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MANAGEMENT INFORMATION CIRCULAR as at May 15, 2024 (except as otherwise indicated)

This Management Information Circular (“Information Circular”) is furnished in connection with the solicitation of proxies by management of Southern Arc Minerals Inc. for use at the annual general meeting (the “Meeting”) of the shareholders of Southern Arc Minerals Inc. (the “Shareholders”) to be held on June 26, 2024 and any adjournment or postponement thereof, for the purposes set forth in the attached Notice of Annual General Meeting. Except where otherwise indicated, the information contained herein is stated as of May 15, 2024.

In this Information Circular, references to the “**Company**” and “**we**” refer to Southern Arc Minerals Inc. “**Class A Shares**” means Class A shares without par value in the capital of the Company. “**Registered Shareholders**” means Shareholders whose names appear on the records of the Company as the registered holders of Class A Shares. “**Non-Registered Shareholders**” means Shareholders who do not hold Class A Shares in their own name. “**Intermediaries**” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Non-Registered Shareholders. Unless otherwise indicated, all references to “\$” or “dollars” in this Information Circular means Canadian Dollars.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged to send Meeting materials directly to Registered Shareholders, as well as Non-Registered Shareholders who have consented to their ownership information being disclosed by the Intermediary holding the Class A Shares on their behalf (non-objecting beneficial owners). We have not arranged for Intermediaries to forward the Meeting materials to Non-Registered Shareholders who have objected to their ownership information being disclosed by the Intermediary holding the Class A Shares on their behalf (objecting beneficial owners). As a result, objecting beneficial owners will not receive the Information Circular and associated Meeting materials unless their Intermediary assumes the costs of delivery.

Appointment and Revocation of Proxies

The individuals named in the accompanying form of proxy (the “**Proxy**”) are officers of the Company or solicitors for the Company. **If you are a Registered Shareholder, you have the right to attend the Meeting or vote by proxy and to appoint a person or company other than the person designated in the Proxy, who need not be a Shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of Proxy.**

If you are a Registered Shareholder you may wish to vote by Proxy whether or not you are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by completing, dating and signing the enclosed form of proxy and returning it to the Company’s transfer agent, Computershare Investor Services Inc. (“**Computershare**”), in accordance with the instructions on the Proxy. Alternatively, Registered Shareholders may vote their Class A Shares via the internet or by telephone as per the instructions provided on the Proxy.

The Proxy must be received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment or postponement thereof at which the Proxy is to be used.

Every Proxy may be revoked by an instrument in writing:

- (i) executed by the Registered Shareholder or by his/her attorney authorized in writing or, where the Registered Shareholder is a company, by a duly authorized officer or attorney of the company; and

- (ii) delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting or any adjournment or postponement thereof, at which the Proxy is to be used, or to the chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof,

or in any other manner provided by law.

Only Registered Shareholders have the right to revoke a Proxy. Non-Registered Shareholders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries to revoke the Proxy on their behalf. If you are a Non-Registered Shareholder, see “Voting by Non-Registered Shareholders” below for further information on how to vote your Class A Shares.

Exercise of Discretion by Proxyholder

If you have the right to vote by proxy, the persons named in the Proxy will vote or withhold from voting the Class A Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Class A Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (i) each matter or group of matters identified therein for which a choice is not specified;
- (ii) any amendment to or variation of any matter identified therein;
- (iii) any other matter that properly comes before the Meeting; and
- (iv) exercise of discretion of the proxyholder.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Class A Shares represented by the Proxy for the approval of such matter. Management is not currently aware of any other matters that could come before the Meeting.

Voting by Non-Registered Shareholders

The following information is of significant importance to Shareholders who do not hold Class A Shares in their own name. Non-Registered Shareholders should note that the only Proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders.

If Class A Shares are listed in an account statement provided to a Shareholder by an Intermediary, then in almost all cases those Class A Shares will not be registered in the Shareholder’s name on the records of the Company. Such Class A Shares will more likely be registered under the name of the Shareholder’s Intermediary or an agent of that Intermediary. In the United States, the vast majority of such Class A Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms and custodian banks).

If you have consented to disclosure of your ownership information, you will receive a request for voting instructions from the Company (through Computershare). If you have declined to disclose your ownership information, you may receive a request for voting instructions from your Intermediary if they have assumed the cost of delivering the Information Circular and associated Meeting materials. Every Intermediary has its own mailing procedures and provides its own return instructions to clients. However, most Intermediaries now delegate responsibility for obtaining voting instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in the United States and in Canada.

If you are a Non-Registered Shareholder, you should carefully follow the instructions on the voting instruction form received from Computershare or Broadridge in order to ensure that your Class A Shares are voted at the Meeting. The voting instruction form supplied to you will be similar to the Proxy provided to the Registered Shareholders by the Company. However, its purpose is limited to instructing the Intermediary on how to vote on your behalf.

The voting instruction form sent by Computershare or Broadridge will name the same persons as the Company’s proxy to represent you at the Meeting. **Although as a Non-Registered Shareholder you may not be recognized directly at the Meeting**

for the purposes of voting Class A Shares registered in the name of your Intermediary, you, or a person designated by you (who need not be a Shareholder), may attend at the Meeting as Proxyholder for your Intermediary and vote your Class A Shares in that capacity. To exercise this right to attend the Meeting or appoint a Proxyholder of your own choosing, you should insert your own name or the name of the desired representative in the blank space provided in the voting instruction form. Alternatively, you may provide other written instructions requesting that you or your desired representative attend the Meeting as Proxyholder for your Intermediary. The completed voting instruction form or other written instructions must then be returned in accordance with the instructions on the form.

If you receive a voting instruction form from Computershare or Broadridge, you cannot use it to vote Class A Shares directly at the Meeting. The voting instruction form must be completed as described above and returned in accordance with its instructions well in advance of the Meeting in order to have the Class A Shares voted.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as disclosed herein, no person or company has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of directors or the appointment of auditors. For the purpose of this paragraph, “person” shall include each person: (a) who has been a director, senior officer or insider of the Company at any time since the commencement of the Company’s last fiscal year; (b) who is a proposed nominee for election as a director of the Company; or (c) who is an associate or affiliate of a person or company as defined in (a) or (b).

RECORD DATE AND QUORUM

The board of directors of the Company (the “**Board**”) has fixed the record date for the Meeting as the close of business on May 15, 2024 (the “**Record Date**”). Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote their Class A Shares at the Meeting, except to the extent that any such Shareholder transfers any Class A Shares after the Record Date and the transferee of those Class A Shares establishes that the transferee owns the Class A Shares and demands, not less than ten (10) days before the Meeting, that the transferee’s name be included in the list of Shareholders entitled to vote at the Meeting, in which case, only such transferee shall be entitled to vote such Class A Shares at the Meeting.

Under the Articles of the Company, subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of Shareholders is one person who is a Shareholder, or who is otherwise permitted to vote shares of the Company at a meeting of the Shareholders pursuant to the Company’s Articles, present in person or by proxy.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company’s authorized share structure consists of an unlimited number of Class A Shares without par value. On the Record Date there were 22,898,283 Class A Shares issued and outstanding, with each Class A Share carrying the right to one vote. Only Shareholders of record at the close of business on the Record Date will be entitled to vote in person or by proxy at the Meeting or any adjournment or postponement thereof.

To the knowledge of the directors and executive officers of the Company, as of the date of this Information Circular, the Shareholders who beneficially own, or exercise control or direction over, directly or indirectly, Class A Shares carrying 10% or more of the voting rights attached to Class A Shares are:

Name	Number of Class A Shares Owned, or Controlled or Directed, Directly or Indirectly ⁽¹⁾	Approximate Percentage of Total Outstanding Class A Shares
John G. Proust	5,580,733	24.37%
Neil S. Subin	3,501,950	15.3%
Michael J. Andrews	3,282,500	14.3%

Note:

(1) The above information was derived from insider and beneficial ownership reports available at www.sedi.com.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Company's directors, the only matters to be placed before the Meeting are those set forth in the accompanying Notice of Meeting and discussed below.

Presentation of Financial Statements

The audited consolidated financial statements of the Company for the financial year ended June 30, 2023, together with the auditor's report thereon, will be placed before the Meeting. The Company's financial statements are available on the System of Electronic Document Analysis and Retrieval (SEDAR+) website at www.sedarplus.ca.

Election of Directors

The Company proposes to fix the number of directors of the Company at three (3) and to nominate the persons listed below for election as directors. Each director will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated. Management does not contemplate that any of the nominees will be unable to serve as a director. If, prior to the Meeting, any vacancies occur in the slate of nominees herein listed, it is intended that discretionary authority shall be exercised by the person named in the Proxy as nominee to vote the Class A Shares represented by Proxy for the election of any other person or persons as directors.

The following table sets out the names of the management nominees; their positions and offices in the Company; their principal occupations or employment; the period of time that they have been directors of the Company; and the number of Class A Shares which each beneficially owns or over which control or direction is exercised, directly or indirectly.

Name, Residence and Present Position within the Company	Director Since	Number of Class A Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Discretion is Exercised ⁽¹⁾	Principal Occupation ⁽¹⁾
John G. Proust ⁽²⁾ British Columbia, Canada <i>Chief Executive Officer, Director, and Executive Chairman</i>	August 19, 2004	5,580,733 ⁽³⁾	Independent businessman and President of J. Proust & Associates Inc., through which Mr. Proust is the founder of numerous public and private companies.
Vince Boon ⁽²⁾⁽⁴⁾ British Columbia, Canada <i>Chief Financial Officer and Director</i>	May 24, 2024	80,000	Chief Financial Officer of several public companies with experience with both Canadian and U.S. listed companies with international subsidiaries.
Murray Flanigan ⁽²⁾⁽⁵⁾ British Columbia, Canada <i>Director</i>	May 24, 2024	Nil	Chartered Professional Accountant and a Chartered Financial Analyst. President of GR7 Consulting Corp. (director since Oct. 2013), a privately held consulting company providing financial, accounting, tax and compliance advisory services to a number of public and private mining and technology companies in North America and abroad. Formerly a Managing Principal and the CFO of Kepis & Pobe Financial Group Inc., a private equity firm focused on investments in the natural resource and information technology sectors.

Notes:

- (1) The information as to principal occupation, business or employment and Class A Shares beneficially owned or controlled is not within the knowledge of management of the Company and has been furnished by the respective nominees. Unless otherwise stated above, any nominees named above have held the principal occupation or employment indicated for at least the five preceding years.
- (2) Member of the audit committee of the Company.
- (3) Includes 224,450 Class A Shares owned indirectly through Portland Management Inc. (formerly, Dycor

Communications Inc.), 3,048,805 Class A Shares owned indirectly by Mr. Proust through J. Proust & Associates Inc., and 2,006,000 Class A Shares controlled by Mr. Proust through Gwen Proust 2018 Alter Ego Trust.

- (4) Vince Boon, CFO of the Company, was appointed as a director of the Company on May 24, 2024 following John Carlile's resignation as a director of the Company on May 22, 2024.
- (5) Mr. Flanigan was appointed as a director of the Company on May 24, 2024 following Morris Klid's resignation as a director of the Company on May 22, 2024.

To the knowledge of the Company, no proposed director of the Company:

- (a) is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
 - (i) was subject to an order that was issued while the director was acting in the capacity as director, chief executive officer or chief financial officer, or
 - (ii) was subject to an order that was issued after the director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer,
- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in the that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director or executive officer;
- (d) 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
- (e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

For the purposes of section (a) above, "order" means:

- (i) a cease trade order;
- (ii) an order similar to a cease trade order; or
- (iii) an order that denied the relevant company access to any exemption under securities legislation,

that was in effect for more than 30 consecutive days.

Appointment of Auditor

Management is recommending that Shareholders vote to appoint Davidson & Company LLP, Chartered Professional Accountants ("**Davidson**") of 1200 – 609 Granville Street, Vancouver, BC V7Y 1G6, as the Company's auditor and to authorize the directors to fix their remuneration. The Board resolved on February 28, 2024 to appoint Davidson as auditors for the Company in place of KPMG LLP, Chartered Accountants ("**KPMG**").

There have been no reportable events between the Company and KPMG and no modified opinions by KPMG for the purposes of National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**"). A "reportable event" is defined in NI 51-102 as a disagreement, a consultation or an unresolved issue with the auditors. A copy of the reporting package required by NI 51-102 with respect to the resignation of KPMG and the appointment of Davidson as auditors for the Company, including the Notice of Change of Auditor, a letter from KPMG and a letter from Davidson are attached to this Information Circular as Schedule "B".

Approval of Equity Incentive Plan

The Company has in place an equity incentive plan (the "**Compensation Plan**") for directors, officers, employees, management company employees and consultants. In accordance with the policies of the TSX Venture Exchange (the "**Exchange**"), the Compensation Plan must be confirmed by the Shareholders at each annual general meeting.

The Compensation Plan includes the ability to issue stock options (“**Options**”), restricted share units (“**RSUs**”), performance share units (“**PSUs**”), and deferred share units (“**DSUs**”, and together with Options, RSUs, PSUs, the “**Awards**”). **For greater certainty, while the Company is listed on the NEX Board of the Exchange, the Company (i) is not permitted to grant or issue any Security Based Compensation (as that term is defined in Exchange Policy 4.4 – *Security Based Compensation*) other than Options, and (ii) may not grant Options to any person providing Investor Relations Activities (as that term is defined in Exchange Policy 1.1 – *Interpretation*), promotional, or market-making services.**

The aggregate number of Class A Shares reserved for issuance in respect of Options shall not exceed ten (10%) percent of the total number of issued Class A Shares (calculated on a non-diluted basis) at the time an Option is granted. Upon the Company’s graduation from the NEX Board to the Exchange, the aggregate number of Class A Shares issuable in respect of RSUs, PSUs and DSUs is 2,289,828 Class A Shares.

The purpose of the Compensation Plan is to provide an incentive to directors, employees and consultants to acquire a proprietary interest in the Company, to continue their participation in the affairs of the Company and to increase their efforts on behalf of the Company.

The Compensation Plan is considered an “evergreen” plan, since Options which have been exercised, cancelled, terminated, surrendered, forfeited or expired without being exercised shall be available for subsequent grants under the Compensation Plan and the number of Awards available to grant increases as the number of issued and outstanding Class A Shares increases.

At the Meeting, Shareholders will be asked to pass an ordinary resolution approving the continuation of the Compensation Plan. The following is a summary of certain provisions of the Compensation Plan and is subject to, and qualified in its entirety by, the full text of the Compensation Plan, and capitalized terms in this section not otherwise defined have the meaning ascribed to them in the Compensation Plan:

Type of Awards: Awards of Options, RSUs, PSUs and DSUs may be made under the Compensation Plan. All of the Awards described below are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined by the Board, in its sole discretion, subject to such limitations provided in the Compensation Plan, and will generally be evidenced by an award agreement.

Each Option entitles a holder thereof to purchase a prescribed number of Class A Shares at an exercise price determined by the Board at the time of the grant of the Option, which includes an ISO.

ISOs are available only for Participants who are employees of the Company, or a “parent corporation” or “subsidiary corporation” (as such terms are defined in Section 424(e) and (f) of the U.S. Tax Code), on the date the Option is granted. A Participant who holds an ISO must continue as an employee, except that upon termination of employment the Option will continue to be treated as an ISO for up to three months, after which the Option will no longer qualify as an ISO, except as otherwise provided herein. A Participant’s employment will be deemed to continue during any period of sick leave, military leave or other bona fide leave of absence, provided the leave of absence does not exceed three months, or the Participant’s return to employment is guaranteed by statute or contract. If a termination of employment is due to permanent disability, an Option may continue its ISO status for up to one year, and if the termination is due to death, the ISO status may continue for the balance of the Option’s term. Nothing referenced herein will be deemed to extend the original expiry date of an Option. A Participant who owns, or is deemed to own, pursuant to Section 424(e) of the Code, Class A Shares accounting for more than ten percent (10%) of the total combined voting power of all classes of stock of the Company may not be granted an ISO unless (i) the Option Price is at least one hundred and ten percent (110%) of the Market Value of the Class A Shares, as of the date of the grant, and (ii) the Option is not exercisable after the expiration of five years from the date of grant. To the extent the aggregate Market Value (determined as of the date of grant) of Class A Shares with respect to which ISOs are exercisable for the first time by a Participant during any calendar year (under all plans of the Company and any affiliates) exceeds One Hundred Thousand United States Dollars (US\$100,000), the Options or portions thereof that exceed such limit (according to the order in which they were granted) shall be treated as Options other than ISOs, notwithstanding any contrary provision in the applicable award agreement.

A RSU is a right awarded to a Participant, as compensation for employment, consulting services, or services as a director or officer, to receive for no additional cash consideration, securities of the Company upon specified vesting criteria being satisfied, and subject to the terms and conditions of the Compensation Plan and the applicable award agreement, and which may be paid in cash and/or Class A Shares.

A PSU is a right awarded to a Participant, as compensation for employment, consulting services, or services as a director or officer, to receive, for no additional cash consideration, securities of the Company upon specified performance and vesting

criteria being satisfied, subject to the terms and conditions of the Compensation Plan and the applicable award agreement, and which may be paid in cash and/or Class A Shares.

A DSU is a right granted to a Participant, as compensation for employment, consulting services, or services as a director or officer, to receive, for no additional cash consideration, securities of the Company on a deferred basis upon specified vesting criteria being satisfied, subject to the terms and conditions of the Compensation Plan and the applicable award agreement, and which may be paid in cash and/or Class A Shares.

Eligible Participants. Awards may be granted under the Compensation Plan to directors and senior officers of the Company or its subsidiaries, management company employees (collectively, the “**Directors**”), employees of the Company or its subsidiaries (collectively, the “**Employees**”) or consultants of the Company or its subsidiaries (collectively, the “**Consultants**”). The Board, in its discretion, determines which of the Directors, Employees, or Consultants will be granted Awards under the Plan.

Number of Shares Reserved. The aggregate number of Class A Shares reserved for issuance in respect of Options shall not exceed ten (10%) percent of the total number of issued Class A Shares (calculated on a non-diluted basis) at the time an Option is granted. The aggregate number of Class A Shares issuable in respect of RSUs, PSUs and DSUs is 2,289,828 Class A Shares. Options that are exercised, cancelled or expire prior to exercise continue to be issuable under the Compensation Plan.

Limitations. Under the Compensation Plan, the aggregate number of Class A Shares that are issuable pursuant to all Awards granted or issued to any one person (including companies wholly owned by that person) in a 12-month period must not exceed 5% of the issued and outstanding Class A Shares of the Company, calculated on the date the Award is granted or issued to the person. The aggregate number of Shares that are issuable pursuant to all Awards granted or issued to any one Consultant in a 12-month period must not exceed 2% of the issued and outstanding Class A Shares of the Company, calculated at the date the Award is granted or issued. The aggregate number of Class A Shares issuable pursuant to all Options granted or issued to all persons retained to provide investor relations services to the Company (including Consultants, Employees, or Directors whose role and duties primarily consist of providing investor relations services) must not exceed 2% of the issued and outstanding Class A Shares of the Company in any 12-month period, calculated at the date an Option is granted or issued to any such person. For the avoidance of doubt, persons performing investor relations activities are only eligible to receive Options under the Compensation Plan; they are not eligible to receive any other type of security-based compensation under the Compensation Plan. Disinterested shareholder approval will be required for any grant of Awards which will result in the number of Class A Shares issuable pursuant to all Awards granted or issued to Insiders (as defined in the *Securities Act* (British Columbia)) as a group at any point in time or within a 12-month period exceeding 10% of the issued and outstanding Class A Shares of the Company.

Exercise Price. The exercise price of Options granted under the Compensation Plan is determined by the Board, provided that it is not less than the Market Price (as that term is defined in the Exchange policies), at the time of grant, or such other minimum price as is permitted by the Exchange in accordance with the policies in effect at the time of the grant, or, if the Class A Shares are no longer listed on the Exchange, then such other exchange or quotation system on which the Class A Shares are listed or quoted for trading. The exercise price of Options granted to Insiders may not be decreased without disinterested Shareholder approval at the time of the proposed amendment.

Cashless Exercise. Subject to the rules and policies of the Exchange, the Board may, in its discretion and at any time, determine to grant a Participant the alternative, when entitled to exercise an Option, to deal with such Option on a “cashless exercise” basis, on such terms as the Board may determine in its discretion (the “**Cashless Exercise Right**”). The Cashless Exercise Right, if any, means a Participant’s right, pursuant to an arrangement between the Company and a brokerage firm, to sell such number of Class A Shares as is necessary to raise an amount equal to the aggregate exercise price for all Options being exercised by that Participant and any applicable tax withholdings. Pursuant to the award agreement and the terms of the arrangement between the Company and the broker, the Participant, if granted a Cashless Exercise Right by the Board, may authorize the broker to sell shares on the open market and forward the proceeds to the Company to satisfy the exercise price and any applicable tax withholdings, promptly following which the Company shall issue the Class A Shares underlying the number of Options as provided for in the award agreement. In the event the Company permits a Participant to exercise a Cashless Exercise Right, the Company shall make an election pursuant to subsection 110(1.1) of the *Income Tax Act* (Canada)

Term of Options. Subject to the termination and change of control provisions noted below, the term of any Options granted under the Compensation Plan is determined by the Board and may not exceed ten (10) years from the date of grant. Disinterested Shareholder approval will be required for any extension to stock options granted to individuals that are Insiders at the time of the proposed amendment.

Deferment. Subject to the terms and conditions of the applicable Award Agreement, if a Participant wishes to defer settling an Award of RSUs, the Participant must provide written notice to the Company within three business days of the Vesting Date (as

defined in the Compensation Plan). Subject to the terms and conditions of the applicable Award Agreement, if a Participant wishes to defer settling an Award of PSUs, the Participant must provide written notice to the Company within three business days of the Determination Date (as defined in the Compensation Plan).

Vesting. All Options granted pursuant to the Compensation Plan will be subject to such vesting requirements as may be prescribed by the Exchange, if applicable, or as may be imposed by the Board. Options issued to persons retained to provide Investor Relations Activities must vest in stages over 12 months with no more than one-quarter of the Options vesting in any three-month period. No Awards issued pursuant to the Compensation Plan, other than Options, may vest before the date that is one year following the date it is granted or issued.

Termination.

Options

Any Options granted pursuant to the Compensation Plan will terminate at the end of the term of the Option. Where a Participant's relationship with the Company is terminated by the Company or a subsidiary for cause, all Options granted to the Participant under the Compensation Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date. Where a Participant's relationship with the Company terminates by reason of termination by the Company or a subsidiary without cause, by voluntary termination, voluntary resignation, retirement by the Participant, or death or Disability of the Participant, such that the Participant no longer qualifies as an Eligible Person, all Options granted to the Participant under the Compensation Plan that have not vested will, unless the applicable award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date; provided, however, that any Options granted to such Participant which, prior to the Participant's termination without cause, voluntary termination, voluntary resignation or retirement, had vested pursuant to the terms of the applicable award agreement will accrue to the Participant in accordance with the Compensation Plan and shall be exercisable by such Participant for a period of 90 days following the date the Participant ceased to be an Eligible Person, or such longer period as may be provided for in the award agreement or as may be determined by the Board provided such period does not exceed 12 months after the termination date.

Where a Change of Control of the Company occurs, as defined in the Compensation Plan, and as a result of such Change of Control a Participant ceases to be an Eligible Person under the Compensation Plan, all Options shall become fully vested in the Participant and shall become exercisable by the Participant in accordance with the Compensation Plan and award agreement, provided that the Class A Shares issuable as a result of vesting of such Options are issued within 12 months of the date that the Participant ceases to be an Eligible Person. If the Participant provides Investor Relations Activities, no acceleration of the vesting of any Options shall be permitted without prior Exchange review and acceptance.

RSUs

Where a Participant's relationship with the Company is terminated by the Company or a subsidiary for cause, all RSUs granted to the Participant under the Compensation Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date.

Where a Participant's relationship with the Company terminates by reason of termination by the Company or a subsidiary without cause, by voluntary termination, voluntary resignation, retirement by the Participant, or the Participant's death or Disability, all RSUs granted to the Participant under the Compensation Plan that have not vested will, unless the applicable award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date and the Participant shall have no right, title or interest therein whatsoever; provided, however, that any RSUs granted to such Participant which, prior to the Participant's termination without cause, voluntary termination, voluntary resignation or retirement, had vested pursuant to the terms of the applicable award agreement will accrue to the Participant in accordance with the Compensation Plan, provided that the Class A Shares issuable as a result of vesting of such RSUs are issued within 12 months of the date that the Participant ceases to be an Eligible Person.

Where a Participant becomes afflicted by a Disability but the Participant remains an Eligible Person, all RSUs granted to the Participant under the Compensation Plan will continue to vest in accordance with the terms of the applicable award agreement, provided however, that no RSUs may be redeemed during the Participant's leave of absence.

Where a Change of Control of the Company occurs, as defined in the Compensation Plan, and as a result of such Change of Control a Participant ceases to be an Eligible Person under the Compensation Plan, all restrictions upon any RSUs shall lapse immediately and all such RSUs shall become fully vested in the Participant and will accrue to the Participant in accordance with

the Compensation Plan, provided that the Class A Shares issuable as a result of vesting of such RSUs are issued within 12 months of the date that the Participant ceases to be an Eligible Person.

PSUs

Where a Participant's relationship with the Company is terminated by the Company or a subsidiary for cause, all PSUs granted to the Participant under the Compensation Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date.

Where a Participant's relationship with the Company terminates by reason of termination by the Company or a subsidiary without cause, by voluntary termination, voluntary resignation, retirement by the Participant, or the Participant's death or Disability, all PSUs granted to the Participant which have not vested will, unless the award agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the termination date, and the Participant shall have no right, title or interest therein whatsoever; provided, however, the Board may determine, in its sole discretion, the number of the Participant's PSUs that will vest based on the extent to which the applicable performance have been satisfied in that portion of the performance cycle that has lapsed. The PSUs that the Board determines to have vested shall become payable in accordance with the Compensation Plan, provided that the Class A Shares issuable as a result of vesting of such PSUs are issued within 12 months of the date that the Participant ceases to be an Eligible Person.

Where a Participant becomes afflicted by a Disability but the Participant remains an Eligible Person, all PSUs granted to the Participant under the Compensation Plan will continue to vest in accordance with the terms of the applicable award agreement, provided however, that no PSUs may be redeemed during the Participant's leave of absence.

Where a Change of Control of the Company occurs, as defined in the Compensation Plan, and as a result of such Change of Control a Participant ceases to be an Eligible Person under the Compensation Plan, all restrictions upon any PSUs shall lapse immediately and all such PSUs shall become fully vested in the Participant and will accrue to the Participant in accordance with the Compensation Plan, provided that the Class A Shares issuable as a result of vesting of such PSUs are issued within 12 months of the date that the Participant ceases to be an Eligible Person.

DSUs

Where a Participant who hold vested DSUs ceases to be an Eligible Person for any reason (including on a Change of Control), other than for Termination for Cause, as defined herein, the Participant shall be entitled to receive, on a day designated by the Participant and communicated to the Company by the Participant in writing at least 15 days prior to the designated day (or such earlier date after the Participant ceases to be an Eligible Person as the Participant and the Company may agree, which date shall be no later than one year after the date upon which the Participant ceases to be an Eligible Person) and if no such notice is given, then on the first anniversary of the effective date that the Participant ceases to be an Eligible Person, at the sole discretion of the Board, either:

- (i) that number of Class A Shares equal to the number of vested DSUs credited to the Participant's Account, such Shares to be issued from treasury of the Company (provided that such issuance will not exceed the Company's total number of Class A Shares issuable for all Awards); or
- (ii) a cash payment in an amount equal to the Market Unit Price on the next Trading Day after the Participant ceases to be an Eligible Person of the vested DSUs credited to a Participant's Account, net of applicable withholdings.

Where a Participant ceases to be a Participant by reason of Termination for Cause, the Participant's participation in the Compensation Plan shall be terminated immediately, all DSUs credited to such Participant's Account that have not vested shall be forfeited and cancelled, and the Participant's rights to Class A Shares or Cash Equivalent or a combination thereof that relate to such Participant's unvested DSUs shall be forfeited and cancelled on the Termination Date. The Participant shall not receive any payment in lieu of cancelled DSUs that have not vested. "Termination for Cause" shall include, among other things, gross misconduct, theft, fraud, breach of confidentiality or breach of the Company's codes of conduct and any other reason determined by the Company to be cause for termination. For the purposes of the Compensation Plan, the determination by the Company that the Participant was discharged for Cause shall be binding on the Participant.

Upon death of a Participant holding DSUs that have vested, the Participant's estate shall be entitled to receive, within 120 days after the Participant's death and at the sole discretion of the Board, a cash payment or Class A Shares that would have otherwise been payable in accordance with the Compensation Plan to the Participant upon such Participant ceasing to be an Eligible Person, provided that the shares issuable as a result of vesting of such DSUs are issued to the Participant's estate within 12 months of

the date of the Participant's death.

Adjustments. Any adjustment to Awards granted or issued (except in relation to a consolidation or share split) must be subject to the prior acceptance of the Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization. The Company will seek Disinterested Shareholder approval in respect of any material amendment to the Compensation Plan.

Blackout Periods. In the event that the date provided for expiration, redemption or settlement of an Award falls within a Blackout Period imposed by the Company pursuant to a trading policy as the result of the *bona fide* existence of undisclosed material information, the expiry date, redemption date or settlement date, as applicable, of the Award shall automatically be extended to the date that is 10 business days following the date of expiry of the Blackout Period. Notwithstanding the foregoing, there will be no extension of any Award if the Company (or the Participant) is subject to a cease trade order (or similar order under applicable law).

The Compensation Plan is subject to the approval of the Exchange and if the Exchange finds the disclosure in this Information Circular to be inadequate, then the Shareholder approval may not be accepted by the Exchange. On May 21, 2024, the Company received conditional approval to the Compensation Plan from the Exchange.

The Compensation Plan Resolution

Shareholders will be asked at the Meeting to approve, with or without variation, the following ordinary resolution (the "**Compensation Plan Resolution**"):

"BE IT RESOLVED as an ordinary resolution THAT:

1. the Company's 2022 equity incentive plan (the "**Compensation Plan**") be and is hereby confirmed and approved, and the Company has the ability to grant awards under the Compensation Plan;
2. the board of directors of the Company be authorized in its absolute discretion to administer the Compensation Plan, and amend or modify the Compensation Plan in accordance with its terms and conditions and with the policies of the NEX/TSX Venture Exchange; and
3. any director or officer of the Company be authorized and directed to do all acts and things and to execute and deliver all documents required, as in the opinion of such director or officer may be necessary or appropriate in order to give effect to this resolution."

Shareholders may request a copy of the Compensation Plan by mail to #1200 – 750 West Pender Street, Vancouver, BC, V6C 2T8 until the business day immediately preceding the date of the Meeting.

Management recommends that Shareholders approve the Compensation Plan Resolution.

In the absence of instructions to the contrary, the Proxyholders intend to vote the Class A Shares represented by each Proxy, properly executed, FOR the Compensation Plan Resolution.

OTHER BUSINESS

As of the date of this Information Circular, management of the Company knows of no other matters to be acted upon at the Meeting. However, should any other matters properly come before the Meeting, the Class A Shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the Class A Shares represented by the Proxy.

EXECUTIVE COMPENSATION

For the purposes set out below a "**Named Executive Officer**" or "**NEO**" means each of the following individuals:

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

chief financial officer (“CFO”), including an individual performing functions similar to a chief financial officer;

- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer, other than the CEO and the CFO, at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and
- (d) each individual who would be a named executive officer under section (c) above but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

As at June 30, 2023, the end of the most recently completed financial year of the Company, the Company had two NEOs, whose names and positions held within the Company are set out in the summary compensation table below.

An NEO or director of the Company is not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Director and Named Executive Officer Compensation, excluding Compensation Securities

The following table is a summary of compensation (excluding compensation securities) paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company to each NEO and director for each of the Company’s two most recently completed financial years.

Table of compensation excluding compensation securities							
Name and position	Year Ended June 30	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
John G. Proust ⁽¹⁾ <i>CEO, Executive Chairman, and Director</i>	2023	\$60,000	Nil	Nil	Nil	Nil	\$60,000
	2022	\$60,000	Nil	Nil	Nil	Nil	\$60,000
Vincent Boon ⁽²⁾⁽³⁾ <i>CFO and Director</i>	2023	\$54,000	Nil	Nil	Nil	Nil	\$54,000
	2022	\$60,000	Nil	Nil	Nil	Nil	\$60,000
Murray Flanigan ⁽⁴⁾ <i>Director</i>	2023	N/A	N/A	N/A	N/A	N/A	N/A
	2022	N/A	N/A	N/A	N/A	N/A	N/A
Michael J. Andrews ⁽⁴⁾ <i>Former Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Robert J. Gallagher ⁽⁵⁾ <i>Lead Independent Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Morris Klid ⁽⁴⁾ <i>Former Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
John Carlile ⁽⁴⁾ <i>Former Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) John Proust received compensation in the total amount of \$60,000 for the year ended 2023 in his position as CEO and received compensation in the total amount of \$Nil for the year ended 2023 in his position as a director of the Company. The compensation was paid to J. Proust & Associates Inc., a private company wholly owned by John G. Proust, for consulting and management services.

- (2) Paid to Portland Management Inc., a private company wholly owned by John G. Proust, for consulting and management services which includes administrative, financing, accounting and investor relations.
- (3) Mr. Boon was appointed as a director of the Company on May 24, 2024.
- (4) Mr. Flanigan was appointed as a director of the Company on May 24, 2024.
- (5) Messrs. Andrews, Klid, and Carlile resigned as directors of the Company on May 22, 2024.
- (6) Mr. Gallagher will not be standing for re-election at the Meeting.

External management companies

John Proust, CEO and Vincent Boon, CFO are not employees of the Company. The Company entered into a consulting service agreement with J. Proust & Associates Inc. (“**JPA**”) pursuant to which the Company agreed to retain the services of JPA as an independent contractor and JPA agreed to provide consulting services to the Company for a consideration of \$5,000 plus GST per month. The Company also pays \$5,000 plus GST per month to Portland Management Inc. (“**PMI**”) for management services such as finance, accounting, investor relations and administrative services to the Company. JPA and PMI are private British Columbia companies beneficially owned by John Proust. During the financial year ended June 30, 2023, Mr. Proust received compensation in the amount of \$60,000 for services performed as Chief Executive Officer of the Company and Mr. Boon received compensation in the amount of \$54,000 for services performed as Chief Financial Officer. Mr. Boon is an employee of PMI.

Stock Options and Other Compensation Securities

No compensation securities were granted or issued to the directors and NEOs by the Company or its subsidiary in the most recently completed financial year ended June 30, 2023 for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

As at the Company’s most recently completed financial year ended June 30, 2023, none of the NEOs or directors of the Company held any compensation securities.

No compensation securities were exercised by the directors or NEOs during the Company’s most recently completed financial year ended June 30, 2023.

Stock option plans and other incentive plans

The Company has in place the Compensation Plan that was previously approved by Shareholders at the annual general meeting of the Shareholders held on December 22, 2022. The Compensation Plan is required to be approved at the Meeting. The purpose of the Compensation Plan is to provide an incentive to directors, employees and consultants to acquire a proprietary interest in the Company, to continue their participation in the affairs of the Company and to increase their efforts on behalf of the Company.

Please see “*Approval of Equity Incentive Plan*” above for the material terms of the Compensation Plan. The Compensation Plan will be placed before the Meeting for Shareholder approval.

Employment, consulting and management agreements

The Company entered into a consulting service agreement with J. Proust & Associates Inc. (“**JPA**”) pursuant to which the Company agreed to retain the services of JPA as an independent contractor and JPA agreed to provide consulting services to the Company for a consideration of \$5,000 plus GST per month. The Company also pays \$5,000 plus GST per month to Portland Management Inc. (“**PMI**”) for management services such as finance, accounting, investor relations and administrative services to the Company.

Other than disclosed herein, the Company does not have any agreement or arrangement under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Company or any of its subsidiaries that were performed by a director or NEO, or performed by any other party but are services typically provided by a director or a NEO.

Oversight and Description of Director and Named Executive Officer Compensation

The Board has not established a formal compensation committee. Rather, the independent Board members are responsible for reviewing and determining the adequacy and form of compensation paid to the Company’s directors, executives and key employees. The independent Board members evaluate the performance of senior management measured against the Company’s business goals and industry compensation levels.

The Company compensates its executive officers based on their skill, qualifications, experience level, level of responsibility involved in their position, the existing stage of development of the Company, the Company's resources, industry practice and regulatory guidelines regarding executive compensation levels.

The Company does not anticipate any significant changes to the Company's compensation policies that could or will have an effect on director or named executive officer compensation.

Pension Disclosure

The Company does not have a pension plan that provides for payments or benefits to the NEOs or Directors at, following, or in connection with retirement.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as of the end of the Company's most recently completed financial year ended June 30, 2023 with respect to compensation plans under which equity securities of the Company are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plan (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by Shareholders (Compensation Plan)	Nil	-	2,289,828
Equity compensation plans not approved by Shareholders	N/A	N/A	N/A
Total:	Nil	-	2,289,828

Note:

- (1) Pursuant to the Compensation Plan, the aggregate number of Class A Shares reserved for issuance in respect of Options cannot exceed 10% of the total number of issued Class A Shares (calculated on a non-diluted basis) at the time an Option is granted. Upon the Company's graduation from the NEX Board to the Exchange, the aggregate number of Class A Shares issuable in respect of RSUs, PSUs and DSUs is 2,289,828 Class A Shares.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors, executive officers, employees, proposed nominees for election as directors or their associates, or any former executive officers, directors and employees of the Company or any of its subsidiaries, is, as at the date of this Information Circular, or has been at any time during the most recently completed financial year, indebted to the Company or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than disclosed below, since the commencement of the Company's most recently completed financial year, no informed person of the Company (a director, officer or holder of 10% or more Class A Shares) or nominee for election as a director of the Company, or any associate or affiliate of any informed person or proposed director has had any material interest, direct or indirect, in any transaction that has materially affected or would materially affect the Company or any of its subsidiaries.

On January 18, 2018, the Company entered into a consulting service agreement with JPA pursuant to which the Company agreed to retain the services of JPA as an independent contractor and JPA agreed to provide consulting services to the Company. The Company also pays PMI for management services such as finance, accounting, investor relations and administrative services to the Company. During the financial year ended June 30, 2023, the Company paid a total of \$220,000 in management fees to JPA and PMI.

MANAGEMENT CONTRACTS

Management functions of the Company or any of its subsidiaries are not to any substantial degree performed by anyone other than by the directors or executive officers of the Company or subsidiary.

STATEMENT OF CORPORATE GOVERNANCE

Corporate Governance

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and charged with the day-to-day management of the Company. The Canadian Securities Administrators (“CSA”) have adopted National Policy 58-201 *Corporate Governance Guidelines*, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, the CSA has implemented National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”), which prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

Board of Directors

The Board currently consists of four members, John G. Proust, Murray Flanigan, Robert J. Gallagher, and Vince Boon. Mr. Gallagher will not be standing for re-election at the Meeting. It is proposed that Messrs. Proust, Flanigan, and Boon be nominated for election at the Meeting.

The Board has concluded that one director, Murray Flanigan, is “independent” for purposes of membership on the Board, as provided in NI 58-101. John G. Proust, CEO and Executive Chairman, and Vince Boon, CFO, are not “independent” for the purposes of membership on the Board, as provided in NI 58-101.

The directors hold ad-hoc meetings at which members of management are not in attendance. The Board facilitates open and candid discussion among its independent directors through collective communication among its directors and management.

Other Directorships

The following table sets forth the directors of the Company who are directors of other reporting issuers:

Name	Name of other reporting issuer
John G. Proust	Japan Gold Corp. Lincoln Ventures Ltd. Rise Gold Corp.
Murray Flanigan	Japan Gold Corp. Rise Gold Corp. Lincoln Ventures Ltd.
Robert J. Gallagher	Capstone Copper Corp.
Vince Boon	Lincoln Ventures Ltd.

Orientation and Continuing Education

Orientation of new members of the Board is conducted informally by management and members of the Board. The Company has not adopted formal policies respecting continuing education for Board members.

Ethical Business Conduct & Whistleblower Policy

The Board has adopted a written Code of Business Conduct and Ethics policy (the “Code”) to be followed by all directors, officers, employees and consultants who regularly provide ongoing services to the Company. The purpose of the Code is to,

among other things, promote honest and ethical conduct, avoid conflict of interest, protect confidential information and comply with the applicable government laws and securities rules and regulations.

The Company has also established a Whistler-Blower Policy, whereby the Board has delegated the responsibility of monitoring complaints regarding accounting, internal controls or auditing matters to the independent chair of the Board or the audit committee chair. Monitoring of accounting, internal controls and auditing as well as violations of the law, the Code and other Company policies or directives, occurs through the reporting of complaints and concerns either in person or anonymously in writing, by telephone or fax or by email in accordance with the Company's Whistle-Blower Policy.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the Shareholders for election at the annual general meeting. The Board takes into account the number of directors required to carry out the Board's duties effectively and to maintain diversity of views and experience.

The Board has not established a nominating committee, and this function is currently performed by the Board as a whole. The Board encourages an objective nomination process through collective communication among the directors.

Compensation

The Board has not established a formal compensation committee. Rather, the independent Board members are responsible for reviewing and determining the adequacy and form of compensation paid to the Company's directors, executives and key employees. The independent Board members evaluate the performance of senior management measured against the Company's business goals and industry compensation levels.

Board Committees

The Board has no committees other than the audit committee (the "**Audit Committee**").

Assessments

The Board annually, and at such other times as it deems appropriate, reviews the performance and effectiveness of the Board, the directors and its committees to determine whether changes in size, personnel or responsibilities are warranted. To assist in its review, the Board conducts informal surveys of its directors and receives a report from the audit committee respecting its effectiveness. As part of the assessments, the Board or the Audit Committee may review their respective mandate or charter and conduct reviews of applicable corporate policies.

AUDIT COMMITTEE

National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators ("**NI 52-110**") requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor, as set forth in the following.

Audit Committee Disclosure

Pursuant to Section 224(1) of the British Columbia *Business Corporations Act* and NI 52-110 the Company is required to have an audit committee comprising not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company.

The primary function of the Audit Committee is to assist the Board in fulfilling its financial oversight responsibilities by: (i) reviewing the financial reports and other financial information provided by the Company to regulatory authorities and Shareholders; (ii) reviewing the systems for internal corporate controls which have been established by the Board and management; and (iii) overseeing the Company's financial reporting processes generally. In meeting these responsibilities the Audit Committee monitors the financial reporting process and internal control system; reviews and appraises the work of external auditors and provides an avenue of communication between the external auditors, senior management and the Board. The Audit Committee is also mandated to review and approve all material related party transactions.

The Audit Committee's Charter

The Company has adopted a Charter of the Audit Committee, a copy of which is annexed hereto as Schedule "A".

Composition of the Audit Committee

The Audit Committee comprises of the following members: John G. Proust, Murray Flanigan and Robert Gallagher. Mr. Flanigan and Mr. Gallagher are considered to be independent. Following the Meeting, the Company proposes to appoint Vince Boon as a member of the Audit Committee, in place of Mr. Gallagher. In addition, each member of the Audit Committee is considered to be financially literate as defined by NI 52-110 in that they have 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 presumably be expected to be raised by the Company's financial statements.

The members of the Audit Committee are elected by the Board at its first meeting following the annual Shareholders' meeting. Unless a chair is elected by the full Board, the members of the Audit Committee designate a chair by a majority vote of the full Audit Committee membership.

Relevant Education and Experience

John G. Proust – Mr. Proust is the founder and principal shareholder of numerous public and private companies. He has directed, managed and advised public and private companies regarding corporate strategy and structure, debt and equity financing, mergers and acquisitions, and corporate restructuring since 1986. Mr. Proust has held senior positions and served on the boards of many private and TSXV/CSE listed companies. This experience has provided Mr. Proust with an understanding of the accounting principles used by the Company to prepare its financial statements. Mr. Proust's experience also allows him to analyze or evaluate the Company's financial statements.

Murray Flanigan - Mr. Flanigan is a management consultant providing financial advisory services to several public and private mining and technology companies in North America and abroad. Mr. Flanigan is a Chartered Professional Accountant and a Chartered Financial Analyst with expertise in corporate finance, mergers and acquisitions, international taxation, risk management, banking, treasury, corporate restructuring and accounting, and has served as Chief Financial Officer for various public and private companies. Mr. Flanigan is formerly a Managing Principal and the CFO of Kepis & Pobe Financial Group Inc., where he was responsible for all aspects of the company's accounting, financing, treasury, tax, and legal affairs including overseeing the company's corporate development activities. Prior to founding his own consulting company, Mr. Flanigan served as Senior Vice President, Corporate Development and CFO of Qwest Investment Management Corp., where he was responsible for regulatory reporting and corporate filings for over 15 private and publicly listed companies and limited partnerships in Qwest's portfolio, as well as arranging and closing numerous equity and debt financings. Mr. Flanigan also served as VP Corporate Development for Adelphia Communications Corporation, overseeing the company's financial restructuring and ultimate sale to Time Warner Inc. and Comcast Corporation for approximately US\$18 billion.

Vince Boon – Mr. Boon is a chartered accountant with over fifteen years of professional accounting experience with private and public companies focusing on financial reporting, regulatory compliance, internal control and corporate finance activities. Mr. Boon's experience includes financial reporting for both Canadian and U.S. listed companies with international subsidiaries, strategic planning, tax planning, corporate governance, equity financings and due diligence for acquisitions. As an employee of Portland Management Inc., an organization providing public company management and venture capital to start-up and junior companies, Mr. Boon is also the CFO and a director of Lincoln Ventures Ltd., and CFO of Japan Gold Corp. and Rise Gold Corp. Mr. Boon holds a Bachelor of Science degree from the University of British Columbia and is a Chartered Professional Accountant, CPA, CA.

Audit Committee Oversight

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

Reliance on Certain Exemptions

Since the effective date of NI 52-110, the Company has not relied on the exemptions contained in sections 2.4 (De Minimis Non-Audit Services), subsection 6.1.1(4) (Circumstance Affecting the Business or Operations of the Venture Issuer), subsection 6.1.1(5) (Events Outside Control of Member), subsection 6.1.1(6) (Death, Incapacity or Resignation), or under Part 8 (Exemption) of NI 52-110.

Pre-approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board, and where applicable the Audit Committee, on a case-by-case basis.

External Auditor Service Fees

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

The fees paid by the Company to its auditor in each of the last two fiscal years, by category, are as follows:

Financial Year Ending	Audit Fees	Other Fees	Tax Fees	Total Fees
June 30, 2023 ⁽¹⁾	\$50,000	\$4,049	Nil	\$54,049
June 30, 2022 ⁽¹⁾	\$45,000	\$23,751	\$10,000	\$78,751

Note:

(1) Paid to KPMG, former auditors of the Company.

Exemption

The Company is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on the SEDAR+ website at www.sedarplus.ca. Financial information is provided in the Company’s comparative annual financial statements and management’s discussion and analysis for its most recently completed financial year, and available online at www.sedarplus.ca. Shareholders may request additional copies by mail to Suite 650 – 669 Howe Street, Vancouver, British Columbia, Canada, V6C 0B4; or (ii) telephone to: 778-725-1490.

DIRECTORS’ APPROVAL

The contents and the sending of the Notice of Meeting and this Information Circular have been approved by the Board.

ON BEHALF OF THE BOARD OF DIRECTORS

“John G. Proust”

John G. Proust
Chief Executive Officer and Executive Chairman

Schedule “A”**Charter of the Audit Committee of the Board of Directors
of Southern Arc Minerals Inc. (the “Company”)*****Mandate***

The primary function of the audit committee (the “**Committee**”) is to assist the board of directors in fulfilling its financial oversight responsibilities by reviewing the following: (a) the financial reports and other financial information provided by the Company to regulatory authorities and shareholders; (b) the Company’s systems of internal controls regarding finance and accounting and the Company’s auditing, accounting; and (c) financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to (i) serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements; (ii) review and appraise the performance of the Company’s external auditors; (iii) provide an open avenue of communication among the Company’s auditors, financial and senior management and the board of directors; and (iv) to ensure the highest standards of business conduct and ethics.

Composition

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

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company’s Charter, the definition of “financially literate” is 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 presumably be expected to be raised by the Company’s financial statements.

The members of the Committee shall be elected by the board of directors at its first meeting following the annual shareholders’ meeting. Unless a chair is elected by the full board of directors, the members of the Committee may designate a chair by a majority vote of the full Committee membership.

Meetings

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

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- (a) Review and update this Charter annually.
- (b) Review the Company’s financial statements, MD&A, any annual and interim earnings statements and press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion or review rendered by the external auditors.

External Auditors

- (a) Review annually the performance of the external auditors who shall be ultimately accountable to the board of directors and the Committee as representatives of the shareholders of the Company.

- (b) Obtain annually a formal written statement of external auditors setting forth all relationships between the external auditors and the Company.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take or recommend that the full board of directors take appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the board of directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - i. the aggregate amount of all such non-audit services provided to the Company constitutes not more than 5% of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
 - ii. such services were not recognized by the Company at the time of the engagement to be non-audit services; and
 - iii. such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the board of directors to whom authority to grant such approvals has been delegated by the Committee.

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

Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review certification process for certificates required under National Instrument 52-109.

- (i) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

- (a) Review any related party transactions.
- (b) Review reports from persons regarding any questionable accounting, internal accounting controls or auditing matters (“Concerns”) relating to the Company such that:
 - i. an individual may confidentially and anonymously submit their Concerns to the Chairman of the Committee in writing, by telephone, or by e-mail;
 - ii. the Committee reviews as soon as possible all Concerns and addresses same as they deem necessary; and
 - iii. the Committee retains all records relating to any Concerns reported by an individual for a period the Committee judges to be appropriate.

All of the foregoing in a manner that the individual submitting such Concerns shall have no fear of adverse consequences.

Schedule "B"

Change of Auditor Reporting Package

British Columbia Securities Commission
Alberta Securities Commission
Ontario Securities Commission
TSX Venture Exchange

KPMG LLP
Davidson & Company LLP

Change of Auditor Notice
Pursuant to National Instrument 51-102, Section 4.11

In accordance with Section 4.11 of National Instrument 51-102 *Continuous Disclosure Obligations*, please be advised as follows:

1. Effective February 16, 2024, KPMG LLP (the “**Former Auditor**”) resigned as auditors of Southern Arc Minerals Inc. (the “**Company**”).
2. Effective February 28, 2024, Davidson & Company LLP (the “**Successor Auditor**”) has been appointed as the Company’s successor auditors until the next annual general meeting of the Company.
3. The resignation of the Former Auditor and the appointment of the Successor Auditor was considered and approved by the Audit Committee of the Company’s Board of Directors and by the Company’s Board of Directors.
4. There were no modifications of opinion by the Former Auditor in the Auditor’s Reports of the two most recently completed fiscal years ended June 30, 2023 and June 30, 2022.
5. The Board of Directors of the Company is of the opinion that there were no “reportable events”, as defined in Section 4.11(1) of National Instrument 51-102, between the Company and the Former Auditor which occurred in connection with the audit of the two most recently completed fiscal years or for any period subsequent to the most recently completed fiscal period for which an auditor’s report was issued.

Dated at Vancouver, BC, and this 11th day of March 2024.

Southern Arc Minerals Inc.

Per: “Vince Boon”
Vince Boon
Chief Financial Officer

March 21, 2024

British Columbia Securities Commission

PO Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, BC
V7Y 1L2

Ontario Securities Commission

20 Queen Street West, 19th Floor, Box 55
Toronto Ontario
M5H 3S8

Alberta Securities Commission

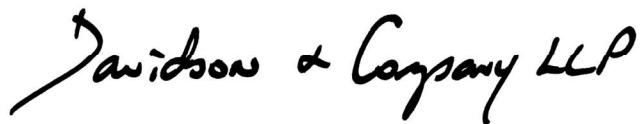
600, 250 – 5th Street SW
Calgary, AB
T2P 0R4

Dear Sirs / Mesdames:

Re: Southern Arc Minerals Inc. (the "Company")
Notice Pursuant to NI 51-102 - Change of Auditor

As required by the National Instrument 51-102 and in connection with our proposed engagement as auditor of the Company, we have reviewed the information contained in the Company's Notice of Change of Auditor, dated March 11, 2024 (the "Notice"), and, based on our knowledge of such information at this time, we agree with the information contained in the Notice pertaining to our firm.

Yours very truly,



DAVIDSON & COMPANY LLP

Chartered Professional Accountants

cc: TSX Venture Exchange





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Canada
Tel 604-691-3000
Fax 604-691-3031
www.kpmg.ca

British Columbia Securities Commission
Alberta Securities Commission
Ontario Securities Commission

March 11, 2024

Dear Sir/Madam

Re: Change of Auditor Notice

We have read the Change of Auditor Notice of Southern Arc Minerals Inc. dated March 11, 2024 (the "Notice") and are in agreement with the statements contained in such Notice, except that we are not in a position to agree or disagree with Southern Arc Minerals Inc's statement that the Board of Directors has determined to appoint the successor auditor effective February 28, 2024.

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Yours very truly,

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants