

**KOOTENAY SILVER INC.**

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (the “**Meeting**”) of Shareholders of **KOOTENAY SILVER INC.** (the “**Corporation**”) will be held at Suite 910 – 800 West Pender Street, Vancouver, British Columbia, on Thursday, the 12th day of December, 2024 at 10:00 a.m. (Vancouver time), for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for the fiscal years ended December 31, 2023 and December 31, 2022, together with the report of the auditor thereon;
2. to determine the number of directors at five;
3. to elect the directors of the Corporation for the ensuing year;
4. to re-appoint the auditor of the Corporation for the ensuing fiscal year and to authorize the directors of the Corporation to fix the auditor’s remuneration;
5. to consider and, if thought fit, to pass, with or without variation, an ordinary resolution to ratify, confirm and approve the 10% rolling equity incentive plan of the Corporation, as more particularly described in the accompanying information circular of the Corporation (the “**Information Circular**”); and
6. to transact such further or other business as may properly come before the Meeting and any adjournment(s) or postponement(s) thereof.

Accompanying this Notice of Meeting is an Information Circular and a form of proxy (or a voting instruction form if you hold common shares through a broker or other intermediary). The accompanying Information Circular provides information relating to the matters to be addressed at the Meeting and is incorporated into this Notice.

Shareholders are entitled to vote at the Meeting either in person or by proxy. If you are a registered shareholder of the Corporation and are unable to attend the Meeting in person, please complete, date and execute the accompanying form of proxy and deposit it with Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 (Fax: within North America 1-866-249-7775, outside North America 1-416-263-9524) by mail, fax or by following the procedure for telephone or internet voting provided in the accompanying form of proxy, not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the Meeting or any adjournment(s) or postponement(s) thereof, or with the Chairman of the Meeting on the day of the Meeting, prior to the commencement of the Meeting, or any adjournment(s) or postponement(s) thereof.

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

Only holders of common shares of record as at the close of business on October 31, 2024 will be entitled to vote at the Meeting.

DATED at Vancouver, British Columbia, this 31st day of October, 2024.

**BY ORDER OF THE BOARD OF DIRECTORS**

*“Kenneth E. Berry” (signed)*

**Kenneth E. Berry**  
**Chairman**

# **KOOTENAY SILVER INC.**

Suite 1125 - 595 Howe Street  
Vancouver, British Columbia V6C 2T5

## **INFORMATION CIRCULAR**

(containing information as at October 31, 2024 unless otherwise noted)

### **PERSONS MAKING THE SOLICITATION**

**This Information Circular is furnished in connection with the solicitation of proxies being made by the management of Kootenay Silver Inc. (the “Corporation”) for use at the Annual General Meeting of the Corporation’s shareholders (the “Meeting”) to be held on Thursday, December 12, 2024 at the time and place and for the purposes set forth in the accompanying Notice of Meeting.** While it is expected that the solicitation will be made primarily by mail, proxies may be solicited personally or by telephone by directors, officers and employees of the Corporation.

All costs of this solicitation will be borne by the Corporation.

### **APPOINTMENT AND REVOCATION OF PROXIES**

The individuals named in the accompanying form of proxy are directors or officers of the Corporation (the “**Management Proxyholders**”). **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR THE SHAREHOLDER AND ON THE SHAREHOLDER’S BEHALF AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY INSERTING SUCH PERSON’S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY AND STRIKING OUT THE MANAGEMENT PROXYHOLDERS’ PRINTED NAMES, OR BY COMPLETING ANOTHER FORM OF PROXY.**

To be valid, a proxy must be dated and signed by the shareholder or by the shareholder’s attorney authorized in writing. In the case of a corporation, the proxy must be signed by a duly authorized officer of or an attorney for the corporation.

The completed proxy, together with the power of attorney or other authority, if any, under which the proxy was signed or a notarially certified copy of the power of attorney or other authority, must be delivered to Computershare Investor Services Inc. (“**Computershare**”), of 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 (Fax: within North America 1-866-249-7775, outside North America 1-416-263-9524) by mail, fax or by following the procedure for telephone or internet voting provided in the accompanying form of proxy at least 48 hours (excluding Saturdays, Sundays and holidays) prior to the Meeting, or any adjournment(s) or postponement(s) thereof, or with the Chairman of the Meeting prior to the commencement of the Meeting, or any adjournment(s) or postponement(s) thereof, or with the Chairman of the Meeting on the day of the Meeting, prior to commencement of the Meeting or any adjournment(s) or postponement(s) thereof.

A shareholder who has given a proxy may revoke it by an instrument in writing executed by the shareholder or by the shareholder’s attorney authorized in writing or, if the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the registered office of the Corporation, at Suite 910 – 800 West Pender Street, Vancouver, British Columbia, V6C 2V6, at any time up to and including the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof, or to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

## ADVICE TO BENEFICIAL SHAREHOLDERS

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Corporation are “non-registered” shareholders because the common shares of the Corporation they own are not registered in their names but are instead registered in the names of a brokerage firm, bank or other intermediary or in the name of a clearing agency. Shareholders who do not hold their common shares in their own name (referred to herein as “Beneficial Shareholders”) should note that only registered shareholders may vote at the Meeting.**

If common shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those shares will not be registered in such shareholder’s name on the records of the Corporation. Such shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which company acts as nominee and custodian for many Canadian brokerage firms), and in the United States the vast majority of such shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many United States brokerage firms and custodian banks). Common shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers/nominees are prohibited from voting shares for their clients. The directors and officers of the Corporation do not know for whose benefit the common shares registered in the name of CDS & Co. and Cede & Co. are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings unless the Beneficial Shareholders have waived their right to receive Meeting materials. Every intermediary (broker) has its own mailing procedure and provides its own return instructions, which should be carefully followed in order to ensure that their common shares are voted at the Meeting. The voting instruction form supplied by intermediaries to Beneficial Shareholders is often identical to the form of proxy that is provided to registered shareholders. However, the purpose of the voting instruction form is limited to instructing the registered shareholder how to vote on behalf of the Beneficial Shareholder. Should a non-registered shareholder receiving such a voting instruction form wish to vote at the Meeting, the non-registered shareholder should strike out the names of the Management Proxyholders named in the voting instruction form and insert the name of the person designated by the non-registered shareholder in the blank provided and return the voting instruction form to the intermediary in accordance with the instructions contained in the form, well in advance of the Meeting.

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. **A Beneficial Shareholder who receives a voting instruction form cannot use that form to vote common shares directly at the Meeting. The voting instruction form must be returned to Broadridge (or instructions respecting the voting of the common shares must be communicated to Broadridge) well in advance of the Meeting in order to have the common shares voted.** All references to shareholders in this Information Circular and the accompanying form of proxy and Notice of Meeting are to shareholders of record unless specifically stated otherwise.

Beneficial Shareholders fall into two categories – those who object to their names being made known to the issuers of securities which they own (called “**OBOs**” – for “**Objecting Beneficial Owners**”) and those who do not object to the issuers of the securities they own knowing who they are (called “**NOBOs**” for “**Non-Objecting Beneficial Owners**”). In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), issuers may obtain and use the NOBO list for distribution of proxy-related materials directly (not via Broadridge) to such NOBOs.

The Corporation is taking advantage of NI 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* which permits the Corporation to deliver proxy-related materials directly to its NOBOs. As a result, NOBOs can expect to receive a scannable voting instruction form (“**VIF**”) from the Corporation’s transfer agent, Computershare. The VIF is to be completed and returned to Computershare in the envelope provided or by facsimile, or a NOBO has the option to submit their proxy vote either by telephone or via the internet in the manner described in the VIF. Computershare tabulates the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the common shares represented by those VIFs.

The Corporation's OBOs can expect to be contacted by Broadridge or their brokers or their broker's agents as set out above. The Corporation will not pay for intermediaries to deliver the Notice of Meeting, Information Circular and VIF to OBOs, and OBOs will not receive the Meeting materials unless their intermediary assumes the cost of the delivery.

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

By choosing to send this Information Circular to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering the Information Circular to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

### EXERCISE OF DISCRETION

If the instructions in a proxy are certain, the shares represented thereby will be voted on any poll by the persons named in the proxy and, where a choice with respect to any matter to be acted upon has been specified in the proxy, the shares represented thereby will, on a poll, be voted or withheld from voting in accordance with the specifications so made.

**If no choice is specified and one of the Management Proxyholders is appointed by a registered shareholder as proxyholder, such person will vote in favour of each matter identified in the Notice of Meeting and for the nominees of management for directors and auditor.**

The enclosed form of proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the persons appointed proxyholders thereunder to vote with respect to any amendments or variations of matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of the printing of this Information Circular, the management of the Corporation knows of no such amendment, variation or other matter which may be presented to the Meeting.

### VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at the date hereof, the Corporation has 61,638,883 fully paid and non-assessable common shares without par value issued and outstanding, each share carrying the right to one vote.

Any shareholder of record at the close of business on October 31, 2024 who either personally attends the Meeting or who has completed and delivered a proxy in the manner and subject to the provisions described above, shall be entitled to vote or to have such shareholder's shares voted at the Meeting.

The Articles of the Corporation provide that a quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the Meeting.

To the best of the knowledge of the directors and executive officers of the Corporation, no persons, beneficially own, directly or indirectly, or exercise control or direction over, shares carrying 10% or more of the voting rights attached to all outstanding shares of the Corporation.

### ELECTION OF DIRECTORS

The Board of Directors (the "**Board**") of the Corporation presently consists of five (5) directors, and it is intended to determine the number of directors at five (5) and to elect five (5) directors for the ensuing year.

Pursuant to the Advance Notice Policy adopted by the Board of Directors on May 16, 2013, which was ratified and confirmed by shareholders at the Annual and Special Meeting of shareholders held on July 24, 2013 and is filed on SEDAR+ under the Corporation's profile at [www.sedarplus.ca](http://www.sedarplus.ca), any additional director nominations for the Meeting must have been received by the Corporation, in compliance with the Advance Notice Policy, on or before the close of business on October 25, 2024. No additional director nominations were received by the Corporation.

The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as management's nominees. Management does not contemplate that any of these nominees

will be unable to serve as a director. Each director elected will hold office until the next Annual General Meeting of the Corporation or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Corporation or within the provisions of the *Business Corporations Act* (British Columbia).

The following table sets out the names of the proposed nominees for election as directors, the province or state and country in which each is ordinarily resident, all offices of the Corporation now held by each of them, if any, their principal occupations or employments during the past five years if such nominee is not presently an elected director, the period of time each has been a director of the Corporation, and the number of common shares of the Corporation beneficially owned by each, directly or indirectly, or over which control or direction is exercised, as at the date hereof.

<b>Name, Province or State, Country of Residence, Position(s) with Corporation<sup>(1)</sup></b>	<b>Principal Occupation and, if not at Present an Elected Director, Employment for Last Five Years<sup>(1)</sup></b>	<b>Date(s) Served as a Director</b>	<b>Common Shares Held<sup>(1)</sup></b>
<b>Kenneth E. Berry<sup>(3)(4)</sup></b> British Columbia, Canada <i>Chairman and Director</i>	Chairman of the Corporation, formerly President; self-employed consultant, providing finance and corporate communications services to various public companies; former Director, President and CEO of Northern Vertex Mining Corp.	November 27, 2002	64,350
<b>James M. McDonald<sup>(3)(4)</sup></b> Alberta, Canada <i>President, Chief Executive Officer and Director</i>	President and Chief Executive Officer of the Corporation; President of Makwa Exploration Ltd. (“ <b>Makwa</b> ”), a private geological consulting company; Director of Aldebaran Resources Inc. and former Director of Northern Vertex Mining Corp.	March 7, 2005	468,740 <sup>(2)</sup>
<b>Jon Morda<sup>(5)</sup></b> Ontario, Canada <i>Director</i>	Director of Kiboko Gold Inc. and of Besra Gold Inc. Retired in 2011 having been Chief Financial Officer for several mineral exploration and gold producing companies, including Alamos Gold Inc.	December 12, 2011	2,500
<b>Antonio Reda<sup>(5)</sup></b> British Columbia, Canada <i>Director</i>	Director, President & CEO of Tectonic Metals Inc. 2018 to present. Former Vice President, Corporate Development for Kaminak Gold Corp., a TSXV listed junior natural resource mining company, from November 2005 to July 2016.	April 21, 2016	Nil
<b>Joseph P. Giuffre<sup>(5)</sup></b> British Columbia, Canada <i>Director</i>	Self employed corporate lawyer January 2019 to present. Former Chief Legal Officer and Corporate Secretary of Nevsun Resources Ltd. from January 2012 to January 2019.	July 9, 2008 to December 10, 2018  January 13, 2023	33,333

(1) The information as to province or state and country of residence, principal occupation and number of shares beneficially owned by the nominees (directly or indirectly or over which control or direction is exercised) is not within the knowledge of management of the Corporation and has been furnished by the respective nominees.

(2) Of these shares, 81,470 are held by Makwa, a private company controlled by Mr. McDonald.

(3) Member of the Governance Committee.

(4) Member of the Nominating and Compensation Committee.

(5) Member of the Audit Committee.

Shareholders can vote for all of the proposed nominees for directors of the Corporation, vote for some of the proposed nominees and withhold for others, or withhold from voting for all or any of the proposed nominees. **Unless otherwise instructed, the named proxyholders will vote FOR the election of each of the proposed nominees set forth above as directors of the Corporation.**

The Board does not contemplate that any of its nominees will be unable to serve as a director. If any vacancies occur in the slate of nominees listed above before the Meeting, then the proxyholders named in the accompanying form of proxy intend to exercise discretionary authority to vote the shares represented by proxy for the election of any other persons as directors.

Except as set out below, no proposed director of the Corporation is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation), that:

- (a) was subject to a cease trade order, an order similar to a cease trade 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, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade 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, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as set out below, no proposed director of the Corporation:

- (a) is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Mr. Morda has been a director of Besra Gold Inc. (“**Besra**”) from August 16, 2005 to the present date. Besra is currently listed on the Australian Stock Exchange. On December 29, 2014, the Ontario Securities Commission (the “**OSC**”) issued a cease trade order (“**CTO**”) ceasing all trading in securities of Besra which superseded a temporary order issued by the OSC on December 17, 2014, in connection with Besra’s failure to file its financial statements, management’s discussion and analysis and certifications of the foregoing filings for the financial year ended June 30, 2014 and for the three-month interim period ended September 30, 2014. Similar cease trade orders were subsequently issued against Besra by the British Columbia Securities Commission, the Autorité des Marchés Financiers and the Alberta Securities Commission.

On October 19, 2015, Besra filed a Notice of Intention to Make a Proposal pursuant to section 50.4(1) of the Bankruptcy and Insolvency Act (Canada) and MNP Ltd. was appointed as proposal trustee. Besra subsequently filed a proposal on January 29, 2016. The amended proposal was considered and approved by Besra creditors during a meeting on April 7, 2016. Creditors of Besra needed to prove their claims by November 7, 2016. On November 16, 2016, the OSC issued an order amending an order it made on October 14, 2016, which partially revoked the CTO it issued on December 29, 2014. A Certificate of Full Performance under the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”), effectively releasing the Corporation from the BIA proceedings was issued in May 2017.

In September 2018, Besra filed the required continuous disclosure documents that would enable a revocation of the cease trade orders imposed by the Canadian securities regulators due to the failure of the Corporation to file required filings by the filing deadlines. Subsequently in November 2018 a full revocation of the CTOs was granted. A further CTO was issued by the OSC on November 1, 2019 and revoked on April 20, 2020.

No proposed director of the Corporation has been subject to:

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

## STATEMENT OF EXECUTIVE COMPENSATION

### **Director and Named Executive Officer Compensation**

In this section, “**Named Executive Officer**” means (a) the Corporation’s chief executive officer (the “**CEO**”), including an individual performing functions similar to a CEO, (b) the Corporation’s chief financial officer (the “**CFO**”), including an individual performing functions similar to a CFO, (c) the most highly compensated executive officer of the Corporation, and its subsidiaries, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V *Statement of Executive Compensation – Venture Issuers*, for that financial year; and (d) each individual who would be a Named Executive Officer under (c) but for the fact that the individual was not an executive officer of the Corporation and was not acting in a similar capacity, at the end of that financial year.

During the Corporation’s fiscal years ended December 31, 2023 and December 31, 2022, the following individuals were the Named Executive Officers of the Corporation:

- James M. McDonald, President and CEO
- Rajwant S. Kang, CFO and Corporate Secretary
- Dale Brittliffe, Vice President Exploration

### **Director and Named Executive Officer Compensation, Excluding Compensation Securities**

#### **Table of Compensation Excluding Compensation Securities**

The following table provides a summary of compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Corporation or a subsidiary of the Corporation to each Named Executive Officer and director of the Corporation during the fiscal years ended December 31, 2023 and 2022:

<b>Name and Position</b>	<b>Year</b>	<b>Salary, Consulting Fee, Retainer or Commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or Meeting Fees (\$)</b>	<b>Value of Perquisites (\$)</b>	<b>Value of all other Compensation (\$)</b>	<b>Total Compensation (\$)</b>
<b>James M. McDonald</b> President, CEO and Director	2023	\$250,000	\$Nil	\$12,500	\$Nil	\$Nil	\$262,500 <sup>(1)</sup>
	2022	\$250,000	\$Nil	\$13,000	\$Nil	\$Nil	\$263,000 <sup>(2)</sup>
<b>Rajwant S. Kang</b> CFO and Corporate Secretary	2023	\$190,000	\$Nil	\$Nil	\$Nil	\$Nil	\$190,000 <sup>(3)</sup>
	2022	\$190,000	\$Nil	\$Nil	\$Nil	\$Nil	\$190,000 <sup>(3)</sup>
<b>Dale Brittliffe</b> Vice President Exploration	2023	\$170,500	\$Nil	\$Nil	\$Nil	\$Nil	\$170,500 <sup>(4)</sup>
	2022	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil

Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
<b>Kenneth E. Berry</b> Chairman and Director	2023	\$Nil	\$Nil	\$16,500	\$Nil	\$Nil	\$16,500
	2022	\$Nil	\$Nil	\$17,000	\$Nil	\$Nil	\$17,000
<b>Jon Morda</b> Director	2023	\$Nil	\$Nil	\$20,500	\$Nil	\$Nil	\$20,500
	2022	\$Nil	\$Nil	\$17,000	\$Nil	\$Nil	\$17,000
<b>Antonio Reda</b> Director	2023	\$Nil	\$Nil	\$16,500	\$Nil	\$Nil	\$16,500
	2022	\$Nil	\$Nil	\$13,000	\$Nil	\$Nil	\$13,000
<b>Joseph P. Giuffre<sup>(5)</sup></b> Director	2023	\$Nil	\$Nil	\$16,500	\$Nil	\$Nil	\$16,500
	2022	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
<b>Brian Groves<sup>(6)</sup></b> Former Director	2023	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
	2022	\$Nil	\$Nil	\$16,000	\$Nil	\$Nil	\$16,000

- (1) Of this amount, Mr. McDonald received \$250,000 during the year in his capacity as President and CEO of the Corporation and \$12,500 in his capacity as a director. Payments made in his capacity as President and CEO of the Corporation were made to Makwa, a private company controlled by Mr. McDonald, which provides the services of Mr. McDonald as the Corporation's President and CEO. See "Employment, Consulting and Management Agreements".
- (2) Of this amount, Mr. McDonald received \$250,000 during the year in his capacity as President and CEO of the Corporation and \$13,000 in his capacity as a director. All payments were made to Makwa, a private company controlled by Mr. McDonald, which provides the services of Mr. McDonald as the Corporation's President and CEO. See "Employment, Consulting and Management Agreements".
- (3) This amount was paid to RSK Management Consulting Inc. ("**RSK Management**"), a private company controlled by Mr. Kang, which provides the services of Mr. Kang as the Corporation's CFO and Corporate Secretary. See "Employment, Consulting and Management Agreements".
- (4) Mr. Brittliffe was appointed Vice President Exploration on December 1, 2022.
- (5) Mr. Giuffre was appointed director of the Corporation on January 13, 2023.
- (6) Mr. Groves ceased to be a director of the Corporation on October 24, 2022.

### ***Stock Options and Other Compensation Securities***

#### **Table for Compensation Securities**

The following table discloses all compensation securities granted or issued to each director and Named Executive Officer of the Corporation or any of its subsidiaries during the fiscal year ended December 31, 2023. The footnotes to the table disclose the number of stock options held by the directors and Named Executive Officers of the Corporation and its subsidiaries as at December 31, 2023:

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 Year End (\$)	Expiry Date
<b>James M. McDonald<sup>(1)</sup></b> President, CEO and Director	Stock Options	350,000	January 13, 2023	\$1.55	\$1.55	\$1.18	January 13, 2028
<b>Rajwant S. Kang<sup>(2)</sup></b> CFO and Corporate Secretary	Stock Options	250,000	January 13, 2023	\$1.55	\$1.55	\$1.18	January 13, 2028

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 Year End (\$)	Expiry Date
<b>Dale Brittliffe</b> <sup>(3)</sup> Vice President Exploration	Stock Options	200,000	January 13, 2023	\$1.55	\$1.55	\$1.18	January 13, 2028
<b>Kenneth E. Berry</b> <sup>(4)</sup> Chairman and Director	Stock Options	250,000	January 13, 2023	\$1.55	\$1.55	\$1.18	January 13, 2028
<b>Jon Morda</b> <sup>(5)</sup> Director	Stock Options	60,000	January 13, 2023	\$1.55	\$1.55	\$1.18	January 13, 2028
<b>Antonio Reda</b> <sup>(6)</sup> Director	Stock Options	60,000	January 13, 2023	\$1.55	\$1.55	\$1.18	January 13, 2028
<b>Joseph P. Giuffre</b> <sup>(7)</sup> Director	Stock Options	60,000	January 13, 2023	\$1.55	\$1.55	\$1.18	January 13, 2028

- (1) As at December 31, 2023, Mr. McDonald held 500,000 stock options of the Corporation entitling him to acquire, upon exercise, 500,000 common shares in the capital of the Corporation. Of the options held 325,000 options were vested as at December 31, 2023.
- (2) As at December 31, 2023, Mr. Kang held 350,000 stock options of the Corporation entitling him to acquire, upon exercise, 350,000 common shares in the capital of the Corporation. Of the options held 225,000 options were vested as at December 31, 2023.
- (3) As at December 31, 2023, Mr. Brittliffe held 200,000 stock options of the Corporation entitling him to acquire, upon exercise, 200,000 common shares in the capital of the Corporation. Of the options held 100,000 options were vested as at December 31, 2023.
- (4) As at December 31, 2023, Mr. Berry held 350,000 stock options of the Corporation entitling him to acquire, upon exercise, 350,000 common shares in the capital of the Corporation. Of the options held 225,000 options were vested as at December 31, 2023.
- (5) As at December 31, 2023, Mr. Morda held 90,000 stock options of the Corporation entitling him to acquire, upon exercise, 90,000 common shares in the capital of the Corporation. Of the options held 60,000 options were vested as at December 31, 2023.
- (6) As at December 31, 2023, Mr. Reda held 80,000 stock options of the Corporation entitling him to acquire, upon exercise, 80,000 common shares in the capital of the Corporation. Of the options held 50,000 options were vested as at December 31, 2023.
- (7) As at December 31, 2023, Mr. Giuffre held 60,000 stock options of the Corporation entitling him to acquire, upon exercise, 60,000 common shares in the capital of the Corporation. Of the options held 30,000 options were vested as at December 31, 2023.

*Exercises of Compensation Securities by Named Executive Officers and Directors*

No stock options or compensation securities were exercised by the directors and the Named Executive Officers of the Corporation and its subsidiaries during the fiscal year ended December 31, 2023:

**Stock Option Plans and other Incentive Plans**

*Equity Incentive Plan*

The Corporation currently has in place a “rolling 10% security based compensation plan (the “**Equity Incentive Plan**”), which replaced the Corporation’s prior rolling 10% stock option plan (the “**Prior SOP**”), share unit plan (the “**Share Unit Plan**”) and deferred share unit plan (the “**DSU Plan**”) on May 10, 2023. See “*Particulars of Other Matters to be Acted Upon – Ratification of Equity Incentive Plan*”. The purpose of the Equity Incentive Plan is to attract and retain directors, officers, employees and consultants and to motivate them to advance the interests of the Corporation by affording them with the opportunity to receive or acquire an equity interest in the Corporation through Awards granted under the Equity Incentive Plan.

The following is a summary of certain provisions of the Equity Incentive Plan:

The Equity Incentive Plan is a 10% “rolling” equity incentive plan pursuant to which the maximum number of common shares reserved for issuance, together with all of the Corporation’s other previously established or proposed stock options, stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of common shares, shall not result in the number of common shares reserved for issuance pursuant to Awards exceeding 10% of the issued and outstanding common shares as at the date of grant of any Award. Pursuant to the terms of the Equity Incentive Plan, in addition to the ability to award options (“**Options**”) to acquire common shares of the Corporation to Participants, the Corporation has the availability to award restricted share units (“**RSUs**”), deferred share units (“**DSUs**”), performance share units (“**PSUs**”), stock appreciation rights (“**SARs**”) and share purchase rights (“**SP Rights**”) (collectively, the “**Awards**”). Pursuant to the Equity Incentive Plan, the Corporation may provide financial assistance (which cannot involve lending funds to a Participant for the purposes of acquiring securities of the Corporation, whether from treasury or otherwise), or a Participant may be allowed to purchase securities of the Corporation (which may be at a discount to fair market value), or a Participant may be entitled to receive additional securities of the Corporation upon subscribing for a pre-established number of securities of the Corporation, which securities may be issued from the treasury or purchased on the secondary market. The Equity Incentive Plan was accepted by the TSXV on May 10, 2023 and modifications may be made to the Equity Incentive Plan if required by the TSXV.

The Equity Incentive Plan provides that:

1. All employees, officers, directors, consultants, management company employees, consultant companies and eligible charitable organizations (collectively, the “**Participants**”) are eligible to participate under the Equity Incentive Plan. Eligibility to participate does not confer any person any right to receive any grant of an Award pursuant to the Equity Incentive Plan. The extent to which any person is entitled to receive a grant of an Award pursuant to the Equity Incentive Plan will be determined in the sole and absolute discretion of the Board. Notwithstanding the foregoing, investor relations service providers may only be granted Options under the Equity Incentive Plan.
2. Awards of Options, RSUs, PSUs, DSUs, SARs, and SP Rights may be made under the Equity Incentive Plan. All Awards are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined in the sole and absolute discretion of the Board, subject to such limitations provided in the Equity Incentive Plan, and will generally be evidenced by an award agreement. In addition, subject to the limitations of the Equity Incentive Plan and in accordance with applicable law or the policies of the TSXV, the Board may accelerate or defer the vesting or payment of Awards, cancel or modify outstanding Awards, and waive any condition imposed with respect to Awards or common shares issued pursuant to Awards.
3. No Awards granted under the Equity Incentive Plan or any right thereunder or in respect thereof shall be transferable or assignable (other than upon the death of the Participant).
4. The maximum number of common shares issuable under the Equity Incentive Plan shall not exceed 10% of the number of common shares of the Corporation issued and outstanding as of each Award date, inclusive of all common shares reserved for issuance pursuant to previously granted Awards.
5. Awards will vest as the Board may determine, subject to the policies of the TSXV and the provisions of the Equity Incentive Plan, such as the 12-month probation of vesting for Awards other than Options and the requirement that Options granted to investor relations service providers must vest in stages over a period of not less than 12 months, such that no more than 25% vest any sooner than three months after the date of grant and not more than 25% vest any sooner than every three months thereafter.
6. If a change of control shall be deemed to be imminent, or to have occurred, there shall be immediate full vesting of each outstanding Option; provided, however, no acceleration to the vesting schedule of an Option granted to a Participant performing investor relations services may be made without prior acceptance of the TSXV. Unless otherwise determined by the Board, or unless otherwise provided in a Participant’s service agreement or award agreement, if a change of control shall conclusively be deemed to be imminent, or to have occurred, then the Board shall have the discretion, without the prior approval of the Participants but subject to any required approval of the TSXV, to, among other things, determine that there will be immediate full vesting of each outstanding Award (other than Options) granted, which

may be exercised or settled, in whole or in part, even if such Award is not otherwise exercisable or vested by its terms.

7. The exercise price of any Options will be determined by the Board and cannot be less than the greater of: (i) the minimum price established by the TSXV and (ii) the market value of the common shares on the day preceding the date of grant of the Options. Subject to approval from the Board and the common shares being traded on the TSXV, a brokerage firm may be engaged to loan money to the Participant in order for the Participant to exercise the Options to acquire the common shares, subsequent to which the brokerage firm shall sell a sufficient number of common shares to cover the exercise price of such Options to satisfy the loan. The brokerage firm shall receive an equivalent number of common shares from the exercise of the Options, and the Participant shall receive the balance of the common shares or cash proceeds from the balance of such common shares. Subject to approval from the Board and the common shares being traded on the TSXV, consideration may also be paid by reducing the number of common shares otherwise issuable under the Options, in lieu of a cash payment to the Corporation, a Participant, excluding those providing investor relations services, only receives the number of common shares that is equal to the quotient obtained by dividing: (i) the product of the number of Options being exercised multiplied by the difference between the volume-weighted average trading price of the common shares and the exercise price of the Options, by (ii) the volume-weighted average trading price of the common shares.
8. The Corporation may grant SARs pursuant to the Equity Incentive Plan whereby Participants will have the right to receive common shares, a cash payment, or any combination thereof, as determined by the Board, from the Corporation in an amount equal to the number of SARs granted multiplied by the difference between the fair market value (as defined in the Equity Incentive Plan) at the exercise date (as defined in the Equity Incentive Plan) over the base price (as defined in the Equity Incentive Plan) fixed by the Board.
9. The term of any Options will be fixed by the Board at the time such Options are granted, provided that Options will not be permitted to exceed a term of ten years.
10. No more than (i) 5% of the issued common shares may be granted under Awards to any one individual in any 12 month period, unless disinterested shareholder approval is obtained in accordance with the policies of the TSXV; and (ii) 2% of the issued common shares may be granted under Awards to a consultant, or an employee performing investor relations activities, in any 12 month period.
11. Subject to the discretion of the Board, in the event that a dividend (other than a stock dividend) is declared and paid by the Corporation on the common shares, a Participant may be credited with additional RSUs, DSUs or PSUs.
12. Unless disinterested shareholder approval is obtained in accordance with the policies of the TSXV, the maximum number of common shares that may be issued to insiders (as a group) under the Equity Incentive Plan within a 12-month period, may not exceed 10% of the issued common shares calculated on the date of grant, and the maximum number of common shares that may be issued to insiders (as a group) under the Equity Incentive Plan may not exceed 10% of the issued common shares at any time.
13. All security based compensation granted or issued to any Participant who is a director, officer, employee, consultant or management company employee must expire within a reasonable period, not exceeding 12 months, following the date the Participant ceases to be an eligible Participant under the Equity Incentive Plan. If a Participant ceases to be employed or engaged by the Corporation for cause, no Options will be exercisable following the date of on which such Participant ceased to be so employed or engaged, unless otherwise determined by the Board and subject to the terms of the Equity Incentive Plan. In the event of the retirement or termination of a Participant during the restricted period (as defined in the Equity Incentive Plan), any RSUs held by the Participant shall immediately terminate. In the event of the retirement or termination of a Participant following the restricted period (as defined in the Equity Incentive Plan) and before the deferred payment date (as defined in the Equity Incentive Plan), the Participant shall be entitled to receive common shares or cash, as determined by the Board, in satisfaction of the RSUs then held. If a Participant ceases to be an employee or a director during the performance period (as defined in the Equity Incentive Plan) because of retirement or termination, all PSUs previously awarded to the Participant shall be forfeited, subject to the discretion of the Board.

14. Awards will be reclassified or amended in the event of any consolidation, subdivision, conversion or exchange of the Corporation's common shares, subject to any necessary approvals of the TSXV.

In accordance with the policies of the TSXV, "rolling security based compensation plans" must be approved annually at the annual meeting by the shareholders of the Corporation. Accordingly, the shareholders of the Corporation will be asked at the Meeting to ratify, confirm and approve the Equity Incentive Plan. The Equity Incentive Plan was last approved by the shareholders at the Corporation's annual and special meeting held on March 15, 2023 and the TSXV on May 10, 2023. See "*Particulars of Other Matters to be Acted Upon – Ratification of Approved Equity Incentive Plan*" for details of the ratification of the Equity Incentive Plan.

### **Employment, Consulting and Management Agreements**

Effective January 1, 2008, the Corporation entered into a consulting agreement with Makwa, which provides the services of James M. McDonald as the Corporation's President and CEO for a base fee of \$15,000 per month. The base monthly fee for Makwa was amended effective January 1, 2017 to \$20,833. All other terms of the consulting agreement with Makwa remained unchanged. The consulting agreement with Makwa had an initial term of 24 months (the "**Initial Term**") and automatically extend in increments of 24 months until terminated.

The consulting agreement with Makwa provides that:

- (a) if the Corporation terminates Makwa's (the "**Consultant**") engagement for cause (as defined in the consulting agreement) or if the Consultant voluntarily terminates its engagement, the Corporation's obligation to compensate the Consultant shall in all respects cease as of the date of termination, except that the Corporation shall pay the Consultant the monthly base fee under their respective consulting agreements and any reimbursable expenses up to such date of termination (the "**Accrued Obligations**");
- (b) if the Consultant's engagement is terminated due to the death or the permanent disability of the Consultant, the Corporation's obligation to compensate the Consultant shall in all respects cease as of the date of termination, except that within 30 days after the date of termination the Corporation shall pay the Consultant the Accrued Obligations and six months of the capped monthly base fee or such greater amount to the extent that the base fee has otherwise been increased; and
- (c) if the Consultant's engagement is terminated by the Corporation without cause, the Corporation's obligation to compensate the Consultant shall in all respects cease, except that within 30 days after the date of termination the Corporation shall pay the Consultant the Accrued Obligations and 12 months of the capped monthly base fee or such greater amount to the extent that the base fee has otherwise been increased.

If the Consultant's engagement is terminated pursuant to a change of control (as defined in the consulting agreement) of the Corporation, the Corporation's obligation to compensate the Consultant shall in all respects cease, except that concurrently with the date of termination the Corporation shall pay the Consultant the Accrued Obligations together with a termination fee equal to 24 months of the capped monthly base fee or such greater amount to the extent that the base fee has otherwise increased.

The Corporation and RSK Management, a private company controlled by Mr. Kang, have entered into a Management and Consulting Agreement dated January 1, 2013 (the "**RSK Management Agreement**") to provide the services of Mr. Kang as the Corporation's CFO. The RSK Management Agreement provides for, among other things, a base fee of \$11,917 per month to RSK Management. The base monthly fee for RSK Management was amended effective January 1, 2021 to \$15,833. The RSK Management Agreement renews each year until termination.

The RSK Management Agreement further provides that:

- (a) if the Corporation terminates RSK Management's engagement for cause (as defined in the RSK Management Agreement) or if RSK Management voluntarily terminates its engagement, the Corporation's obligation to compensate RSK Management shall in all respects cease as of the date of termination, except that the Corporation shall pay RSK Management the base fee of \$15,833 per month and any reimbursable expenses up to such date of termination (the "**Accrued Obligations**");

- (b) if RSK Management’s engagement is terminated due to the death or the permanent disability of Mr. Kang, the Corporation’s obligation to compensate RSK Management shall in all respects cease as of the date of termination, except that within 30 days after the date of termination the Corporation shall pay RSK Management the Accrued Obligations and six months of the capped monthly base fee or such greater amount to the extent that the base fee has otherwise been increased; and
- (c) if RSK Management’s engagement is terminated by the Corporation without cause, the Corporation’s obligation to compensate RSK Management shall in all respects cease, except that within 5 days after the date of termination the Corporation shall pay RSK Management the Accrued Obligations and 24 months of the capped monthly base fee or such greater amount to the extent that the base fee has otherwise been increased.

If RSK Management’s engagement is terminated pursuant to a change of control (as defined in the RSK Management Agreement) of the Corporation, the Corporation’s obligation to compensate RSK Management shall in all respects cease, except that concurrently with the date of termination the Corporation shall pay RSK Management the Accrued Obligations together with a termination fee equal to 24 months of the capped monthly base fee or such greater amount to the extent that the base fee has otherwise increased.

The Corporation and Brightstar Geological Consulting Inc. (“Brightstar”), a private company controlled by Mr. Brittliffe, are currently entering into a Management and Consulting Agreement which will be retroactively effective as of December 1, 2022 (the “**BGC Management Agreement**”) to provide the services of Mr. Brittliffe as the Corporation’s VP Exploration. The BGC Management Agreement provides for, among other things, a base fee of \$14,208 per month to Brightstar. The BGC Management Agreement will renew each year until termination.

Additionally, the BGC Management Agreement will further provide that:

- (a) if the Corporation terminates BGC Management’s engagement for cause (as defined in the BGC Management Agreement) or if BGC Management voluntarily terminates its engagement, the Corporation’s obligation to compensate BGC Management shall in all respects cease as of the date of termination, except that the Corporation shall pay BGC Management the monthly base fee and any reimbursable expenses up to such date of termination (the “**Accrued Obligations**”);
- (b) if BGC Management’s engagement is terminated due to the death or the permanent disability of Mr. Brittliffe, the Corporation’s obligation to compensate BGC Management shall in all respects cease as of the date of termination, except that within 30 days after the date of termination the Corporation shall pay BGC Management the Accrued Obligations and six months of the capped monthly base fee or such greater amount to the extent that the base fee has otherwise been increased; and
- (c) if BGC Management’s engagement is terminated by the Corporation without cause, the Corporation’s obligation to compensate BGC Management shall in all respects cease, except that within 5 days after the date of termination the Corporation shall pay BGC Management the Accrued Obligations and 24 months of the capped monthly base fee or such greater amount to the extent that the base fee has otherwise been increased.

If BGC Management’s engagement is terminated pursuant to a change of control (as defined in the BGC Management Agreement) of the Corporation, the Corporation’s obligation to compensate BGC Management shall in all respects cease, except that concurrently with the date of termination the Corporation shall pay BGC Management the Accrued Obligations together with a termination fee equal to 24 months of the capped monthly base fee or such greater amount to the extent that the base fee has otherwise increased.

## **Oversight and Description of Director and Named Executive Officer Compensation**

### *Named Executive Officer Compensation*

The Board determines Named Executive Officer compensation based on the recommendation of the Nominating and Compensation Committee at the time of engagement of the Named Executive Officer and subsequently reviews compensation payable to a Named Executive Officer from time to time. For the Corporation’s fiscal years ended December 31, 2023 and December 31, 2022, the significant elements of compensation paid and awarded to each Named Executive Officer were base salaries/management fees paid indirectly to Messrs. McDonald and Kang and

base salary paid to Mr. Brittliffe. See “*Table of Compensation Excluding Compensation Securities*”, “*Employment, Management and Consulting Agreements*”, and “*Table of Compensation Securities*”.

The components of the Corporation’s executive compensation program are described in the table below:

<b>Compensation element</b>	<b>How it is paid</b>	<b>What it is designed to reward</b>
Base salary/management fees	Cash	Rewards skills, capabilities, knowledge and experience, reflecting the level of responsibility, as well as the contribution expected from each executive.
Short-term Incentive	Cash	Rewards contribution to departmental performance and the Corporation’s overall performance. Rewards for achievements within the current financial year.
Long-term Incentive	Awards	Provides alignment between the interests of executives and shareholders. Rewards contribution to the long-term performance of the Corporation and demonstrated potential for future contribution. Aligns with long-term corporate performance and provides added incentive for executives to enhance shareholder value.

The Nominating and Compensation Committee considers a broad range of factors when setting compensation for Named Executive Officers, including but not limited to: i) market data, ii) recruiting and retaining executives critical to the success of the Corporation, iii) individual performance, iv) corporate performance and v) rewarding performance. The Nominating and Compensation Committee may request the executive officers to provide remuneration analysis for the sector for its review and also review the performance of certain individuals regarding long-term incentives namely, the grant of option based awards.

The Corporation also relies on the Board and its collective experience in similar lines of business when assessing compensation levels.

In making its recommendations, the Nominating and Compensation Committee uses all the data available to ensure that the Corporation is maintaining a level of compensation that is both commensurate with the size of the Corporation and sufficient to retain personnel it considers essential to the success of the Corporation. In reviewing comparative data, the Nominating and Compensation Committee does not engage in benchmarking for the purpose of establishing compensation levels. In the Nominating and Compensation Committee’s view, external and third-party survey data provides an insight into external competitiveness, but it is not an appropriate single basis for establishing compensation levels. This is primarily due to the differences in the size of comparable companies and the lack of sufficient appropriate matches to provide statistical relevance. As such, the Nominating and Compensation Committee primarily relies on an assessment of individual performance, experience and potential to contribute to operations and growth of the Corporation.

#### *Base Salary*

The base salary provides an executive with basic compensation and reflects individual responsibility, knowledge and experience, market competitiveness and the contribution expected from each individual.

#### *Short-term Incentive*

Short-term incentive compensation is based on annual results. The short-term incentive compensation ensures that a significant portion of an executive’s compensation varies with actual results in a given year, while providing financial incentives to executives to achieve short-term financial and strategic objectives. It communicates to executives the key accomplishments the Nominating and Compensation Committee wishes to reward and ensures that overall executive compensation correlates with corporate objectives. The short-term incentive component is structured to reward not only increased value for shareholders but also performance with respect to key operational factors and non-financial goals important to long-term success.

### *Long-term Incentive*

The long-term incentive component of executive compensation is designed to ensure commonality of interests between management and shareholders. This is accomplished by connecting shareholder return and long-term compensation, motivating executives to achieve long-range objectives that directly benefit shareholders.

Stock options reward executives for growth in the value of the Corporation's shares over the long term. This is the high risk, high-return component of the executive compensation program because stock options deliver value to an executive only if the share price is above the grant price.

See "*Stock Option Plans and Other Incentive Plans*" for a discussion on incentive stock options that may be awarded to Named Executive Officers. See "*Table of Compensation Securities*" for details of Options granted to and outstanding Options held by the Named Executive Officers.

### *Director Compensation*

The Board determines director compensation for the Corporation from time to time. Directors of the Corporation are currently paid quarterly fees of \$3,000 for serving on the Board. Additionally, directors are paid quarterly fees of \$1,000 for serving on the audit committee, \$500 for serving on other committees, and \$500 for attending each meeting of the Board. The chairperson of each of the Audit Committee, the Nominating and Compensation Committee and the Governance Committee also receives a quarterly fee of \$1,000. See "*Table of Compensation Excluding Compensation Securities*". Directors are entitled to receive compensation from the Corporation to the extent that they provide other services to the Corporation and any such compensation is based on rates that would be charged by such directors for such services to arm's length parties. Directors are also entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors. See "*Stock Option Plans and Other Incentive Plans*" for a discussion on incentive stock options that may be awarded to directors. See *Table of Compensation Securities*" for details of stock options granted to and stock options held by the directors of the Corporation.

### *Recent Significant Changes to the Corporation's Compensation Policies*

There have been no significant changes to the Corporation's compensation policies during the fiscal year ended December 31, 2023 that could or will have an effect on director or Named Executive Officer compensation.

### **Pension Benefits**

Neither the Corporation nor any of its subsidiaries currently has a pension benefits arrangement under which the Corporation or any of its subsidiaries has made payments to the directors or Named Executive Officers of the Corporation during its fiscal year ended December 31, 2023 or intends to make payments to the Corporation's directors or Named Executive Officers upon their retirement (other than the payments made, if any, pursuant to the Canada Pension Plan or any government plan similar to it).

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

### **Equity Compensation Plan Information**

The following table provides information regarding the number of securities authorized for issuance under the Equity Incentive Plan, as at the end of the Corporation's most recently completed financial year ended December 31, 2023:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))<sup>(1)</sup> (c)</b>
Equity compensation plans approved by securityholders	<b>2,868,000</b>	<b>\$1.54</b>	<b>1,708,703</b>
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
<b>Total</b>	<b>2,868,000</b>		<b>1,708,703</b>

(1) Based on the total number of common shares of the Corporation to be reserved and authorized for issuance as at December 31, 2023 pursuant to Awards granted under the Equity Incentive Plan being 10% of the issued and outstanding Common Shares from time to time.

During the year ended December 31, 2023, no Awards were granted by the Corporation under the Share Unit Plan and DSU Plan.

See “*Statement of Executive Compensation – Stock Option Plans and Other Incentive Plans*” for a summary of the Equity Option Plan.

#### **APPOINTMENT AND REMUNERATION OF AUDITOR**

The persons named in the accompanying proxy intend to vote for the re-appointment of MNP LLP, Chartered Professional Accountants, as auditor of the Corporation and to authorize the directors to fix their remuneration.

#### **AUDIT COMMITTEE**

Pursuant to the provisions of section 224 of the *Business Corporations Act* (British Columbia) the Corporation is required to have an Audit Committee, which, at the present time, is comprised of Antonio Reda (financially literate and an independent director), Jon Morda (financially literate and an independent director) and Joseph P. Giuffre (financially literate and an independent director).

The Corporation must also, pursuant to the provisions of National Instrument 52-110 *Audit Committees* (“**NI 52-110**”), have a written charter which sets out the duties and responsibilities of its audit committee.

#### **Audit Committee Charter**

The Corporation has a written charter (the “**Audit Committee Charter**”) which sets out the duties and responsibilities of the Audit Committee. The text of the Corporation’s Audit Committee Charter is attached as Schedule “A” hereto.

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

The Corporation’s Audit Committee is currently comprised of three directors, Antonio Reda, Jon Morda and Joseph P. Giuffre. As defined in NI 52-110, all members of the Audit Committee are independent.

#### **Relevant Education and Experience**

All Audit Committee members 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 Corporation’s financial statements and are therefore considered financially literate.

***Mr. Antonio Reda, Director:***

Mr. Reda is President & CEO and Director of Tectonic Metals Inc. He was formerly Vice President of Corporate Development of Kaminak Gold Corporation which was acquired by Goldcorp Inc. in 2016. Mr. Reda was integral in Kaminak's growth from a startup prospect generator to a resource development company with a +5 million ounce gold resource, which was ultimately acquired for approximately \$520 million by Goldcorp Inc. During his time at Kaminak, he was key member in orchestrating capital raises totaling over \$145 million, forming strategic alliances and joint venture agreements, and creating Kivalliq Energy Corp. (now named ValOre Metals Corp.), a publicly traded uranium company spun out of Kaminak. Mr. Reda was a former director of Northair Silver Corp, which was acquired by the Corporation in April 2016.

***Mr. Jon Morda, Director:***

Mr. Morda has over 20 years of experience in the mining industry, having served as Chief Financial Officer for several mineral exploration and gold producing companies, including Alamos Gold Inc. until he retired in June 2011. As a senior executive, Mr. Morda is highly adept in all areas of strategic corporate planning, operations, budgeting, accounting and taxation functions. Mr. Morda has been a Member of the Institute of Chartered Accountants of Ontario, Canada (Chartered Professional Accountants Ontario) since 1980. Mr. Morda currently serves as a Director of Besra Gold Inc.

***Mr. Joseph P. Giuffre, Director:***

Mr. Giuffre has over 30 years of legal experience in private practice with Vancouver and National law firms and as in-house general counsel. He has been a director of various public and private companies over the course of his 30-year career. Mr. Giuffre was previously the Chief Legal Officer of Nevsun Resources Ltd., which was acquired in 2019 for ~C\$1.8 billion by Zijin Mining Group Co., Ltd. He is also director, trustee, and a founder of some of the Avenue Living Group of Companies that manages over \$3 billion in assets in multifamily, agriculture, commercial and self-storage real estate assets in Western Canada and the United States. Mr. Giuffre holds Bachelor of Laws (LLB) from the University of Alberta, Bachelor of Arts (Econ) from the University of Calgary and holds an ICD.D designation from the Institute of Corporate Directors.

As a result of their respective business experience, each member of the audit committee (i) has an understanding of the accounting principles used by the Corporation to prepare its financial statements, (ii) has the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves, (iii) has experience in analyzing and evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to that that can reasonably be expected to be raised by the Corporation's financial statements, and (iv) has an understanding of internal controls and procedures for financial reporting.

**Audit Committee Oversight**

Since the commencement of the Corporation's most recent completed financial year, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

**Reliance on Certain Exemptions**

At no time since the commencement of the Corporation's most recently completed financial year ended December 31, 2023, has the Corporation relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), the exemptions in Subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), Subsection 6.1.1(5) (*Events Outside Control of Member*), Subsection 6.1.1(6) (*Death, Incapacity or Resignation*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (*Exemptions*).

**Pre-Approval Policies and Procedures**

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described under the heading "Accounting Systems, Internal Controls and Procedures" in the Corporation's Audit Committee Charter attached as Schedule "A" hereto.

## External Auditor Service Fees (By Category)

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

Financial Year Ending	Audit Fees	Audit Related Fees <sup>(1)</sup>	Tax Fees <sup>(2)</sup>	All Other Fees <sup>3</sup>
2023	\$87,000	\$Nil	\$8,500	\$Nil
2022	\$96,256	\$Nil	\$27,784	\$Nil

(1) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".

(2) Fees charged for tax compliance, tax advice and tax planning services.

(3) Fees for services other than disclosed in any other column.

## Exemption

The Corporation is relying on the exemption in Section 6.1 of NI 52-110 which exempts venture issuers, as defined in NI 52-110, from certain reporting obligations under NI 52-110 for its most recently completed financial year ended December 31, 2023.

## CORPORATE GOVERNANCE

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101"), the Corporation must disclose its approach to corporate governance which is as follows:

### Board of Directors

The Board currently consists of five directors: Kenneth E. Berry, James M. McDonald, Jon Morda, Antonio Reda and Joseph P. Giuffre.

Messrs. Berry, Morda, Reda and Giuffre are independent directors as defined in NI 58-101 and NI 52-110. James M. McDonald, as President and CEO of the Corporation, is an executive officer of the Corporation and therefore, not independent.

The Board meets for formal board meetings periodically on an ad hoc basis during the year on an as needed basis to review and discuss the Corporation's business activities and to consider and, if thought fit, to approve matters presented to the Board for approval, and to provide guidance to management. Management informally provides updates to the Board at least once per quarter between formal Board meetings. In general, management consults with the Board when deemed appropriate to keep the Board informed regarding the Corporation's affairs.

The Board facilitates the exercise of independent supervision over management through these various meetings. At present, the Board has the following formal committees: Audit Committee, Nominating and Compensation Committee and Governance Committee. When necessary, the Board will strike a special committee of independent directors to deal with matters requiring independence. The composition of the Board is such that the independent directors have significant experience in business affairs and one is a chartered accountant. As a result, these Board members are able to provide significant and valuable independent supervision over management.

In the event of a conflict of interest at a meeting of the Board, the conflicted director will in accordance with corporate law and in accordance with his fiduciary obligations as a director of the Corporation, disclose the nature and extent of his interest to the meeting and abstain from voting on or against the approval of such participation.

## Directorships

The following directors of the Corporation are also directors of other reporting issuers as set out below:

Name of Director	Name of Reporting Issuer
James M. McDonald	Aldebaran Resources Inc. and Kootenay Resources Inc.
Kenneth E. Berry	Kootenay Resources Inc.
Jon Morda	Kiboko Gold Inc. and Besra Gold Inc.
Antonio Reda	Tectonic Metals Inc.

## Orientation and Continuing Education

At present, the Corporation does not provide a formal orientation and education program for new directors. Prior to joining the Board, potential Board members are encouraged to meet with management and inform themselves regarding the affairs of management and the Corporation. After joining the Board, management and the Board chair provide orientation both at the outset and on an ongoing basis. The Corporation currently has no specific policy regarding continuing education for directors; requests for education are encouraged and dealt with on an ad hoc basis.

## Ethical Business Conduct

The primary step taken by the Corporation to encourage and promote a culture of ethical business conduct is to conduct appropriate due diligence on proposed directors to ensure that proposed directors are of the highest ethical standards.

## Nomination of Directors

The Corporation has a Nominating and Compensation Committee comprised of James M. McDonald, and Kenneth E. Berry to assist the Board in fulfilling its responsibilities with respect to the composition, compensation and operation of the Board and Board committees and the appointment of the CEO of the Corporation. Once a decision has been made to add or replace a director, the task of identifying new candidates falls on the Board and management. Proposals are put forth by the Board and management and considered and discussed. If a candidate looks promising, the Board and management will conduct due diligence on the candidate and if the results are satisfactory, the candidate is invited to join the Board.

## Compensation

The CEO's compensation is determined by the Board (excluding the CEO), based on the recommendation of the Nominating and Compensation Committee of the Board formed to conduct research into compensation matters and make a recommendation to the Board. Compensation for Board members is determined by the Board as a whole and in accordance with industry norms. See "*Statement of Executive Compensation – Oversight and Description of Directors and Named Executive Officer Compensation*".

## Other Board Committees

The Corporation has a Governance Committee comprised of Kenneth E. Berry and James M. McDonald. The Governance Committee assists the Board in fulfilling its responsibilities with respect to corporate governance standards, policies and practices. The Governance Committee identifies corporate governance standards and practices applicable to the Corporation and monitors new developments in corporate governance, and makes recommendations to the Board periodically. The Governance Committee assists the Board in reviewing and approving the disclosure with respect to corporate governance practices required to be included in the regulatory filings and the annual management information circular of the Corporation based on advice from legal and accounting advisors and assists the Board in reviewing and approving any other corporate governance practices disclosure before it is publicly disclosed by the Corporation based on advice from legal and accounting advisors.

## Assessments

At present, the Board does not have a formal process for assessing the effectiveness of the Board. These matters are dealt with on a case by case basis at the Board level.

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

Since the beginning of the last completed financial year, no current or former director, executive officer, employee or proposed director of the Corporation or any associate of such persons, or of any of its subsidiaries, has been indebted to the Corporation or to any of its subsidiaries, nor have any of these individuals been indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

## **MANAGEMENT CONTRACTS**

Management functions of the Corporation are substantially performed by directors or executive officers of the Corporation and not, to any substantial degree, by any other person with whom the Corporation has contracted.

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

Other than as set forth elsewhere in this Information Circular, no informed person of the Corporation, no proposed nominee for election as a director of the Corporation and no associate or affiliate of any such informed person or proposed nominee has had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction that, in either case, has materially affected or would materially affect the Corporation or any of its subsidiaries.

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

Other than as disclosed elsewhere in this Information Circular, none of the directors or executive officers of the Corporation, no proposed nominee for election as a director of the Corporation, none of the persons who have been directors or executive officers of the Corporation since the commencement of the Corporation's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors, the appointment of the auditor, and the approval of the Equity Incentive Plan.

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

### **Ratification of Equity Incentive Plan**

At the annual and special meeting of the shareholders held on March 15, 2023, the shareholders approved the Equity Incentive Plan, which makes a total of 10% of the issued and outstanding common shares of the Corporation available for issuance upon the exercise of Awards granted thereunder. The Equity Incentive Plan was approved by the Board on February 10, 2023 and was accepted by the TSXV on May 10, 2023.

The TSXV requires all TSXV-listed companies that have a security based compensation plan like the Equity Incentive Plan to receive shareholder approval to such plan when adopted, and on a yearly basis thereafter at the Corporation's annual general meeting. Accordingly, the Corporation requests that the shareholders ratify, confirm and approve the Equity Incentive Plan.

A summary of certain provisions of the Equity Incentive Plan is provided under the heading "*Statement of Executive Compensation – Stock Option Plans and Other Incentive Plans*", and a full copy of the Equity Incentive Plan will be available at the Meeting. Shareholders may obtain a copy of the Option Plan in advance of the Meeting upon request to the Corporation at Suite 1125 - 595 Howe Street, Vancouver, British Columbia V6C 2T5. The Equity Incentive Plan is subject to the acceptance of the TSXV. If the TSXV finds the disclosure regarding the Equity Incentive Plan in this Information Circular to be inadequate, shareholder approval may not be accepted by the TSXV.

### *Equity Incentive Plan Resolution*

At the Meeting, the shareholders of the Corporation will be asked to ratify, confirm and approve an ordinary resolution, in substantially the following form, in order to approve the Equity Incentive Plan, which resolution requires approval of greater than 50% of the votes cast by the shareholders who, being entitled to do so, vote, in person or by proxy, on the ordinary resolution at the Meeting:

“BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

1. subject to the acceptance of the TSX Venture Exchange (the “**Exchange**”), the equity incentive plan (the “**Equity Incentive Plan**”) of Kootenay Silver Inc. (the “**Corporation**”), substantially in the form approved by the shareholders of the Corporation at the annual and special meeting held on March 15, 2023, is hereby ratified, confirmed and approved;
2. the board of directors of the Corporation (the “**Board**”) or any committee of the Board is hereby authorized to grant awards of stock options, deferred share units, restricted share units, performance share units, stock appreciation rights and stock purchase rights pursuant to the Equity Incentive Plan to those eligible to receive such awards thereunder;
3. the Board, or any committee created pursuant to the Equity Incentive Plan is authorized to make such amendments to the Equity Incentive Plan from time to time as are requested by the Exchange or as the Board may, in its discretion, consider to be appropriate, provided that such amendments will be subject to the approval of all applicable regulatory authorities and in certain cases, in accordance with the terms of the Equity Incentive Plan, the shareholders;
4. any one director or officer of the Corporation is hereby authorized to execute and deliver on behalf of the Corporation all such documents and instruments and to do all such other acts and things as in such director’s opinion may be necessary to give effect to the matters contemplated by these resolutions; and
5. notwithstanding that this resolution be passed by the shareholders of the Corporation, the Board is hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Corporation, at any time if such revocation is considered necessary or desirable to the Board.”

The form of the resolutions set forth above is subject to such amendments as management may propose prior to the Meeting, but which do not materially affect the substance of such resolutions.

#### *Recommendation of the Board*

The Board considers that the ability to grant incentives is an important component of its compensation strategy and is necessary to enable the Corporation to attract and retain qualified directors, officers, employees and consultants. **The Board therefore recommends that shareholders vote “For” the resolution ratifying, confirming and approving the Equity Incentive Plan.** Unless otherwise instructed, the persons named in the enclosed form of Proxy will vote “IN FAVOUR” of the above resolutions.

The Board reserves the right to amend any terms of the Equity Incentive Plan or not to proceed with the Equity Incentive Plan at any time prior to the Meeting if the Board determines that it would be in the best interests of the Corporation and the shareholders to do so in light of any subsequent event or development occurring after the date of the Information Circular.

#### **OTHER BUSINESS**

Management is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation can be found on the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca). Financial information concerning the Corporation is also provided in the Corporation’s consolidated financial statements and management’s discussion and analysis for the most recently completed financial year.

Shareholders may obtain a copy of the Corporation’s financial statements and management’s discussion and analysis upon request to the Corporation by telephone at (604) 601-5650, or by facsimile at (604) 683-2249.

DATED this 31st day of October, 2024.

**BY ORDER OF THE BOARD OF DIRECTORS**

*“Kenneth E. Berry” (signed)*

**Kenneth E. Berry**  
Chairman

## SCHEDULE “A”

### KOOTENAY SILVER INC. Audit Committee (the “Audit Committee”) of the Board of Directors

#### CHARTER

##### A. Composition and Process

1. The Audit Committee shall be composed of a minimum of three members of Board of Directors, a majority of whom are not officers or employees of the Corporation or any of its affiliates (as defined in the *Business Corporations Act* (British Columbia)).
2. Members shall serve one—year terms and may serve consecutive terms, which are encouraged to ensure continuity of experience.
3. The Chairperson shall be appointed by the Board of Directors for a one-year term, and may serve any number of consecutive terms.
4. All members of the Audit Committee shall be financially literate. Financial literacy is the ability to read and understand a balance sheet, income statement and cash flow statement that present a breadth and level of complexity comparable to the Corporation’s financial statements.
5. The Chairperson shall, in consultation with management and the external auditor and internal auditor (if any), establish the agenda for the meetings and ensure that properly prepared agenda materials are circulated to the members with sufficient time for study prior to the meeting. The external auditor will also receive notice of all meetings of the Audit Committee. The Audit Committee may employ a list of prepared questions and considerations as a portion of its review and assessment process.
6. At the discretion of the Audit Committee Members, the Audit Committee shall meet at least four times per year and may call special meetings as required. A quorum at meetings of the Audit Committee shall be its Chairperson and one of its other members or the Chairman of the Board of Directors. The Audit Committee may hold its meetings, and members of the Audit Committee may attend meetings, by telephone conference if this is deemed appropriate.
7. The minutes of the Audit Committee meetings shall accurately record the decisions reached and shall be distributed to Audit Committee members with copies to the Board of Directors, the Chief Executive Officer, the Chief Financial Officer and the external auditor.
8. The Audit Committee reviews, prior to their presentation to the Board of Directors and their release, all material financial information required by securities legislation and policies.
9. The Audit Committee enquires about potential claims, assessments and other contingent liabilities.
10. The Audit Committee periodically reviews with management, depreciation and amortization policies, loss provisions and other accounting policies for appropriateness and consistency.
11. The Charter of the Audit Committee shall be reviewed by the Board of Directors on an annual basis

##### B. Authority

1. Appointed by the Board of Directors pursuant to provisions of The Business Corporations Act (Alberta) and the bylaws of the Corporation.
2. Primary responsibility for the Corporation’s financial reporting, accounting systems and internal controls is vested in senior management and is overseen by the Board of Directors. The Audit Committee is a standing

committee of the Board of Directors established to assist it in fulfilling its responsibilities in this regard. The Audit Committee shall have responsibility for overseeing management reporting on internal controls. While it is management's responsibility to design and implement an effective system of internal control, it is the responsibility of the Audit Committee to ensure that management has done so.

3. In fulfilling its responsibilities, the Audit Committee shall have unrestricted access to the Corporation's personnel and documents and will be provided with the resources necessary to carry out its responsibilities.
4. The Audit Committee shall have direct communication channels with the internal auditor (if any) and the external auditor to discuss and review specific issues, as appropriate.
5. The Audit Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties.
6. The Audit Committee shall establish the compensation to be paid to any advisors employed by the Audit Committee and such compensation shall be paid by the Corporation as directed by the Audit Committee.

**C. Relationship with External Auditors**

1. An external auditor must report directly to the Audit Committee.
2. The Audit Committee is directly responsible for overseeing the work of the external auditor including the resolution of disagreements between management and the external auditor regarding financial reporting.
3. The Audit Committee shall implement structures and procedures to ensure that it meets with the external auditor on at least annually in the absence of management.

**D. Accounting Systems, Internal Controls and Procedures**

1. Obtain reasonable assurance from discussions with and/or reports from management, and reports from external auditors that accounting systems are reliable and that the prescribed internal controls are operating effectively for the Corporation and its subsidiaries and affiliates.
2. The Audit Committee shall review to ensure to its satisfaction that adequate procedures are in place for the review of the Corporation's disclosure of financial information extracted or derived from the Corporation's financial statements and will periodically assess the adequacy of those procedures.
3. Direct the external auditor's examinations to particular areas.
4. Review control weaknesses identified by the external auditor, together with management's response.
5. Review with the external auditor its view of the qualifications and performance of the key financial and accounting executives.
6. In order to preserve the independence of the external auditor the Audit Committee will:
  - (a) recommend to the Board of Directors the external auditor to be nominated; and
  - (b) recommend to the Board of Directors the compensation of the external auditor's engagement;
7. The Audit Committee shall review and pre-approve any engagements for non-audit services to be provided by the external auditor or its affiliates, together with estimated fees, and consider the impact on the independence of the external auditor.

8. Review with management and with the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgments of management that may be material to financial reporting.
9. The Audit Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and most recent former external auditor of the Corporation.
10. The Audit Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and the confidential anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
11. The Audit Committee shall on an annual basis, prior to public disclosure of its annual financial statements, ensure that the external auditor has entered into a participation agreement and has not had its participant status terminated, or, if its participant status was terminated, has been reinstated in accordance with the Canadian Public Accountability Board ("CPAB") bylaws and is in compliance with any restriction or sanction imposed by the CPAB.

#### **E. Statutory and Regulatory Responsibilities**

1. Annual Financial Information — review the annual audited financial statements, including any letter to shareholders and related press releases and recommend their approval to the Board of Directors, after discussing matters such as the selection of accounting policies (and changes thereto), major accounting judgments, accruals and estimates with management and the external auditor.
2. Annual Report — review the management discussion and analysis ("MD & A") section and all other relevant sections of the annual report to ensure consistency of all financial information included in the annual report.
3. Interim Financial Statements — review the quarterly interim financial statements, including any letter to shareholders and related press releases and recommend their approval to the Board of Directors.
4. Earnings Guidance/Forecasts — review forecasted financial information and forward looking statements.
5. Review the Corporation's financial statements, MD & A and earnings press releases before the Corporation publicly discloses this information.

#### **F. Reporting**

1. Report, through the Chairperson of the Audit Committee, to the Board of Directors following each meeting on the major discussions and decisions made by the Audit Committee.
2. Report annually to the Board of Directors on the Audit Committee's responsibilities and how it has discharge them.
3. Review the Audit Committee's Charter annually and recommend the approval of any proposed amendments to the Board of Directors.

#### **G. Other Responsibilities**

1. Investigating fraud, illegal acts or conflicts of interest.

Discussing selected issues with corporate counsel or the external auditor or management.