



# **SILVER SPRUCE RESOURCES INC.**

**Notice of Annual and Special Meeting of Shareholders**

**Management Information Circular**

**Meeting Date: October 29, 2024**

**SILVER SPRUCE RESOURCES INC.**  
**1300-1969 Upper Water Street, Halifax, NS B3J 3R7**

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN THAT:

The annual and special meeting ("**Meeting**") of the shareholders ("**Shareholders**") of Silver Spruce Resources Inc. ("**Corporation**") will be held at the offices of McInnes Cooper, Suite 1300-1969 Upper Water Street, Halifax, Nova Scotia, on **Tuesday, October 29, 2024 at 2:00 p.m. (Atlantic Time)** for the following purposes:

- (a) to receive the financial statements of the Corporation for the year ended October 31, 2023, together with the report of the auditor thereon. No vote by Shareholders with respect thereto is required or proposed to be taken;
- (b) to elect directors of the Corporation for the forthcoming year;
- (c) to appoint the auditor of the Corporation for the forthcoming year and to authorize the directors to fix the auditor's remuneration;
- (d) to consider, and if deemed advisable, to approve the amended and restated stock option plan in the form attached as Appendix "A" to the management information circular accompanying and forming part of this notice of meeting ("**Circular**");
- (e) to consider, and if deemed advisable, pass a special resolution granting the board of directors of the Corporation the authority to implement a consolidation of the Corporation's common shares on the basis of one (1) new common share for every fifteen (15) existing common shares; and
- (f) to transact such further and other business as may properly come before the Meeting or any adjournment thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the Circular.

Only Shareholders of record as of the close of business on Thursday, September 19, 2024, are entitled to receive notice of the Meeting and to vote at the Meeting.

To assure your representation at the Meeting as a **Registered Shareholder**, please complete, sign, date and return the enclosed proxy, whether or not you plan to personally attend the Meeting. Sending your proxy will not prevent you from voting at the Meeting. All proxies completed by Registered Shareholders must be received by the Corporation's transfer agent, **TSX Trust Company**, not later than **Friday, October 25, 2024 at 2:00 p.m. (Atlantic Time)**. A Registered Shareholder must return the completed proxy to TSX Trust Company, as follows:

- (a) by **mail** in the enclosed envelope;
- (b) by the **Internet** as described on the enclosed proxy; by **registered mail**, by **hand** or by **courier** to the attention of TSX Trust Company Proxy Department, PO Box 721, Agincourt, Ontario, M1S 0A1;
- (c) by fax to 416-595-9593; or
- (d) scan and email to [proxyvote@tmx.com](mailto:proxyvote@tmx.com).

**Non-Registered Shareholders** whose shares are registered in the name of an intermediary should carefully follow voting instructions provided by the intermediary. A more detailed description on returning proxies by Non-Registered Shareholders can be found on page 3 of the attached Circular.

If you receive more than one proxy or voting instruction form, as the case may be, for the Meeting, it is because your shares are registered in more than one name. To ensure that all of your shares are voted you should sign and return all proxies and voting instruction forms that you receive.

Dated at Halifax, Nova Scotia, as of the 23<sup>rd</sup> day of September, 2024.

BY ORDER OF THE BOARD OF DIRECTORS

*(Signed) "J. Gregory Davison"*

Vice President, Exploration and Director

**SILVER SPRUCE RESOURCES INC.**  
**MANAGEMENT INFORMATION CIRCULAR**

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**SILVER SPRUCE RESOURCES INC.**  
**MANAGEMENT INFORMATION CIRCULAR**  
(as at September 23, 2024 except as indicated)  
(in Canadian dollars)

**INFORMATION REGARDING ORGANIZATION AND CONDUCT OF MEETING**

**THIS MANAGEMENT INFORMATION CIRCULAR ("CIRCULAR") IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY OR ON BEHALF OF THE MANAGEMENT OF SILVER SPRUCE RESOURCES INC. ("Corporation") for use at the annual and special meeting of the shareholders of the Corporation ("Shareholders") to be held at Suite 1300-1969 Upper Water Street, Halifax, Nova Scotia, on **Tuesday, October 29, 2024 at 2:00 p.m.** (Atlantic Time) ("**Meeting**"), or at any adjournment thereof, for the purposes set forth in the accompanying notice of meeting ("**Notice of Meeting**").**

**Solicitation of Proxies**

Solicitation of proxies will be primarily by mail but may also be by telephone or other means of communication by the directors, officers, employees or agents of the Corporation at nominal cost. All costs of solicitation will be paid by the Corporation. The Corporation will also pay the fees and costs of intermediaries for their services in transmitting proxy-related material in accordance with National Instrument 54-101, *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**").

**Appointment and Revocation of Proxies**

Shareholders of the Corporation may be "Registered Shareholders" or "Non-Registered Shareholders". If common shares of the Corporation ("**Common Shares**") are registered in the Shareholder's name, they are said to be owned by a "**Registered Shareholder**". If Common Shares are registered in the name of an intermediary and not registered in the Shareholder's name, they are said to be owned by a "**Non-Registered Shareholder**". An intermediary is usually a bank, trust company, securities dealer or broker, or a clearing agency in which an intermediary participates. The instructions provided below set forth the different procedures for voting Common Shares at the Meeting to be followed by Registered Shareholders and Non-Registered Shareholders.

The persons named in the enclosed instrument appointing a proxy are officers and directors of the Corporation. **Each Shareholder has the right to appoint a person or company (who need not be a Shareholder) to attend and act for him or her at the Meeting other than the persons designated in the enclosed form of proxy.** Shareholders who have given a proxy also have the right to revoke it insofar as it has not been exercised. The right to appoint an alternate proxyholder and the right to revoke a proxy may be exercised by following the procedures set out below under "*Registered Shareholders*" or "*Non-Registered Shareholders*", as applicable.

If any Shareholder receives more than one (1) proxy or voting instruction form, it is because that Shareholder's shares are registered in more than one form. In such cases, Shareholders should sign and submit all proxies or voting instruction forms received by them in accordance with the instructions provided.

**Registered Shareholders**

Registered Shareholders have two (2) methods by which they can vote their Common Shares at the Meeting, namely during the Meeting or by proxy. To assure representation at the Meeting, Registered Shareholders are encouraged to return the proxy included with the Circular. Sending in a proxy will not prevent a Registered Shareholder from voting at the Meeting. The vote will be taken and counted at the Meeting. Registered Shareholders who do not plan to attend the Meeting or who do not wish to vote during the Meeting can vote by proxy.

Proxies must be received by the Corporation's transfer agent, **TSX Trust Company ("TSX Trust")**, not later than **Friday, October 25, 2024, at 2:00 p.m. (Atlantic Time)**. A Registered Shareholder must return the completed proxy to TSX Trust Company, as follows:

- (a) by **mail** in the enclosed envelope;
- (b) by the **Internet** as described on the enclosed proxy;
- (c) by **registered mail**, by **hand** or by **courier** to the attention of TSX Trust Company Proxy Department, PO Box 721, Agincourt, Ontario, M1S 0A1;
- (d) by **fax** to 416-595-9593; or
- (e) **scan and email** to proxyvote@tmx.com.

To exercise the right to appoint a person or company to attend and act for a Registered Shareholder at the Meeting, such Shareholder must strike out the names of the persons designated on the enclosed instrument appointing a proxy and insert the name of the alternate appointee in the blank space provided for that purpose.

To exercise the right to revoke a proxy, in addition to any other manner permitted by law, a Shareholder who has given a proxy may revoke it by instrument in writing, executed by the Shareholder or his or her attorney authorized in writing, or if the Shareholder is a corporation, by a duly authorized officer or attorney thereof, and deposited: (i) at McInnes Cooper, counsel to the Corporation, Suite 1300-1969 Upper Water Street, Halifax, Nova Scotia, Attn: Basia Dzierzanowska, at any time up to and including the last business day preceding the Meeting at which the proxy is to be used, or at any adjournment thereof, or (ii) with the chairman of the Meeting on the date of the Meeting, or at any adjournment thereof, and upon either of such deposits the proxy is revoked.

#### **Non-Registered Shareholders**

Non-Registered Shareholders who have not objected to their intermediary disclosing certain ownership information about themselves to the Corporation are referred to as "**NOBOs**". Non-Registered Shareholders who have objected to their intermediary disclosing the ownership information about themselves to the Corporation are referred to as "**OBOs**".

In accordance with the requirements of NI 54-101, the Corporation is sending the Notice of Meeting, this Circular, and either the voting instructions form ("**VIF**") or the form of proxy, as applicable, (collectively, the "**Meeting Materials**") directly to the NOBOs and indirectly, through intermediaries, to the OBOs. The Corporation will also pay the fees and costs of intermediaries for their services in delivering Meeting Materials to OBOs in accordance with NI 54-101.

#### Meeting Materials Received by OBOs from Intermediaries:

The Corporation has distributed copies of the Meeting Materials to intermediaries for distribution to OBOs. Intermediaries are required to deliver these materials to all OBOs of the Corporation who have not waived their rights to receive these materials, and to seek instructions as to how to vote the Common Shares. Often, intermediaries will use a service company (such as Broadridge Financial Solutions, Inc. ("**Broadridge**")) to forward the Meeting Materials to OBOs.

OBOs who receive Meeting Materials will typically be given the ability to provide voting instructions in one of two ways:

- (a) Usually, an OBO will be given a VIF which must be completed and signed by the OBO in accordance with the instructions provided by the intermediary. In this case, the mechanisms described above for Registered Shareholders cannot be used and the instructions provided by the intermediary must be followed.

- (b) Occasionally, an OBO may be given a proxy that has already been signed by the intermediary. This form of proxy is restricted to the number of Common Shares owned by the OBO but is otherwise not completed. This form of proxy does not need to be signed by the OBO but must be completed by the OBO and returned to TSX Trust in the manner described above for Registered Shareholders.

The purpose of these procedures is to allow OBOs to direct the proxy voting of the Common Shares that they own but that are not registered in their name. Should an OBO who receives either a form of proxy or a VIF wish to attend and vote at the Meeting (or have another person attend and vote on his or her behalf), the OBO should strike out the persons named in the form of proxy as the proxy holder and insert the OBO's (or such other person's) name in the blank space provided or, in the case of a VIF, follow the instructions provided by the intermediary. **In either case, OBOs who received Meeting Materials from their intermediary should carefully follow the instructions provided by the intermediary.**

To exercise the right to revoke a proxy, an OBO who has completed a proxy (or a VIF, as applicable) should carefully follow the instructions provided by the intermediary.

Proxies returned by intermediaries as "non-votes" because the intermediary has not received instructions from the OBO with respect to the voting of certain shares or, under applicable stock exchange or other rules, the intermediary does not have the discretion to vote those shares on one or more of the matters that come before the Meeting, will be treated as not entitled to vote on any such matter and will not be counted as having been voted in respect of any such matter. Common Shares represented by such "non-votes" will, however, be counted in determining whether there is a quorum.

#### Meeting Materials Received by NOBOs from the Corporation:

As permitted under NI 54-101, the Corporation has used a NOBO list to send the Meeting Materials directly to the NOBOs whose names appear on that list. If you are a NOBO and Broadridge, on behalf of the Corporation, has sent these materials directly to you, your name and address and information about your holdings of Common Shares of the Corporation have been obtained from the intermediary holding such shares on your behalf in accordance with applicable securities regulatory requirements.

As a result, any NOBO of the Corporation can expect to receive a scannable VIF from Broadridge. Please complete and return the VIF to Broadridge in accordance with the instructions in the VIF. Broadridge will provide a report regarding completed VIFs to TSX Trust, which will then tabulate the results of the VIFs received from the Corporation's NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs.

By choosing to send these materials to you directly, the Corporation (and not the intermediary holding Common Shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. The intermediary holding Common Shares on your behalf has appointed you as the proxyholder of such Common Shares, and therefore you can provide your voting instructions by completing the VIF.

#### Participation in the Meeting by Non-Registered Shareholders:

Although a Non-Registered Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his or her broker, a Non-Registered Shareholder may attend the Meeting as proxyholder for the Registered Shareholder and vote the Common Shares in that capacity. Non-Registered Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the Registered Shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.

## **Notice-and-Access**

The Corporation is not sending the Meeting Materials to Registered Shareholders or Non-Registered Shareholders using notice-and-access delivery procedures defined under NI 54-101 and National Instrument 51-102, *Continuous Disclosure Obligations*.

## **Exercise of Proxies**

Where a choice is specified, the Common Shares represented by proxy will be voted for, withheld from voting or voted against, as directed, on any poll or ballot that may be called. **Where no choice is specified, the proxy will confer discretionary authority and will be voted in favour of all matters referred to on the form of proxy. The proxy also confers discretionary authority to vote for, withhold from voting, or vote against amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters not specifically mentioned in the Notice of Meeting but which may properly come before the Meeting.**

Management has no present knowledge of any amendments or variations to matters identified in the Notice of Meeting or any business that will be presented at the Meeting other than that referred to in the Notice of Meeting. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the enclosed instrument appointing a proxy to vote in accordance with the recommendations of management of the Corporation.

## **Voting Shares**

The authorized capital of the Corporation consists of an unlimited number of Common Shares, of which 322,547,832 were issued and outstanding as of the Record Date (as defined below).

The board of directors of the Corporation (the "**Board**" or "**Board of Directors**") has fixed the record date for the Meeting as the close of business on Thursday, September 19, 2024 (the "**Record Date**"). Only Shareholders of record as of the close of business on the Record Date will be entitled to vote at the Meeting.

Shareholders entitled to vote shall have one (1) vote each on a show of hands and one (1) vote per Common Share at the Meeting.

## **Quorum**

Two (2) persons present and each entitled to vote at the Meeting and authorized to cast at the Meeting in aggregate not less than ten percent (10%) of the total number of votes attaching to all shares of the Corporation carrying the right to vote will constitute a quorum at the Meeting.

## **Principal Shareholders**

To the knowledge of the directors and executive officers of the Corporation, no other person or company beneficially owns, or exercises control or direction over, directly or indirectly, ten percent (10%) or more of the voting rights attached to the outstanding Common Shares.

## **BUSINESS TO BE TRANSACTED AT THE MEETING**

### **Presentation of Financial Statements**

The financial statements of the Corporation, the auditor's report thereon and management's discussion and analysis for the year ended October 31, 2023, are filed on SEDAR+ under the Corporation's profile and will be presented to the Shareholders at the Meeting.



## Election of Directors

The Articles of Incorporation of the Corporation provide that the size of the Board must consist of not less than three (3) director and not more than ten (10) directors to be elected annually.

The persons named in the list that follows are the current directors of the Corporation and all are, in the opinion of management, well qualified to direct the Corporation's activities for the ensuing year. They have all confirmed their willingness to continue to serve as directors, if re-elected. The term of office of each director elected will be until the next annual meeting of the Shareholders or until the position is otherwise vacated.

**Unless the proxy specifically instructs the proxyholder to withhold such vote, Common Shares represented by the proxies hereby solicited shall be voted for the election of the nominees whose names are set forth below.** Management does not contemplate that any of these proposed nominees will be unable to serve as a director of the Corporation, but if that should occur for any reason prior to the Meeting, the persons designated in the enclosed instrument appointing a proxy will have the right to use their discretion in voting for a properly qualified substitute.

| Name, City and Province of Residence                          | Principal Occupation                                                                                                                                                                 | Director Since | Current Position(s) with the Corporation                      | Common Shares of the Corporation Owned, Controlled or Directed |
|---------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------------------------------------------------|----------------------------------------------------------------|
| Michael Kinley<br>Halifax, NS, Canada                         | Chief Executive Officer and Chief Financial Officer of the Corporation; Director and Chief Financial Officer of Opus Gold Corporation, Canada One Mining Corp. and EXMceuticals Inc. | 2021           | Chief Executive Officer, Chief Financial Officer and Director | 120,000 <sup>(1)</sup>                                         |
| J. Gregory Davison <sup>(3)</sup><br>Montrose, BC, Canada     | Vice President, Exploration and Director of the Corporation and self-employed consulting geologist                                                                                   | 2017           | Vice President, Exploration and Director                      | 4,804,000 <sup>(2)</sup>                                       |
| Kevin O' Connor <sup>(3)</sup><br>Chicago, IL, USA            | Attorney, Asia Pacific for Navistar Inc., Director of Colibri Resource Corp.                                                                                                         | 2018           | Director                                                      | 6,038,483 <sup>(4)</sup>                                       |
| Kevin Thieneman <sup>(3)</sup><br>Hilton Head Island, SC, USA | Board of Advisors, Cornwell Capital (USA)                                                                                                                                            | 2020           | Director                                                      | 1,290,000                                                      |

Notes:

- (1) 20,000 Common Shares are held by Winslow Associates Management & Communications Inc., a company controlled by Mr. Kinley.
- (2) 758,000 Common Shares are held by Nichola McKay, Mr. Davison's spouse.
- (3) Member of the Audit Committee. Mr. Thieneman is the Chair of the Audit Committee.
- (4) All Common Shares are held by Cedar Forest, Inc., a company wholly owned and controlled by Mr. O'Connor.

**Michael Kinley – Director, Chief Executive Officer and Chief Financial Officer** – Mr. Kinley has served as an officer and/or Director of several junior public companies over the past 25 years, and prior to that was a partner with KPMG. He is presently a Director and CFO of Opus Gold Corporation (TSXV:OOR), Canada One Mining Corp. (TSXV:CONE) and EXMceuticals Inc (CSE:EXM).

**J. Gregory Davison, M. Sc., P. Geo. – Director and VP Exploration** – Mr. Davison is a professional consulting geologist, corporate officer and director, project manager and ore mineralogist with forty-seven years of practical field, commercial laboratory and management of multimillion dollar exploration projects from diverse geological

settings in more than forty countries. Mr. Davison has VMS expertise from exploration targeting through ore mineralogy and process development. Mr. Davison graduated with an MSc in Geological Sciences from Brock University and an Honours B. Sc. in Geology from Dalhousie University and is a professional geologist (P. Geo.) licensed with the Professional Engineers & Geoscientists of British Columbia.

**Kevin O'Connor – Director** – Mr. O'Connor is an attorney based out of Bethesda, Maryland. He is presently a non-executive Director of Colibri Resources Corporation (TSXV:CBI). Mr. O'Connor was General Counsel, Asia Pacific for Navistar Inc. He was previously legal counsel for Caterpillar Inc, where he worked for 11 years. Prior to moving in-house, he was a litigation attorney in Los Angeles for 5 years. Mr. O'Connor has also lived and worked in Peoria, IL, Beijing, China and Lisle, IL. Having lived in China for 10 years, Kevin is fluent in Mandarin Chinese (spoken/written). He is a licensed attorney in Illinois (active) and California (inactive).

**Kevin Thieneman – Director and Chair of the Board** – Mr. Thieneman serves on the board of directors of Cornwell Capital (USA). He was formerly the President of Caterpillar Inc. Forest Products Division and Chairman for LiuGong Americas. LiuGong Machinery is one of China's largest construction and mining equipment manufacturers with sales and operations worldwide. He is a global executive with decades of experience in turnarounds of manufacturing operations and end-to-end businesses; and with extensive on-the-ground experience in China and India. He previously Chaired the U.S.-ASEAN Business Council infrastructure committee while leading delegations to Indonesia and Vietnam. Mr. Thieneman is a graduate of Duke University, Juris Doctorate, with honors. His previous experience includes working as a licensed attorney and Certified Public Accountant in the State of Illinois.

#### Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No proposed director of the Corporation:

- (a) is, as of the date of this Circular, or has been within the ten years before the date of this Circular, a director or executive officer of any company (including the Corporation) that was subject to an order that was issued while the proposed director was acting in the capacity of director or executive officer or that was subject to an order that was issued after the proposed director ceased to be director or executive officer which resulted from an event that occurred while that person was acting in the capacity as director or executive officer;
- (b) is, as of the date of this Circular, or has been within the ten years before the date of this 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 management or trustee appointed to hold its assets; or
- (c) has, within the ten years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceeds, arrangement or compromise with creditors, or had a received, receiver manager or trustee appointed to hold the assets of the proposed director.

#### **Appointment of Auditor**

Grant Thornton LLP has been the auditor of the Corporation since November 29, 2019. Management recommends the re-appointment of Grant Thornton LLP. The Shareholders will be asked at the Meeting to vote for the appointment of Grant Thornton LLP as auditor of the Corporation until the next annual meeting of Shareholders of the Corporation, at a remuneration to be fixed by the Board.

**It is intended that all proxies received will be voted in favour of the appointment of Grant Thornton LLP as auditor of the Corporation, unless a proxy contains instructions to withhold the same from voting. Greater than 50% of the votes of Shareholders present or represented by proxy at the Meeting are required to approve the appointment of Grant Thornton LLP as auditor of the Corporation.**

## Approval of Amended and Restated Stock Option Plan

### Introduction

The Corporation established, with shareholder and TSX Venture Exchange (the "**Exchange**") approval, an incentive stock option plan in April 2022 (the "**Plan**"). The purpose of the Plan is to attract and retain employees, officers and directors and to motivate them to advance the interests of the Corporation by affording them the opportunity to acquire an equity interest in the Corporation through options granted under the Plan to purchase Common Shares. The Plan is expected to benefit the Shareholders by enabling the Corporation to attract and retain personnel of the highest caliber by offering to them an opportunity to share in any increase in the value of the Common Shares to which they have contributed.

### Background to and Reasons for the Amendment and Restatement

The Corporation is proposing to amend and restate the Plan, subject to Exchange approval, to comply with Exchange Policy 4.4 – *Security Based Compensation*. At the Meeting, Shareholders will be asked to approve the ordinary resolution set out below under the heading "*Shareholder Approval*" to amend and restate the Plan substantially in the form attached as Appendix "A" to this Circular (the "**Amended and Restated Plan**"). Subsequently, the Shareholders will be asked to re-approve the Amended and Restated Plan annually in accordance with the rules and policies of the Exchange.

### Summary of the Amended and Restated Plan

The following information is intended as a brief description of the Amended and Restated Plan and is qualified in its entirety by the full text of the Amended and Restated Plan attached as Appendix "A" to this Circular. Terms that are capitalized but not defined herein shall have the meaning assigned to them under Schedule "A" of the Amended and Restated Plan.

The Amended and Restated Plan is administered by the Board. It provides that stock options may be granted to directors, senior officers, employees, consultants or consultant companies of the Corporation or any of its affiliates (collectively, the "**Participants**").

The Amended and Restated Plan provides for the issuance of options ("**Options**") to acquire up to 10% of the Corporation's issued and outstanding capital as at the date of grant (the "**Plan Ceiling**"), subject to standard anti-dilution adjustment. This is a "rolling" plan as the number of shares reserved for issuance pursuant to the grant of Options will increase as the Corporation's issued and outstanding share capital increases. All outstanding Options granted prior to the implementation of the Amended and Restated Plan will be included in the Amended and Restated Plan, but at no time will more than 10% of the outstanding shares be subject to grant under the Amended and Restated Plan. If an Option expires or otherwise terminates for any reason without having been exercised in full, the number of Common Shares in respect of that expired or terminated Option that has not been exercised shall again be available for the purpose of the Amended and Restated Plan.

The Amended and Restated Plan may be terminated by the Board at any time, but such termination will not alter the terms or conditions of any options granted prior to the date of such termination. Any Option outstanding when the Amended and Restated Plan is terminated will remain in effect until it is exercised, expires or voluntarily cancelled or otherwise terminated in accordance with the provisions of the Amended and Restated Plan.

The Amended and Restated Plan provides that other terms and conditions, including vesting schedules, may be attached to a particular Option, such terms and conditions to be referred to in a schedule attached to the particular option agreement.

The Amended and Restated Plan provides that it is solely within the discretion of the Board to determine who is entitled to be granted Options and in the number of Options to be granted to any Participant, subject to the certain limits set out in the Plan, as described below. The Board may issue a majority of the Options to Insiders (as defined in Schedule "A" of the Amended and Restated Plan). However, in no case shall:

- (a) the issuance to any one Insider within a twelve (12) month period exceed 5% of the outstanding issue of the Corporation at the time of such grant;
- (b) the issuance to Insiders as a group exceed 10% of the issued and outstanding shares of the Corporation at any point in time;
- (c) a Participant, other than an Insider, receive grants of more than 5% of the outstanding issue of the Corporation in any twelve (12) month period;
- (d) a consultant receive grants of more than 2% of the outstanding issue of the Corporation in any twelve (12) month period;
- (e) an Investor Relations Service Provider receive any Security Based Compensation other than Options;
- (f) an employee conducting 'Investor Relations Activities' (as defined in the Exchange Policies) receive grants of more than 2% of the outstanding issue of the Corporation in any twelve (12) month period; and
- (g) the aggregate number of Common Shares reserved for issuance pursuant to Options granted to persons engaged in Investor Relations Activities exceed 2% of the outstanding issue of the Corporation in any twelve (12) month period.

Options granted under the Amended and Restated Plan will be for a term not to exceed five years from the date of their grant. In the case of an employee or consultant, the Option will terminate at the close of business on the date which is the earlier of (a) 30 calendar days after which the optionee ceases to be an employee or consultant engaged in Investor Relations Activities, or (b) such date as the Board may determine at the time of grant. In the case of a director, officer, employee or consultant the Option will terminate at the close of business on the date which is the earlier of (a) 90 calendar days after which the Participant ceases to be a director, officer, employee or consultant, or (b) such date as the board may determine at the time of grant. In the event of the death of a Participant, the Option will expire at the close of business on the date which is the earlier of one year from the date of death or (b) such date as the Board may determine at the time of grant. Any Option 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 twelve (12) months, following the date the Participant ceases to be an eligible Participant under the Amended and Restated Plan.

The price at which a Participant may purchase a Common Share upon the exercise of an Option will be as set out in the option agreement issued in respect of such Option and in any event will not be less than the discounted market price of the Common Shares as of the date of the grant of the Option. Currently under the policies of the Exchange, the definition of the "discounted market price" of the Corporation's shares is the closing trading price on the day before the granting of the Option less a maximum discount of 25% for a closing price per share of \$0.50 or less, 20% for a closing price of \$0.51 to \$2.00, and 15% above \$2.00.

An Option will be non-assignable except that it will be exercisable by the personal representative of the Participant in the event of the Participant's death or incapacity.

#### Shareholder Approval

The Amended and Restated Plan is a "rolling" stock option plan as described in Exchange Policy 4.4. Under Exchange Policy 4.4, the Corporation is required to obtain the approval of its shareholders to any stock option plan that is a "rolling" plan at the time it is implemented or amended and yearly at the Corporation's Annual Meeting. Accordingly, shareholders will be asked to consider, and if deemed advisable, to approve the following resolution:

**"It is resolved that:**

1. *the repeal of the stock option plan of the Corporation dated April 18, 2022, and the approval and adoption of the amended and restated stock option plan (the "**Amended and Restated Plan**"), in the form attached as Appendix "A" to the Management Information Circular of the Corporation dated September 23, 2024, be and is hereby ratified, confirmed and approved;*
2. *the form of the Amended and Restated Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the Shareholders;*
3. *the Corporation be authorized to grant stock options pursuant and subject to the terms and conditions of the Amended and Restated Plan;*
4. *the outstanding stock options which have been granted prior to the implementation of the Amended and Restated Plan shall, for the purpose of calculating the number of stock options that may be granted under the Amended and Restated Plan, be treated as options granted under the Amended and Restated Plan; and*
5. *the directors and officers of the Corporation be authorized and directed to perform all such acts and deeds and things and execute, under seal of the Corporation or otherwise, all such documents, agreements and other writings as may be required to give effect to the true intent of this resolution."*

**It is intended that all proxies received will be voted in favour of the resolution to approve the Amended and Restated Plan, unless a proxy contains instructions to vote against the resolution. Greater than 50% of the votes cast by Shareholders present in person or by proxy is required to approve the Amended and Restated Plan.**

### **Approval of Share Consolidation**

#### Introduction

Shareholders will be asked to consider and, if thought advisable, approve a share consolidation of the Corporation's issued and outstanding Common Shares (the "**Share Consolidation**") at a Share Consolidation ratio of one post-consolidation share for every fifteen (15) old shares, subject to the Board's authority to decide not to proceed with the Share Consolidation. The full text of the special resolution to be considered and, if thought advisable, passed by the Shareholders is below under the heading "*Shareholder Approval*".

In determining this Share Consolidation ratio, the Board has considered the following factors, among others:

- the historical trading prices and trading volume of the shares;
- the then prevailing trading price and trading volume of the shares and the anticipated impact of the Share Consolidation on the trading of the shares;
- minimum ongoing listing requirements of the Exchange; and
- prevailing general market and economic conditions and outlook for the trading of the shares.

#### Background to and Reasons for the Share Consolidation

In order to facilitate future financing and business development activities, the Corporation's board of directors believes that it would be in the best interests of the Corporation and its Shareholders to consolidate the Common Shares. Such consolidation may enhance the shares' marketability as an increase in the price per share is likely to increase the interest of institutional and other investors in the Corporation's shares, thereby expanding the pool of investors that may consider purchasing the shares and investing in the Corporation.

Although Shareholder approval for the Share Consolidation is being sought at the meeting, if approved, the Share Consolidation would not become effective until the Board determines it to be in the Corporation's best interests and the articles of amendment are filed to implement the Share Consolidation. In no event shall the Share Consolidation,

if approved and determined to be in the Corporation's best interests by the Board, occur later than eighteen months after the date on which the special resolution is approved. The special resolution will also authorize the Board to elect not to proceed with, and abandon, the Share Consolidation at any time if it determines, in its sole discretion, that the Share Consolidation is not in the Corporation's best interests. The Share Consolidation is subject to Shareholder approval and acceptance by the Exchange.

### Effects of the Share Consolidation

#### *General*

If the Share Consolidation is implemented, its primary effect will be to proportionately decrease the number of issued and outstanding shares by a factor equal to the consolidation ratio. At the close of business on September 19, 2024, the closing price of the shares on the Exchange was \$0.01 per share and there were 322,547,832 shares issued and outstanding. Based on the number of shares issued and outstanding on September 19, 2024, immediately following the completion of the Share Consolidation, for illustrative purposes only, assuming a Share Consolidation ratio of one (1) for fifteen (15), the number of shares issued and outstanding (disregarding any fractional shares) will be post-consolidation 21,503,188 shares.

The Corporation does not expect the Share Consolidation to have any economic effect on holders of shares or securities convertible into or exercisable to acquire shares, except to the extent the Share Consolidation will result in fractional shares. See "*No Fractional Shares*" below.

The Corporation's shares will continue to be listed on the Exchange under the symbol "SSE". The post-Share Consolidation shares will have new CUSIP and ISIN numbers.

Rights of the holders of shares, including voting rights, prior to the implementation of the Share Consolidation will not be affected by the Share Consolidation, other than as a result of the creation and disposition of fractional shares as described below. For example, a holder of 1% of the voting power attached to the outstanding shares immediately prior to the implementation of the Share Consolidation will generally continue to hold 1% of the voting power attached to the shares immediately after the implementation of the Share Consolidation. The number of Registered Shareholders will not be affected by the Share Consolidation.

The Share Consolidation may result in some Shareholders owning "odd lots" of fewer than 100 shares. Odd lot shares may be more difficult to sell and increase transaction costs. The Board believes, however, that these potential effects are outweighed by the anticipated benefits of the Share Consolidation.

#### *Effect on Options and Warrants*

Subject to Exchange approval,

- the exercise or conversion price and/or the number Common Shares issuable under any of the Corporation's outstanding Options and warrants will be proportionately adjusted upon the implementation of the Share Consolidation; and
- the number of the Corporation's shares issuable under any contractual agreement pursuant to which the Corporation is required to issue shares will also be proportionately adjusted upon the implementation of the Share Consolidation.

#### *Effect on Beneficial Shareholders*

Beneficial Shareholders (i.e. non-registered shareholders) holding Common Shares through an intermediary (a securities broker, dealer, bank or financial institution) should be aware that the intermediary may have different procedures for processing the Share Consolidation than those that will be put in place for Registered Shareholders. If Shareholders hold their Common Shares through an intermediary and they have questions in this regard, they are encouraged to contact their intermediaries.

### *Effect on Share Certificates*

If the Share Consolidation is approved by Shareholders and subsequently implemented, those Registered Shareholders who will hold at least one new post-Share Consolidation share will be required to exchange their share certificates representing old pre-Share Consolidation shares for new share certificates representing new post-Share Consolidation shares or, alternatively, a Direct Registration System (a "**DRS**") Advice/Statement representing the number of new post-Share Consolidation shares they hold following the Share Consolidation. The DRS is an electronic registration system which allows Shareholders to hold shares in their name in book-based form, as evidenced by a DRS Advice/Statement rather than a physical share certificate.

If the Share Consolidation is implemented, the Corporation's transfer agent will mail to each Registered Shareholder a letter of transmittal. Each Registered Shareholder must complete and sign a letter of transmittal after the Share Consolidation takes effect. The letter of transmittal will contain instructions on how to surrender to the transfer agent the certificate(s) representing the Registered Shareholder's pre-Share Consolidation shares. The transfer agent will send to each Registered Shareholder who follows the instructions provided in the letter of transmittal a new share certificate representing the number of post-Share Consolidation shares to which the Registered Shareholder is entitled rounded up or down to the nearest whole number or, alternatively, a DRS Advice/Statement representing the number of post-Share Consolidation shares the Registered Shareholder is entitled rounded up or down to the nearest whole number following the Share Consolidation. Beneficial Shareholders (i.e. non-registered shareholders) who hold their shares through intermediaries (securities brokers, dealers, banks, financial institutions, etc.) and who have questions regarding how the Share Consolidation will be processed should contact their intermediaries with respect to the Share consolidation. See "*Effect on Beneficial Shareholders*".

Until surrendered to the transfer agent, each share certificate representing pre-Share Consolidation shares will be deemed for all purposes to represent the number of post-Share Consolidation shares to which the Registered Shareholder is entitled as a result of the Share Consolidation. Until Registered Shareholders have returned their properly completed and duly executed letter of transmittal and surrendered their old share certificate(s) for exchange, Registered Shareholders will not be entitled to receive any distributions, if any, that may be declared and payable to holders of record following the Share Consolidation.

Any Registered Shareholder whose old certificate(s) have been lost, destroyed or stolen will be entitled to a replacement share certificate only after complying with the requirements that the Corporation and its transfer agent customarily apply in connection with lost, stolen or destroyed certificates.

The method chosen for delivery of share certificates and letters of transmittal to the Corporation's transfer agent is the responsibility of the Registered Shareholder and neither the Corporation nor its transfer agent will have any liability in respect of share certificates and/or letters of transmittal which are not actually received by the transfer agent.

**REGISTERED SHAREHOLDERS SHOULD NEITHER DESTROY NOR SUBMIT ANY SHARE CERTIFICATE UNTIL HAVING RECEIVED A LETTER OF TRANSMITTAL.**

### *No Fractional Shares*

No fractional shares will be issued pursuant to the Share Consolidation. In lieu of any such fractional shares, each Registered Shareholder otherwise entitled to a fractional share following the implementation of the Share Consolidation will receive the nearest whole number of post-Share Consolidation shares. For example, any fractional interest representing less than 0.5 of a post-Share Consolidation share will not entitle the holder thereof to receive one whole post-Share Consolidation share, and any fractional interest representing 0.5 or more of a post-Share Consolidation shall entitle the holder thereof to receive one whole post-Share Consolidation share. In calculating such fractional shares, all Common Shares registered in the name of each Registered Shareholder will be aggregated.

### *No Dissent Rights*

Shareholders are not entitled to exercise any statutory dissent rights with respect to the proposed Share Consolidation.

### *Accounting Consequences*

If the Share Consolidation is implemented, net income or loss per Common Share, and other per Common Share amounts, will be increased because there will be fewer shares issued and outstanding. In future financial statements, net income or loss per share and other per share amounts for periods ending before the Share Consolidation took effect would be recast to give retroactive effect to the Share Consolidation.

### Risks Associated with the Share Consolidation

#### *No Guarantee of an Increased Share Price or Improved Trading Liquidity*

Reducing the number of issued and outstanding Common Shares through the Share Consolidation is intended, absent other factors, to increase the per share market price of the post-Share Consolidation shares. However, the market price of the Common Shares will also be affected by the Corporation's financial and operational results, the Corporation's financial position, including the Corporation's liquidity and capital resources, industry conditions, the market's perception of the Corporation's business and other factors, which are unrelated to the number of Common Shares outstanding. Having regard for these other factors, there can be no assurance that the market price of the Common Shares will increase following the implementation of the Share Consolidation.

Although the Corporation believes that establishing a higher market price for the Common Shares could increase investment interest for the Common Shares by potentially expanding the pool of investors that may consider investing in the Common Shares, including investors whose internal investment policies prohibit or discourage purchasing stocks trading below a certain minimum price, there is no assurance that implementing the Share Consolidation will achieve this result.

If the Share Consolidation is implemented and the market price of the Corporation's share (adjusted to reflect the Share Consolidation ratio) declines, the percentage decline as an absolute number and as a percentage of the Corporation's overall market capitalization may be greater than would have occurred if the Share Consolidation had not been implemented. Both the Corporation's total market capitalization and the adjusted market price of the Common Shares following a consolidation may be lower than they were before the consolidation took effect. The reduced number of shares that would be outstanding after the Share Consolidation is implemented could adversely affect the liquidity of the Common Shares.

#### *Shareholders may hold Odd Lots following the Share Consolidation*

The Share Consolidation may result in some Shareholders owning "odd lots" of fewer than 100 shares on a post-Share Consolidation basis. Odd lot shares may be more difficult to sell or may attract greater transaction costs per Common Share to sell, and brokerage commissions and other costs of transaction in odd lots may be higher than the costs of transaction in "round lots" of even multiples of 100 shares. If the Share Consolidation results in a substantial number of Shareholders holding an odd lot, it could adversely affect the liquidity of the Common Shares.

### Shareholder Approval

In connection with the Share Consolidation, the Shareholders will be asked at the Meeting to consider, and if deemed advisable, approve the following resolution:

***"It is resolved as a special resolution of the shareholders of the Corporation that:***

- 1. the Corporation be and is hereby authorized to file articles of amendment under the Business Corporations Act (Alberta) to amend its articles of incorporation to change the number of issued and outstanding common shares of the Corporation (the "**Common Shares**") by consolidating the issued and outstanding Common Shares on the basis of one (1) new post-consolidation Common Share for every fifteen (15) pre-consolidation Common Shares (the "**Share Consolidation**"), such amendment to become effective at a date in the future to be determined by the board of directors of the Corporation (the "**Board of Directors**") when the Board of Directors considers it to be in the best interests of the Corporation to implement such Share Consolidation,*



but in any event not later than eighteen months after the date on which this resolution is approved, subject to approval of the TSX Venture Exchange (the "**Exchange**");

2. the amendment to the articles of incorporation giving effect to the Share Consolidation will provide that no fractional Common Shares will be issued in connection with the Share Consolidation and that the number of post-consolidation Common Shares to be received by a registered shareholder will be rounded up, in the case of a fractional interest that is 0.5 or greater, or rounded down, in the case of a fractional interest that is less than 0.5, to the nearest whole number of Common Shares that such holder would otherwise be entitled to receive upon the implementation of the Share Consolidation;
3. this resolution is subject to Exchange and regulatory approval and the Corporation will not proceed with the Share Consolidation and will abandon all resolutions in connection with the Share Consolidation if Exchange and regulatory approval is not obtained;
4. notwithstanding that this special resolution has been duly adopted by the Shareholders of the Corporation, the Board of Directors be and is hereby authorized, in its sole discretion, to revoke this special resolution in whole or in part at any time prior to its being given effect without further notice to, or approval of, the Shareholders of the Corporation; and
5. any director or officer of the Corporation be, and each of them is hereby, authorized and directed for and in the name and on behalf of the Corporation, to execute and deliver such notices and documents, including, without limitation, the articles of amendment to the Alberta Business Registration Centre under the Business Corporations Act (Alberta), and to do such acts and things as in the opinion of that person may be necessary or desirable to give effect to this special resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing."

**It is intended that all proxies received will be voted in favour of the resolution to approve the Share Consolidation, unless a proxy contains instructions to vote against the resolution. Greater than 66.67% of the votes cast by Shareholders present in person or by proxy is required to approve the Share Consolidation.**

#### **Other Business**

While there is no other business other than that mentioned in the Notice of Meeting to be presented for action by the shareholders at the Meeting, it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act there under.

### **EXECUTIVE COMPENSATION**

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

The following sets forth the information required under Form 51-102F6V, *Statement of Executive Compensation – Venture Issuers* ("**Form 51-102F6V**") regarding all compensation paid, payable, awarded, granted, given, or otherwise provided during the financial period ended October 31, 2022 and the year ended October 31, 2023 to all persons acting as directors or as "**Named Executive Officers**" or "**NEOs**".

The following persons are Named Executive Officers of the Corporation under Form 51-102F6V:

- (a) the Corporation's chief executive officer ("**CEO**");
- (b) the Corporation's chief financial officer ("**CFO**");
- (c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the CEO and CFO at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and

- (d) any additional individuals who would have been an NEO under (c) except that the individual was not an executive officer of the Corporation, nor acting in a similar capacity, at the end of the most recently completed financial year.

For the financial year ended October 31, 2023, the Corporation had one NEO, Michael Kinley, the CEO and CFO of the Corporation.

### Total Compensation

The following table sets forth all compensation paid or payable to each director and NEO by the Corporation during the financial period ended October 31, 2022 and the year ended October 31, 2023.

| Table of compensation excluding compensation securities       |      |                                                     |            |                                |                           |                                      |                         |
|---------------------------------------------------------------|------|-----------------------------------------------------|------------|--------------------------------|---------------------------|--------------------------------------|-------------------------|
| 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 (\$) |
| Michael Kinley<br>Director, President, CEO, CFO and Secretary | 2023 | \$60,000                                            | Nil        | N/A                            | Nil                       | Nil                                  | \$60,000                |
|                                                               | 2022 | \$60,000                                            | Nil        | N/A                            | Nil                       | Nil                                  | \$60,000                |
| J. Gregory Davison<br>Director and VP Exploration             | 2023 | \$73,301                                            | Nil        | N/A                            | Nil                       | Nil                                  | \$73,301                |
|                                                               | 2022 | \$89,000                                            | Nil        | N/A                            | Nil                       | Nil                                  | \$89,000                |
| Kevin O'Connor<br>Director                                    | 2023 | Nil                                                 | Nil        | N/A                            | Nil                       | Nil                                  | Nil                     |
|                                                               | 2022 | Nil                                                 | Nil        | N/A                            | Nil                       | Nil                                  | Nil                     |
| Kevin Thieneman<br>Director and Chair of the Board            | 2023 | Nil                                                 | Nil        | N/A                            | Nil                       | Nil                                  | Nil                     |
|                                                               | 2022 | Nil                                                 | Nil        | N/A                            | Nil                       | Nil                                  | Nil                     |

### Compensation Securities

During the financial year ended October 31, 2023, no Options were granted to or exercised by directors and NEOs of the Corporation.

### Incentive Plans

The Plan is the sole equity compensation plan adopted by the Corporation. For a description of the Plan and the proposed Amended and Restated Plan, see "*Business to be Transacted at the Meeting – Approval of Amended and Restated Stock Option Plan*".

### Employment, Consulting and Management Agreements

The Corporation has a consulting agreement with Michael Kinley, CEO and CFO of the Corporation. Under the terms of the consulting agreement, Mr. Kinley is entitled to receive compensation of \$5,000 per month.

The Corporation has a consulting agreement with J. Gregory Davison, VP, Exploration of the Corporation. Under the terms of the consulting agreement Mr. Davison is entitled to receive base compensation of \$5,000 per month and geological consulting fees of \$750 per day over and above the base compensation.

### Pension Disclosure

The Corporation does not provide any form of pension to any of its directors and NEOs.

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

The Corporation's Board of Directors is responsible for the oversight of the Corporation's strategy, policies and programs for the compensation and development of directors and NEOs.

### Named Executive Officer Compensation

The Corporation does not currently have a formal executive compensation program in place. Compensation of the Corporation's NEO is determined by the Board. The Board uses its significant industry experience to determine the appropriate level of compensation. NEOs are eligible to receive Options pursuant to the Plan at the discretion of the Board. See table under the "*Total Compensation*" heading above for details regarding NEO compensation.

### Director Compensation

The Corporation does not pay fees to its Board members at this time. Directors are eligible to receive options pursuant to the Plan at the discretion of the Board.

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

The Plan is the sole equity compensation plan adopted by the Corporation. The following table sets out information as of October 31, 2023 with regard to outstanding Options and Common Shares authorized for issuance under the Plan.

| <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 (CAD) (b)</b> | <b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in Column (a)) (c)</b> |
|---------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| Equity compensation plans approved by Shareholders (the Plan) | 5,366,667                                                                                              | \$0.05                                                                                       | 23,079,333                                                                                                                                             |
| Equity compensation plans not approved by Shareholders        | N/A                                                                                                    | N/A                                                                                          | N/A                                                                                                                                                    |
| <b>Total:</b>                                                 | <b>5,366,667</b>                                                                                       | <b>N/A</b>                                                                                   | <b>23,079,333<sup>(1)</sup></b>                                                                                                                        |

Notes:

- (1) This number equals 10% of the total issued and outstanding Common Shares on October 31, 2023 (which was 284,459,999) less the number of Common Shares reported under Column (a) above.

For a description of the Plan, see "*Business to be Transacted at the Meeting – Approval of Amended and Restated Stock Option Plan*".

## **CORPORATE GOVERNANCE**

The Board endorses the efforts of the securities commissions or similar regulatory authorities across Canada in continuing the evolution of good corporate governance practices. The Board is committed to adhering to the highest standards in all aspects of its activities.

The corporate governance practices described below are subject to change as the Corporation evolves. Some of its practices are representative of its junior size; however, the Corporation expects to periodically monitor and refine such practices as the size and scope of its operations increase. The Board remains sensitive to corporate governance issues and continuously seeks to set up the necessary measures, control mechanisms and structures to ensure an effective discharge of its responsibilities without creating additional undue overhead costs and reducing the return on shareholders' equity.

### **Board of Directors**

The Board is currently comprised of four (4) directors, two (2) of whom are "independent" within the meaning of National Instrument 52-110, *Audit Committees* ("**NI 52-110**"). Directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the directors' independent judgment. In addition, certain individuals, by definition, are deemed to have a "material relationship" with the Corporation and therefore are deemed not to be independent.

The Board convenes 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. In addition, 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. When necessary, the Board will strike a special committee of independent directors to deal with matters requiring independence. The composition of the Board is such that the independent directors have significant experience in business affairs. As a result, these Board members provide significant and valuable independent supervision over management. Kevin O'Connor and Kevin Thieneman, current directors of the Corporation, are considered independent of the Corporation. Michael Kinley and J. Gregory Davison are not considered independent as they are the CEO and CFO of the Corporation and the VP Exploration of the Corporation, respectively.

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

### **Directorships**

Kevin Thieneman serves on the board of directors of Cornwell Capital, J. Gregory Davison serves on the board of directors of Playfair Mining Ltd., Kevin O'Connor serves on the board of directors of Colibri Resource Corporation, and Michael Kinley serves on the boards of directors of Opus Gold Corporation, Canada One Mining Corp. and EXMceuticals 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 management and the Corporation's affairs. The Corporation currently has no specific policy regarding continuing education for directors, and 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 and ensure that proposed directors are of the highest ethical standards. The Board also has adopted written code of business conduct and corporate governance.

Certain of the Corporation's directors serve as directors or officers of other reporting issuers or have significant shareholdings in other companies. To the extent that such other companies may participate in business ventures in which the Corporation may participate, the directors may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Board, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms and such director will not participate in negotiating and concluding terms of any proposed transaction. In addition, any director or officer who may have an interest in a transaction or agreement with the Corporation is required to disclose such interest and abstain from discussions and voting in respect to same if the interest is material or if required to do so by corporate or securities law.

## **Diversity of the Board & Senior Management**

While the Corporation believes that nominations to the Board and appointments to senior management should be based on merit, the Corporation recognizes that diversity supports broader and balanced perspective, debate and discussion which, in turn, enhances decision-making.

The Board will strive for inclusion of diverse groups, knowledge and viewpoints on the Board and in executive officer positions. In conjunction with its consideration of the qualifications and experience of potential directors and executive officers, as well as the skills, expertise, experience and independence which the Board requires to be effective, the Board will consider the level of diversity (including the representation of women, Indigenous peoples, persons with disabilities or members of visible minorities (collectively, "**members of designated groups**")) on the Board when identifying and nominating candidates for election or re-election to the Board, and will consider the level of diversity (including the representation of members of designated groups) in executive officer positions when the Board makes executive officer appointments. The Board will be responsible for recommending qualified persons for Board nominations and in doing so, it will consider the benefits of all aspects of diversity on the Board and develop recruitment protocols that seek to include diverse candidates, including proactively searching for diverse candidates in the recruitment process.

The Corporation has not adopted a formal written diversity policy and has not established targets with respect to the appointment of individuals to the Board or senior management who self-represent as being members of designated groups. Due to the small size of the Board and the management team, the Board does not believe that a formal policy is necessary to ensure that diversity (including the level of representation of members of designated groups) is included as a factor in its decision-making when identifying and nominating candidates for election or re-election to the Board and for senior management positions.

As of the date hereof, the Corporation has four directors and two members of senior management, which members of senior management are also directors. None of the Corporation's directors or members of senior management identify as being an Indigenous person, a person with a disability, a member of a visible minority or a woman.

## **Audit Committee**

### Audit Committee's Charter

The Audit Committee has a written charter, a copy of which is included in Appendix "B" to this Circular.

### Composition of the Audit Committee

The members of the Audit Committee are J. Gregory Davison, Kevin O'Connor and Kevin Thieneman. Mr. Thieneman acts as Chair of the Audit Committee. Two of the three members of the Audit Committee are independent and financially literate within the meaning of NI 52-110 (*Audit Committees*).

### Relevant Education and Experience

For a summary of the education and experience of each Audit Committee member relevant to their responsibilities on the Audit Committee, see their biographies included under "*Business to be Transacted at the Meeting – Election of Directors*".

### Reliance on Certain Exemptions

At no time since incorporation has the Corporation relied upon the exemptions in section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), subsection 6.1.1(4) of NI 52-110 (*Circumstance Affecting the Business or Operations of the Venture Issuer*), subsection 6.1.1(5) of NI 52-110 (*Events Outside Control of Member*), subsection 6.1.1(6) of NI 52-110 (*Death, Incapacity or Resignation*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemption*) of NI 52-110. The Corporation is relying on the exemption set out in section 6.1 of NI 52-110 applicable to venture issuers.

### Pre-Approval Policies and Procedures

Except as otherwise set forth in the Audit Committee charter, the Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

### External Auditor Services Fees

The aggregate fees incurred for audit and non-audit services provided by Grant Thornton LLP for the year ended October 31, 2022 and the year ended October 31, 2023 are as follows:

| <b>Nature of Services</b>         | <b>Year ended October<br/>31, 2023</b> | <b>Year ended October<br/>31, 2022</b> |
|-----------------------------------|----------------------------------------|----------------------------------------|
| Audit Fees <sup>(1)</sup>         | \$31,000                               | \$35,000                               |
| Audit-Related Fees <sup>(2)</sup> | \$0                                    | \$0                                    |
| Tax Fees <sup>(3)</sup>           | \$0                                    | \$0                                    |
| All Other Fees <sup>(4)</sup>     | \$0                                    | \$0                                    |
| <b>Total</b>                      | <b>\$31,000</b>                        | <b>\$35,000</b>                        |

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit of the Corporation's financial statements. Audit Fees also include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements, including audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditors, including employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This includes fees for tax compliance, tax planning and tax advice.
- (4) "All Other Fees" include all other non-audit services provided by Grant Thornton LLP.

### **Assessments**

At present, the Board does not have a formal process for assessing the effectiveness of the Board, its committees and whether individual directors are performing effectively. These matters are dealt with on a case-by-case basis at the Board level.

### **Aggregate Indebtedness of Directors and Officers**

As at of date of this Circular, the Corporation has not made any loans to officers, directors, employees or former officers, directors and employees of the Corporation.

### **Interest of Management and Others in Material Transactions**

None of the directors, NEOs or any associate or affiliate of such person or the Corporation has or has had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed fiscal year or in any proposed transaction that has materially affected or will materially affect the Corporation.

## **PROPOSALS BY SHAREHOLDERS**

The Corporation will include proposals from Shareholders that comply with applicable laws in next year's management information circular for the Corporation's next annual meeting of the Shareholders to be held in respect of the fiscal year ending on October 31, 2024. Please send your proposal to the head office of the Corporation at 115 Wimbledon Road, Bedford, Nova Scotia, B4A 3X8 by July 31, 2025.

## **ADDITIONAL INFORMATION**

Additional information relating to the Corporation may be obtained from the Corporation's public disclosure found on the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca). Financial information is provided in the Corporation's comparative annual financial statements and management discussion & analysis ("MD&A") for its most recently completed financial year. The financial statements and MD&A are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

To request copies of the Corporation's financial statements or MD&A, Shareholders may contact J. Gregory Davison at Silver Spruce Resources Inc., 115 Wimbledon Road, Bedford, Nova Scotia, B4A 3X8, Telephone 250-521-0444.

## **APPROVAL OF CIRCULAR**

The contents and the distribution of this Circular have been approved by the Board.

BY ORDER OF THE BOARD OF DIRECTORS, as of the 23<sup>rd</sup> day of September, 2024.

*(Signed) "J. Gregory Davison"*  
Vice President, Exploration and Director

**APPENDIX "A"**  
**AMENDED AND RESTATED STOCK OPTION PLAN**

1. Purpose

The purpose of the Amended and Restated Stock Option Plan (the "**Plan**") of Silver Spruce Resources Inc., a body corporate incorporated under the Business Corporations Act (Alberta) (the "**Corporation**") is to advance the interest of the Corporation and its subsidiaries or affiliates by encouraging the directors, officers, employees and consultants of the Corporation to acquire shares in the Corporation, thereby increasing their proprietary interest, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of their affairs.

2. Interpretation

The Corporation's Common Shares are currently listed and posted for trading on the TSX Venture Exchange (the "**Exchange**"). The Plan must comply with the corporate finance policies (the "**Policies**") of the Exchange in force from time to time. The Plan shall be read and construed in accordance with the Policies. To the extent of any inconsistency between the Plan and the Policies, the Policies shall govern. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Policies. Certain definitions set forth in the Policies are listed in Schedule "A" attached hereto.

3. Administration and Granting of Options

The Plan shall be administered by the Board of Directors of the Corporation, or if appointed, by a special committee of which at least a majority are directors appointed from time to time by the Board of Directors of the Corporation (such committee, or if no such committee is appointed, the Board of Directors of the Corporation is hereinafter referred to as the "**Committee**") pursuant to rules and procedures fixed by the Board of Directors.

The Committee may from time to time designate Employees, Directors, Consultants or Management Company Employees of the Corporation or any of its subsidiaries or affiliates (collectively the "**Participants**") to whom Options to purchase Common Shares of the Corporation may be granted and the number of Common Shares to be optioned to each, provided that the total number of Common Shares to be optioned shall not exceed the number provided in sections 4 and 5 hereof. All Participants shall be, and the Corporation hereby represents that all Participants shall be, either bona fide Employees, Consultants, Directors or Management Company Employees, as the case may be.

4. Shares Subject to Plan

Subject to adjustment as provided in Section 13 hereof, the shares to be offered under the Plan shall consist of shares of the Corporation's authorized but unissued Common Shares. The aggregate number of Common Shares to be delivered upon the exercise of all Options granted under the Plan including Options issued prior to adoption of the Plan (the "**Options**") shall not exceed 10% of the issued and outstanding shares of the Corporation. If any Option granted hereunder shall expire or terminate for any reason without having been exercised in full, the unpurchased Common Shares subject thereto shall be available for the purpose of this Plan.

5. Terms and Conditions of Options

Each Option granted under this Plan shall be evidenced by a written agreement (each an "**Agreement**") approved by the Committee. Agreements may contain such additional provisions, not inconsistent with this Plan and the Policies as the Committee, in its discretion, may deem advisable.

All Options shall also comply with the following requirements:

(a) Number of Shares

- (i) the total number of Common Shares to be optioned shall not exceed 10% of the issued



- and outstanding shares of the Corporation;
- (ii) the issuance to any one Insider within a twelve (12) month period, shall not exceed 5% of the outstanding issue of the Corporation at the time of such grant;
  - (iii) the issuance to Insiders as a group shall not exceed 10% of the issued and outstanding shares of the Corporation at any point in time;
  - (iv) each Agreement shall state the number of Common Shares to which it pertains;
  - (v) a Participant, other than an Insider, can receive grants of no more than 5% of the outstanding issue of the Corporation in any twelve (12) month period;
  - (vi) a Consultant can receive grants of no more than 2% of the outstanding issue of the Corporation in any twelve (12) month period;
  - (vii) an Employee conducting Investor Relations Activities can receive grants of no more than 2% of the outstanding issue of the Corporation in any twelve (12) month period;
  - (viii) the aggregate number of Common Shares reserved for issuance pursuant to Options granted to persons engaged in Investor Relations Activities, shall not exceed 2% of the outstanding issue of the Corporation in any twelve (12) month period;
  - (ix) no Option shall be exercisable until it is vested. The vesting schedule for each Option shall be specified by the Committee at the time of the grant of such Option.
- (b) Options issued to Consultants providing Investor Relations Activities must vest in stages over a period of not less than 12 months with no more than one quarter vesting in any three (3) month period;
  - (c) Investor Relations Service Providers may not receive any Security Based Compensation other than Stock Options;
  - (d) The exercise price of the Common Shares covered by each Option shall be determined by the Committee in accordance with the Policies of the Exchange. The exercise price shall not be less than the price permitted by any stock exchange on which the Common Shares are then listed or other regulatory body having jurisdiction. Further, the Committee shall seek disinterested shareholder approval in order to effect a reduction in the exercise price of an Option for a Participant who is an Insider, as defined by the Exchange;
  - (e) The Option period shall be a period of time fixed by the Committee, not to exceed five (5) years, provided that the Option period shall be reduced with respect to any Option as provided in Section 9. Disinterested shareholder approval will be obtained for any extension of an Option period if the Participant is an Insider at the time of the proposed amendment;
  - (f) Except as set forth in Section 9, no Option may be exercised unless the Participant is at the time of such exercise a Director, Employee, Consultant or Management Company Employee of the Corporation or any of its subsidiaries or affiliates;
  - (g) The exercise of any Option will be contingent upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Common Shares with respect to which the Option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Common Shares with respect to which the Option is exercised. No Participant or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any Common Shares subject to an Option under this Plan, unless and until the certificates for such Common Shares are issued to such persons under the terms of the Plan.

6. Maintenance of Sufficient Capital

The Corporation shall at all times during the term of the Plan reserve and keep available such numbers of shares as will be sufficient to satisfy the requirements of the Plan.

7. Legending of Share Certificates

All certificates issued upon due exercise of Options shall be legended as to the applicable hold periods required by securities laws and the Policies of the Exchange.

8. Participation

The Committee shall determine to whom Options shall be granted, the terms and provisions of the respective Option agreements, the time or times at which such Options shall be granted, and the number of Common Shares to be subject to each Option. An individual who has been granted an Option may, if he is otherwise eligible, and if permitted by any stock exchange on which the Common Shares are then listed or other regulatory body having jurisdiction, be granted an additional Option or Options if the Committee shall so determine.

9. Term of Option

Vested Options shall terminate, to the extent not previously exercised, in accordance with the following:

- (a) as set forth in the Participant's Agreement to which the Vested Options relate;
- (b) ninety (90) days (or such lesser period of time if specified in the Participant's Agreement) from the date of the Participant's termination of employment (or contractual relationship or other office) except upon death of the Participant, in which case Section 9(c) shall apply and except where the Participant was engaged to provide Investor Relations Activities, in which case Section 9(e) shall apply;
- (c) one (1) year from the date of death of the Participant or cessation of the Participant's employment or other office by reason of death;
- (d) any Option 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 twelve (12) months, following the date the Participant ceases to be an eligible Participant under the Plan; and
- (e) within 30 days after the Participant ceased to be employed or engaged with the Corporation, where the Participant was engaged in Investor Relations Activities.

If a Participant's employment or other position is terminated by death, any Option held by the Participant shall be exercisable only by such person or persons to whom such Participant's rights under such Option shall pass by the Participant's Will or by the laws of descent and distribution of the state or country of Participant's domicile at the time of death.

Unless accelerated in accordance with the provisions of the Plan, unvested Options shall terminate immediately upon termination of employment or other office of the Participant by the Corporation for any reason whatsoever, including death or Disability.

10. Rights of Participant

No person entitled to exercise an shall have any of the rights or privileges of a shareholder of the Corporation in respect of any shares issuable upon exercise of such until certificates representing such shares shall have been issued and delivered.

11. Proceeds from Sale of Shares

The proceeds from sale of shares issued upon the exercise of Options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Corporation may determine and direct.

12. Adjustments

Appropriate adjustments in the number of Common Shares issued and in the Option price per share, as regards Options granted or to be granted, may be made by the Committee in its discretion to give effect to adjustments in the number of Common Shares of the Corporation resulting subsequent to the approval of the Plan by the Committee from subdivisions, consolidations or reclassification of the Common Shares of the Corporation, the payment of stock dividends by the Corporation or other relevant changes in the capital of the Corporation. Any adjustment, other than in connection with a security consolidation or security split, to Options granted or issued under the Plan must be subject to the prior acceptance of the Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization.

13. Transferability

All benefits, rights and Options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein. During the lifetime of a Participant any benefits, rights and Options may only be exercised by the Participant.

14. Amendment and Termination of Plan

The Committee may, at any time, suspend or terminate the Plan. The Board of Directors of the Corporation may also at any time amend or revise the terms of the Plan, PROVIDED that no such amendment or revision shall alter the terms of any Options theretofore granted under the Plan. Any amendment or revision to the Plan is subject to the prior approval of the Exchange and will require shareholder approval where applicable.

15. Necessary Approvals

The ability of the Options to be exercised and the obligation of the Corporation to issue and deliver shares in accordance with the Plan is subject to any approvals which may be required from the shareholders of the Corporation, any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation. If any shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such shares shall terminate and any Option exercise price paid to the Corporation will be returned to the Participant.

16. Prior Plans

The Plan shall entirely replace and supersede prior share options plans, if any, enacted by the Board of Directors of the Corporation or its predecessor corporations.

17. Effective Date of Plan

The Plan has been adopted by the Board of Directors of the Corporation subject to approval of the Exchange and, if so approved, the Plan shall become effective upon such approvals being obtained.

**SILVER SPRUCE RESOURCES INC.**

Per: \_\_\_\_\_

## **SCHEDULE "A"**

**"Affiliate"** means a company that is affiliated with another company. A company is an "affiliate" of another company if:

- (a) one of them is a subsidiary of the other, or
- (i) each of them is controlled by the same person.

A company is "**controlled**" by a Person if:

- (a) voting shares of the Company are held, other than by way of security only, by or for the benefit of that Person; and
- (b) the voting shares, if voted, entitle the Person to elect a majority of the directors of the company.

**"Consultant"** means, in relation to an Issuer, an individual or Consultant Company, other than an Employee or a Director of the Issuer, that:

- (a) is engaged to provide, on an ongoing bona fide basis, consulting, technical, management or other services to the Issuer or to an Affiliate of the Issuer, other than services provided in relation to a Distribution;
- (b) provides the services under a written contract between the Issuer or the Affiliate and the individual or the Consultant Company;
- (c) in the reasonable opinion of the Issuer, spends or will spend a significant amount of time and attention on the affairs and business of the Issuer or an Affiliate of the Issuer; and
- (d) has a relationship with the Issuer or an Affiliate of the Issuer that enables the individual to be knowledgeable about the business and affairs of the Issuer.

**"Consultant Company"** means for an individual consultant, a company or partnership of which the individual is in employee, shareholder or partner;

**"Insider"** if used in relation to an Issuer, means:

- (a) a director or senior officer of the Issuer,
- (b) a director or senior officer of a Company that is an Insider or a subsidiary of the Issuer,
- (c) a Person that beneficially owns or controls, directly or indirectly, Voting Shares carrying more than 10% of the voting rights attached to all outstanding Voting Shares of the Issuer, or
- (d) the Issuer itself, if it holds any of its own securities.

**"Investor Relation Activities"** means any activities, by or on behalf of an Issuer or Shareholder of the Issuer, that promotes or reasonably could be expected to promote the purchase or sale of securities of the Issuer, but does not include:

- (a) the dissemination of information provided, or records prepared, in the ordinary course of business of the Issuer:
  - (i) to promote the sale of products or services of the Issuer, or

- (ii) to raise public awareness of the Issuer,  
that cannot reasonably be considered to promote the purchase or sale of securities of the Issuer;
- (b) activities or communications necessary to comply with the requirements of:
  - (i) applicable securities laws,
  - (ii) Exchange requirements or the bylaws, rules or other regulatory instruments of any other self regulatory body or exchange having jurisdiction over the Issuer;
- (c) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of a general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it,
  - (i) the communication is only through the newspaper, magazine or publication, and
  - (ii) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
- (d) activities or communications that may be otherwise specified by the Exchange.

**"Investor Relations Service Provider"** includes any Consultant that performs Investor Relations Activities and any Director, Officer, Employee or Management Company Employee whose role and duties primarily consist of Investor Relations Activities.

**"Management Company Employee"** means an individual employed by a Person providing management services to the Issuer, which are required for the ongoing successful operation of the business enterprise of the Issuer, but excluding a Person engaged in Investor Relation Activities.

**APPENDIX "B"**  
**AUDIT COMMITTEE CHARTER**

*Mandate*

The primary function of the audit committee (the "Committee") is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation's systems of internal controls regarding finance and accounting and the Corporation's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Corporation's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

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

*Composition*

The Committee shall be comprised of three directors as determined by the Board of Directors, whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

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

*Meetings*

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

*Responsibilities and Duties*

To fulfill its responsibilities and duties, the Committee shall:

**Documents/Reports Review**

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

**External Auditors**

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Corporation.
- (b) Obtain annually, a formal written statement of the external auditors setting forth all relationships between the external auditors and the Corporation, consistent with Independence Standards Board Standard 1.

- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements.
- (g) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (h) Review and pre-approve all audit and audit related services and the fees and other compensation related thereto, and any non-audit services, provided by the Corporation's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - (i) the aggregate amount of all such non-audit services provided to the Corporation constitutes not more than five percent of the total amount of revenues paid by the Corporation to its external auditors during the fiscal year in which the non-audit services are provided;
  - (ii) such services were not recognized by the Corporation at the time of the engagement to be non-audit services; and
  - (iii) such services are promptly brought to the attention of the Committee by the Corporation and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals have been delegated by the Committee.

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

#### *Financial Reporting Processes*

- (a) In consultation with the external auditors, review with management the integrity of the Corporation's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of financial statements and the view of the external auditors as to the appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review any complaints or concerns about questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.

Other

Review any related-party transactions.