interest, direct or indirect, in any transaction with the Company or any of its subsidiaries or in any proposed transaction since the beginning of the last completed financial year that has materially affected the Company or any of its subsidiaries or is likely to do so.

For the above purposes, "informed person" means: (a) a director or executive officer of the Company; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company; (c) any person or

company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company after having purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED ON AT THE MEETING

None of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, 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, none of the other insiders of the Company and no associate or affiliate of any of the foregoing persons has any substantial 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 the directors and the ratification and approval of the Option Plan.

MANAGEMENT CONTRACTS

The management functions of the Company are performed by its directors and executive officers (or private companies controlled by such executive officers) and the Company has no management agreements or arrangements under which such management functions are performed by persons other than the directors and executive officers (or private companies controlled by such executive officers) of the Company. See the headings "*Director and Named Executive Officer compensation, excluding compensation securities*" and "*Employment, Consulting and Management Agreements*" in Part 4 "STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUER" of this Information Circular for details of the fees paid or payable to the Company's Named Executive Officers (or private companies controlled by such Named Executive Officers) and directors for, inter alia, the year ended March 31, 2023.

OTHER MATTERS

Management of the Company is not aware of any other matters to come before the Meeting other than as set forth in the Notice of Meeting that accompanies this Information Circular. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the Shares represented thereby in accordance with their best judgment on such matter.

OTHER MATERIAL FACTS

There are no other material facts other than as disclosed herein.

ADDITIONAL INFORMATION

Financial information about the Company is provided in its comparative consolidated financial statements and Management's Discussion and Analysis for the year ended March 31, 2023. You may obtain copies of such documents without charge upon request to us at 67 East 5th Avenue, Vancouver, B.C., Canada V5T 1G7 – telephone (604) 398-5385 or toll free 1-877-398-5385. You may also access such documents, together with the Company's additional disclosure documents, through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR+) at www.sedarplus.ca.

BOARD APPROVAL

The Board of the Company has approved the contents and the delivery of this Information Circular to its shareholders.

DATED at Vancouver, British Columbia, as of the 25th day of October, 2023.

BY ORDER OF THE BOARD

(signed) "**Rick Trotman**"
Rick Trotman
President and Chief Executive Officer



EXHIBIT "A"

STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUERS FOR THE YEAR ENDED MARCH 31, 2023

The information contained in this statement of executive compensation (the “**Statement**”) of Barksdale Resources Corp. (the “**Company**”), unless otherwise indicated, is as of September 27, 2023.

Forwarding Looking Information

Certain statements contained in this Statement may constitute “forward-looking information” as the term is defined under applicable securities laws. The forward-looking information includes, without limitation, the Company’s intentions and plans with respect to compensation of its executive officers and directors and other statements concerning anticipated future events, conditions or results that are not historical facts. These statements reflect management’s current estimates, beliefs, intentions and expectations; they are not guarantees of future performance. The Company cautions that all forward-looking information is inherently uncertain and that actual performance may be affected by a number of material factors, many of which are beyond the Company’s control. Such factors include, among others, risks and uncertainties relating to exploration; the ability of the Company to obtain additional financing; the Company’s limited operating history; the need to comply with environmental and governmental regulations; potential defects in title to the Company’s properties; fluctuations in currency exchange rates; fluctuating prices of commodities; operating hazards and risks; competition; and other risks and uncertainties including those related to COVID-19 and the potentially negative effects thereof on the Company's workforce, its supply chain and ability to access mineral properties or secure contractors, equipment or services on a timely basis or at all. Accordingly, actual future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward-looking information. Unless otherwise expressly stated, all statements are made as of the date hereof and, save as required by law, the Company is under no obligation to update or alter any forward-looking information.

As defined under applicable securities legislation, the Company had three “Named Executive Officers” during the financial year ended March 31, 2023 as set out below:

| | | |
|-------------------|---|---------------------------------------|
| Rick Trotman | - | Chief Executive Officer and President |
| Michael Waldkirch | - | Chief Financial Officer |
| Terri-Anne Welyki | - | Vice-President, Communications |

Definitions: For the purpose of this Statement:

“*company*” includes other types of business organizations such as partnerships, trusts and other unincorporated business entities.

“*compensation securities*” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted share units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries.

“*external management company*” includes a subsidiary, affiliate or associate of the external management company.

“*Named Executive Officer*” or “*NEO*” means each of the following individuals:

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

- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for that financial year; and
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

“*plan*” includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons.

“*underlying securities*” means any securities issuable on conversion, exchange or exercise of compensation securities.

Director and Named Executive Officer compensation, excluding compensation securities

The following table provides a summary of compensation paid, directly or indirectly, for each of the two most recently completed financial years, to the Company’s Named Executive Officers and directors, other than compensation securities:

| Table of compensation excluding compensation securities | | | | | | | |
|---|------|---|------------|--------------------------------|--|--------------------------------------|-------------------------|
| Name and position | Year | Salary, consulting fee, retainer or commission (\$) | Bonus (\$) | Committee or meeting fees (\$) | Value of perquisites ⁽¹⁾ (\$) | Value of all other compensation (\$) | Total compensation (\$) |
| Rick Trotman President, CEO and Director | 2022 | 174,000 | 50,000 | Nil | Nil | Nil | 224,000 |
| | 2023 | 187,830 | 95,000 | Nil | Nil | Nil | 282,830 |
| Michael Waldkirch CFO | 2022 | 107,000 ⁽²⁾ | 22,500 | Nil | Nil | Nil | 129,500 |
| | 2023 | 112,910 ⁽²⁾ | 25,000 | Nil | Nil | Nil | 137,910 |
| Terri-Anne Welyki VP, Communications | 2022 | 120,000 | 14,000 | Nil | Nil | Nil | 134,000 |
| | 2023 | 127,400 | 25,000 | Nil | Nil | Nil | 152,400 |
| Darren Blasutti Chairman and Director | 2022 | 14,500 ⁽³⁾ | Nil | Nil | Nil | Nil | 14,500 |
| | 2023 | 18,500 ⁽³⁾ | Nil | Nil | Nil | Nil | 18,500 |
| Jeffrey O’Neill Director | 2022 | 8,000 ⁽³⁾ | Nil | Nil | Nil | Nil | 8,000 |
| | 2023 | 12,000 ⁽³⁾ | Nil | Nil | Nil | Nil | 12,000 |
| Peter McRae Director | 2022 | 8,000 ⁽³⁾ | Nil | Nil | Nil | Nil | 8,000 |
| | 2023 | 12,000 ⁽³⁾ | Nil | Nil | Nil | Nil | 12,000 |
| William Wulfange Director | 2022 | 8,000 ⁽³⁾ | Nil | Nil | Nil | Nil | 8,000 |
| | 2023 | 12,000 ⁽³⁾ | Nil | Nil | Nil | Nil | 12,000 |

- (1) The value of perquisites received by each of the Named Executive Officers and directors, including property or other personal benefits provided to the Named Executive Officers and directors that are not generally available to all employees, were not in the aggregate greater than \$15,000.
- (2) This figure represents the fees paid to a private company controlled by Mr. Waldkirch for professional fees.
- (3) This amount represents fees paid to the director in consideration for his services as a director of the Company.

External Management Companies

Save and except as disclosed under “*Employment, Consulting and Management Agreements*” below, as of the date of this Statement, there are no contracts with external management companies in effect.

Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued to each Named Executive Officer or director during the most recently completed financial year ended March 31, 2023 for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

| Compensation securities | | | | | | | |
|--|-------------------------------|---|------------------------|--|--|---|-------------|
| Name and position | Type of compensation security | Number of compensation securities, number of underlying securities, and percentage of class | Date of issue or grant | Issue, conversion or exercise price (\$) | Closing price of security or underlying security on date of grant (\$) | Closing price of security or underlying security at financial year end (\$) | Expiry date |
| Rick Trotman President, CEO, and Director | Stock option | 566,772 stock options ⁽¹⁾⁽²⁾ | Dec 9, 2022 | \$0.62 | \$0.65 | \$0.59 | Dec 9, 2025 |
| | Stock option | 475,000 stock options ⁽¹⁾⁽³⁾ or 1.29% ⁽⁴⁾ (in the aggregate) | Feb 8, 2023 | \$0.74 | \$0.72 | \$0.59 | Feb 8, 2026 |
| Michael Waldkirch CFO | Stock option | 226,710 stock options ⁽¹⁾⁽²⁾ | Dec 9, 2022 | \$0.62 | \$0.65 | \$0.59 | Dec 9, 2025 |
| | Stock option | 140,000 stock options ⁽¹⁾⁽³⁾ or 0.45% ⁽⁴⁾ (in the aggregate) | Feb 8, 2023 | \$0.74 | \$0.72 | \$0.59 | Feb 8, 2026 |
| Terri- Anne Welyki VP of Corporate Communications | Stock option | 94,462 stock options ⁽¹⁾⁽²⁾ | Dec 9, 2022 | \$0.62 | \$0.65 | \$0.59 | Dec 9, 2025 |
| | Stock option | 160,000 stock options ⁽¹⁾⁽³⁾ or 0.31% ⁽⁴⁾ (in the aggregate) | Feb 8, 2023 | \$0.74 | \$0.72 | \$0.59 | Feb 8, 2026 |
| Darren Blasutti Chairman and Director | Stock option | 184,202 stock options ⁽¹⁾⁽²⁾ | Dec 9, 2022 | \$0.62 | \$0.65 | \$0.59 | Dec 9, 2025 |
| | Stock option | 140,000 stock options ⁽¹⁾⁽³⁾ or 0.40% ⁽⁴⁾ (in the aggregate) | Feb 8, 2023 | \$0.74 | \$0.72 | \$0.59 | Feb 8, 2026 |
| Jeffrey O’Neill Director | Stock option | 184,202 stock options ⁽¹⁾⁽²⁾ | Dec 9, 2022 | \$0.62 | \$0.65 | \$0.59 | Dec 9, 2025 |
| | Stock option | 140,000 stock options ⁽¹⁾⁽³⁾ or 0.40% ⁽⁴⁾ (in the aggregate) | Feb 8, 2023 | \$0.74 | \$0.72 | \$0.59 | Feb 8, 2026 |
| William Wulftange Director | Stock option | 184,202 stock options ⁽¹⁾⁽²⁾ | Dec 9, 2022 | \$0.62 | \$0.65 | \$0.59 | Dec 9, 2025 |
| | Stock option | 140,000 stock options ⁽¹⁾⁽³⁾ or 0.40% ⁽⁴⁾ (in the aggregate) | Feb 8, 2023 | \$0.74 | \$0.72 | \$0.59 | Feb 8, 2026 |
| Peter McRae Director | Stock option | 184,202 stock options ⁽¹⁾⁽²⁾ | Dec 9, 2022 | \$0.62 | \$0.65 | \$0.59 | Dec 9, 2025 |
| | Stock option | 140,000 stock options ⁽¹⁾⁽³⁾ or 0.40% ⁽⁴⁾ (in the aggregate) | Feb 8, 2023 | \$0.74 | \$0.72 | \$0.59 | Feb 8, 2026 |

- (1) Each stock option entitles the holder to purchase one common share of the Company.
- (2) These stock options are subject to vesting on the basis of 1/3 on December 9, 2022, 1/3 on June 9, 2024 and 1/3 on December 9, 2023.
- (3) These stock options are subject to vesting on the basis of 1/3 on February 8, 2023, 1/3 on August 8, 2023 and 1/3 on February 8, 2024
- (4) This figure represents the number of underlying common shares issuable upon exercise of the stock option as a percentage of the total issued and outstanding common shares of the Company as at March 31, 2023 (being 80,827,018 shares).

No compensation securities were re-priced, cancelled and replaced, extended or otherwise materially modified during the Company's most recently completed financial year.

The following compensation securities were exercised by any Named Executive Officer or director of the Company during the most recently completed financial year ended March 31, 2023.

| Exercise of Compensation Securities by Directors and NEOs | | | | | | | | |
|---|-------------------------------|---|----------------------------------|--------------|------------------|---|--|-----------------------------------|
| Name and position | Type of compensation security | Number of underlying securities exercised | Exercise price per security (\$) | Expiry Date | Date of exercise | Closing price per security on date of exercise (\$) | Difference between exercise price and closing price on date of exercise (\$) | Total value on exercise date (\$) |
| Rick Trotman President, CEO and Director | Stock Options | 239,347 | \$0.365 | Feb 26, 2023 | Feb 22, 2023 | \$0.64 | \$0.275 | \$65,820.43 |
| Michael Waldkirch CFO | Stock Options | 77,793 | \$0.365 | Feb 26, 2023 | Feb 22, 2023 | \$0.64 | \$0.275 | \$21,393.08 |
| Terri-Anne Welyki Vice-President, Communications | Stock Options | 65,347 | \$0.365 | Feb 26, 2023 | Feb 22, 2023 | \$0.64 | \$0.275 | \$17,970.43 |
| Darren Blasutti Chairman and Director | Stock Options | 6,223 | \$0.365 | Feb 26, 2023 | Feb 24, 2023 | \$0.65 | \$0.285 | \$1,773.56 |
| Peter McRae Director | Stock Options | 46,676 | \$0.365 | Feb 26, 2023 | Feb 22, 2023 | \$0.64 | \$0.275 | \$12,835.90 |
| Jeffrey O'Neill Director | Stock Options | 46,676 | \$0.365 | Feb 26, 2023 | Feb 17, 2023 | \$0.71 | \$0.345 | \$16,103.22 |

As of March 31, 2023, the total compensation securities held by each Named Executive Officer and director of the Company were as follows:

| Name and Position | Type of Compensation Security | Total Number of Compensation Securities Held | Total Number of Common Shares Underlying Compensation Securities |
|---|-------------------------------|--|--|
| Rick Trotman President, CEO and Director | Stock options | 1,712,872 | 1,712,872 |
| Michael Waldkirch CFO | Stock options | 648,410 | 648,410 |
| Terri-Anne Welyki Vice-President, Communications | Stock options | 502,762 | 502,762 |
| Darren Blasutti Chairman and Director | Stock options | 893,702 | 893,702 |
| Peter McRae Director | Stock options | 519,302 | 519,302 |
| Jeffrey O'Neill Director | Stock options | 619,302 | 619,302 |
| William Wulfstange Director | Stock options | 474,202 | 474,202 |
| TOTAL | | 5,370,552 | 5,370,552 |

Stock Option Plans and Other Incentive Plans

On December 8, 2022, the shareholders adopted an amended and restated “*rolling*” stock option plan (the “**Stock Option Plan**”) for the Company in place of the Company’s 2017 stock option plan, to better reflect the current policies of the TSX Venture Exchange (the “**Exchange**”) and applicable securities legislation.

The principal purposes of the Stock Option Plan are to provide the Company with the advantages of the incentive inherent in share ownership on the part of those persons responsible for the success of the Company; to create in those persons a proprietary interest in, and a greater concern for, the welfare and success of the Company; to encourage such persons to remain with the Company; to attract new talent to the Company; and to reduce the cash compensation the Company would otherwise have to pay.

The material terms of the Stock Option Plan are as follows:

1. The number of Shares subject to each option is determined by the Board, or if appointed, by a special committee of directors appointed from time to time by the Board, provided, at the time the options are granted, that:
 - (a) the aggregate number of Shares reserved for issuance pursuant to options shall not, at any time, exceed 10% of the Company’s then issued and outstanding Shares (together with any other Security Based Compensation Plan including Shares issuable upon exercise of any Pre-Plan Options assumed by the Stock Option Plan);
 - (b) the aggregate number of Shares reserved for issuance pursuant to options, and any other Security Based Compensation Plans, to any one Optionee at any point in time and in any 12-month period must not exceed 5% of the issued Shares of the Company (determined at the date of grant), unless, as may be required by the Exchange, the Company has obtained “disinterested” shareholder approval;
 - (c) the aggregate number of Shares subject to Options granted to all Investor Relations Service Providers must not exceed two percent (2%) of the issued and outstanding Shares in any 12 month period (determined at the Date of Grant);
 - (d) the aggregate number of Shares that may be reserved for issuance pursuant to the Plan, and any other Security Based Compensation Plans, to Insiders (as a group) must not exceed, at any point in time, ten percent (10%) of the issued and outstanding Shares (determined at the Date of Grant), unless, as may be required by the Exchange, the requisite “disinterested” shareholder approval is obtained;
 - (e) the aggregate number of Shares that may be reserved for issuance pursuant to the Plan, and any other Security Based Compensation Plans, to Insiders (as a group) at any point in time and in any 12 month period must not exceed ten percent (10%) of the issued and outstanding Shares (determined at the Date of Grant), unless, as may be required by the Exchange, the requisite “disinterested” shareholder approval is obtained;
 - (f) subject to any longer vesting period as may be set out in the related Option Agreement, an Option granted to an Investor Relations Service Provider shall vest in stages over a period of 12 months such that:
 - i. no more than $\frac{1}{4}$ of the Shares subject to the Option vest no sooner than three months after the Date of Grant;
 - ii. no more than another $\frac{1}{4}$ of the Shares subject to the Option vest no sooner than six months after the Date of Grant;
 - iii. no more than another $\frac{1}{4}$ of the Shares subject to the Option vest no sooner than nine months after the Date of Grant; and
 - iv. the remainder of the Shares subject to the Option vest no sooner than twelve months after the Date of Grant.

2. The exercise price per Share subject to an Option shall be determined by the Committee at the time the Option is granted, provided that the exercise price shall not be less than the Market Price less applicable discounts permitted by the Exchange, or such other minimum exercise price as may be required by the Exchange. For greater certainty and notwithstanding the above, in no case the exercise price of the options shall be less than \$0.05 per Share.
3. The options may be exercisable for a period of up to 10 years.
4. The vesting schedule for each Option shall be determined by the Committee at the time the Option is granted and shall be specified in the Option Agreement in respect of the Option. Any Option granted to an Investor Relations Service Provider shall be subject to the vesting requirements over a period of 12 months as set out in item 1(f) above.
5. All Options, benefits and rights accruing to any Optionee in accordance with the terms and conditions of the Plan are non assignable and non transferable, except as specifically provided in the Plan with regards to the event of the death of the Optionee. During the lifetime of the Optionee, all such Options, benefits and rights may only be exercised by the Optionee.
6. The Board may amend any Option with the consent of the affected Optionee and the Exchange, including any shareholder approval required by the Exchange. For greater certainty, disinterested shareholder approval is required for: (i) a reduction in the exercise price of an Option if the Optionee is an Insider at the time of the proposed amendment; or (ii) an extension of the Option Period of an Option if the Optionee is an Insider at the time of the proposed amendment, except where the Option Period is extended because it would have expired during a Black Out Period.
7. If the amendment of an Option requires regulatory or shareholder approval, such amendment may be made prior to such approvals being given, but no such amended Options may be exercised unless and until such approvals are given.
8. The option can only be exercised by the optionee and only so long as the optionee is a director, officer, employee or consultant of the Company, any of its subsidiaries or a management company employee or within a reasonable period of time, not to exceed one year, after the optionee ceases to be in at least one of such positions to the extent that the optionee was entitled to exercise the option at the date of such cessation provided that if the Optionee is terminated for cause, breach of contract or breach of fiduciary duty, the option shall expire immediately upon such termination.
9. Subject to the approval of the Board, cashless exercise of options is permitted provided that the Company has an arrangement with a brokerage firm to loan money to the optionee to exercise the option and the brokerage firm sells a sufficient number of Shares to cover the exercise price of the options in order to repay the loan made to the optionee. The brokerage firm then receives an equivalent number of Shares from the exercise of the options and the optionee receives the balance of the Shares or the cash proceeds from the balance of such Shares.
10. Subject to the approval of the Board, net exercises of options is permitted whereby options, excluding options held by persons providing investor relations service, are exercised without the optionee making any cash payment so the Company does not receive any cash from the exercise of the options, and instead the optionee receives only the number of Shares that is equal to the quotient obtained by dividing:
 - i. the product of the number of options being exercised multiplied by the difference between the five-day volume weighted average price (the "VWAP") of the Shares underlying the options and the exercise price of the options; by
 - ii. the VWAP of the underlying Shares
11. In the event of death of an optionee, the option previously granted to him or her shall be exercisable as to all or any of the common shares in respect of which such option has not previously been exercised at the date of the optionee's death (including the right to purchase common shares not otherwise vested at such time), by the legal representatives of the optionee until the earlier of (a) the expiration of one year following such death, unless an earlier date is provided for in the option agreement with the optionee, and (b) the expiry of the option.

12. In the event of a consolidation, merger, amalgamation, arrangement or other similar business combination or transaction involving the Company and another corporation or entity in which holders of common shares prior to such combination or transaction will hold less than 50% of the outstanding shares of the successor corporation after such combination or transaction or in the event of a take-over bid or tender offer for the common shares of the Company, the Board may, by resolution, and in the case of options granted to optionees employed to provide “investor relations activities” subject to prior acceptance of the Exchange, permit all options outstanding to become immediately exercisable in order to permit the shares issuable under such options to participate in such combination or transaction or to be tendered to such bid or offer. All Options are non-assignable and non-transferable and, if granted to Insiders, Consultants or granted at any discount to the Market Price, will be legended with the Exchange Hold Period commencing on the date the stock options are granted.

The policies of the Exchange require that shareholder approval for “rolling” stock option plans must be obtained annually. A copy of the Stock Option Plan is available for review under the Company’s profile on SEDAR+ at www.sedarplus.ca.

As at March 31, 2023, there were a total of **6,676,500** stock options outstanding under the Stock Option Plan.

There are currently no other equity or non-equity incentive plan awards in place for the Company’s Named Executive Officers or directors.

Employment, Consulting and Management Agreements.

Effective September 1, 2018, the Company entered into an employment agreement with Rick Trotman (the “**Trotman Agreement**”) to act as the Company’s President and Chief Executive Officer on a full-time basis at an annual salary of \$174,000 (\$14,500 per month) to be reviewed annually.

Effective September 1, 2018, the Company entered into a consulting agreement with a private company controlled by Michael Waldkirch (the “**Waldkirch Agreement**”) to provide, on an independent contractor basis, accounting and financial management services to the Company, at an annual base fee of \$72,000 (\$6,000 per month) to be reviewed annually, plus reasonable additional fees for preparing the Company’s annual year-end financial statements. In conjunction with the Waldkirch Agreement, Michael Waldkirch acts as the Chief Financial Officer of the Company.

Effective April 8, 2019, the Company entered into an employment agreement with Terri Anne Welyki (the “**Welyki Agreement**”) to act as the Company’s Vice President, Communications on a full time basis at an annual salary of \$120,000 (\$10,000 per month) to be reviewed annually. On February 24, 2022, the Company amended the Welyki Agreement to increase the cash payment to be made to Terri Anne Welyki, as a consequence of a Triggering Event following a Change of Control, as such terms are defined in the Welyki Agreement.

Each of the Trotman Agreement, the Waldkirch Agreement and the Welyki Agreement provides for termination payments in certain circumstances. In the case of Mr. Trotman, he will be entitled to receive a lump sum termination payment equal to two times his annual base salary plus bonus in the event he is terminated without cause or upon a change of control of the Company. In the case of Mr. Waldkirch, he will be entitled to receive a lump sum termination payment equal to one times his annual base fee plus bonus in the event he is terminated without cause or upon a change of control of the Company. In the case of Ms. Welyki, she will be entitled to receive a lump sum termination payment equal to twelve month’s base salary in the event Ms. Welyki terminates her employment for a “triggering event” following a change of control of the Company.

The following table sets out the estimated incremental payments payable to each Named Executive Officer of the Company that would be triggered by, or result from, a change of control, severance, termination or constructive dismissal as of March 31, 2023. The table below assumes the exercise of all unexercised options (both vested and unvested) on March 31, 2023.

| | Rick Trotman (\$) | Michael Waldkirch (\$) | Terri Anne Welyki (\$) |
|---|------------------------------|-----------------------------------|-----------------------------------|
| Termination Without Cause/Constructive Dismissal | | | |
| Base Salary/Fee Termination Payment | \$420,000 | \$108,120 | \$44,000 |
| Benefits and Perks | \$6,253 | Nil | \$6,253 |
| Annual Incentives ⁽¹⁾ | \$72,500 | \$23,750 | Nil |
| Long-Term Incentives ⁽²⁾ | \$99,962 | \$36,806 | \$2,350 |
| Pension Benefits | Nil | Nil | Nil |
| Change of Control | | | |
| Base Fee/Termination Payment | \$420,000 | \$108,120 | \$132,000 |
| Benefits and Perks | \$6,253 | Nil | \$6,253 |
| Annual Incentives (1) | \$145,000 | \$23,750 | Nil |
| Long-Term Incentives (2) | \$99,962 | \$36,806 | \$52,350 |
| Pension Benefits | Nil | Nil | Nil |

- (1) Based on the average discretionary bonuses paid to the Named Executive Officers by the Company for the financial years ended March 31, 2023 and 2022.
- (2) Assumes the exercise of all vested and unvested “in-the-money” options on March 31, 2023. The closing price of the Company’s shares on the Exchange on March 31, 2023 was \$0.59 per share.

Save as aforesaid, as of the date of this Statement, there is no compensatory plan, contract or arrangement whereby a Named Executive Officer is entitled to receive any severance or termination payment from the Company or its subsidiaries, including periodic payments or instalments, in the event of the termination or constructive dismissal of the officer’s employment with the Company or its subsidiaries or following a change of control of the Company.

Oversight and Description of Director and Named Executive Officer Compensation

Director Compensation

Currently, the Company pays its non-executive directors an annual fixed fee of \$12,000, with additional annual fees of \$4,000 paid to the Chairman of the Board, \$2,500 paid to the Chair of the Audit Committee. See the table of compensation, excluding compensation securities, under the heading “*Director and Named Executive Officer compensation, excluding compensation securities*” above for details of the fees paid to the Company’s non-executive directors during the financial years ended March 31, 2023 and 2022.

The non-executive directors are also entitled to receive incentive stock options from time to time in accordance with the terms of the Stock Option Plan and the policies of the Exchange. The granting of incentive stock options provides a link between director compensation and the Company’s share price. It also rewards directors for achieving results that improve Company performance and thereby increase shareholder value. In making a determination as to whether a grant of long-term incentive stock options is appropriate, and if so, the number of options that should be granted, the Board will consider, inter alia, the number and terms of outstanding incentive stock options held by each director; the value in securities of the Company that the Board intends to award as compensation; the potential dilution to shareholders and the cost to the Company; general industry standards; and the limits imposed by the terms of the Stock Option Plan and the Exchange. Any “*interested*” director who is being considered for the grant of an option by the Company is required to declare his interest in such grant and abstain from voting thereon.

The granting of incentive stock options also allows the Company to reward the directors’ efforts to increase value for shareholders without requiring the Company to use cash from its treasury. The terms and conditions of the Company’s stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Stock Option Plan, which are described under “*Stock Option Plans and Other Incentive Plans*” above.

See the table of compensation securities, under the heading “*Stock Options and Other Compensation Securities*” above for details of the stock options granted to the Company’s non-executive directors during the fiscal year ended March 31, 2023.

The directors may also be reimbursed for actual expenses reasonably incurred by them in the performance of their duties as directors.

Named Executive Officer Compensation

The Company's policies on compensation for its Named Executive Officers are intended to provide appropriate compensation for executives that is internally equitable, externally competitive and reflects individual achievements in the context of the Company. The overriding principles in establishing executive compensation provide that compensation should:

- (a) reflect fair and competitive compensation commensurate with an individual's experience and expertise in order to attract and retain highly qualified executives;
- (b) reflect recognition and encouragement of leadership, entrepreneurial spirit and team work;
- (c) reflect an alignment of the financial interests of the executives with the financial interest of the Company's shareholders;
- (d) include stock options and, in certain circumstances, bonuses to reward individual performance and contribution to the achievement of corporate performance and objectives;
- (e) reflect a contribution to enhancement of the Company's shareholder value; and
- (f) provide incentive to the executives to continuously improve operations and execute on corporate strategy.

Goals and Objectives

During the financial year ended March 31, 2020, the Board established a joint compensation and corporate governance and nomination committee (the "**CCGNC Committee**") responsible for, inter alia, assessing and making recommendations to the Board with respect to the compensation (including long-term incentive in the form of stock options) to be granted to the Company's executive officers and directors to ensure that such compensation reflects the responsibilities and risks associated with each position. The CCGNC Committee is currently comprised of Peter McRae (Chair), Darren Blasutti, and William Wulftange, all of whom are independent directors of the Company, and governed by a CCGNC Committee Charter.

The CCGNC Committee reviews, on an annual basis, the corporate goals and objectives relevant to executive compensation, evaluates each executive officer's performance in light of those goals and objectives and recommends, in consultation with the CEO, each executive officer's compensation level based, in part, on such evaluation. The CEO does not make recommendations to the CCGNC Committee in respect of his own compensation. The CCGNC Committee takes into consideration the Company's overall performance including the advancement of existing mineral properties, acquisition of new projects and successful financing initiatives, shareholder returns and the awards given to executive officers in past years. The CCGNC Committee also reviews the value of similar incentive awards to executive officers at comparable junior resource companies with a view to ensuring that the Company's executive compensation levels are externally competitive.

The CCGNC Committee is also responsible for ensuring that the Company has in place an appropriate plan for executive compensation and for making recommendations to the Board with respect to the compensation of the Company's NEOs to ensure that total compensation paid to all NEOs is fair, reasonable, and consistent with the Company's compensation philosophy aimed at attracting and retaining quality and experienced people critical to the success of the Company and its commitment to delivering strong performance for the shareholders.

Executive Compensation Program

Executive compensation is comprised of three elements: base salary or fee, short-term incentive compensation (discretionary cash bonuses) and long-term incentive compensation (share options). The CCGNC Committee reviews all three components in assessing the compensation of individual executive officers and of the Company as a whole.

1. Base Salaries and Fees

Base salaries or fees are intended to provide current compensation for executive officers to meet the Company's goals and remain competitive within the industry while reflecting each executive officer's individual level of skill, expertise and capability. Such salaries or fees represent fixed compensation for job responsibilities and are not subject to uncertainty or share price performance thereby encouraging NEOs to not focus exclusively on share price performance to the detriment of other critical business metrics.

2022 - 2023 Compensation

Effective February 1, 2023 the Board, in consultation with the Company's CEO, reviewed the individual job responsibilities and level of skills, expertise and capabilities demonstrated by the Company's NEOs and recommended increases in the base salaries/fees paid to its then NEOs as follows:

| Name of NEO | Position | Annual Base Salary/Fees |
|-------------------|-----------------------------|-------------------------|
| Rick Trotman | President and CEO | \$210,000 |
| Michael Waldkirch | CFO | \$108,120 (part-time) |
| Terri Anne Welyki | VP Corporate Communications | \$132,000 |

The CEO did not make a recommendation to the Board with respect to his own base salary. In making such increases the Board also reviewed compensation levels paid to executive officers by other junior resource companies listed on the Exchange or other exchanges considered by the Board to be comparable to the Company in terms of overall size, market capitalization, share price and asset base with a view to targeting base salaries/fees of the Company's NEOs at median peer group compensation levels.

In light of changes made to executive compensation levels by the Board on January 20, 2023 and current market conditions, combined base salary increases totalling \$30,400 for Mr. Rick Trotman and Ms. Terri Anne Welyki to executive compensation levels were recommended by the CCGNC Committee or made by the Board during the fiscal year ended March 31, 2022 or March 31, 2023.

2. Short Term Incentives

Executive officers are also eligible to receive discretionary cash bonuses as determined by the Board from time to time based on recommendations from the CCGNC Committee. Discretionary bonuses represent short-term incentive awards which take into consideration each officer's responsibilities, his or her achievement of individual and corporate objectives and the Company's financial performance. Cash bonuses are intended to reward the executive officers for meeting or exceeding the individual and corporate performance objectives set by the Board.

The CCGNC Committee and the Board recognize that the Company operates in a highly competitive environment when it comes to recruiting and retaining executives with high calibre skills and experience and that recruiting and retaining qualified personnel is critical to the Company's success. However, the CCGNC Committee and Board also recognize the uncertain capital markets for junior resource issuers and the need to balance competitive executive compensation packages against available cash resources.

Based on individual and overall corporate performance and taking into consideration bonuses paid to executive officers by peer group companies, the CCGNC Committee did recommend discretionary cash bonuses for the Company's NEOs in 2023 which were adopted and approved by the Board. See the table of compensation, excluding compensation securities, under the heading "*Director and Named Executive Officer compensation, excluding compensation securities*" above for details of the discretionary cash bonuses paid to the Company's NEOs during the 2022 and 2023 financial years.

3. Option Based Awards

Stock options are an important part of the Company's long-term incentive strategy for its executive officers, permitting them to participate in any appreciation of the market value of the Company's shares over a stated period of time, and are intended to reinforce commitment to long-term growth and shareholder value. Stock options reward overall corporate performance, as measured through the price of the Company's shares and enable executives to acquire and maintain a

significant ownership position in the Company. Stock options also represent an additional form of compensation to the Company's Named Executive Officers without directly impacting the Company's cash resources. Directors, employees and consultants of the Company are also eligible to participate in the Company's Stock Option Plan to receive grants of stock options.

Individual stock options are granted by the Board based on recommendations from the CCGNC Committee and the size of the options is dependent on, among other things, each officer's level of responsibility, authority and importance to the Company and the degree to which such officer's long term contribution to the Company will be crucial to its long-term success.

Stock options are normally granted by the Board when an executive officer first joins the Company based on his or her level of responsibility within the Company. Additional grants may be made periodically to ensure that the number of options granted to any particular officer is commensurate with the officer's level of ongoing responsibility within the Company and to provide an additional form of non-cash compensation. The CCGNC Committee and Board will also evaluate the number of options an officer has been granted, the exercise price of the options and the term remaining on those options when considering further grants. Options are usually priced at the closing trading price of the Company's shares on the business day immediately preceding the date of grant and the current policy of the CCGNC Committee and Board is that options expire two to five years from the date of grant.

See the table of compensation securities, under the heading "*Stock Options and Other Compensation Securities*" above for details of the stock options granted to the Company's Named Executive Officers during the financial year ended March 31, 2023. See also "*Stock Option Plans and Other Incentive Plans*" above for details of the material terms of the Company's Stock Option Plan.

Other than as described above there are no other perquisites provided to the Named Executive Officers.

Pension Disclosure

Currently, the Company does not have any pension, retirement or deferred compensation plans, including defined contribution plans.

BARKSDALE RESOURCES CORP.

(the "Company")

AUDIT COMMITTEE CHARTER

1. Mandate

The audit committee will assist the board of directors (the "Board") in fulfilling its financial oversight responsibilities. The audit committee will review and consider in consultation with the auditors the financial reporting process, the system of internal control and the audit process. In performing its duties, the committee will maintain effective working relationships with the Board, management, and the external auditors. To effectively perform his or her role, each committee member must obtain an understanding of the principal responsibilities of committee membership as well and the company's business, operations and risks.

2. Composition

The Board will appoint from among their membership an audit committee after each annual general meeting of the shareholders of the Company. The audit committee will consist of a minimum of three directors.

2.1 Independence

A majority of the members of the audit committee must not be officers, employees or control persons of the Company.

2.2 Expertise of Committee Members

Each member of the audit committee must be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the committee. The Board shall interpret the qualification of financial literacy expertise in its business judgment and shall conclude whether a director meets this qualification.

3. Meetings

The audit committee shall meet in accordance with a schedule established each year by the Board, and at other times that the audit committee may determine. The audit committee shall meet at least quarterly with the Company's Chief Financial Officer and annually with external auditors in separate executive sessions.

4. Roles and Responsibilities

The audit committee shall fulfill the following roles and discharge the following responsibilities:

4.1 External Audit

The audit committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor's report, including the resolution of disagreements between management and the external auditors regarding financial reporting and audit scope or procedures. In carrying out this duty, the audit committee shall:

- a) recommend to the Board the external auditor to be nominated by the shareholders for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;
- b) review (by discussion and enquiry) the external auditors' proposed audit scope and approach;
- c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;
- d) review and recommend to the Board the compensation to be paid to the external auditors; and
- e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards and as part of the audit engagement.

4.2 Internal Control

The audit committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Company. In carrying out this duty, the audit committee shall:

- (a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Company; and
- (b) ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

4.3 Financial Reporting

The audit committee shall review the financial statements and financial information prior to its release to the public. In carrying out this duty, the audit committee shall:

General

- (a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions; and

- (b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.

Annual Financial Statements

- (c) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;
- (d) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered; and
- (e) review management's discussion & analysis respecting the annual reporting period prior to its release to the public.

Interim Financial Statements

- (f) review and approve the interim financial statements prior to their release to the public; and
- (g) review management's discussion & analysis respecting the interim reporting period prior to its release to the public.

Release of Financial Information

- (h) where reasonably possible, review and approve all public disclosure, including news releases, containing financial information, prior to its release to the public.

4.4 Non-Audit Services

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Company or any subsidiary of the Company shall be subject to the prior approval of the audit committee.

Delegation of Authority

- (a) The audit committee may delegate to one or more independent members of the audit committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the audit committee at its next scheduled meeting.

De-Minimis Non-Audit Services

- (b) The audit committee may satisfy the requirement for the pre-approval of non-audit

services if:

- (i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Company and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or
- (ii) the service are brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated.

Pre-Approval Policies and Procedures

(c) The audit committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:

- (i) the pre-approval policies and procedures are detailed as to the particular service;
- (ii) the audit committee is informed of each non-audit service; and
- (iii) the procedures do not include delegation of the audit committee's responsibilities to management.

4.5 *Other Responsibilities*

The audit committee shall:

- (a) establish procedures for the receipt, retention and treatment of complaints received by the company regarding accounting, internal accounting controls, or auditing matters;
- (b) establish procedures for the confidential, anonymous submission by employees of the company of concerns regarding questionable accounting or auditing matters;
- (c) ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis;
- (d) review the policies and procedures in effect for considering officers' expenses and perquisites;
- (e) perform other oversight functions as requested by the Board; and
- (f) review and update this Charter and receive approval of changes to this Charter from the Board.

4.6 *Reporting Responsibilities*

The audit committee shall regularly update the Board about committee activities and make appropriate recommendations.

5.0 Resources and Authority of the Audit Committee

The audit committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the audit committee; and
- (c) communicate directly with the internal and external auditors.

6.0 Guidance - Roles & Responsibilities

The following guidance is intended to provide the Audit Committee members with additional guidance on fulfillment of their roles and responsibilities on the committee:

6.1 *Internal Control*

- (a) evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;

6.2 *Financial Reporting*

General

- (a) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements; and
- (b) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks; and
- (c) understand industry best practices and the Company's adoption of them.

Annual Financial Statements

- (d) review the annual financial statements and determine whether they are complete and consistent with the information known to committee members, and assess whether the financial statements reflect appropriate accounting principles in light of the jurisdictions in which the Company reports or trades its shares;
- (e) pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;
- (f) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses; warranty, professional liability; litigation reserves; and other commitments and contingencies;
- (g) consider management's handling of proposed audit adjustments identified by the external auditors; and
- (h) ensure that the external auditors communicate all required matters to the committee.

Interim Financial Statements

- (i) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;
- (j) meet with management and the auditors, either telephonically or in person, to review the interim financial statements; and
- (k) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:
 - (i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
 - (ii) changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financials statements are consistent with changes in the company's operations and financing practices;
 - (iii) generally accepted accounting principles have been consistently applied;
 - (iv) there are any actual or proposed changes in accounting or financial reporting practices;
 - (v) there are any significant or unusual events or transactions;
 - (vi) the Company's financial and operating controls are functioning effectively;

(vii) the Company has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and

(viii) the interim financial statements contain adequate and appropriate disclosures.

6.3 *Compliance with Laws and Regulations*

- (a) periodically obtain updates from management regarding compliance with this policy and industry "best practices";
- (b) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements; and
- (c) review the findings of any examinations by securities regulatory authorities and stock exchanges.

6.4 *Other Responsibilities*

- (a) review, with the company's counsel, any legal matters that could have a significant impact on the company's financial statements.