



**LAURION MINERAL EXPLORATION INC.**

**NOTICE OF MEETING**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**FOR THE**

**ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**to be held on November 15, 2023**

**October 4, 2023**

## NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

<b>WHEN:</b> Wednesday, November 15, 2023 at 12:00 p.m. (Eastern time)	<b>WHERE:</b> Miller Thomson LLP at: 40 King Street West, Suite 5800 Toronto, Ontario M5H 3S1	<b>RECORD DATE:</b> Thursday, October 5, 2023
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**NOTICE IS HEREBY GIVEN** that an annual and special meeting (the “**Meeting**”) of holders (the “**Shareholders**”) of common shares (the “**Common Shares**”) of Laurion Mineral Exploration Inc. (the “**Corporation**”) will be held at 40 King Street West, Suite 5800, Toronto, Ontario, M5H 3S1, on Wednesday, November 15, 2023 at 12:00 p.m. (Eastern time).

The Meeting will be held for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Corporation for the financial years ended December 31, 2022 and December 31, 2021, together with the reports of the auditors thereon;
2. to fix the number of directors of the Corporation to be elected at the Meeting;
3. to elect the directors of the Corporation;
4. to re-appoint RSM Canada LLP, Chartered Professional Accountants, as the auditors of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix their remuneration and the terms of their engagement;
5. to consider and, if deemed advisable, pass a resolution ratifying, confirming and approving the renewal of the Corporation’s rolling stock option plan, as such resolution is set forth in the Corporation’s management information circular dated October 4, 2023 (the “**Circular**”); and
6. to transact such other business as may properly be brought before the Meeting or any adjournment or adjournments thereof.

Accompanying this notice of meeting is the Circular, a financial statement request form and a form of proxy. Shareholders will receive by mail copies of the audited annual financial statements of the Corporation for the financial years ended December 31, 2022 and 2021, together with the reports of the auditors thereon, which will be filed by the Corporation in accordance with applicable securities laws. The record date for the determination of those Shareholders entitled to receive the Notice of Meeting is the close of business, being 5:00 p.m. (Eastern time), on October 5, 2023 (the “**Record Date**”).

### **Instructions for Attending the Meeting**

A Shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit a duly executed form of proxy with (i) the Corporation’s transfer agent and registrar, TSX Trust Company, 301-100 Adelaide Street West, Toronto, Ontario, M5H 4H1, or by facsimile to 416-595-9593, or complete the form of proxy by such other method as is identified, and pursuant to any instructions contained, in the form of proxy, on or before 12:00 p.m. (Toronto time) on November 13, 2023 or forty-eight (48) hours prior to the commencement of the Meeting,

if the Meeting is adjourned; or (ii) the chair of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting. Shareholders who are unable to be present personally at the Meeting are urged to sign, date and return the enclosed form of proxy in the envelope provided for that purpose. If you plan to be present personally at the Meeting, you are requested to bring the enclosed form of proxy for identification.

If you are a non-registered Shareholder and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or such other intermediary. If you are a non-registered Shareholder and do not complete and return the materials in accordance with such instructions, you may lose the right to vote at the Meeting.

Further information with respect to voting by proxy is included in the accompany Circular. If you have any questions or need assistance with the completion and delivery of your proxy, please contact the Corporation's President and Chief Executive Officer, Cynthia Le Sueur-Aquin, by email at [clesueuraquin@laurion.ca](mailto:clesueuraquin@laurion.ca).

DATED at Toronto, Ontario, as of the 4<sup>th</sup> day of October, 2023.

BY ORDER OF THE BOARD OF  
DIRECTORS

*(signed) Cynthia Le Sueur-Aquin*  
Cynthia Le Sueur-Aquin  
President and CEO

**LAURION MINERAL EXPLORATION INC. MANAGEMENT INFORMATION  
CIRCULAR SOLICITATION OF PROXIES**

**SOLICITATION OF PROXIES**

**This management information circular (the “Management Information Circular”) is furnished in connection with the solicitation of proxies by the management (the “Management”) of Laurion Mineral Exploration Inc. (the “Corporation”) for use at the annual and special meeting (the “Meeting”) of holders (the “Shareholders”) of common shares of the Corporation (the “Common Shares” or the “shares”) to be held at the time and place and for the purposes set forth in the attached notice of annual and special meeting of Shareholders (the “Notice of Meeting”).** Except as otherwise stated, the information contained herein is given as of October 4, 2023. In this Management Information Circular, all references to dollar amounts are to Canadian dollars, unless otherwise specified. All references herein to the Corporation shall include its subsidiaries as the context may require. It is expected that the solicitation of proxies will be primarily by mail; however, proxies may also be solicited by directors, officers and certain employees of the Corporation by telephone, facsimile or in person but will not receive additional compensation for doing so. The cost of solicitation of proxies by Management will be borne by the Corporation.

The Corporation will pay the reasonable costs incurred by persons who are the Non-Registered Holders (as defined below) but not beneficial owners of shares (such as brokers, dealers and other registrants under applicable securities law and nominees and custodians) in sending or delivering copies of the Notice of Meeting, the Management Information Circular, the form of proxy and the financial statement request form to the Non-Registered Holders. Payments will be made upon receipt of an appropriate invoice. The Corporation will furnish to such persons, upon request to the Secretary of the Corporation, 40 King Street West, Suite 5800, Toronto, Ontario, M5H 2S1 (facsimile: 1-416-595-8695) and without additional cost, additional copies of the Notice of Meeting, Management Information Circular, financial statements, financial statement request form and form of proxy.

Except as noted below, the Corporation has distributed or made available for distribution, copies of the Meeting Materials (as defined below) to the Intermediaries (as defined below) for distribution to Non-Registered Holders whose Common Shares are held by or in custody of such Intermediaries. Such Intermediaries are required to forward such documents to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. The Corporation has elected to pay for the delivery of the Meeting Materials to objecting Non-Registered Holders by the Intermediaries. The Corporation is sending proxy-related materials directly to non-objecting Non-Registered Holders, through the services of its transfer agent and registrar, TSX Trust Company (“**TSX Trust**”). The solicitation of proxies from Non-Registered Holders will be carried out by the Intermediaries or by the Corporation if the names and addresses of the Non-Registered Holders are provided by Intermediaries. The Corporation will pay the permitted fees and costs of Intermediaries incurred in connection with the distribution of the Meeting Materials. The Corporation is relying on the notice-and-access provisions of securities laws for delivery of the Meeting Materials to Registered Shareholders or Non-Registered Holders.

## NOTICE-AND-ACCESS

As previously noted, the Corporation is utilizing the notice-and-access mechanism that came into effect on February 11, 2013 under NI 54-101 and NI 51-102 for distribution of this Management Information Circular and other materials to the Shareholders. Notice-and-access is a new set of rules that allows issuers to post electronic versions of Meeting Materials (as hereinafter defined) online via SEDAR+ and one other website, rather than mailing paper copies of such materials to shareholders. Electronic copies of the Management Information Circular may be found on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and also on <https://docs.tsxtrust.com/2025>.

### **Shareholders are reminded to review the Management Information Circular before voting.**

Although this Management Information Circular will be posted electronically online as noted above, Shareholders will receive paper copies of a “notice package” via prepaid mail containing the Notice of Meeting with information prescribed by NI 54-101 and NI 51-102, as well as a voting instruction form or form of proxy.

The Corporation anticipates that utilizing the notice-and-access process will directly benefit the Corporation through a substantial reduction in both postage and material costs, and also promote environmental responsibility by decreasing the large volume of paper documents generated by printing the Meeting Materials (as hereinafter defined). It also provides Shareholders with faster access to information about the Corporation.

From the date hereof to the Meeting Date, Shareholders with questions about notice-and-access may contact TSX Trust at 1-416-342-1091 (local) or 1-866-600-5869 (toll-free), or the Corporation. Shareholders may obtain paper copies of this Management Information Circular free of charge by contacting TSX Trust or the Corporation from the date hereof up to and including the Meeting Date.

A request for paper copies before the Meeting should be sent well in advance, so that it is received by the Corporation or TSX Trust by November 6, 2023 in order to allow sufficient time for the Shareholders to receive the paper copies and to return the instruction forms to the Corporation or their Intermediaries (as defined hereinafter), as applicable, by the due date.

Shareholders may request paper copies of the Meeting Materials (as hereinafter defined) up to one year after the filing of this Management Information Circular. Interested Shareholders can contact TSX Trust at 1-416-342-1091 (local) or 1-866-600-5869 (toll-free) to make a request.

### **Confirmation of Amendment to By-Law No. 17**

On April 18, 2013, the board of directors of the Corporation (the “**Board of Directors**” or “**Board**”) approved an amendment to By-Law No. 17 of the Corporation to add an advance notice requirement in circumstances where nominations of persons for election to the Board are made by shareholders of the Corporation other than pursuant to: (a) a requisition to call a shareholders meeting made pursuant to the provisions of the *Business Corporations Act* (Ontario) (the “**Act**”); or (b) a shareholder proposal made pursuant to the provisions of the Act (the “**Advance Notice Requirement**”).

The Advance Notice Requirement fixes a deadline by which Shareholders must submit a notice of director nominations to the Corporation prior to any annual or special meeting of shareholders where directors are to be elected and sets forth the information that a Shareholder must include in the notice for it to be valid.

The Advance Notice Requirement also provides a clear process for Shareholders to follow to nominate directors and sets out a reasonable time frame for nominee submissions along with a requirement for accompanying information, allowing the Corporation and the Shareholders to evaluate all nominees' qualifications and suitability as a director of the Corporation. The purpose of the Advance Notice Requirement is to treat all Shareholders fairly by ensuring that all Shareholders, including those participating in a meeting by proxy rather than in person, receive adequate notice of the nominations to be considered at a meeting and sufficient information with respect to all nominees and can thereby exercise their voting rights in an informed manner. In addition, the Advance Notice Requirement should assist in facilitating an orderly and efficient meeting process.

## PROXIES AND VOTING

**Shareholders who are unable (or who do not intend) to attend the Meeting in person and who wish to have their shares voted at the Meeting are requested to date, sign and return, in the envelope provided for that purpose, the enclosed form of proxy.** Proxies must be deposited: (i) with the Corporation's transfer agent and registrar, TSX Trust, on or before 12:00 p.m. (Eastern time) on November 13, 2023 or forty-eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the commencement of the Meeting, if the Meeting is adjourned; or (ii) with the Chair of the Meeting prior to the commencement of the Meeting or any adjournment thereof, in order for the shares represented thereby to be voted at the Meeting or any adjournment thereof.

The shares represented by any proxy in favour of the nominees of Management named therein will be voted for, against or withheld from voting with respect to the matters described herein in accordance with the instructions provided in any such proxy on any ballot that may be called for and if a Shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly. **In the absence of any specification to the contrary, such proxies will be voted in favour of the passing of the matters set out in the Notice of Meeting.**

**The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments to matters identified in the Notice of Meeting or other matters that may properly come before the Meeting.** As of the date hereof, Management knows of no other matters to come before the Meeting other than matters referred to in the Notice of Meeting. If any matters which are not now known should properly come before the Meeting or if any amendments or variations to the matters referred to in the Notice of Meeting are presented for consideration at the Meeting, the forms of proxy will be voted on such matters, amendments and variations in accordance with the best judgment of the person voting the proxy.

**The persons named in the enclosed form of proxy are officers of the Corporation and represent Management. Each Shareholder has the right to appoint a person or a company (who need not be a Shareholder) other than the persons named in the accompanying form of proxy as proxy holder to represent the Shareholder at the Meeting.** The Shareholder may exercise this right by inserting the name of the nominee in the space provided in the enclosed form of proxy or may complete another appropriate form of proxy, and in each case delivering the completed proxy in the manner set forth above.

## NON-REGISTERED HOLDERS

The information in this section is of significant importance to Shareholders who do not hold their Common Shares in their own name. Only registered holders of Common Shares or duly appointed proxy holders are permitted to vote at the Meeting. Many Shareholders of the Corporation are Non-Registered Holders because the voting shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares.

More particularly, a person is a Non-Registered Holder in respect of Common Shares which are held on behalf of that person (the “**Non-Registered Holder**”) but which are registered either: (a) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP’s, RRIF’s, RESP’s and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“**CDS**”)) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice of Meeting, this Management Information Circular, a form of proxy, a voting instruction form (if applicable) and a financial statement request form (collectively the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- a. be given a form of proxy **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Holder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a “voting instruction form” or a “proxy authorization form”) which the Intermediary must follow. Typically, the Non-Registered Holder will also be given a page of instruction which contains a removable label containing a bar code and other information. In order for the form of proxy to be validly constituted, the Non-Registered Holder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or
- b. less typically, be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and deliver it to TSX Trust as provided under “Proxies and Voting” above.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the shares of the Corporation which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the proxy and insert the Non-Registered Holder's (or such other person's) name in the blank space provided. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the form of proxy is to be delivered.**

### REVOCATION OF PROXIES

**A proxy given by a Shareholder for use at the Meeting may be revoked at any time prior to its use. In addition to revocation in any other manner permitted by law, a Shareholder who has given a proxy may revoke it by an instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized in writing, and deposited either at the principal office of the Corporation, 40 King Street West, Suite 5800, Toronto, Ontario, M5H 2S1, to the attention of the Secretary, on or before the last business day preceding the day of the Meeting or any adjournment thereof or, as to any matter upon which a vote has not already been cast pursuant to the authority conferred by such proxy, with the Chair of the Meeting on the day of the Meeting or any adjournment thereof.**

### VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Corporation has fixed October 5, 2023 as the Record Date for the purposes of determining Shareholders entitled to receive the Notice of Meeting and vote at the Meeting. The Corporation is authorized to issue an unlimited number of Common Shares, of which 257,948,737 Common Shares were issued and outstanding as at October 4, 2023 (being the date of this Management Information Circular). In accordance with the provisions of the *Business Corporations Act* (Ontario), the Corporation has prepared a list of the Shareholders on the Record Date. Each Common Share carries one vote in respect of each matter to be voted on at the Meeting. Only holders of Common Shares of record at the close of business on the Record Date are entitled to vote at the Meeting.

To the knowledge of the directors and senior officers of the Corporation, as at the date of this Management Information Circular, no persons beneficially own, directly or indirectly, or exercise control or direction over voting securities of the Corporation carrying more than 10% of the voting rights of the total issued and outstanding Common Shares as at October 4, 2023, and the directors and senior officers of the Corporation currently do not expect that this will change between the date of this Management Information Circular and the Record Date.

A quorum for the Meeting and any adjournments thereof is two persons present at the Meeting, each being a Shareholder of the Corporation entitled to vote at the Meeting or a duly appointed proxyholder of such person, and together holding or representing by proxy more than 10% of the outstanding Common Shares of the Corporation entitled to vote at the Meeting.

## **PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING**

### **1. Financial Statements**

The Corporation's audited consolidated financial statements for the financial years ended December 31, 2022 and December 31, 2021, together with the report of the auditors thereon, will be placed before the Meeting. The annual audited consolidated financial statements of the Corporation are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). No vote with respect thereto is required, nor will it be taken.

### **2. Fix Number of Directors**

Shareholders of the Corporation will be asked to consider and, if thought appropriate, to approve and adopt an ordinary resolution fixing the number of directors of the Corporation to be elected at the Meeting. At the Meeting, it will be proposed that three directors be elected to hold office until the next annual general meeting or until their successors are elected or appointed.

To be approved, the resolution requires the affirmative vote of a majority of the votes cast on the resolution. Proxies received in favour of Management will be voted in favour of fixing the number of directors at three, unless the Shareholder has specified in a proxy that their shares are to be withheld from voting in respect thereof.

### **3. Election of Directors**

The Board currently consists of three directors. The terms of office of each current director of the Corporation will expire on the date of the Meeting when the new Board of Directors is elected. Each proposed director, if elected at the Meeting, will hold office until the next annual general meeting of Shareholders or until the election of his or her successor, unless he or she resigns or his or her office becomes vacant by removal, death or other cause.

An affirmative vote of a majority of the votes cast at the Meeting is required for the election of directors.

Common Shares represented by proxies in favour of Management nominees will be voted in favour of such resolution unless such proxies specify that the Common Shares represented thereby shall be withheld from voting. In the event a nominee is unable or unwilling to serve, an event that Management has no reason to believe will occur, the persons named in the accompanying form of proxy reserve the right to vote for another person at their discretion, unless a Shareholder has specified in the form of proxy that these Common Shares are to be withheld from voting for the election of directors.

The following table sets out the name of each of the persons proposed to be nominated by Management for election as director, all other positions and offices with the Corporation now held by such persons, their municipality of residence and principal occupation, the year in which such persons became a director of the Corporation, if applicable, and the number of Common Shares of the Corporation beneficially owned by them, directly or indirectly, or over which they exercise control or direction, as at the date hereof. The information as to Common Shares owned or controlled has been provided by the applicable person named.

<b>Name and Municipality of Residence</b>	<b>Present Principal Occupation</b>	<b>Director Since</b>	<b>Number of Common Shares Beneficially Owned or Controlled<sup>(1)</sup></b>
Michael Burmi <sup>(2)</sup> Markham, Ontario, Canada	Executive Vice President, Circuit Tech Inc.; and President and CEO, YH Distributors	July 11, 2019	12,000,000 <sup>(5)</sup>
John Covello <sup>(3)</sup> Kelowna, British Columbia, Canada	Financial Advisor, Covello Financial Group Inc.	July 11, 2019	10,698,412 <sup>(6)</sup>
Cynthia Le Sueur-Aquin <sup>(4)</sup> Calgary, Alberta, Canada	President and CEO, Laurion Mineral Exploration Inc.; and President, AquinTerra Inc. ("AquinTerra"), consulting company	April 7, 2003	16,471,306 <sup>(7)</sup>

**Notes:**

- (1) Excluding Common Shares issuable upon the exercise of outstanding options and warrants. Mr. Burmi has 650,000 options, Mr. Covello has 1,445,031 options and Ms. Le Sueur-Aquin has 750,000 options. Each option and warrant is exercisable into one Common Share upon payment of the exercise price thereof.
- (2) Member of the Audit Committee, the Compensation Committee and the Strategy Committee. Mr. Burmi is the Chair of the Audit Committee and the Compensation Committee.
- (3) Member of the Audit Committee and the Compensation Committee.
- (4) Member of the Audit Committee and the Strategy Committee. Ms. Le Sueur-Aquin is the Chair of the Strategy Committee.
- (5) Mr. Burmi's Common Shares are held both directly (2,000,000 Common Shares) and indirectly through his holding company, 2655038 Ontario Inc. (10,000,000 Common Shares).
- (6) Mr. Covello's Common Shares are held indirectly through his company, Covello Financial Group Inc.
- (7) Ms. Le Sueur-Aquin's Common Shares are held both directly (6,838,218 Common Shares) and indirectly through her company, AquinTerra (9,633,088 Common Shares).

**Biographical Information**

The following briefly describes the qualifications and experience of the nominees to the Board:

**Michael Burmi**

Michael Burmi is an entrepreneur with 25 years' experience building and managing high-end technology manufacturing organizations, coupled with extensive expertise in running a high-revenue, high-growth engineering/manufacturing business. Over the course of his career, he has worked with several global organizations leading to acquisitions and mergers, allowing these companies to redefine business strategies to capture market share.

He currently holds a position as Senior Executive Vice President and Co-Owner of a Canadian technology base company and is responsible for growth and market expansion strategies to capitalize increase market share, expanding the company's global footprint into the United States by 20% growth in the defense and aerospace sector.

**John Covello**

John Covello has been the Chief Executive Officer and the President of Covello Financial Group Inc. since March 2012. He is also affiliated with Tipi Financial for First Nations Pensions and benefits as well as the Director of Canadian Business Development for Metals House Inc. for procurement of precious metals. Mr. Covello has experience in raising strategic capital in many industries, including the mining industry, using global connections. He works closely with

corporations and individuals to maximize tax efficiencies, profitability and protect their wealth. His business experience of over 25 years has provided him with a large network of relationships spanning multiple sectors. Mr. Covello is well versed in niche project financing, corporate legal work and negotiations, company administration and investor relations.

### **Cynthia Le Sueur-Aquin**

Cynthia Le Sueur-Aquin has been a director and the President of the Corporation since April 7, 2003. Ms. Le Sueur-Aquin has experience in mine management in the precious metal mining industry. She has been involved in global exploration and production operations including the development and project management of many mines, sand and slimes recovery sites and gold recovery plants throughout the world. Her postings have provided her with direct exposure to cultural, political and regulatory issues in Indonesia, South Africa, Zimbabwe, Canada, Mexico, Mozambique, Zambia, Botswana and other North African States. She also has experience in project financing, mining property acquisitions, corporate legal work and negotiations, company administration and investor relations. Ms. Le Sueur-Aquin worked for Randgold and Exploration Corporation Limited, Rand Leases (V) Gold Mining Corporation Limited and Gold Fields Limited prior to coming to Canada in 1995. She was also Senior Vice-President, Exploration and Mining Projects for Antares Mining and Exploration Corp.

### **Regulatory Matters, Bankruptcies and Insolvencies**

To the knowledge of the Corporation, no nominee for director of the Corporation is, at the date of this Management Information Circular, or has been, within 10 years before the date of this Management Information Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation), that:

1. was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued while that person was acting as director, chief executive officer or chief financial officer;
2. was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under the securities legislation for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and that resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
3. while that person was acting in the capacity as director, chief executive officer or chief financial officer or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

### **Personal Bankruptcies, etc.**

To the knowledge of the Corporation, no nominee for director, nor any personal holding company of any such nominee, has, within the 10 years before the date of this Management Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver manager or trustee appointed to hold the assets of the proposed director.

### **Penalties Under Securities Legislation**

To the knowledge of the Corporation, no nominee for director, nor any personal holding company of any such nominee, (a) has been subject to any penalties or sanctions imposed by a court relating to securities legislation, or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) has had any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

### **4. Appointment of Auditors**

Shareholders will be requested to re-appoint RSM Canada LLP, Chartered Professional Accountants, Toronto, Ontario, as auditors of the Corporation to hold office until the next annual meeting of Shareholders and to authorize the directors to fix their remuneration and the terms of their engagement. RSM Canada LLP has served as the auditors of the Corporation since September 12, 2005.

To be approved, the resolution requires the affirmative vote of a majority of the votes cast on the resolution. Proxies received in favour of Management will be voted in favour of the re-appointment of RSM Canada LLP as auditors of the Corporation to hold office until the next annual meeting of Shareholders and the authorization of the directors to fix their terms of engagement and remuneration, unless the Shareholder has specified in a proxy that his or her shares are to be withheld from voting in respect thereof.

### **5. Approval and Ratification of Rolling Stock Option Plan**

Under applicable policies of the TSX Venture Exchange (“**TSXV**”), a “rolling” stock option plan must be approved and ratified by the shareholders of a TSXV-listed issuer on an annual basis. The 2010 Stock Option Plan (as defined below) was approved by Shareholders at the Corporation’s previous annual general meeting. At the Meeting, Shareholders will again be asked to vote on a resolution to approve the 2010 Stock Option Plan for the ensuing year. The Board has approved the current version of the 2010 Stock Option Plan, which incorporates certain requirements of TSXV Policy 4.4 – *Security Based Compensation*, as amended on November 24, 2021 (“**Policy 4.4**”). A copy of the 2010 Stock Option Plan, which was drafted in accordance with the latest TSXV policies (including Policy 4.4), is attached to this Management Information Circular as Schedule A and a summary thereof is included below.

Effective October 5, 2010, the Board adopted a new rolling 10% stock option plan (the “**2010 Stock Option Plan**”), which was ratified by the Shareholders on November 5, 2010 and approved by the TSXV. The summary, however, is qualified in its entirety by the terms of the 2010 Stock Option Plan. The 2010 Stock Option Plan replaced the Corporation’s previous incentive stock option plan, dated August 11, 2000, as amended and restated on March 3, 2004,

June 20, 2005 and August 30, 2006 (collectively, the “**2006 Stock Option Plan**”). While all existing grants of options under the 2006 Stock Option Plan will continue to be exercisable in accordance with their terms, the 2010 Stock Option Plan will remain in effect and any subsequent option grants will be made pursuant thereto.

The purpose of the 2010 Stock Option Plan is to allow the Corporation to grant options to directors, officers, employees and consultants, as additional compensation and as an opportunity to participate in the success of the Corporation. The granting of such options is intended to align the interests of such persons with those of the Shareholders.

The 2010 Stock Option Plan will be administered by the Board or, in its discretion, a stock option committee consisting of not less than three members of the Board. It is anticipated that the Board will administer the 2010 Stock Option Plan with recommendations from the Compensation Committee of the Corporation.

Pursuant to the 2010 Stock Option Plan, options will be exercisable over periods of up to ten years as determined by the Board. In addition, options are required to have an exercise price no less than the closing market price of the Common Shares prevailing on the day that the option is granted less a discount of up to 25%, the amount of the discount varying with market price in accordance with the policies of the TSXV.

Pursuant to the 2010 Stock Option Plan, the Board may from time to time authorize the issuance of options to directors, officers, employees and consultants of the Corporation and its subsidiaries or employees of companies providing management or consulting services to the Corporation or its subsidiaries. The number of Common Shares which may be issued pursuant to options granted under the 2010 Stock Option Plan will be a maximum of 10% of the issued and outstanding Common Shares at the time of the grant. Options granted under the 2010 Stock Option Plan will be subject to such vesting schedule as the Board may determine.

The terms and conditions of each option granted under the 2010 Stock Option Plan will be set forth in an option agreement entered into between the Corporation and each optionee (the “**Option Agreement**”), such agreement in the form appended to the 2010 Stock Option Plan. Each Option Agreement, among other things, sets out the number of options granted, as well as their exercise price, vesting schedule and term.

Pursuant to the 2010 Stock Option Plan:

- the aggregate number of Common Shares which may be granted or issued within any 12 month period to any one consultant is limited to 2% of the issued and outstanding Common Shares (calculated as at the date any security based compensation of the Corporation is granted or issued to the consultant);
- the aggregate number of Common Shares which may be granted or issued within any 12 month period to persons employed to provide investor relations activities is limited to 2% of the issued and outstanding Common Shares (calculated as at the date any security based compensation of the Corporation is granted or issued to any such person), and are subject to the following additional limitations:
  - (i) options issued to consultants providing investor relations activities shall vest in stages over 12 months with no more than 25% of the options vesting in any three month period;

- (ii) the Board shall, through the establishment of appropriate procedures, monitor the trading in the securities of the Corporation by all optionees performing investor relations activities;
- (iii) the Corporation shall ensure that a statutory exemption for the issuance of securities to a particular participant of the 2010 Stock Option Plan is available or obtain a discretionary exemption from the applicable securities regulatory authority; and
- (iv) notwithstanding any other provision set forth in the 2010 Stock Option Plan, there can be no acceleration of the vesting requirements applicable to options granted to a person employed to provide investor relations activities without the prior written approval of the TSXV.

The Compensation Committee of the Corporation shall fix the price per share issued pursuant to the options at the time of grant, provided that the price per share fixed by the Compensation Committee is in Canadian dollars and shall not be less than the fair market value of the Common Shares as may be determined by the Compensation Committee on the day immediately preceding the date of grant.

Subject to sections 3.6, 3.7 and 3.9 of the 2010 Stock Option Plan, the maximum term during which options may be exercised shall be determined by the Board, but in no event shall the exercise term of an option exceed ten years from its date of grant. The Corporation must obtain disinterested Shareholder approval for any extensions to options granted to individuals that are insiders at the time of the proposed amendment.

Pursuant to the 2010 Stock Option Plan, if any participant who is a director, officer, employee or consultant of the Corporation or an affiliate shall cease to act in that capacity for any reason other than death or permanent disability, such participant's options will terminate on the earlier of the date of the expiration of the relevant date and 90 days after the date such participant ceases to be a director, officer, employee or consultant of the Corporation or any affiliate.

The 2010 Stock Option Plan also provides that if a change of control, as defined therein in accordance with TSXV rules, occurs, all shares subject to option shall immediately become vested and may thereupon be exercised in whole or in part by the option holder.

Options are non-assignable and non-transferable, although they are assignable to and may be exercisable by an optionee's legal heirs, administrators, personal representatives or guardians in certain cases.

As at October 4, 2023, the Corporation had 257,948,737 Common Shares and 4,258,154 options issued. All options were granted pursuant to the 2010 Stock Option Plan. If Shareholders approve and ratify the 2010 Stock Option Plan, which reserves for issuance 10% of the number of issued and outstanding Common Shares, 25,794,873 Common Shares would be reserved for issuance thereunder. As there were 4,258,154 options outstanding as at October 4, 2023, there would be 21,536,719 options available for grant pursuant to the 2010 Stock Option Plan. This number would be adjusted as the number of issued and outstanding Common Shares changes.

At the Meeting, the Shareholders will be asked to pass an ordinary resolution, with or without amendment, to approve and ratify the Corporation's 2010 Stock Option Plan. The following is the text of the resolution to be considered by the Shareholders at the meeting. In order to be adopted, the resolution must be approved by a majority of the votes of the Shareholders validly cast with respect thereto:

**“IT IS HEREBY RESOLVED, THAT:**

1. the Corporation's rolling stock option plan dated October 4, 2010 (the “**2010 Stock Option Plan**”), substantially in the form attached as Schedule “A” to the management information circular of the Corporation dated October 4, 2023, and all grants of options thereunder, be and are hereby approved and ratified;
2. the actions of the directors of the Corporation in approving and ratifying the 2010 Stock Option Plan are hereby ratified, confirmed and approved;
3. the form of 2010 Stock Option Plan may be amended in order to satisfy the requirements or requests of any applicable regulatory authorities without requiring further approval of the shareholders of the Corporation; and
4. any one director or officer of the Corporation is hereby authorized and directed, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such other acts and things, as may in the opinion of such director, be necessary to give effect to the foregoing resolution.”

**THE BOARD OF DIRECTORS CONSIDERS THE APPROVAL AND RATIFICATION OF THE 2010 STOCK OPTION PLAN TO BE APPROPRIATE AND IN THE BEST INTERESTS OF THE CORPORATION AND RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR THEREOF. AN AFFIRMATIVE VOTE OF A MAJORITY OF THE VOTES CAST BY SHAREHOLDERS AT THE MEETING IS SUFFICIENT FOR THE APPROVAL AND RATIFICATION OF THE 2010 STOCK OPTION PLAN.**

**If you complete and return the Management Proxy, the persons designated in the Management Proxy intend to vote at the Meeting, or any adjournment thereof, FOR the approval and ratification of the 2010 Stock Option Plan, unless you specifically direct that your vote be voted against the Approval and Ratification of the 2010 Stock Option Plan.**

**STATEMENT OF EXECUTIVE COMPENSATION**

**1. Introduction**

The following information is presented in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* (“**Form 51-102F6V**”), and sets forth compensation provided to each Named Executive Officer (as defined below) and director of the Corporation for, or in connection with, services they have provided to the Corporation during the financial year ending December 31, 2022.

## 2. Compensation Discussion and Analysis

### *General*

The Corporation compensates its officers and consultants in a manner designed to support the Corporation's strategic objectives, ensure that incentive programs are designed to motivate officers and consultants to achieve or exceed corporate objectives and enhance shareholder value.

The Corporation's executive compensation is comprised of base salary and long-term incentives in the form of stock options (the "**Options**").

The Corporation's executive compensation is granted in a manner with the following objectives in mind:

- to attract, retain and motivate qualified executives;
- to provide incentives to executives to maximize productivity and enhance enterprise value by aligning the interests of the executives with those of the shareholders of the Corporation;
- to foster teamwork and entrepreneurial spirit;
- to establish a direct link between all elements of compensation and the performance of the Corporation and individual performance; and
- to integrate compensation incentives with the development and successful execution of strategic and operating plans.

## 3. Director and named executive officer compensation, excluding compensation securities

### *Named Executive Officers and Directors*

"**Named Executive Officer**" or "**NEO**" means, for the purposes of this Statement of Executive Compensation in regards to the Corporation, each of the following individuals:

- (a) a Chief Executive Officer ("**CEO**") of the Corporation;
- (b) a Chief Financial Officer ("**CFO**") of the Corporation;
- (c) each of the Corporation's three most highly compensated executive officers (including any of the Corporation's subsidiaries), or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for the financial year ended December 31, 2022; and
- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation or its subsidiaries, nor acting in a similar capacity, at December 31, 2022.

For the years ended December 31, 2022, 2021 and 2020, the Corporation’s NEOs consisted of the following individuals: (i) Cynthia Le Sueur-Aquin, the Corporation’s President and CEO; (ii) Miles Nagamatsu, the Corporation’s CFO from May 3, 2019 to October 5, 2022; and (iii) Tyler Dilney, the Corporation’s current CFO who began serving in this role with the Corporation on October 5, 2022.

For the years ended December 31, 2022, 2021 and 2020, the Corporation’s directors consisted of the following individuals: (i) Cynthia Le Sueur-Aquin; (ii) Michael Burmi; (iii) John Covello; and (iv) Nick Ierfino.

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

<b>Name and Position</b>	<b>Year</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)<sup>(4)</sup></b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
Cynthia Le Sueur-Aquin <i>President, CEO and Director<sup>(1)</sup></i>	2022	278,475	-	-	-	-	278,475
	2021	261,275	-	-	-	-	261,275
	2020	253,006	-	-	-	-	253,006
Miles Nagamatsu <i>Former CFO<sup>(2)</sup></i>	2022	58,500	-	-	-	-	58,500
	2021	63,600	-	-	-	-	63,600
	2020	63,600	-	-	-	-	63,600
Tyler Dilney <i>CFO<sup>(3)</sup></i>	2022	15,000	-	-	-	-	15,000
	2021	-	-	-	-	-	-
	2020	-	-	-	-	-	-
Michael Burmi <i>Director</i>	2022	-	-	-	-	-	-
	2021	-	-	-	-	-	-
	2020	-	-	-	-	-	-
John Covello <i>Director<sup>(4)</sup></i>	2022	-	18,125	-	-	-	18,125
	2021	-	54,097	-	-	-	54,097
	2020	-	49,221	-	-	-	49,221
Nick Ierfino <i>Director<sup>(4)(5)</sup></i>	2022	-	18,125	-	-	-	18,125
	2021	-	54,097	-	-	-	54,097
	2020	-	13,827	-	-	-	13,827

**Notes:**

- (1) All amounts were paid to AquinTerra, a consulting company of which Ms. Le Sueur-Aquin is the sole shareholder.
- (2) All amounts were paid to Marlborough Management Limited (“MML”), a consulting company of which Mr. Nagamatsu is the controlling shareholder. Mr. Nagamatsu resigned as Chief Financial Officer of the Corporation, effective October 5, 2022.
- (3) Mr. Dilney was appointed as Chief Financial Officer of the Corporation, effective October 5, 2022. All amounts were paid to Aux Advisory Inc. (“AUX”), a consulting company of which Mr. Dilney is the controlling shareholder.
- (4) During the year ended December 31, 2022, the Corporation paid John Covello and Nick Ierfino a discretionary cash bonus of \$18,125 and issued Options to acquire 29,000 Common Shares, exercisable on or before January 11, 2027, at an exercise price of \$0.82 per share, subject to vesting requirements. No other cash payments were made to directors for acting in their capacity as directors.
- (5) Mr. Ierfino resigned as a director of the Corporation, effective September 30, 2023.

**AquinTerra Inc.**

Ms. Le Sueur-Aquin’s compensation is earned indirectly through a consulting agreement (the “**AquinTerra Agreement**”) between the Corporation and AquinTerra, a consulting company of which Ms. Le Sueur-Aquin is the sole shareholder. Pursuant to the AquinTerra Agreement, AquinTerra charges the Corporation for services rendered by Ms. Le Sueur-Aquin, as President

and CEO of the Corporation, at a rate of \$1,000 per day for each day she provides services to the Corporation. AquinTerra provides certain administrative, management, corporate development, investor relations and exploration services at no additional cost to the Corporation. Ms. Le Sueur-Aquin does not otherwise draw a salary from the Corporation. The principal business address of AquinTerra is located in Calgary, Alberta.

#### **Marlborough Management Limited**

Mr. Nagamatsu's compensation was earned indirectly through a consulting agreement (the "**MML Agreement**") between the Corporation and MML, a consulting company. Pursuant to the MML Agreement, effective January 1, 2022, MML charged the Corporation for services rendered by Mr. Nagamatsu as Chief Financial Officer of the Corporation at a rate of \$6,200 per month, in addition to \$300 per month for administrative and general bookkeeping and accounting services, including, but not limited to, the maintenance of the Corporation's books. Mr. Nagamatsu did not otherwise draw a salary from the Corporation. The principal business address of MML is located in Toronto, Ontario. MML provided executive management services to other companies for the year ended December 31, 2022, including Cartier Silver Corporation, Eoro Resources Ltd., Bocana Resources Corp., Forsys Metals Corp., GreenBank Capital Inc. and its subsidiaries, and EV Minerals Corporation. Mr. Nagamatsu resigned as Chief Financial Officer of the Corporation and Tyler Dilney was appointed as Chief Financial Officer, effective October 5, 2022.

#### **Aux Advisory Inc.**

Mr. Dilney's compensation is earned indirectly through a consulting agreement (the "**AUX Agreement**") between the Corporation and AUX, a consulting company. Pursuant to the AUX Agreement, AUX charges the Corporation for services rendered by Mr. Dilney as Chief Financial Officer of the Corporation at a rate of \$5,000 per month for administrative, general bookkeeping and accounting services, including, but not limited to, the maintenance of the Corporation's books. Mr. Dilney does not otherwise draw a salary from the Corporation. The principal business address of AUX is located in Halifax, Nova Scotia. Mr. Dilney was appointed as Chief Financial Officer, effective October 5, 2022.

#### 4. Stock Options and Other Compensation Securities

##### *Stock options and other compensation securities as at December 31, 2022*

Name and position	Type of compensation security <sup>(1)</sup>	Number of compensation securities, number of underlying securities	Date of Grant (mm/dd/yyyy)	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Value of unexercised in-the-money options (\$) <sup>(2)</sup>	Expiry date (mm/dd/yyyy)
Cynthia Le Sueur-Aquin <i>President, Chief Executive Officer and Director</i>	Options	500,000	06/02/2020	0.17	0.14	142,500	06/02/2025
	Options <sup>(3)</sup>	250,000	12/14/2020	0.23	0.20	56,250	12/14/2025
Tyler Dilney <i>Chief Financial Officer</i>	Options	250,000	10/05/2022	0.95	0.81	-	10/05/2027
Michael Burmi <i>Director</i>	Options	150,000	06/02/2020	0.17	0.14	42,750	06/02/2025
	Options	250,000	12/14/2020	0.23	0.20	56,250	12/14/2025
	Options	250,000	07/16/2019	0.11	0.11	86,250	07/16/2029
John Covello <i>Director</i>	Options	367,379	06/02/2020	0.17	0.14	104,703	06/02/2025
	Options	326,837	12/14/2020	0.23	0.20	75,538	12/14/2025
	Options	212,045	04/13/2021	0.23	0.225	47,710	04/13/2026
	Options	18,106	08/19/2021	0.55	0.53	-	08/19/2026
	Options	29,000	01/11/2022	0.82	0.87	-	01/11/2027
	Options	250,000	07/16/2019	0.11	0.11	86,250	07/16/2029
	Options	241,664	09/09/2019	0.15	0.20	73,708	09/09/2029
Nick Ierfino <sup>(4)</sup> <i>Director</i>	Options	250,000	02/14/2020	0.17	0.14	71,250	02/14/2025
	Options	326,837	12/14/2020	0.23	0.20	73,538	12/14/2025
	Options	212,045	04/13/2021	0.23	0.225	47,710	04/13/2026
	Options	18,106	08/19/2021	0.55	0.53	-	08/19/2026
	Options	29,000	01/11/2022	0.82	0.87	-	01/11/2027

**Notes:**

- (1) All Options issued vest 33.33% per annum from the date of grant until fully vested.
- (2) For the purpose of calculating in-the-money values of Options, the exercise price of each Option was subtracted from the closing price of the Common Shares on December 31, 2022, which was \$0.455 per share.
- (3) Granted to AquinTerra, a consulting company of which Ms. Le Sueur-Aquin is the sole shareholder.
- (4) Mr. Ierfino resigned as a director of the Corporation, effective September 30, 2023.

*Exercise of compensation securities*

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of Exercise (mm/dd/yyyy)	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Cynthia Le Sueur-Aquin <i>President, Chief Executive Officer and Director</i>	Options	720,000	0.10	06/15/2022	1.02	0.92	662,400
	Options	510,000	0.05	06/15/2022	1.02	0.97	494,700
	Options	300,000	0.05	06/15/2022	1.02	0.97	291,000
Miles Nagamatsu <i>Former Chief Financial Officer</i>	-	-	-	-	-	-	-
Tyler Dilney <i>Chief Financial Officer</i>	-	-	-	-	-	-	-
Michael Burmi <i>Director</i>	-	-	-	-	-	-	-
John Covello <i>Director</i>	-	-	-	-	-	-	-
Nick Ierfino <sup>(1)</sup> <i>Director</i>	-	-	-	-	-	-	-

**Note:**

(1) Mr. Ierfino resigned as a director of the Corporation, effective September 30, 2023.

**5. Stock Options Plans and Other Incentive Plans**

**Option-Based Awards**

The stock-based compensation program of the Corporation provides for the granting of Options to encourage officers and consultants of the Corporation to acquire a proprietary interest in the Corporation and to provide an incentive to such persons related to the performance of the Corporation. The 2010 Stock Option Plan is administered by the Board, which accepts recommendation from the Compensation Committee, at its discretion. The Compensation Committee currently consists of Michael Burmi (Chair) and John Covello. The education and related experience of each of the members of the Compensation Committee that is relevant to the performance of their responsibilities as a member of the Compensation Committee is set out in the section hereof entitled “Particulars of Matters to be Acted Upon – Election of Directors”. Michael Burmi and John Covello are independent members of the Board.

In establishing the number of Options to be granted, reference is made to the number of Options granted to directors and officers of other publicly-traded companies of a similar size in the mineral exploration and development business. In addition, the Board and the Compensation Committee consider previous grants of Options and the overall number of Options which are outstanding relative to the number of outstanding Common Shares in determining whether to grant any additional Options, and the size and terms of such Option grants, as well as the level of effort, time, responsibility, experience and level of commitment of the director or officer to determine the level of Option compensation.

## 6. Employment, Consulting and Management Agreements

Under the AquinTerra Agreement, Ms. Le Sueur-Aquin's consulting services may be terminated at any time upon the provision of 18 months written notice, or pay in lieu thereof, which pay shall be eighteen times the \$25,000 monthly rate for a total of \$450,000.

Under the AUX Agreement, Mr. Dilney's consulting services may be terminated at any time upon 60 days advance written notice.

Under the MML Agreement, when such agreement was in force and effect, Mr. Nagamatsu's consulting services could be terminated at any time upon 90 days advance written notice.

In the event of a Change of Control (as defined below) by way of a sale of all or substantially all of the assets of the Corporation, the Corporation is obligated to use commercially reasonably best efforts to negotiate a transaction with the AquinTerra Agreement. This was also the case in regards to the MML Agreement when such agreement was in force and effect (prior to Mr. Nagamatsu's resignation as Chief Financial Officer of the Corporation).

**"Change in Control"** means any change in the holding, direct or indirect, of shares of the Corporation as a result of which,

- a. the acquisition by any Person or group of Persons "acting in concert" (as interpreted in accordance with applicable securities legislation) of Shares of rights or options to acquire Shares or any securities which are convertible into Shares or any combination thereof, such that after the completion of such acquisition such Person would be entitled, directly or indirectly, through beneficial ownership or control, to exercise 20% or more of the votes entitled to be cast at a meeting of the shareholders of the Corporation;
- b. the sale, exchange, lease or other disposition, in a single transaction or a series of related transactions, by the Corporation of all or substantially all of the property, rights or assets of the Corporation;
- c. a plan of liquidation or dissolution of the Corporation or an agreement for the sale, liquidation or dissolution of the Corporation is approved and completed;
- d. the election at a meeting of the Corporation's shareholders of that number of persons which would represent a majority of the Board as directors of the Corporation, who are not included in the slate for election as directors proposed to the Corporation's shareholders by management of the Corporation; and
- e. a transaction or series of transactions as a result of which a majority of the directors of the Corporation are removed from office at any annual or special meeting of shareholders, or a majority of the directors resign from office over a period of sixty (60) days or less, and the vacancies created thereby are filled by nominees proposed by any person other than directors or management of the Corporation in place immediately prior to the removal or resignation of the directors, or any other event that would be considered by the Board in its sole discretion as a Change of Control.

In the event the AquinTerra Agreement is terminated by either the Corporation or Ms. Le Sueur-Aquin within six months of an event giving rise to a Change of Control, the Corporation is obligated to pay to AquinTerra eighteen times the \$25,000 monthly fee for a total of \$450,000.

In the event of a Change of Control and the AUX Agreement is terminated by either the Corporation or Mr. Dilney at the effective date of a Change of Control, the Corporation is obligated to pay AUX an amount equal to fees for six months.

Prior to Mr. Nagamatsu's resignation as Chief Financial Officer of the Corporation, if there was a Change of Control at any time during the term of the MML Agreement, MML would have the option to terminate the MML Agreement by giving written notice to the Corporation within 30 days of the Change of Control, and then, 30 days thereafter: (i) the MML Agreement would terminate; (ii) the appointment of Mr. Nagamatsu as Chief Financial Officer of the Corporation would terminate; and (iii) the Corporation would pay MML an amount equal to fees for six months.

## **7. Oversight and Description of Director and NEO Compensation**

### ***Named Executive Officer Compensation***

The Board determines Named Executive Officer compensation based on the recommendation of the Compensation Committee at the time of engagement of the Named Executive Officer and subsequently reviews compensation payable to a Named Executive Officer from time to time.

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

<b>Compensation Element</b>	<b>How it is paid</b>	<b>What is it designed to reward</b>
Base salary / management fees	Cash	Rewards skills, capabilities, knowledge and experience, reflecting the level of responsibility, as well as the contribution expected from each executive.
Long- term incentive	Options	Provides alignment between the interest of executives and shareholders. Rewards contribution to the long-term performance of the Corporation and demonstrated potential for future contribution. Aligns with long-term corporate performance and provides added incentive for executives to enhance shareholder value.

In determining actual compensation levels, the Compensation Committee uses a holistic approach rather than considering any single element in isolation. Total compensation levels are set at levels which reflect both the marketplace (to ensure competitiveness) and the responsibility of each position (to ensure internal equity).

### ***Base Salary***

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

### ***Long-term Incentive***

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

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

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

### ***Director Compensation***

The Board determines director compensation for the Corporation. Directors of the Corporation are currently not paid any cash fees for serving on the Board. Directors are entitled to receive discretionary bonuses from the Corporation to the extent that they provide other services to the Corporation that require unusually time-consuming contributions to the Corporation during a specific fiscal year within their current role as a director. The bonus compensation is based on the level of contribution provided by each director and determined by the Board. See "Table of Compensation Excluding Compensation Securities" for bonuses paid during the fiscal year ended December 31, 2022. Directors are also entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors. See "Stock Option and Other Incentive Plans" for a discussion on incentive Options that may be awarded to directors. See "Stock Options and Other Compensation Securities" for details of outstanding Options held by the directors of the Corporation.

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

There have been no significant changes to the Corporation's compensation policies during the fiscal year ended December 31, 2022 that could or will have an effect on director or Named Executive Officer compensation.

## **8. Pension Disclosure**

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plans in place.

## DIRECTORS AND OFFICERS INSURANCE

During the last completed financial year of the Corporation, the Corporation maintained \$2,000,000 of group liability insurance for the protection of its directors and officers. In the fiscal year ended December 31, 2022, the Corporation paid an annual premium of \$12,650 for such policy. There is no deductible in the following cases: (i) Non-Indemnifiable Loss; (ii) Derivative Investigation Costs; or (iii) Crisis Loss.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information as of December 31, 2022 regarding the 2010 Stock Option Plan, which is the only compensation plan under which equity securities of the Corporation are authorized for issuance. For more information regarding the 2010 Stock Option Plan, see “Particulars of Matters to be Acted Upon – Approval of Rolling Stock Option Plan” and the full text of the 2010 Stock Option Plan attached hereto as Schedule A.

Plan Category	Number of Securities to be issued on exercise of outstanding options (Column A)	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column A)
Equity compensation plans approved by securityholders	5,047,036	\$0.22	20,549,949
Equity compensation plans not approved by securityholders	-	-	-
<b>Total</b>	<b>5,047,036</b>	<b>\$0.22</b>	<b>20,549,949</b>

## INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

None of the directors, executive officers or employees or former directors, executive officers or employees of the Corporation or proposed management nominee for election as a director of the Corporation, nor any associate of any such director, officer, employee or proposed management nominee, is or has been indebted to the Corporation at any time during the financial year ended December 31, 2022.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For the purposes of this Management Information Circular, “informed person” of the Corporation means: (i) a director or executive officer of a reporting issuer; (ii) a director or executive officer of a person or company that is itself an informed person or subsidiary of a reporting issuer; (iii) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of a reporting issuer or a combination of both, carrying more than 10% of the voting rights attached to all outstanding voting securities of a reporting issuer, other than voting securities held by the person or company as underwriter in the course of a distribution; and (iv) a reporting issuer that has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

To the best of the Corporation's knowledge, no informed person of the Corporation, no proposed director of the Corporation and no associate or affiliate of any such person, at any time since January 1, 2022, has or had any material interest, direct or indirect, in any transaction since January 1, 2022 that has materially affected the Corporation, or in any proposed transaction that would materially affect the Corporation, or in any transaction.

### **CORPORATE GOVERNANCE PRACTICES**

National Policy 58-201 – *Corporate Governance Guidelines* and National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”), set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. Under NI 58-101, the Corporation must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. This information is set out in Schedule B to this Management Information Circular.

### **AUDIT COMMITTEE**

In accordance with applicable Canadian securities legislation and, in particular, National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), information with respect to the Corporation's Audit Committee and the Compensation Committee is contained below. The full text of the Audit Committee Charter is attached to this Management Information Circular as Schedule C.

#### ***Composition of the Audit Committee and the Compensation Committee***

For the financial year ended December 31, 2022, each of the Audit Committee and the Compensation Committee was comprised of Nick Ierfino (Chair), Michael Burmi and John Covello.

During the financial year ended December 31, 2022, the Board considered that each of Nick Ierfino, Michael Burmi and John Covello was an independent member of the Audit Committee and the Compensation Committee.

Effective September 30, 2023, Mr. Ierfino resigned as a director of the Corporation. As a result, the Audit Committee is currently comprised of Michael Burmi (Chair), John Covello and Cynthia Le Sueur-Aquin, and the Compensation Committee is currently comprised of Michael Burmi (Chair) and John Covello.

The Board has determined that each of the members of the Audit Committee and the Compensation Committee are “financially literate” within the meaning of section 1.6 of NI 52-110, that is, each member has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

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

The education and related experience of each of the members of the Audit Committee and the Compensation Committee that is relevant to the performance of their responsibilities as a member of the Audit Committee and the Compensation Committee is set out in the section hereof entitled “Particulars of Matters to be Acted Upon – Election of Directors”.

### ***Audit Committee Oversight***

At no time during the last financial year did the Corporation disregard a recommendation put forth by the Audit Committee and the Compensation Committee with respect to the nomination or compensation of an external auditor.

### ***Pre-Approval Policies and Procedures for Audit Services***

The Audit Committee and the Compensation Committee has not adopted specific policies and procedures for the engagement of non-audit services.

### ***External Auditor Service Fees***

As described herein under the heading “Matters to be Acted Upon – Appointment of Auditor”, RSM Canada LLP, Chartered Accountants is the Corporation’s external auditor. The aggregate fees billed to the Corporation by RSM Canada LLP in respect of the fiscal years ended December 31, 2022, December 31, 2021, and December 31, 2020, are set out in the table below. “Audit Fees” consist of fees for professional services for the audit of the Corporation’s annual financial statements, assistance with interim financial statements, and related matters. “Audit-Related Fees” consist of fees for professional services that are reasonably related to the performance of the audit or review of the Corporation’s financial statements and which are not reported under “Audit Fees”. “Tax Fees” consist of fees for professional services for tax compliance, tax advice and tax planning. “All Other Fees” include all fees billed by the external auditors for services not covered in the other three categories and include administration fees.

<b>Year</b>	<b>Audit Fees</b>	<b>Audit-Related Fees</b>	<b>Tax Fees</b>	<b>Other</b>
2022	\$35,000	Nil	Nil	Admin Fee: \$2,450
2021	\$31,500	Nil	Nil	Admin Fee: \$1,575
2020	\$26,250	Nil	Nil	Admin Fee: \$1,312

### ***Reliance on Exemption***

The Corporation is relying on the exemption set out in section 6.1 of NI 52-110 with respect to the composition of the Audit Committee and the Compensation Committee and certain reporting obligations.

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

Except in so far as they may be Shareholders and unless otherwise disclosed in this Management Information Circular, no person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last completed financial year, or proposed nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting.

## **OTHER MATTERS WHICH MAY COME BEFORE THE MEETING**

Management knows of no other matters to come before the Meeting other than as set forth in the Notice of Meeting. **HOWEVER, IF OTHER MATTERS WHICH ARE NOT KNOWN TO MANAGEMENT SHOULD PROPERLY COME BEFORE THE MEETING, THE ACCOMPANYING PROXY CONFERS DISCRETIONARY AUTHORITY UPON THE PERSONS NAMED THEREIN TO VOTE ON SUCH MATTERS IN ACCORDANCE WITH THEIR BEST JUDGMENT.**

## **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Copies of the Corporation's audited financial statements of the Corporation for the financial year ended December 31, 2022 and accompanying Management's Discussions and Analysis for the fiscal year ended December 31, 2022 are available on SEDAR+, or, Shareholders may request copies to be sent to them without charge by contacting the Secretary of the Corporation, 40 King Street West, Suite 5800, Toronto, Ontario, M5H 2S1 (facsimile: 1-416-595-8695). Financial information with respect to the Corporation is provided in the Corporation's comparative financial statements and accompanying Management's Discussion and Analysis for its most recently completed financial year.

## **APPROVAL OF THE BOARD OF DIRECTORS**

The contents of this Management Information Circular and the mailing of it to each director of the Corporation, to the auditors of the Corporation, to the Shareholders and to the appropriate governmental agencies, have been approved by the directors of the Corporation.

**DATED** at Toronto, Ontario, as of the 4<sup>th</sup> day of October, 2023.

**BY ORDER OF THE BOARD OF  
DIRECTORS**

*(signed) Cynthia Le Sueur-Aquin*  
Cynthia Le Sueur-Aquin  
President and CEO

## SCHEDULE A – ROLLING STOCK OPTION PLAN

### LAURION MINERAL EXPLORATION INC.

#### 2010 STOCK OPTION PLAN

October 4, 2010 – [Approved by Shareholders November 5, 2010]

#### ARTICLE 1 - DEFINITIONS

1.1 When used herein, the following terms shall have the following meanings:

“**Act**” means the *Business Corporations Act* (Ontario).

“**Affiliate**” has the meaning given to that term in the Act.

“**Arm’s Length**” has the meaning given to that term in the *Income Tax Act* (Canada).

“**Acquisition**” has the meaning given to that term in Section 6.2.

“**Associate**” has the meaning given to that term in the Act.

“**Black Out Period**” means the period during which the Corporation prohibits Participants from exercising, redeeming or settling their security based compensation (including Options), subject to the following:

- (a) a Black Out Period must be formally imposed by the Corporation pursuant to its internal trading policies as a result of the bona fide existence of undisclosed Material Information (as such term is defined in the applicable policies of the TSXV). For greater certainty, in the absence of the Corporation formally imposing a Black Out Period, the expiry date, redemption date or settlement date, as applicable, of any security based compensation will not be automatically extended pursuant to subsection 3.2(e) hereof;
- (b) a Black Out Period must expire following the general disclosure of the undisclosed Material Information. The expiry date, redemption date or settlement date, as applicable, of the affected security based compensation can be extended to no later than ten Business Days after the expiry of the Black Out Period;
- (c) the automatic extension of a Participant’s Options (pursuant to subsection 3.2(f) hereof) will not be permitted where the Participant or the Corporation is subject to a cease trade order (or similar order under applicable securities laws) in respect of the Corporation’s securities; and
- (d) the automatic extension (pursuant to subsection 3.2(f) hereof) is available to all eligible Participants under this Plan under the same terms and conditions.

“**Board**” means the Board of Directors of the Corporation.

“**Business Day**” means a day other than a Saturday, Sunday and any other day on which the principal commercial banks in the Province of Ontario are not open for business during normal banking hours.

**“Change of Control”** means (a) the acquisition by any Person of Shares of rights or options to acquire Shares or any securities which are convertible into Shares or any combination thereof, such that after the completion of such acquisition such Person would be entitled, directly or indirectly, through beneficial ownership or control, to exercise 20% or more of the votes entitled to be cast at a meeting of the shareholders of the Corporation, or (b) the sale, exchange or other disposition by the Corporation of all or substantially all of the property or assets of the Corporation.

**“Committee”** means a committee of the members of the Board.

**“Companies”** means the Corporation and any Affiliate of the Corporation and **“Company”** means any one of them.

**“Consultant”** means, in relation to the Corporation, an individual or Consultant Company, other than an Employee or a Director of the Corporation who:

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

**“Consultant Company”** means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner.

**“Corporation”** means Laurion Mineral Exploration Inc.

**“Disability”** means, for any Participant, such Participant has suffered a mental or physical disability which has caused the substantial withdrawal of the Participant’s effective services to the Companies for an aggregate period of six months in any twelve month period, or such other permanent disability of a Participant as determined by the Board.

**“Directors”** means directors, senior officers and Management Company Employees of the Companies to whom stock options can be granted in reliance on a prospectus and registration exemption under applicable securities laws.

**“Discounted Market Price”** has the meaning given to that term in subsection 1.2 of Policy 1.1 of the TSXV Corporate Finance Manual.

**“Disinterested Shareholder Approval”** means that the proposal must be approved by a majority of the votes cast at the shareholders’ meeting other than votes attaching to securities beneficially owned by Insiders and their Associates to whom shares may be issued pursuant to this Plan and, for purposes of this Plan, holders of non-voting and subordinate voting securities (if any) will be given full voting rights on a resolution which requires disinterested shareholder approval.

**“Effective Date”** means the date the Plan comes into effect as determined by the Board following receipt of all required shareholder and regulatory approvals.

**“Employee”** means:

- (a) an individual who is considered an employee of a Company under the Income Tax Act (Canada) (i.e. for whom income tax and other withholdings must be made at source) or similar legislation in the United States or other jurisdiction;
- (b) an individual who works full time for a Company providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source; or
- (c) an individual who works for a Company on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source.

**“Exchange”** means the TSX Venture Exchange or any other stock exchange on which the shares of the Corporation are listed and posted for trading or quoted.

**“Exchange Hold Period”** has the meaning given to that term in subsection 1.2 of Policy 1.1 of the TSXV Corporate Finance Manual.

**“Exercise Notice”** means a notice in writing in the form attached hereto as **Schedule “C”** signed by the Participant stating the Participant’s intention to exercise a particular Option.

**“Exercise Price”** means the price at which Shares may be purchased pursuant to the exercise of an Option.

**“Exercise Term”** means the period of time during which an Option may be exercised.

**“Grant Date”** means the date on which the Board grants a particular Option to a Participant under the Plan.

**“Insider”** if used in relation to the Corporation, means:

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

**“Investor Relations Activities”** means any activities, by or on behalf of the Corporation or shareholder of the Corporation that promotes or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:

- (a) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation (i) to promote the sale of products or services of the Corporation, or (ii) to raise public awareness of the Corporation, that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;
- (b) activities or communications necessary to comply with the requirements of: (i) applicable securities laws; (ii) TSXV requirements or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Corporation;
- (c) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if: (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 TSXV.

**“Management Company Employee”** means an individual employed by a Person providing management services to the Corporation and to whom Options may be granted in reliance on a prospectus or registration exception under applicable securities laws, which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a Person engaged in Investor Relations Activities.

**“Market Price”** has the meaning given to that term in subsection 1.2 of Policy 1.1 of the TSXV Corporate Finance Manual.

**“Option”** means a right, which may be granted to a Participant pursuant to the terms of this Plan, which allows the Participant to purchase Shares at a set price for a future period of time.

**“Option Agreement”** means a signed written agreement evidencing the terms and conditions upon which an Option is granted under this Plan, substantially in the form attached hereto as **Schedule “A”** or **Schedule “B”**, as applicable.

**“Outstanding Issue”** means the aggregate number of Shares outstanding on a non-diluted basis immediately prior to the share issuance in question.

**“Participants”** means those Directors, Employees, Consultants, or Consultant Companies, whose selection to participate in the Plan is approved by the Board.

**“Person”** means an individual, firm, corporation, governmental body or other entity. **“Plan”** means the Laurion Mineral Exploration Inc. 2010 Stock Option Plan.

**“Retirement”** means the resignation of the Participant from a Company which employed such Participant (or, in the case of a director, resignation from or non-re-election to the Board or the board of directors of a Company) as a result of the Participant attaining the age of 65 years or some other age as is agreed to by the Board.

“**Securities Act**” means the *Securities Act* (Ontario), as amended from time to time. “**Shares**” means the common shares in the capital of the Corporation. “**Subsidiary**” has the meaning given to that term in the Act.

“**Termination of Service**” means, with respect to a Participant, the discontinuance of the Participant’s service relationship with any and all of the Companies, including but not limited to service as an employee of a Company, as a non-employee member of the board of directors of any of the Companies, as an independent contractor performing services for a Company, or as a Consultant to a Company. Except to the extent provided otherwise in an Option Agreement or determined otherwise by the Board, a Termination of Service shall not be deemed to have occurred if the capacity in which the Participant provides service to a Company changes (for example, a change from Consultant status to Employee status) or if the Participant transfers among the Companies, so long as there is no material interruption in the provision of service by the Participant to a Company. The determination of whether a Participant has incurred a Termination of Service shall be made by the Board in its discretion. A Participant shall not be deemed to have incurred a Termination of Service if the Participant is on military leave, sick leave, or other bona fide leave of absence approved by the Employer of 90 days or fewer (or any longer period during which the Participant is guaranteed reemployment by statute or contract). In the event a Participant’s leave of absence exceeds this period, he will be deemed to have incurred a Termination of Service on the day following the expiration date of such period.

“**TSXV**” means the TSX Venture Exchange.

“**Triggering Event**” means, with respect to a Participant, death, Disability, or Retirement.

“**United States**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

“**U.S. Securities Act**” means the *United States Securities Act* of 1933, as amended.

“**U.S. Participant**” means any Participant that is a U.S. Person, provided that a U.S. Participant may not be a Consultant Company unless the Consultant Company is a wholly-owned alter ego of the individual Consultant.

“**U.S. Person**” means a “U.S. person” as defined in Regulation S under the U.S. Securities Act and includes, without limitation, (a) any natural person resident in the United States; (b) any partnership or corporation organized or incorporated under the laws of the United States; (c) any estate of which any executor or administrator is a U.S. person; and (d) any trust of which any trustee is a U.S. person.

## ARTICLE 2 - GENERAL

**2.1 Purpose:** The purpose of this Plan is to facilitate the recruitment and retention of Participants by the Companies by providing such Participants with an opportunity to acquire Shares and participate in the Corporation’s growth and development.

**2.2 Administration:**

(a) The Plan shall be administered by the Board. Subject to the terms and conditions of the Plan, the Board shall have the sole and complete authority (i) to approve the selection of Participants, (ii) to grant Options in such form as it shall determine, (iii) to impose such limitations, restrictions and conditions including, without limitation, vesting conditions and restrictions, upon such Options as it shall deem appropriate, (iv) to accelerate the

vesting conditions attaching to any Option, (v) to interpret the Plan and to adopt, amend and rescind administrative guidelines and other rules and regulations relating to the Plan, and (vi) to make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Plan. The Board's determinations and actions within its authority under the Plan shall be conclusive and binding upon the Corporation and all other Persons.

- (b) To the extent permitted by law, the Board may from time to time delegate to a Committee all or any of the powers conferred on the Board under the Plan. In such event, the Committee shall exercise the delegated powers in the manner and on the terms authorized by the Board. Any decision made or action taken by the Committee arising out of or in connection with the administration or interpretation of the Plan in this context shall be final and conclusive.

**2.3 Eligible Participants:** Participants shall be selected from Directors (including Management Company Employees), Employees, Consultants and Consultant Companies. In approving this selection, the Board shall consider such factors as it deems relevant, subject to the provisions of the Plan. Except in relation to Consultant Companies, Options may be granted only to an individual or a company that is wholly-owned by an individual who would otherwise be eligible for an option grant and which has submitted all requisite forms to the TSXV (including Form 4F). At the time of each option grant, the Corporation represents that the particular Participant is, as applicable, a *bona fide* Director, Management Company Employee, Employee, Consultant, or Consultant Company of a Company, as defined by the rules and policies of the TSXV.

**2.4 Number of Shares Reserved under the Plan:**

- (a) Options may be granted in respect of authorized and unissued Shares provided that, subject to the operation of Section 3.9, the maximum aggregate number of Shares reserved for issuance and which may be purchased upon the exercise of all Options shall not exceed 10% of the issued and outstanding Shares as at the date of grant of each Option under the Plan.
- (b) If any Options granted under this Plan shall expire, terminate or be cancelled for any reason without having been exercised in full, any unpurchased Shares to which such Options relate shall be available for the purpose of granting further Options under the Plan.

**2.5 Limitations:** Notwithstanding any other provision of the Plan:

- (a) the aggregate number of Shares (and any other security based compensation of the Corporation, if applicable) reserved for issuance or granted within any 12 month period to any one individual (and where permitted under applicable TSXV policies, any companies that are wholly-owned by that individual) shall not exceed 5% of the Outstanding Issue (calculated as at the date any security based compensation of the Corporation is granted or issued to the individual), unless the Corporation has obtained Disinterested Shareholder Approval;
- (b) the aggregate number of Shares (and any other security based compensation of the Corporation, if applicable) which may be granted or issued to Insiders (as a group) shall not exceed 10% of the Outstanding Issue at any point in time, unless the Corporation has obtained Disinterested Shareholder Approval;

- (c) the aggregate number of Shares (and any other security based compensation of the Corporation, if applicable) which may be granted or issued within any 12 month period to Insiders (as a group) shall not exceed 10% of the Outstanding Issue (calculated as at the date any security based compensation of the Corporation is granted or issued to any Insider), unless the Corporation has obtained Disinterested Shareholder Approval;
- (d) the aggregate number of Shares (and any other security based compensation of the Corporation, if applicable) which may be granted or issued within any 12 month period to any one Consultant is limited to 2% of the Outstanding Issue (calculated as at the date any security based compensation of the Corporation is granted or issued to the Consultant);
- (e) the aggregate number of Shares (and any other security based compensation of the Corporation, if applicable) which may be granted or issued within any 12 month period to Persons employed to provide Investor Relations Activities is limited to 2% of the Outstanding Issue (calculated as at the date any security based compensation of the Corporation is granted or issued to any such Person employed to provide Investor Relations Activities), and are subject to the following additional limitations:
  - (i) options issued to Consultants providing Investor Relations Activities shall vest in stages over 12 months with no more than 25% of the options vesting in any three month period;
  - (ii) the Board shall, through the establishment of appropriate procedures, monitor the trading in the securities of the Corporation by all optionees performing Investor Relations Activities;
  - (iii) the Corporation shall ensure that a statutory exemption for the issuance of securities to a particular Participant is available or obtain a discretionary exemption from the applicable securities regulatory authority; and
  - (iv) notwithstanding any other provision set forth in the Plan, there can be no acceleration of the vesting requirements applicable to Options granted to a Person employed to provide Investor Relations Activities without the prior written approval of the TSXV.

**2.6 Option Agreements:** All grants of Options under the Plan shall be evidenced by an Option Agreement. The Option Agreement shall be subject to the applicable provisions of the Plan and shall set out the Exercise Term in addition to such other provisions as are required or permitted by the Plan or which the Board may direct. Any officer of the Corporation is authorized and empowered to execute on behalf of the Corporation any Option Agreements to be delivered to the Participants from time to time as designated by the Board.

**2.7 Non-Assignability and Non-Transferability:**

- (a) Options granted under the Plan may only be exercised by a Participant personally and no assignment, transfer, pledge or encumbrance of Options, whether voluntary, involuntary, by operation of law or otherwise, shall vest any interest or right in such Options whatsoever in any assignee, transferee, pledgee or encumbrancer, but immediately upon any assignment, transfer, pledge or encumbrance, or any attempt to make the same, such Options shall terminate and be of no further effect.

- (b) Notwithstanding the provisions of Subsection 2.6 but subject to Section 3.7, in the event that a Participant dies prior to such Participant's Options having been exercised at any time or from time to time, such Options may, to the extent such Options have vested and subject to the terms of the Plan, be exercised until the first anniversary of the Participant's death by the Person or Persons to whom the Participant's rights under the Option pass by will or applicable law, or if no Person has such right, by the Participant's executors or administrators.

### ARTICLE 3 - SHARE OPTIONS

**3.1 Award of Options:** The Board may, from time to time, subject to the provisions of the Plan and such other terms and conditions as the Board may prescribe, award Options for Shares to any Participant and the Corporation shall enter into an Option Agreement with each Participant.

**3.2 Exercise Term:**

- (a) Options granted to Participants may only be exercisable by the Participant if such Options have vested.
- (b) Each vested Option may be exercised at any time or from time to time, in whole or in part for up to the total number of Shares to which it is then exercisable provided that no fractional shares may be purchased or issued hereunder.
- (c) Subject to Sections 3.6, 3.7 and 3.9, the maximum term during which Options may be exercised shall be determined by the Board, but in no event shall the Exercise Term of an Option exceed ten years from its Grant Date. The Corporation must obtain Disinterested Shareholder Approval for any extensions to Options granted to individuals that are Insiders at the time of the proposed amendment.
- (d) Subject to Subsection a, the provisions of the Plan and the provisions of the Option Agreement, Options may be exercised by means of giving an Exercise Notice addressed to the Corporation.
- (e) Should the Option Period for an Option expire during a Black Out Period, such Option Period shall be automatically extended without any further act or formality to that date which is the tenth Business Day after the end of the Black Out Period, such tenth Business Day to be considered the expiration date for such Option for all purposes under the Plan. Notwithstanding Section 7.3, the ten Business Day period referred to in this Subsection f may not be extended by the Board.
- (f) At the time an Option is granted, the Board may fix such vesting period and conditions for the Option as it may, in its sole discretion, determine to be appropriate. In the event an Option Agreement does not specify a vesting period or conditions, such Option shall vest over time as follows:

Vesting Date	Percentage of Shares vesting on date	Total percentage of Shares vested on date
Date of grant	0%	0%
Date which is one year after the date of grant	33.33%	33.33%
Date which is two years after the date of grant	33.33%	66.66%

Date which is three years after the date of grant	33.34%	100.00%
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### 3.3 Exercise Price:

- (a) The Exercise Price of any Option for a Share shall be a price fixed for such Option by the Committee upon the grant of each such Option, provided that such Exercise Price shall not be lower than the Discounted Market Price at the time of the Grant. Where the Exercise Price is based on the Discounted Market Price, all Options and any Shares issued under Options exercised prior to the expiry of the Exchange Hold Period shall be subject to a hold period and shall bear the following legend:

“WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL ● [date which is four months and one day after the Grant Date]

- (b) If the Corporation proposes to reduce the Exercise Price of Options granted to a Participant who is an Insider of the Corporation at the time of the proposed price reduction, such reduction in price shall not be effective until Disinterested Shareholder Approval has been obtained in respect of the reduction in Exercise Price.

**3.4 Payment of Exercise Price:** The Exercise Price shall be fully paid in cash (or by cheque, bank draft or wire transfer) at the time of exercise. No Shares shall be issued until full payment has been received therefor. As soon as practicable after receipt of any Exercise Notice and full payment, the Corporation shall issue in the name of the eligible Participant a certificate or certificates representing the Shares in respect of which an Option has been exercised.

**3.5 Exercise:** A Participant may only exercise an Option if such Participant has duly executed and delivered an Exercise Notice to the Corporation.

**3.6 Termination of Employment:** Subject to the discretion of the Board and provided that in no event shall the Exercise Term of an Option exceed one year from the date of termination contemplated in this Section 3.6, where a Participant ceases to be a Director, Officer, Employee or Consultant of the Corporation for any reason other than as contemplated in Section 3.7, each Option granted to such Participant that has then vested may be exercised by such Participant at any time within the Exercise Term or the period of 90 days from the termination date, whichever is shorter (subject to the provisions of Subsection f and the provisions of the relevant Option Agreement), and all Options granted to such Participant that have not then vested shall immediately terminate. Notwithstanding the foregoing, all unexercised Options granted to a Participant who is terminated “with cause” shall terminate immediately upon the termination date.

**3.7 Death or Disability:** Subject to the discretion of the Board and provided that in no event shall the Exercise Term of an Option exceed one year from the date of the event contemplated in this Section 3.7, in the event of the death or Disability of a Participant, all Options which have vested

at the date of death or Disability may be exercised by such Participant's legal personal representative at any time within one year from the date of death or Disability, as the case may be, (subject to the provisions of Subsection e and the provisions of the relevant Option Agreement), and all Options granted to such Participant that have not then vested shall immediately terminate.

**3.8 Withholding Taxes:** If the Corporation in its discretion determines that it is obligated to withhold any tax in connection with the granting or exercise of any Option, or in connection with the transfer of the Shares acquired pursuant to such Option, the Participant hereby agrees that the Corporation may withhold from the Participant's salary or other remuneration the appropriate amount of tax. At the discretion of the Corporation, the amount required to be withheld may be withheld in cash from such salary or other remuneration or in kind from the Shares otherwise deliverable to such Participant on exercise of such Option. Such Participant further agrees that if the Corporation does not withhold an amount from such Participant's salary or other remuneration sufficient to satisfy the withholding obligation of the Corporation, such Participant will make reimbursement on demand, in cash, for the amount underwithheld.

**3.9 Exercise Upon Change of Control:**

- (a) In the event that a Change of Control has occurred, each outstanding Option shall immediately become fully vested and may be exercised in whole or in part by the Participant.
- (b) In the event that the Corporation's shareholders receive a proposal that would result in a Change of Control (a "**Take-over Proposal**"), each outstanding Option shall become fully vested and may be exercised in whole or in part (the "**Take-over Acceleration Right**"). The Take-over Acceleration Right shall commence at such time as is determined by the Board, provided that, if the Board approves the Take-over Acceleration Right but does not determine commencement and termination dates regarding same, the Take-over Acceleration Right shall commence on the date of the Take-over Proposal and end on the earlier of the expiry time of the Option and the tenth (10<sup>th</sup>) day following the expiry date of the Take-over Proposal. Notwithstanding the foregoing, the Take-over Acceleration Right may be extended for such longer period as the Board may resolve. However, in no circumstances shall the operation of this Section 3.9 extend the expiry date of such Option beyond the ten year period prescribed by Subsection d.
- (c) If a Participant elects to exercise an Option to purchase Common Shares following a Change of Control resulting from the merger or consolidation of the Corporation with any other corporation, whether by amalgamation, plan of arrangement or otherwise, the Participant shall be entitled to receive, and shall accept, in lieu of the number of Common Shares of the Corporation to which he was theretofore entitled upon such exercise, the kind and amount of shares and other securities, property or cash which such holder would have been entitled to receive as a result of such merger or consolidation if, on the effective date thereof, he had been the registered holder of the number of Common Shares of the Corporation to which he was theretofore entitled to purchase upon exercise of such Options.

**ARTICLE 4 - REORGANIZATION OF THE COMPANY**

**4.1 General:** The existence of any Options shall not affect in any way the right or power of a Company or its respective shareholders to make or authorize any adjustment, recapitalization, reorganization or any other change in a Company's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Companies or to create or

issue any shares of any class or other securities of the Companies or the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Companies or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of similar character or otherwise.

- 4.2 Reorganization of Capital:** In the event of a subdivision or consolidation of the Shares or any similar capital reorganization or a payment of a stock dividend (other than a stock dividend which is in lieu of a cash dividend), or any other change in the capitalization of the Corporation which, in the opinion of the Board, would warrant an adjustment to the number of Shares which may be acquired on the exercise of any outstanding Options and/or an adjustment to the Exercise Price thereof in order to preserve proportionately the rights and obligations of Participants, such adjustment shall be made as may be equitable and appropriate.
- 4.3 Other Events Affecting the Corporation:** In addition to the provisions of Article 6 hereof, in the event of an amalgamation, combination, merger or other reorganization involving the Corporation, by exchange of shares of any class, by sale or lease of assets, or otherwise, which in the opinion of the Board warrants an adjustment to the number of Shares which may be acquired on the exercise of any outstanding Options and/or an adjustment to the Exercise Price thereof in order to preserve proportionately the rights and obligations of Participants, such adjustments shall be made as may be equitable and appropriate. Issue by the Corporation of Additional Shares: Except as expressly provided in this Article 4, the issue by the Corporation of shares of any class, or securities convertible into shares of any class, for money, services or property either upon direct sale or upon the exercise of rights or warrants to subscribe therefor, or upon conversion of shares or obligations of the Corporation convertible into such shares or securities, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number of Shares which may be acquired on the exercise of any outstanding Options or the Exercise Price under such Options.
- 4.4 TSXV Prior Acceptance For Certain Adjustments:** Notwithstanding any of the foregoing, 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 TSXV, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization.

## ARTICLE 5 - U.S. PARTICIPANTS

### 5.1 U.S. Participants:

- (a) Neither the Options which may be granted pursuant to the provisions of the Plan nor the Shares which may be acquired pursuant to the exercise of Options have been registered under the U.S. Securities Act, or under any securities law of any state of the United States. Accordingly, any U.S. Participant who is issued Shares or granted an Option shall represent, warrant, acknowledge and agree that:
- (i) the U.S. Participant is acquiring the Option and any Shares acquired upon the exercise of such Option as principal and for the account of the U.S. Participant;
  - (ii) in granting the Option and issuing the Shares to the U.S. Participant upon exercise of such Option, the Corporation is relying on the representations and warranties of the U.S. Participant to support the conclusion of the Corporation that the granting of the Option and the issue of Shares upon exercise of such Option do not require registration under the U.S. Securities Act or to be qualified under the securities laws of any state of the United States of America;

- (iii) each certificate representing Shares issued upon exercise of such Option shall bear the following legend:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”). THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT, (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE LAWS, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE CORPORATION. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.”

provided, however, that if the Shares are being sold under clause (B) above, at a time when the Corporation is a “foreign issuer” as defined in Rule 902 of Regulation S under the U.S. Securities Act, the legend set forth above may be removed by providing a declaration to the Corporation and its registrar and transfer agent in the form set forth below or such other evidence of exemption as the Corporation or its registrar and transfer agent may from time to time prescribe (which may include an opinion satisfactory to the Corporation and its registrar and transfer agent), to the effect that the sale of the Shares is being made in compliance with Rule 904 of Regulation S under the U.S. Securities Act:

“The undersigned (a) acknowledges that the sale of the securities of Laurion Mineral Exploration Inc. (the “**Corporation**”) to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) and (b) certifies that (1) the undersigned is not an “affiliate” of the Corporation (as that term is defined in Rule 405 under the U.S. Securities Act), (2) the offer of such securities was not made to a person in the United States and either (A) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (B) the transaction was executed in, on or through the facilities of the Toronto Stock Exchange or the TSX Venture Exchange and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States, (3) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities, (4) the sale is bona fide and not for the purpose of “washing off” the resale restrictions imposed because the securities are “restricted securities” (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act), (5) the seller does not intend to replace such securities with

fungible unrestricted securities of the Corporation and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.”

provided further, that if any of the Shares are being sold pursuant to Rule 144 of the U.S. Securities Act and in compliance with any applicable state securities laws, the legend may be removed by delivery to the Corporation’s registrar and transfer agent of an opinion satisfactory to the Corporation and its registrar and transfer agent to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws;

- (iv) other than as contemplated in the preceding subparagraph, prior to making any disposition of any Shares acquired pursuant to the Plan which might be subject to the requirements of the U.S. Securities Act, the U.S. Participant shall give written notice to the Corporation describing the manner of the proposed disposition and containing such other information as is necessary to enable counsel for the Corporation to determine whether registration under the U.S. Securities Act or qualification under any securities laws of any state of the United States is required in connection with the proposed disposition and whether the proposed disposition is otherwise in compliance with such legislation and the regulations thereto;
- (v) other than as contemplated in this Section 5.1, the U.S. Participant will not attempt to effect any disposition of the Shares owned by the U.S. Participant and acquired pursuant to the Plan or of any interest therein which might be subject to the requirements of the U.S. Securities Act in the absence of an effective registration statement relating thereto under the U.S. Securities Act or an opinion of counsel satisfactory in form and substance to counsel for the Corporation that such disposition would not constitute a violation of the U.S. Securities Act and then will only dispose of such Shares in the manner so proposed;
- (vi) the Corporation may place a notation on the records of the Corporation to the effect that none of the Shares acquired by the U.S. Participant pursuant to the Plan shall be transferred unless the provisions of the Plan have been complied with; and
- (vii) the effect of these restrictions on the disposition of the Shares acquired by a U.S. Participant pursuant to the Plan is such that the U.S. Participant may not be able to sell or otherwise dispose of such Shares for a considerable length of time, other than as contemplated in this Section 5.1.

## ARTICLE 6 - CORPORATE TRANSACTIONS

- 6.1 Liquidation; Dissolution:** In the event of a proposed liquidation or dissolution of the Corporation, the Board may, upon written notice to the Participants, provide that all of the then unexercised Options will (a) become exercisable in full as of a specified time prior to the effective date of such liquidation or dissolution, and (b) terminate effective upon such liquidation or dissolution, except to the extent exercised before such effective date. The Board may specify the effect of a liquidation or dissolution on any Option in the Option Agreement.

- 6.2 Consolidation:** Notwithstanding Section 3.9, if the Corporation is to be consolidated with or acquired by another entity in a merger, sale of all or substantially all of the Corporation's assets, sale of a majority of the voting power of the stock of the Company then outstanding, or otherwise (an "Acquisition"), subject to prior approval of the TSXV, the Board may, as to outstanding Options, either (a) make appropriate provisions for the continuation of all such Options (or substitution of equivalent options of the acquiring or surviving corporation), with appropriate adjustments, on an equitable basis, to the number and kind of shares and prices for such Options; (b) upon written notice to the Participants, provide that all Options must be exercised, to the extent then exercisable, within a specified number of days of the date of such notice, at the end of which period the Options will terminate; or (c) terminate all Options in exchange for a cash payment (or payment in such other form of consideration to be received by the holders of Shares in such merger) equal to the excess of the Fair Market Value of the Shares subject to such Options (to the extent then exercisable or, at the discretion of the Committee, all Options being made fully exercisable for purposes of this Section 6.2) over the Exercise Price thereof.
- 6.3 Assumption of Options by the Corporation:** Subject to prior approval of the TSXV, the Corporation, from time to time, also may substitute or assume outstanding options granted by another company, whether in connection with an acquisition of such other company or otherwise, by either (a) granting an Option under this Plan in substitution of such other company's option, or (b) assuming such option as if it had been granted under this Plan if the terms of such assumed option could be applied to an Option granted under this Plan. Such substitution or assumption will be permissible if the holder of the substituted or assumed option would have been eligible to be granted an Option under this Plan if the other company had applied the rules of this Plan to such grant. In the event the Company assumes an option granted by another company, the terms and conditions of such option will remain unchanged except that the Exercise Price and the number and nature of shares issuable upon exercise of any such option will be adjusted to the extent deemed necessary by the Board. In the event the Company elects to grant a new Option rather than assuming an existing option, such new Option may be granted with a similarly adjusted number of Shares subject to the Option and Exercise Price.

## ARTICLE 7 - MISCELLANEOUS PROVISIONS

- 7.1 Rights of Participant:** The Plan shall not give any individual the right to be employed by or be a director of a Company or to continue to be employed by or continue to be a director of a Company. No Participant shall have any rights as a shareholder of the Corporation in respect of Shares issuable on the exercise of any Option until the allotment and issuance to the Participant of such Shares.
- 7.2 Regulatory Acceptances:**
- (a) The Plan is subject to the ratification by the shareholders of the Corporation to be effected by a resolution passed at a meeting of the shareholders of the Corporation, and to acceptance for filing by the TSXV. The Board is authorized to amend the text hereof from time to time in order to comply with any changes thereto required by such applicable regulatory authorities, provided that no such amendment will in any way derogate from the rights held by Participants holding Options (vested or unvested) at the time thereof without the consent of such Participants.
  - (b) The obligation of the Corporation to issue and deliver Shares in accordance with the Plan is subject to the acceptance for filing thereof by the Exchange. If any Shares cannot be issued to any Participant for any reason including, without limitation, the failure to obtain such acceptance for filing, then the obligation of the Corporation to issue such Shares

shall terminate and any exercise price for an Option paid to the Corporation shall be returned to the Participant forthwith without interest or deduction.

- 7.3 Amendment or Discontinuance:** The Board may, at any time or from time to time, amend, suspend or terminate the Plan or any provisions thereof in such respects as it, in its discretion, may determine appropriate provided, however, that any amendment of the Plan shall be subject to shareholder approval as a condition to TSXV acceptance of the amendment.

Notwithstanding the foregoing, the TSXV will not require that the following types of amendments be subject to shareholder approval as a condition to TSXV acceptance of the amendment: (i) amendments to fix typographical errors; and (ii) amendments to clarify existing provisions of the Plan that do not have the effect of altering the scope, nature and intent of such provisions.

Amendments to the Plan that could result in any of the limits set forth in subsection 5.3(a)(i) of TSXV Policy 4.4 – *Security Based Compensation* being exceeded will require Disinterested Shareholder Approval.

- 7.4 Governing Law:** This Plan shall be governed by and construed and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein without regard to conflict of laws principles, and the parties hereto hereby irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Ontario.

- 7.5 Compliance with Applicable Law:** If any provision of the Plan or any Option Agreement contravenes any law or any order, policy, by-law or regulation of any regulatory body or Exchange having authority over the Corporation or the Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

- 7.6 Gender and Number:** Words importing the singular include the plural and vice versa; and words importing gender include all genders.

**7.7 Term of the Plan:**

- (a) The Plan shall be effective on the Effective Date determined by the Board, subject to its approval by the shareholders of the Corporation and acceptance for filing by the TSXV pursuant to Section 7.2 hereof.
- (b) The Plan shall be effective until terminated by the Board pursuant to Section 7.3 hereof.

## SCHEDULE "A"

### STOCK OPTION PLAN - OPTION AGREEMENT FOR PARTICIPANTS OUTSIDE THE UNITED STATES

This Option Agreement is entered into pursuant to the provisions of the Stock Option Plan (the "Plan") of Laurion Mineral Exploration Inc. (the "Corporation") and evidences that \_\_\_\_\_ is the holder (the "Option Holder") of an option (the "Option") to purchase up to \_\_\_\_\_ common shares (the "Shares") in the capital stock of the Corporation at a purchase price of Cdn.\$● per Share (the "Exercise Price"). This Option may be exercised at any time and from time to time from and including the Grant Date of \_\_\_\_\_, 20 \_\_\_\_, ["Grant Date"] through to and including up to 5:00 p.m. local time in Toronto, Ontario (the "Expiry Time") on \_\_\_\_\_, 20\_\_\_\_, [the "Expiry Date"].

The Option holder hereby represents and warrants to the Company that: (1) the Options have not been offered to the Option Holder in the United States, and the Option Holder was not in the United States when the Options were granted; and (2) the Option Holder is not a U.S. Person and the Option Holder is not holding the Options on behalf of, or for the account or benefit of, a person in the United States or a U.S. Person.

To exercise this Option, the Option Holder must deliver to the Corporation, prior to the Expiry Time on the Expiry Date, an Exercise Notice in the form attached hereto as Exhibit "1", together with the original copy of this Option Agreement and a certified cheque, bank draft or wire transfer payable to the Corporation in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which this Option is being exercised.

This Option Agreement and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan. This Option Agreement is entered into for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Corporation shall prevail. This Option is also subject to the terms and conditions contained in the schedules, if any, attached hereto.

If the Exercise Price is a Discounted Market Price (as such term is defined in the Plan), any share certificates issued pursuant to an exercise of such Option before ● [date four months and one day after Grant Date] shall be subject to a hold period and shall bear the legend set forth in Section 3.3 of the Plan.

The Options and the Shares issuable upon exercise of the Options have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States, and may not be offered or sold in the United States or to a U.S. Person without registration under the U.S. Securities Act and compliance with the securities laws of all applicable states, or compliance with the requirements of an exemption therefrom. If the Option Holder is a resident of the United States or a U.S. Person at the time of the exercise of the Option, the certificate(s) representing the Shares will be endorsed with a legend restricting the transferability thereof, such legend to be substantially in the form set forth in Section (iii) of the Plan.

If the Option Holder is a resident or citizen of the United States of America at the time of the exercise of the Option, the certificate(s) representing the Shares will be endorsed with a legend restricting the transferability thereof, such legend to be substantially in the form set forth in Section (iii) of the Plan.

This Option was granted to the Option Holder in his, her or its capacity as a *bona fide* \_\_\_\_\_ of the Corporation or the Corporation's Affiliate, \_\_\_\_\_.

**LAURION MINERAL EXPLORATION INC.**

Per:

\_\_\_\_\_  
Authorized Signing Officer

The Option Holder acknowledges receipt of a copy of the Plan and hereby represents, warrants, acknowledges and agrees as set forth in Subsections 1.1(c)(i) through 1.1(c)(vii) of the Plan, and also represents and warrants to the Corporation that the Option Holder is familiar with the terms and conditions of the Plan, and hereby accepts this Option subject to all of the terms and conditions of the Plan. The Option Holder agrees to execute, deliver, file and otherwise assist the Corporation in filing any report, undertaking or document with respect to the awarding of the Option and exercise of the Option, as may be required by the Regulatory Authorities. The Option Holder further acknowledges that if the Plan has not been approved by the shareholders of the Corporation on the Grant Date, this Option is not exercisable until such approval has been obtained.

Signature of Option Holder:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Address

\_\_\_\_\_

## OPTION AGREEMENT – SCHEDULE

The additional terms and conditions attached to the Option represented by this Option Agreement are as follows:

The Options will not be exercisable unless and until they have vested and then only to the extent that they have vested. The Options will vest in accordance with the following:

- (a) ● Shares (●%) will vest and be exercisable on or after the Grant Date;
- (b) ● additional Shares (●%) will vest and be exercisable on or after ● [date];
- (c) ● additional Shares (●%) will vest and be exercisable on or after ● [date]; and
- (d) ● additional Shares (●%) will vest and be exercisable on or after ● [date].

Unless otherwise determined by the Board, the Options will terminate in accordance with Section 3.6 and Section 3.5 of the Plan.

## SCHEDULE "B"

### STOCK OPTION PLAN – OPTION AGREEMENT FOR U.S. PARTICIPANTS

This Option Agreement is entered into pursuant to the provisions of the Stock Option Plan (the "Plan") of Laurion Mineral Exploration Inc. (the "Corporation") and evidences that \_\_\_\_\_ is the holder (the "Option Holder") of an option (the "Option") to purchase up to \_\_\_\_\_ common shares (the "Shares") in the capital stock of the Corporation at a purchase price of Cdn. \$● per Share (the "Exercise Price"). This Option may be exercised at any time and from time to time from and including the Grant Date of \_\_\_\_\_, 20\_\_\_\_, ["Grant Date"] through to and including up to 5:00 p.m. local time in Toronto, Ontario (the "Expiry Time") on \_\_\_\_\_, 20\_\_\_\_, [the "Expiry Date"].

To exercise this Option, the Option Holder must deliver to the Corporation, prior to the Expiry Time on the Expiry Date, an Exercise Notice in the form attached hereto as Exhibit "1", together with the original copy of this Option Agreement and a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which this Option is being exercised.

This Option Agreement and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan. This Option Agreement is entered into for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Corporation shall prevail. This Option is also subject to the terms and conditions contained in the schedules, if any, attached hereto.

If the Exercise Price is a Discounted Market Price (as such term is defined in the Plan), any share certificates issued pursuant to an exercise of such Option before ● [date four months and one day after Grant Date] shall be subject to a hold period and shall bear the legend set forth in Section 3.3 of the Plan.

The Options and the Shares issuable upon exercise of the Options have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States, and may not be offered or sold in the United States or to a U.S. Person without registration under the U.S. Securities Act and compliance with the securities laws of all applicable states, or compliance with the requirements of an exemption therefrom. If the Option Holder is a resident of the United States or a U.S. Person at the time of the exercise of the Option, the certificate(s) representing the Shares will be endorsed with a legend restricting the transferability thereof, such legend to be substantially in the form set forth in Section (c)(iii) of the Plan.

If the Option Holder is a resident of California, it represents and warrants that it is an "accredited investor", as defined in Rule 501(a) of Regulation D under the U.S. Securities Act, and acknowledges that it must be an "accredited investor" at the time of exercise of the Options or provide evidence to the Corporation in a form satisfactory to the Corporation that the Shares may be issued without registration under the applicable securities laws of the state of California.

This Option was granted to the Option Holder in his, her or its capacity as a *bona fide* \_\_\_\_\_ of the Corporation or the Corporation's Affiliate, \_\_\_\_\_.

**LAURION MINERAL EXPLORATION INC.**

Per:

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Authorized Signing Officer

The Option Holder acknowledges receipt of a copy of the Plan and hereby represents, warrants, acknowledges and agrees as set forth in Subsections 1.1(c)(i) through 1.1(c)(vii) of the Plan, and also represents and warrants to the Corporation that the Option Holder is familiar with the terms and conditions of the Plan, and hereby accepts this Option subject to all of the terms and conditions of the Plan. The Option Holder agrees to execute, deliver, file and otherwise assist the Corporation in filing any report, undertaking or document with respect to the awarding of the Option and exercise of the Option, as may be required by the Regulatory Authorities. The Option Holder further acknowledges that if the Plan has not been approved by the shareholders of the Corporation on the Grant Date, this Option is not exercisable until such approval has been obtained.

Signature of Option Holder:

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Signature

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Date Signed

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Print Name

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Address

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## OPTION AGREEMENT – SCHEDULE

The additional terms and conditions attached to the Option represented by this Option Agreement are as follows:

The Options will not be exercisable unless and until they have vested and then only to the extent that they have vested. The Options will vest in accordance with the following:

- (e)     • Shares (●%) will vest and be exercisable on or after the Grant Date;
- (f)     • additional Shares (●%) will vest and be exercisable on or after • [date];
- (g)     • additional Shares (●%) will vest and be exercisable on or after • [date]; and
- (h)     • additional Shares (●%) will vest and be exercisable on or after • [date].

Unless otherwise determined by the Board, the Options will terminate in accordance with Section 3.6 and Section 3.5 of the Plan.

**SCHEDULE "C"**

**NOTICE OF EXERCISE**

**TO: LAURION MINERAL EXPLORATION INC.**

**ATTENTION: SECRETARY**

The undersigned Option Holder or his or her legal personal representative(s) permitted under the Laurion Mineral Exploration Inc. stock option plan, as same may be amended from time to time, (the "**Plan**") hereby irrevocably elects to exercise the Option for the number of Shares as set forth below:

Number of Options to be Exercised: \_\_\_\_\_

Exercise Price per Share: \_\_\_\_\_

Aggregate Exercise Price: \_\_\_\_\_

and hereby tenders a certified cheque or bank draft for such aggregate exercise price, and directs such Shares to be issued and registered as directed below, all subject to and in accordance with the Plan. Unless they are otherwise defined herein, all capitalized terms used herein shall have the meaning ascribed to such terms in the Plan.

The undersigned Option Holder hereby represents, warrants and certifies to Laurion Mineral Exploration Inc. (the "**Corporation**") as follows (one (only) of the following must be checked):

- A.  (i) The Shares issuable upon exercise of the Option have not been offered to the Option Holder in the United States; (ii) the Option Holder was not in the United States at the time of exercise of the Option for the Shares; and (iii) the Option Holder is not, and has not been at any time at or after the date of grant of the Option, a U.S. Person and the Option Holder is not purchasing the Shares on behalf of, or for the account or benefit of, a person in the United States or a U.S. Person or for resale in the United States.
  
- B.  (i) The Shares issuable upon exercise of the Option were offered to the Option Holder in the United States; (ii) the Option Holder was in the United States at the time of exercise of the Option for the Shares; or (iii) the Option Holder is, or has been at some time at or after the date of grant of the Option, a U.S. Person or the Option Holder is purchasing the Shares on behalf of, or for the account or benefit of, a person in the United States or a U.S. Person or for resale in the United States.

The undersigned holder understands that unless Box A above is checked, the certificate representing the Shares will bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available. "U.S. Person" and "United States" are as defined in Regulation S under the U.S. Securities Act of 1933, as amended. A "U.S. Person" includes, but is not limited to, an individual resident in the United States, an estate or trust of which any executor or administrator or trustee, respectively, is a U.S. Person and any partnership or corporation organized or incorporated under the laws of the United States. The "United States" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

If the undersigned Option Holder is resident in the state of California at the time of exercise of the Option, the undersigned Option Holder hereby represents, warrants and certifies to the Corporation that the undersigned Option Holder is an “accredited investor”, as defined in Rule 501(a) of Regulation D under the U.S. Securities Act at the time of exercise of the Option or has provided herewith other evidence to the Corporation in a form satisfactory to the Corporation that the Shares may be issued without registration under the applicable securities laws of the state of California.

Dated: \_\_\_\_\_, 20\_\_\_\_

**SIGNED AND WITNESSED** )

in the presence of )

\_\_\_\_\_  
Print Name: )

\_\_\_\_\_  
Signature of Option Holder )

\_\_\_\_\_  
Type or Print Name of Option Holder )

Direction as to Registration:

\_\_\_\_\_  
Name of Registered Holder

\_\_\_\_\_  
Address of Registered Holder

## SCHEDULE B – DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

A summary of the Corporation's governance initiatives in relation to the guidelines for effective corporate governance pursuant to National Instrument 58-101 – *Disclosure of Corporate Governance Guidelines* and National Policy 58-201 – *Corporate Governance Guidelines* is set out below.

### 1. Board of Directors

Disclose how the board of directors facilitates its exercise of independent supervision over management, including:

- a) the identity of directors who are independent; and
- b) the identity of directors who are not independent, and the basis for that determination.

There are currently three nominations for directors of the Corporation, being Michael Burmi, John Covello and Cynthia Le Sueur-Aquin. The Board of Directors considers that Michael Burmi and John Covello are independent within the meaning of National Instrument 52-110 – *Audit Committees* (“NI 52-110”).

The Board of Directors considers that Cynthia Le Sueur-Aquin is not independent within the meaning of NI 52-110. Ms. Le Sueur-Aquin is the President and CEO of the Corporation.

To facilitate the directors of the Corporation functioning independent of management, the following structures and processes are in place:

- three of the directors are not members of management; the exception is Cynthia Le Sueur-Aquin;
- when appropriate, members of management, including the President, are not present for the discussion and determination of certain matters at meetings of the Board and committees of the Board; and
- the President's compensation is to be considered, in her absence, by the Compensation Committee and such committee's recommendation subsequently presented to the other directors of the Corporation for consideration, with the applicable officer declaring his conflict of interest and absenting herself from determination of the issue.

### 2. Directorships

If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.

None of the nominated directors are currently a director of another issuer that is a reporting issuer (or the equivalent) in a jurisdiction of Canada.

### **3. Orientation and Continuing Education**

*Describe what steps, if any, the board takes to orient new board members, and describe any measures the board takes to provide continuing education for directors.*

The Corporation does not currently have a formal orientation program for new directors. The Board of Directors has not taken any measures to provide continuing education for directors.

### **4. Ethical Business Conduct**

*Describe what steps, if any, the board takes to encourage and promote a culture of ethical business conduct.*

The Corporation currently has a Code of Business Conduct and Ethics that applies to the directors, officers, employees, consultants and contractors. On May 25, 2020, the Corporation adopted a new Insider Trading Policy.

### **5. Nomination of Directors**

*Disclose what steps, if any, are taken to identify new candidates for board nomination, including:*

- a) who identifies new candidates; and*
- b) the process of identifying new candidates.*

The Corporation does not currently have a formal nomination process in place. The Board of Directors, as a whole, is responsible for recommending candidates for election to the Board of Directors and filling any vacancies on the Board of Directors, where necessary.

The directors identify new candidates for nomination as directors through the following process: (i) the directors review the current composition of the Board and the skills and competencies of the existing members; (ii) the directors identify the skills and competencies desired for the Board in general compared to those of the existing directors; (iii) the directors seek candidates who have demonstrated strengths in the desired skills and competencies; (iv) the directors review the skills and competencies of the candidates; and (v) the directors nominate for election the selected candidate. An objective nomination process is encouraged by having all of the independent directors fully participate in this process.

### **6. Compensation**

Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including:

- a) who determines compensation; and
- b) the process for determining compensation.

The compensation of the directors and the President of the Corporation are determined by the Compensation Committee.

The Corporation is a mining exploration company and, at present, does not have positive earnings.

In determining the compensation of the directors and the President, the Compensation Committee considers, among other things, the contribution of each such individual to the Corporation, the financial resources of the Corporation and the compensation received by individuals occupying similar functions in other comparable Canadian companies.

## **7. Other Board Committees**

If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

In addition to the Audit Committee and the Compensation Committee, the Board of Directors has a Strategy Committee. The nominated directors who are members of the Strategy Committee are Cynthia Le Sueur-Aquin (Chair) and Michael Burmi. The primary role of the Strategy Committee is to assist the Board of Directors in raising financing, preparing budgets, developing long-term strategic plans, risk management and securing adequate insurance.

On July 16, 2019, the Corporation announced its establishment of a Technical Advisory Management Board comprised of industry experts, which provides advice and peer review to the Board of Directors with respect to ongoing exploration efforts on various projects.

## **8. Assessments**

Disclose what steps, if any, the Board takes to satisfy itself that the board, its committees, and its individual directors are performing effectively.

The Board of Directors, as a whole, is responsible for assessing on an ongoing basis the: (i) performance and contribution of each of the members of the Board of Directors on an individual basis; and (ii) performance and effectiveness of the Board of Directors, generally, and of the Audit Committee, Compensation Committee, and the Strategy Committee, in particular.

## SCHEDULE C – AUDIT COMMITTEE CHARTER

### 1. Purpose

The overall purpose of the Audit Committee (the “**Committee**”) of Laurion Mineral Exploration Inc. (the “**Corporation**”) is to monitor the Corporation’s system of internal financial controls, to evaluate and report on the integrity of the financial statements of the Corporation, to enhance the independence of the Corporation’s external auditor and to oversee the financial reporting process of the Corporation.

### 2. Composition, Procedures and Organization

- 2.1 The Committee shall consist of at least three members (each a “**Member**”) of the board of directors of the Corporation (the “**Board**”), the majority of whom shall not be employees, Control Persons or officers of the Issuer or any of its Associates or Affiliates (as such terms are defined in the TSX Venture Exchange Corporate Finance Manual), as amended from time to time.
- 2.2 At least 25% of the members of the Committee (the “**Members**”) shall be resident Canadians.
- 2.3 At least one Member shall be “independent” and “financially literate” as such terms are defined under the *Securities Act* (Ontario) and rules and policies promulgated thereunder, as such requirements may be amended from time to time. For reference, the terms “independent” and “financially literate” are set out in “Multilateral Instrument 52-110 – Audit Committees”.
- 2.4 The Board, at its organizational meeting held in conjunction with each annual meeting of shareholders, shall appoint the members of the Committee to hold such office for the ensuing year or until their resignations or their successors are duly elected. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee. Any member of the Committee ceasing to be a director shall cease to be a member of the Committee.
- 2.5 Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair from amongst their number. The chair shall be an “unrelated” director and shall not have a second, or casting, vote.
- 2.6 Complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters shall be directed to the chair of the Committee. Once received, the chair will then review them and, if appropriate, seek advice from the Corporation’s legal counsel and/or the external auditors. The chair will then present such complaints to the Committee for discussion in order to determine a course of action. If appropriate, the chair will then notify management of the Corporation to discuss a resolution of such complaints.
- 2.7 The Corporation, with the assistance of the Committee, shall provide in the Corporation’s employee handbook, if any, a policy to enable employees to submit to the chair of the Committee, on a confidential and anonymous basis, concerns regarding questionable accounting or auditing matters or shall otherwise make known to employees that concerns can be submitted to the chair of the Committee on such basis.

- 2.8 Notice of every meeting shall be given to the external auditor, who shall, at the expense of the Corporation, be entitled to attend and to be heard thereat.
- 2.9 Meetings shall be held in accordance with the procedural rules outlined in the “Rules Governing Procedure of the Audit Committee” attached to this Charter as Schedule “A”. In addition, meetings of the Committee shall be conducted as follows:
- (a) the Committee shall meet at least four times annually or more frequently as circumstances dictate and at such times and at such locations as the chair of the Committee shall determine;
  - (b) the Committee or at least its chair should also meet with the external auditor and management quarterly to review the Corporation’s financials in accordance with Article 3 below;
  - (c) as part of its job to foster open communication, the Committee should meet at least annually with management and the external auditor separately to discuss any matters that the Committee or either of these groups believe should be discussed privately;
  - (d) the external auditor or any member of the Committee may call a meeting of the Committee;
  - (e) the external auditor and management employees shall, when required by the Committee, attend any meeting of the Committee; and
  - (f) the Committee may require any attendee at a meeting who is not an “unrelated” director to excuse himself or herself from any meeting.
- 2.10 The external auditor may communicate directly with the chair of the Committee and may meet separately with the Committee. The Committee, through its chair, may contact directly any employee in the Corporation as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper practices or transactions.
- 2.11 Compensation to members of the Committee shall be limited to directors’ fees, either in the form of cash or equity, and members shall not accept consulting, advisory or other compensatory fees from the Corporation (other than as members of the Board and/or Board committees).
- 2.12 The Committee is authorized, at the Corporation’s expense, to retain, set the compensation of and pay independent counsel and other advisors as it determines necessary to carry out its duties.

### **3. Duties**

- 3.1 The overall duties of the Committee shall be to:
- (a) assist the Board in the discharge of its duties relating to the Corporation’s accounting policies and practices, reporting practices and internal controls;

- (b) establish and maintain a direct line of communication with the Corporation's external auditor and assess their performance;
- (c) oversee the work of the external auditor, which shall be responsible to report directly to the Committee, including resolution of disagreements between management and the auditor regarding financial reporting;
- (d) ensure that management of the Corporation has designed, implemented and is maintaining an effective system of internal controls and disclosure controls and procedures;
- (e) monitor the credibility and objectivity of the Corporation's financial reports;
- (f) report regularly to the Board on the fulfilment of the Committee's duties;
- (g) assist, with the assistance of the Corporation's legal counsel, the Board in the discharge of its duties relating to the Corporation's compliance with legal and regulatory requirements; and
- (h) assist the Board in the discharge of its duties relating to risk assessment and risk management.

3.2 The duties of the Committee as they relate to the external auditor shall be to:

- (a) review management's recommendations for the appointment of the external auditor, and in particular its qualifications and independence, and to recommend to the Board a firm of external auditor to be engaged;
- (b) review the performance of the external auditor and make recommendations to the Board regarding the appointment or termination of the external auditor;
- (c) review, where there is to be a change of external auditor, all issues related to the change, including the information to be included in the notice of change of auditor called for under National Instrument 51-102 or any successor legislation, and the planned steps for an orderly transition;
- (d) review all reportable events, including disagreements, unresolved issues and consultations, as defined in National Instrument 51-102 or any successor legislation, on a routine basis, whether or not there is to be a change of external auditor;
- (e) review and approve, in advance, the engagement letters of the external auditor, both for audit and permissible non-audit services, including the fees to be paid for such services;
- (f) review the performance, including the fee, scope and timing of the audit and other related services and any non-audit services provided by the external auditor; and

- (g) review the nature of and fees for any non-audit services performed for the Corporation by the external auditor and consider whether the nature and extent of such services could detract from the firm's independence in carrying out the audit function.

3.3 The duties of the Committee as they relate to audits and financial reporting shall be to:

- (a) review the audit plan with the external auditor and management;
- (b) review with the external auditor and management all critical accounting policies and practices of the Corporation, including any proposed changes in accounting policies, the presentation of the impact of significant risks and uncertainties, all material alternative accounting treatments that the external auditor has discussed with management, other material written communications between the external auditor and management, and key estimates and judgments of management that may in any such case be material to financial reporting;
- (c) review the contents of the audit report;
- (d) question the external auditor and management regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
- (e) review the scope and quality of the audit work performed;
- (f) review the adequacy of the Corporation's financial and auditing personnel;
- (g) review the co-operation received by the external auditor from the Corporation's personnel during the audit, any problems encountered by the external auditor and any restrictions on the external auditor's work;
- (h) review the internal resources used;
- (i) review the evaluation of internal controls by the internal auditor (or persons performing the internal audit function) and the external auditor, together with management's response to the recommendations, including subsequent follow-up of any identified weaknesses;
- (j) review the appointments of the chief financial officer, internal auditor (or persons performing the internal audit function) and any key financial executives involved in the financial reporting process;
- (k) review with management and the external auditor and approve the Corporation's annual audited financial statements in conjunction with the report of the external auditor thereon, and obtain an explanation from management of all significant variances between comparative reporting periods before release to the public;
- (l) review with management and the external auditor and approve the Corporation's interim unaudited financial statements, and obtain an explanation from management of all significant variances between comparative reporting periods before release to the public; and

(m) review the terms of reference for an internal auditor or internal audit function.

3.4 The duties of the Committee as they relate to accounting and disclosure policies and practices shall be to:

- (a) review the effect of regulatory and accounting initiatives and changes to accounting principles of the Canadian Institute of Chartered Accountants which would have a significant impact on the Corporation's financial reporting as reported to the Committee by management and the external auditor;
- (b) review the appropriateness of the accounting policies used in the preparation of the Corporation's financial statements and consider recommendations for any material change to such policies;
- (c) review the status of material contingent liabilities as reported to the Committee by management;
- (d) review the status of income tax returns and potentially significant tax problems as reported to the Committee by management;
- (e) review any errors or omissions in the current or prior years' financial statements;
- (f) review and approve before their release all public disclosure documents containing audited or unaudited financial information, including all press releases, prospectuses, annual reports to shareholders, annual information forms, management's discussion and analysis and interim profit or loss press releases; and
- (g) oversee and review all financial information and earnings guidance provided to analysts.

3.5 The other duties of the Committee shall include:

- (a) reviewing and reassessing, at least annually, the adequacy of this Charter and making recommendations to the Board, as conditions dictate, to update this Charter;
- (b) reviewing any inquiries, investigations or audits of a financial nature by governmental, regulatory or taxing authorities;
- (c) formulating a policy restricting the Corporation from hiring employees or former employees of the Corporation's external auditor without the prior approval of the Committee;
- (d) reviewing annual operating and capital budgets;
- (e) reviewing and approving before their release all public disclosure documents containing audited or unaudited financial information, including all press releases, prospectuses, annual reports to shareholders, annual information forms and management's discussion and analysis;

- (f) overseeing and reviewing all financial information and earnings guidance provided to analysts;
- (g) reviewing the funding and administration of the Corporation's compensation and pension plans;
- (h) reviewing and reporting to the Board on difficulties and problems with regulatory agencies which are likely to have a significant financial impact;
- (i) inquiring of management and the external auditor as to any activities that may be or may appear to be illegal or unethical; and
- (j) any other questions or matters referred to it by the Board.

