



MANAGEMENT INFORMATION CIRCULAR

as at August 10 , 2023

This Management Information Circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management of Arizona Silver Exploration Inc. (the “**Company**”) for use at the annual general and special meeting (the “**Meeting**”) of its shareholders to be held on **Thursday, September 14, 2023**, at the time and place and for the purposes set forth in the accompanying Notice of the Meeting.

In this Circular, references to “the Company”, “we” and “our” refer to Arizona Silver Exploration Inc. “common shares” means common shares without par value in the capital of the Company. “Beneficial Shareholders” means shareholders who do not hold common shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

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 for intermediaries to forward the meeting materials to beneficial owners of common shares held as of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the “**Proxy**”) are officers and directors of the Company. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you 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.**

The only methods by which you may appoint a person as proxy are submitting a Proxy by mail, hand delivery or fax.

Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the common 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 common shares will be voted accordingly. The Proxy confers discretionary authority on persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,
- (b) any amendment to or variation of any matter identified therein, and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, or where both choices have been specified, in favour or all matters described herein, the persons named in the Proxy will vote the common shares represented by the Proxy for the approval of such matter.

Notice and Access

The Company is not sending this Circular to registered or beneficial shareholders using "notice-and-access" as defined under National Instrument 54-101 ("**NI 54-101**").

Registered Shareholders

Registered Shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a Proxy may do so by:

- (a) completing, dating and signing the enclosed form of Proxy and returning it to the Company's transfer agent, Endeavor Trust Corporation, Suite 702, 777 Hornby St., Vancouver, B.C., V6Z 1S4. ("**Endeavor**"), by mail or by hand to Suite 702, 777 Hornby St., Vancouver, B.C., V6Z 1S4;
- (b) using the Internet through the website of the Company's transfer agent at www.eproxy.ca. Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed Proxy form for the holder's Proxy control number and password.

In all cases ensuring that the Proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the Proxy is to be used.

Beneficial Shareholders

The following information is of significant importance to shareholders who do not hold common shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Company as the registered holders of common shares).

These securityholder materials are being sent to both registered and non-registered owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you indirectly, the intermediary holding on your behalf has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in your request for voting instructions.

If common shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those common shares will not be registered in the shareholder's name on the records of the Company. Such common shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In the United States, the vast majority of such common 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).

There are two kinds of beneficial owners - those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for "**Objecting Beneficial Owners**") and those who do not object to the issuers of the securities they own knowing who they are (called "**NOBOs**" for "**Non-Objecting Beneficial Owners**").

Pursuant to National Instrument 54-101 of the Canadian Securities Administrators, the Company is sending proxy-related materials indirectly to NOBOs, which materials will include a scannable Voting Instruction Form (a "**VIF**"). These VIFs are to be completed and returned to Broadridge Financial Solutions Inc. in the envelope provided or by facsimile. In addition, Broadridge Financial Solutions Inc. provides both telephone voting and Internet voting as described on the VIF itself which contain complete instructions. Broadridge Financial Solutions Inc. will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

Management of the Company does not intend to pay for intermediaries to forward to OBOs under National Instrument 54-101 the proxy-related materials and Form 54-101F7 *Request for Voting Instructions Made by Intermediary*, and, in the case of an OBO, the OBO will not receive the materials unless the OBO's intermediary assumes the cost of delivery.

Every intermediary that mails proxy-related materials to Beneficial Shareholders has its own mailing procedures and provides its own return instructions to clients. Beneficial Shareholders should follow the instructions of their intermediary carefully to ensure that their common shares are voted at the Meeting.

Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge mails a voting instruction form (the "**Broadridge VIF**") which will be similar to the Proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. The Broadridge VIF will appoint the same persons as the Company's Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a shareholder of the Company), other than the persons designated in the Broadridge VIF, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the Broadridge VIF. The completed Broadridge VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. **If you receive a Broadridge VIF, you cannot use it to vote common shares directly at the Meeting – the Broadridge VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have the common shares voted.**

Although as a Beneficial Shareholder you may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of your broker, you, or a person designated by you, may attend at the Meeting as proxyholder for your broker and vote your common shares in that capacity. **If you wish to attend at the Meeting and indirectly vote your common shares as proxyholder for your broker, or have a person designated by you do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the voting instruction form provided to you and return the same to your broker in accordance with the instructions provided by such broker, well in advance of the Meeting.**

Alternatively, you can request in writing that your broker send you a legal Proxy which would enable you, or a person designated by you, to attend at the Meeting and vote your common shares.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a Proxy may revoke it by:

- (a) executing a Proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the Proxy bearing a later date to Endeavor or at the address of the registered office of the Company at Suite 900, 777 Hornby St., Vancouver, B.C., V6Z 1S4, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the Registered Shareholder's common shares.

A revocation of a Proxy will not affect a matter on which a vote is taken before the revocation.

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

No director or executive officer of the Company, nor any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, the appointment of the auditor and as set out herein.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the “**Board**”) of the Company has fixed August 10, 2023 as the record date (the “**Record Date**”) for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of Proxy in the manner and subject to the provisions described above will be entitled to vote or to have their common shares voted at the Meeting.

To the knowledge of the directors and executive officers of the Company, as at August 10, 2023 the following shareholders beneficially own or control or direct, directly or indirectly, Common Shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company:

Name of Shareholders	Number of Shares	Percentage of Issued and Outstanding
Brady Stiles	10,016,733 ⁽¹⁾⁽²⁾	14.008%

Notes:

- (1) Of these 10,016,733 common shares, 8,456,573 common shares are held directly by Mr. Stiles and 1,560,160 common shares are held together with Susan Fitzpatrick as Tenants in Common.
- (2) The information is based upon reports filed on the SEDI website at www.sedi.ca and is not within the direct knowledge of the Company.

The Company is authorized to issue an unlimited number of common shares without par value. As of the Record Date, there were **71,505,705** common shares issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the common shares.

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment of the Company’s auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled all such nominees will be declared elected or appointed by acclamation.

SETTING NUMBER OF DIRECTORS

The persons named in the enclosed Proxy intend to vote in favour of fixing the number of directors at four (4). The Board proposes that the number of directors be at four (4). Shareholders will therefore be asked to approve an ordinary resolution that the number of directors elected be fixed at four (4).

ELECTION OF DIRECTORS

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia), each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The following table sets out the names of management's nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment (for the five preceding years for new director nominees), the period of time during which each has been a director of the Company and the number of common shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the Record Date.

Name, Jurisdiction of Residence and Position	Principal Occupation ⁽¹⁾	Date Appointed	Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly ⁽¹⁾
Mike Stark ⁽²⁾⁽³⁾ British Columbia, Canada <i>Chairman, President CEO and Director</i>	Director of Canamex Gold Corp. ("Canamex") since February 2009.	November 18, 2016	2,909,016 ⁽⁴⁾
Gregory A. Hahn Arizona, USA <i>VP Exploration and Director</i>	P. Geo, Geo. Engineer. Vice-President of Canamex.	November 18, 2016	4,472,020 ⁽⁵⁾
James Engdahl ⁽²⁾⁽³⁾ Saskatchewan, Canada <i>Director</i>	CEO and Director of MAS Gold Corp. and currently Chairman of the Board of Aurex Energy Corp. and a Director and Chair of Audit Committee of Hanstone Gold.	December 15, 2022	50,000
Eugene Spiering ⁽²⁾⁽³⁾ Wyoming, USA <i>Director</i>	Exploration Geologist. Director of Southern Silver Exploration Corp. Registered member of the Society of Mining, Metallurgy, & Exploration and member of Australasian Institute of Mining and Metallurgy.	November 26, 2018	82,500

Notes:

- (1) The information as to principal occupation, business or employment and common shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Unless otherwise indicated, each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years. The number of common shares beneficially owned by the above nominees for directors, directly or indirectly, is based on information furnished by the nominees themselves.
- (2) Member of Audit Committee
- (3) Member of Compensation Committee.
- (4) Of these 2,905,016 common shares, 216,000 common shares are held directly by Mr. Stark and 2,600,700 common shares are held indirectly through Stark collections, a proprietorship owned and operated by Mike Stark and 32,318 shares are held indirectly in Mr. Stark's RRSP Account.
- (5) Of these 4,472,020 common shares, 2,286,689 common shares are held directly by Mr. Hahn and 2,185,331 common shares are indirectly through Gregory A. Hahn Revocable Trust, of which Gregory A. Hahn is the Trustee.

CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES

Except as disclosed below, to the best of the Company's knowledge, as at the date of this Circular, and within the last 10 years before the date of this Circular, no proposed director (or any of their personal holding companies) of the Company was a director, CEO or CFO of any company (including the Company) that:

- (a) was subject to a cease trade or similar order ("CTO") or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days while that person was acting in the capacity as director, CEO or CFO; or
- (b) was the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation in each case for a period of 30 consecutive days, that was issued after the person ceased to be a director, CEO or CFO in the company and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO.

On May 6, 2019, the British Columbia Securities Commission issued a cease trade order (the "CTO") against Canamex, its directors, officers and insiders for failure to file audited financial statements and management's discussion & analysis and related certifications for the year ended December 31, 2018. Mike Stark, Chairman and director of the Company, The CTO remains in effect as at the date of this Circular.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

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

None of the proposed directors (or any of their personal holding companies) has been subject to:

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

APPOINTMENT OF AUDITOR

Management of the Company proposes to nominate as the external auditor of the Company, Smythe LLP, Chartered Professional Accountants, to serve until the close of the next annual general meeting of the Company, and to authorize the directors to fix the remuneration of the auditor so appointed. See "*Particulars of Matters To Be Acted Upon – Appointment of Auditor*" for further particulars.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 of the Canadian Securities Administrators (“**NI 52-110**”) requires the Company, as a venture issuer, to disclose annually in its 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 Charter

The Audit Committee has a charter. A copy of the Audit Committee charter is attached hereto as Schedule “A”.

Composition of the Audit Committee

The current members of the Audit Committee are Mike Stark (Chair), James Engdahl and Eugene Spiering. All members of the Audit Committee are considered to be financially literate.

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Company’s Board, reasonably interfere with the exercise of a member’s independent judgement.

A member of the Audit Committee is considered financially literate if he or she 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 Company.

Relevant Education and Experience

The following describes the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member:

Mike Stark – Mr. Stark has over 32 years of business experience in the private sector as an owner and operator of two successful companies, and 27 years in the public sector. Mr. Stark’s background includes corporate financing, investor relations, market support and corporate strategic development. Companies he has worked with in the past include; Exeter Resources and Extorre Resources. Mr. Stark is currently Chairman and director of Canamex.

Eugene Spiering – Mr. Spiering is an Exploration Geologist with over 30 years of international experience in mineral exploration and senior level project management in the Western United States, South America, and Europe. As VP Exploration, he participated in the discovery and development of the El Valle and Carles gold mines, and the Aguablanca nickel mine in Spain, along with discovery of two new uranium mineralized breccia pipes in Arizona. He was also responsible for the exploration and definition of two porphyry copper deposits near Yerington, Nevada. Mr. Spiering is a consulting geologist and a Qualified Person (QP) as defined in the National Instrument 42-101. He is a registered member of the Society of Mining, Metallurgy, & Exploration (SME #4164070RM), a fellow member of Australasian Institute of Mining and Metallurgy (FAusIMM #222207) and served as SME 2015-2016 Henry Krumb Guest Lecturer. Mr. Spiering is on the Board of Southern Silver Exploration Corp, and acts as Chairman of the audit committee of (“SSV” on the TSX-V), a silver development project in Mexico.

James Engdahl - Mr. Jim Engdahl is the CEO and Director of MAS Gold Corp. and currently Chairman of the Board of Aurex Energy Corp. and a Director and Chair of Audit Committee of Hanstone Gold. Jim has extensive experience in corporate finance, M & A, strategic business planning, and a strong knowledge in industries that include mining, energy, and environmental sectors. He has a passion for people and solving business problems. Mr. Engdahl was the former Vice President of Barclays Bank of Canada and has been involved in leadership of many public and private companies, including Pacific & Western Trust, Shore Gold Inc., and Claude Resources. He was also the Regional Advisory Partner of the corporate finance arm of one of Western Canada largest accounting firms. This position came because of the accounting firm’s purchase of Cascadia Ventures Inc., a corporate financing and consulting group responsible for raising project financing more than \$100 million of which Jim was Managing Partner.

Each member of the Company’s present and proposed audit committee has adequate education and experience that is relevant to their performance as an audit committee member and, in particular, the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

The Audit Committee has not made any recommendations to the Board to nominate or compensate any external auditor.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of National Instrument 52-110.

Pre-Approval Policies and Procedures

The Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading "External Auditors" which are contained in the Audit Committee Charter.

External Auditor Service Fees

The following table provides information about the fees billed to the Company for professional services rendered by the Company's external auditor, for fiscal periods ended 2021 and 2022:

Financial Year Ended	Audit Fees ⁽¹⁾	Audit-Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
August 31, 2021	23,000	Nil	Nil	Nil
August 31, 2022	27,000	Nil	Nil	Nil

Notes:

- (1) *Audit fees consist of fees for the audit of the Company's annual financial statements or services that are normally provided in connection with statutory and regulatory filings or engagements.*
- (2) *Audit-related fees consist of fees for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported as Audit Fees.*
- (3) *Tax fees consist of fees for tax compliance services, tax advice and tax planning.*
- (4) *The aggregate fees billed for products and services other than as set out under the headings "Audit Fees", "Audit Related Fees" and "Tax Fees"*

Exemption

The Company is relying upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its Audit Committee and in respect of its reporting obligations under NI 52-110 for the year ended August 31, 2022. This exemption exempts a "venture issuer" from the requirement to have 100% of the members of its Audit Committee independent, as would otherwise be required by NI 52-110.

CORPORATE GOVERNANCE

General

A summary of the responsibilities and activities and the membership of each of the Company's committees is set out below.

National Policy 58-201 establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101 mandates disclosure of corporate governance practices which disclosure is set out below.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

Management has been delegated the responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board facilitates its independent supervision over management by reviewing and approving long-term strategic, business and capital plans, material contracts and business transactions, and all debt and equity financing transactions. Through its audit committee, the Board examines the effectiveness of the Company's internal control processes and management information systems. The plenary Board reviews executive compensation and recommends stock option grants.

The following directors of the Company are directors of other reporting issuers:

Name of Director	Name of Other Reporting Issuer
Gregory A. Hahn	Canamex Gold Corp.
Mike Stark	Canamex Gold Corp.
Eugene Spiering	Southern Silver Exploration Corp.
Jim Engdahl	MAS Gold Corp., Aurex Energy Corp., Hanstone Gold

Independence of Members of Board

The Company's Board will consist of four (4) directors, a majority of whom are independent based upon the tests for independence set forth in NI 52-110. All Board members are independent except for Mike Stark, Chairman CEO and President of the Company and Greg Hahn, Vice President, Exploration.

Management Supervision by Board

The size of the Company is such that all the Company's operations are conducted by a small management team which is also represented on the Board. The Board considers that management is effectively supervised by the independent directors on an informal basis as the independent directors are actively and regularly involved in reviewing and supervising the operations of the Company and have regular and full access to management. The independent directors are however able to meet at any time without any members of management including the non-independent directors being present. Further supervision is performed through the audit committee which is composed of independent directors who meet with the Company's auditors without management being in attendance. The independent directors exercise their responsibilities for independent oversight of management through their majority control of the Board.

Participation of Directors in Other Reporting Issuers

The participation of the directors in other reporting issuers is described in the table provided under "Election of Directors" in this Circular.

Orientation and Continuing Education

The Company does not have formal orientation and training programs and does not consider these programs necessary at this stage of the Company's development. Board members have full access to the Company's records.

Ethical Business Conduct

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to shareholders. The Board has considered adopting a written Code of Conduct and has decided it is not necessary to adopt such a code at the present time, due to the current activity level of the Company.

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, as some of the directors of the Company also serve as directors and officers of other companies engaged in similar business activities, directors must comply with the conflict of interest provisions of the *Business Corporations Act (B.C.)*, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke such a conflict.

Nomination of Directors

The Board has responsibility for identifying potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the mining industry are consulted for possible candidates.

Committee Responsibilities and Activities

Committees of the Board are an integral part of the Company's governance structure. There are two (2) standing committees (the "**Committees**"), established to devote the necessary expertise and resources to particular areas, and to enhance the quality of discussion at Board meetings. The Committees facilitate effective Board decision making by providing recommendations to the Board on matters within their respective responsibilities. The Board believes that the Committees assist in the effective functioning of the Board and that the composition of the Committees should ensure that the views of independent directors are effectively represented. The Board has determined that, at this stage of the Company's development, it is not necessary for the Board to have additional standing committees other than the Audit Committee and the Compensation Committee.

Compensation Committee

The Compensation Committee is responsible for reviewing all overall compensation strategy, objectives and policies; annually reviewing and assessing the performance of the executive officers; recommending to the Board the compensation of the executive officers; reviewing executive appointments; and recommending the adequacy and form of directors' compensation.

For information relating to the Compensation Committee's report on executive compensation, see "Report on Executive Compensation" above. This Committee meets at least once annually. Currently Mike Stark, James Engdahl and Eugene Spiering are members of this Committee. Mike Stark is the Chairman, CEO and President of the Company and is therefore, not considered to be independent.

Compensation of Directors and the CEO

The Compensation Committee has the responsibility for determining compensation for the directors and senior management.

To determine compensation payable, the Compensation Committee reviews compensation paid for directors and CEOs of companies of similar size and stage of development in the mineral exploration industry and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Company. In setting the compensation the Compensation Committee annually reviews the performance of the CEO in light of the Company's objectives and consider(s) other factors that may have impacted the success of the Company in achieving its objectives.

Assessments

The Board does not consider that formal assessments would be useful at this stage of the Company's development. The Board conducts informal annual assessments of the Board's effectiveness, the individual directors and each of its committees.

COMPENSATION OF EXECUTIVE OFFICERS

Compensation Discussion and Analysis

The main objective of the Company's executive compensation program is to attract, retain, and engage high-quality, high-performance executives who have the experience and ability to successfully execute the Company's strategy and deliver value to our shareholders.

The objectives of the Company's executive compensation program are as follows:

- (i) compensate executives competitively for the leadership, skills, knowledge, and experience necessary to perform their duties;
- (ii) align the actions and economic interests of executives with the interests of shareholders; and
- (iii) encourage retention of executives.

The Board has established a Compensation Committee, which is comprised of Mike Stark, Eugene Spiering and James Engdahl. Mike Stark is the Chairman, CEO and President of the Company and is therefore, not considered to be independent.

The purpose of the Compensation Committee is to make recommendations to the Board regarding (a) executive compensation (including philosophy and programs); (b) management development and succession; (c) compensation of the members of the Board; and (d) broadly applicable compensation and benefit programs. However, it is the Board as a whole which is responsible for determining the final compensation (including long-term incentive in the form of stock options) to be granted to the Company's executive officers and directors to ensure that such arrangements reflect the responsibilities and risks associated with each position. Management directors are required to abstain from voting in respect of their own compensation, thereby providing the independent members of the Board with considerable input as to executive compensation.

Process for Determining Executive Compensation

As a junior natural resource issuer, the Company's executive compensation program focuses primarily on rewarding the efforts of its executives in increasing shareholder value and meeting the goals and objectives established by the Board for the Company as a whole and each executive on an individual basis. The Compensation Committee is responsible for reviewing executive compensation with respect to the achievement of these goals on an annual basis and making recommendations to the Board with input from the Company's CEO. In doing so, the Compensation Committee recognizes the importance of ensuring that overall compensation for Named Executive Officers is not only internally equitable, but also competitive within the market segment for

junior natural resource issuers. Specifically, the Compensation Committee's review and evaluation includes measurement of, among others, the following areas: (a) the achievement of corporate objectives, such as financings, exploration programs and successes, acquisitions, joint ventures and other business development, in particular having regard to the budgetary constraints and other challenges facing the Company; (b) the Company's financial condition; and (c) the Company's share price, market capitalization and shareholder returns. The Compensation Committee also takes into consideration the value of similar incentive awards to executive officers at comparable companies and the awards given to executive officers in the past.

The goal of the Compensation Committee is to meet at least once a year to assess, evaluate, monitor and make recommendations to the Board regarding appropriate executive compensation policies as well as succession planning, and will meet more frequently if required. The Compensation Committee will meet a minimum of once every calendar year.

The Compensation Committee has recommended to the Board that the executive compensation program should be comprised of the following elements:

- Management Fee – to compensate executives for the leadership, skills, knowledge and experience required to perform their duties; and
- Long-term Incentive Plan – to retain talented executives, reward them for their anticipated contribution to the long-term successful performance of the Company and align them with the interests of shareholders. The plan currently consists only of incentive stock options.

Compensation Policies and Risk Management

The Board has not proceeded to an evaluation of the implications of the risks associated with the Company's compensation policies and practices.

The Company has not retained a compensation consultant during or subsequent to the most recently completed financial year.

The Company does not use a specific "benchmark group" to determine executive compensation levels. Total Compensation for executive officers includes consulting fees, long-term incentive stock options.

Hedging of Economic Risks in the Company's Securities

The Company has not adopted a policy forbidding directors and officers from purchasing financial instruments that are designed to hedge or offset a decrease in market value of the Company's securities granted as compensation or held, directly or indirectly, by directors or officers. The Company is not, however, aware of any directors or officers having entered into this type of transaction.

Option-based awards

The Company's stock option plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Company. In determining the number of options to be granted to the executive officers, the Board takes into account the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the TSX Venture Exchange, and closely align the interests of the executive officers with the interests of shareholders. The Board is also eligible to receive stock option grants under the Company's stock option plan, and the Company applies the same process for determining such awards to directors as with NEOs.

Summary Compensation Table

The following table (presented in accordance with National Instrument Form 51-102F6 *Statement of Executive Compensation* which came into force on June 30, 2015 (the "**Form 51-102F6**")) sets forth all annual and long term compensation for services in all capacities to the Company for the three most recently completed financial years of the Company ending on August 31, 2022 (to the extent required by Form 51-102F6) in respect of each of the individuals comprised of each CEO and CFO who acted in such capacity for all or any portion of the most recently completed financial year, and each of the three most highly

compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, (other than the CEO and CFO), as at August 31, 2022 whose total compensation was, individually, more than \$150,000 for the financial year and any individual who would have satisfied these criteria but for the fact that individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of the most recently completed financial year (collectively the “**Named Executive Officers**” or “**NEOs**”).

Name and Principal Position	Year ⁽¹⁾	Salary(\$)	Share-based awards(\$)	Option-based awards(\$)	Non-equity incentive plan compensation (\$)		Pension value ⁽³⁾ (\$)	All other compensation ⁽⁴⁾ (\$)	Total compensation (\$)
					Annual incentive plans ⁽²⁾	Long-term incentive plans ⁽²⁾			
Mike Stark ⁽¹⁾ Chairman, President and CEO	2022	Nil	Nil	Nil	Nil	Nil	Nil	72,000	72,000
	2021	Nil	Nil	Nil	Nil	Nil	Nil	72,000	72,000
	2020	Nil	Nil	153,481	Nil	Nil	Nil	72,000	225,481
Dong H. Shim ⁽²⁾ CFO and Secretary	2022	Nil	Nil	Nil	Nil	Nil	Nil	24,000	24,000
	2021	Nil	Nil	Nil	Nil	Nil	Nil	24,000	24,000
	2020	Nil	Nil	78,322	Nil	Nil	Nil	26,000	104,322

Notes

- ⁽¹⁾ Mike Stark has served as Chairman of the Company since November 18, 2016. Subsequently he was appointed Chairman and CEO and President of the Company on November 18, 2019.
- ⁽²⁾ Dong H. Shim has served as Secretary and CFO of the Company since August 25, 2017.

Narrative Discussion

Please refer to the heading “Termination and Change of Control Benefits” herein for a discussion of the NEO’s consulting agreements.

The following table sets out all option-based awards outstanding as at August 31, 2022 for each NEO.

Option-based Awards				
Name and Principal Position	Number of securities underlying unexercised options (#)	Option exercise price(\$)	Option expiration date	Value of unexercised in-the-money options ⁽³⁾ (\$)
Mike Stark ⁽¹⁾ President, CEO and Director	225,000	0.355	August 31, 2025	Nil
	325,000	0.175	February 24, 2025	\$21,125
	250,000	0.205	December 20, 2026	\$8,750
Dong Shim ⁽²⁾ CFO and Secretary	150,000	0.355	August 31, 2025	Nil
	100,000	0.175	February 24, 2025	\$6,500
	150,000	0.355	August 31, 2025	Nil
	50,000	0.205	December 20, 2026	\$1,750

Notes

- (1) Mike Stark has served as Chairman of the Company since November 18, 2016. Subsequently he was appointed Chairman and CEO and President of the Company on November 18, 2019.
- (2) Dong H. Shim has served as Secretary and CFO of the Company since August 25, 2017.
- (3) This amount is calculated based on the difference between the market value of the securities underlying the options at the end of the most recently completed financial year ended August 31, 2022, which was \$0.24, and the exercise or base price of the option.

Value Vested or Earned During the Year

The value vested or earned during the most recently completed financial year of incentive plan awards granted to NEOs are as follows:

NEO Name	Option-Based Awards - Value Vested During the Year ⁽¹⁾ (\$)	Share-Based Awards - Value Vested During the Year ⁽²⁾ (\$)	Non-Equity Incentive Plan Compensation - Value Earned During the Year (\$)
Mike Stark Chairman, CEO and President	N/A	N/A	N/A
Dong H. Shim CFO and Secretary	N/A	N/A	N/A

Notes:

- (1) This amount is the dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date, computed by obtaining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.
- (2) This amount is the dollar value realized upon vesting of share-based awards, computed by multiplying the number of shares or units by the market value of the underlying shares on the vesting date.

Pension Plan Benefits

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

Termination and Change of Control Benefits

The Company has no employment contract, agreement, plan or arrangement that provides for payments to a NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company or its subsidiaries, or a change in responsibilities of the NEO following a change in control.

Director Compensation

The following table sets forth all amounts of compensation provided to the directors, who are each not also a NEO, for the Company's most recently completed financial year:

Director Name	Fees Earned (\$)	Share- Based Awards (\$)	Option-Based Awards(\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value(\$)	All Other Compensation (\$)	Total(\$)
Eugene Spiering ⁽¹⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Greg Hahn ⁽²⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
James Engdahl ⁽³⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Eugene Spiering has served as a member of the Board of Directors of the Company since February 20, 2018.
- (2) Gregory A. Hahn has served as the President, CEO and a director of the Company since November 18, 2016 and resigned as CEO and President on November 18, 2019.
- (3) James Engdahl was elected to the Board of Directors of the Company on December 15, 2022.

The Company has a stock option plan for the granting of incentive stock options to the officers, employees and Directors. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating the Directors of the Company and to closely align the personal interests of such persons to that of the shareholders. “Please refer to Section “Stock Option Plan on Page 16”

Other than as aforesaid and the reimbursement of expenses incurred as Directors, there were no other arrangements, standard or otherwise, pursuant to which directors of the Company were compensated by the Company for their services in their capacity as directors or for committee participation, involvement in special assignments or for services as consultants or experts during the financial year ended August 31, 2022.

Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information concerning all awards outstanding under incentive plans of the Company at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the Directors who are not NEOs:

Director Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price(\$)	Option Expiration Date	Value of Unexercised In-The- Money Options ⁽¹⁾ (\$)	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested (\$)
Eugene Spiering	100,000	0.355	August 31, 2025	Nil	Nil	Nil
	125,000	0.175	February 24, 2025	\$8,125	Nil	Nil
	100,000	0.12	July 9, 2024	\$12,000	Nil	Nil
	127,250	0.165	March 13, 2024	\$7,500	Nil	Nil
	50,000	0.205	December 20, 2026	\$1,750	Nil	Nil
Greg Hahn	225,000	0.355	August 31, 2025	Nil	Nil	Nil
	250,000	0.205	December 20, 2026	\$8,750	Nil	Nil
James Engdahl ⁽³⁾	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

⁽¹⁾ This amount is calculated based on the difference between the market value of the securities underlying the options at the end of the most recently completed financial year, which was \$0.24, and the exercise or base price of the option.

⁽²⁾ Mr. Engdahl became a director of the Company on December 15, 2022.

Incentive Plan Awards - Value Vested or Earned During the Year

The value vested or earned during the most recently completed financial year of incentive plan awards granted to Directors who are not NEOs are as follows:

Director Name	Option-Based Awards - Value Vested During The Year (1) (\$)	Share-Based Awards - Value Vested During The Year (2) (\$)	Non-Equity Incentive Plan Compensation - Value Earned During The Year (\$)
Eugene Spiering	N/A	N/A	N/A
James Engdahl	N/A	N/A	N/A
Greg Hahn	N/A	N/A	N/A

Notes:

- (1) *This amount is the dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date, computed by obtaining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.*
- (2) *This amount is the dollar value realized upon vesting of share-based awards, computed by multiplying the number of shares or units by the market value of the underlying shares on the vesting date.*

Stock Option Plan

On June 28, 2019, the Board adopted a 10% rolling stock option plan (“the “**Plan**”) The Plan was approved by the Exchange on July 4, 2019. In accordance with Exchange policy, the Plan was re-approved and ratified by the Shareholders of the Corporation on an annual basis, most recently on August 16, 2022.

The Board has amended the Plan and the amendments were approved by the Board on July 7, 2022. The amendments to the Plan were made for the purpose of conforming the Plan with the revised provisions of the TSXV Policy 4.4 – *Securities Based Compensation*.

The Board most recently approved the Plan on August 2, 2023.

The purpose of the Plan is to attract and motivate directors, employees and consultants to the Corporation and its subsidiaries, and thereby advance the Corporation’s interests, by affording such persons with an opportunity to acquire an equity interest in the Corporation through the issuance of stock options.

The Plan is required to be approved by the Shareholders of the Corporation and the Exchange. While all existing grants of options under the Plan will continue to be exercisable in accordance with their terms, all future grants of options will be made pursuant to the Plan.

In accordance with Exchange policy the Plan is required to be re-approved and ratified by the Shareholders of the Company on an annual basis.

The terms of the Plan authorize the Board to grant stock options to the Optionees on the following terms (all capitalized terms have the meaning as defined in the Plan):

1. The aggregate maximum number of Common Shares which may be issued pursuant to options granted under the Plan, unless otherwise approved by the Shareholders, may not exceed that number which is equal to 10% of the number of Common Shares issued and outstanding at the time of the option grant.
2. The number of Common Shares under each option will be determined by the Board provided that the aggregate maximum number of Common Shares reserved for issuance pursuant to options granted during any twelve (12) month period to:
 - (a) Insiders may not exceed 10% of the total issued and outstanding shares of the Company at the time of grant unless approval by the Disinterested Shareholders (as defined below) has been obtained in accordance with the policies of the Exchange;
 - (b) subject to (c) below, any one Person may not exceed 5% of the total issued and outstanding Common Shares (unless approval by the Disinterested Shareholders has been obtained);
 - (c) any one Consultant may not exceed 2% of the total issued and outstanding Common Shares at the date of such grant; and
 - (d) all Persons engaged in Investor Relations Activities for the Company may not exceed 2% of the total issued and outstanding Common Shares and must vest in stages over a 12-month period with no more than ¼ of the Options vesting in any three-month period;
 - (e) in each case calculated as at the date of grant of the Option, including all other shares under Option to such

3. The exercise price of an Option may not be set at less than the minimum price permitted by the Exchange or less than the Discounted Market Price.
4. Options granted will have a maximum term of up to 10 years from the date of grant.
5. Options are non-assignable and non-transferable.
6. Options can only be exercised by the Optionee as long as the Optionee remains an eligible Optionee pursuant to the Plan or within a period of not more than 90 days after ceasing to be an eligible Optionee (30 days in the case of a person engaged in Investor Relations Activities).
7. In the event of death of an Optionee, the Optionee's heirs or administrators may exercise any portion of such Optionee's outstanding Option until the earlier of one year following the date of the Optionee's death or the expiry of the Option Period.
8. In the event an Optionee shall cease to be a Director, Employee or Consultant of the Company for termination for cause, the Option shall terminate and shall cease to be exercisable upon such termination for cause.
9. Subject to any required regulatory approval, the Board may, in its discretion, accelerate the vesting or exercisability of any Option and all Option shares subject to an Option become vested in the event of a take-over bid. The exercise price and the number of Common Shares which are subject to an Option may be adjusted from time to time for share dividends, and in the event of recapitalization, subdivision, arrangement, amalgamation, reorganization or change in the capital structure of the Company.
10. Subject to Exchange approval and certain other conditions, the exercise price of an Option may be reduced at the discretion of the Board if prior Exchange approval is obtained and at least six (6) months have elapsed since the date the Option was granted and the date the exercise price for such Option was last amended. For any reduction in the exercise price of an Option held by an Insider of the Company, approval by the Disinterested Shareholders (as defined below) will be required.
11. Options issued to Optionees other than Consultants who perform Investor Relations Activities, may at the discretion of the Board be subject to vesting conditions.

The Exchange requires that "rolling" stock option plans such as the Company's Plan must receive annual approval by the Shareholders. Thereafter, notice of Options granted under the Plan must be given to the Exchange. Any amendments to the Plan must also be approved by the Exchange and, if necessary, approval by the Disinterested Shareholders of the Company obtained prior to becoming effective.

"Approval by the Disinterested Shareholders" means approval by a majority of votes cast by all Shareholders at the Meeting, excluding votes attached to Common Shares beneficially owned by Insiders of the Company to whom Options may be granted pursuant to the Plan and their associates in accordance with the policies of the Exchange.

A copy of the Plan may be inspected at the offices of the Company at, during normal business hours and at the Meeting. In addition, a copy of the Plan will be mailed, free of charge, to any holder of Common Shares who makes a request in writing to the Company. Any such requests should be mailed to the Company, at Suite 900, 777 Hornby St., Vancouver, B.C., V6Z 1S4 to the attention of the Corporate Secretary.

See *"Particulars of Matters to Be Acted Upon – Approval of Stock Option Plan"* for further particulars

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed herein, since the commencement of the Company's last completed financial year, no informed person of the Company, nominee for election as a director of the Company, or any associate or affiliate of an informed person or nominee, has or had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or will materially affect the Company or any of its subsidiaries.

MANAGEMENT CONTRACTS

Except as set out herein, there are no management functions of the Company which are to any substantial degree performed by a person or company other than the directors or senior officers of the Company.

PARTICULARS OF MATTERS TO BE ACTED ON

To the knowledge of the Company's directors, the matters to be brought before the Meeting are those set forth in the accompanying Notice of Meeting and as described herein.

Financial Statements and Auditor's Report

Pursuant to the provisions of the *Business Corporations Act (BC)*, the directors of the Company will submit to the Shareholders at the Meeting the audited financial statements of the Company and the Auditor's Report thereon for the financial years ended August 31, 2022, but no vote by the Shareholders with respect thereto is required or proposed to be taken.

Determination of the Number of Directors

In accordance with the *Business Corporations Act (BC)*, the Shareholders will be asked to determine the number of directors at four (4) for the ensuing year.

IT IS INTENDED THAT THE COMMON SHARES REPRESENTED BY PROXIES WILL BE VOTED IN FAVOUR OF THE ORDINARY RESOLUTION TO DETERMINE THE NUMBER OF DIRECTORS OF THE COMPANY. AN AFFIRMATIVE VOTE OF A SIMPLE MAJORITY (50% + 1) OF THE VOTES CAST AT THE MEETING IS SUFFICIENT TO PASS THE ORDINARY RESOLUTION.

Election of Directors

Information regarding the four (4) director nominees can be found under the heading "Election of Directors" above.

Appointment of Auditor

Shareholders will be requested to appoint Smythe LLP as auditor of the Company to hold office until the next annual meeting of Shareholders, or until a successor is appointed and to authorize the Board of Directors to fix the auditors' remuneration.

IT IS INTENDED THAT THE COMMON SHARES REPRESENTED BY PROXIES WILL BE VOTED IN FAVOUR OF THE ORDINARY RESOLUTION TO APPOINT SMYTHE LLP, CHARTERED ACCOUNTANTS, AS AUDITOR OF THE COMPANY AND TO AUTHORIZE THE DIRECTORS TO FIX THE AUDITOR'S REMUNERATION. AN AFFIRMATIVE VOTE OF A SIMPLE MAJORITY (50% + 1) OF THE VOTES CAST AT THE MEETING IS SUFFICIENT TO PASS THE ORDINARY RESOLUTION.

Approval of the Stock Option Plan

The Plan is a 10% rolling stock option plan as described in Exchange Policy 4.4 and is the successor to a stock option plan that was first adopted for the Corporation on June 28, 2019 and approved by the Shareholders on August 16, 2022 (See "*Securities Authorized for Issuance Under Equity Compensation Plans – Stock Option Plan*" for details of the Plan). The Corporation is required to obtain the approval of its Shareholders for its rolling plan on an annual basis. Accordingly, the Shareholders will be asked to approve the Plan. The Plan is summarized under "*Securities Authorized for Issuance under Equity Compensation Plans – Stock Option Plan*".

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to approve, with or without variation, an ordinary resolution, in the following form to approve the Plan:

“BE IT RESOLVED as an ordinary resolution that:

- 1. the proposed Plan as described in the Circular dated August 10, 2023 be and is hereby approved, subject to the acceptance for filing thereof by the TSX Venture Exchange;*
- 2. the number of common shares of the Corporation reserved for issuance under the Plan shall not exceed 10% of the issued and outstanding Common Shares of the Corporation at the time of any stock option grant;*
- 3. the board of directors of the Corporation be authorized and directed to make any changes to the Plan if required by the TSX Venture Exchange; and*
- 4. any director or officer of the Corporation is hereby authorized to execute (whether under the corporate seal of the Corporation or otherwise) and deliver all such documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable in connection with such approval, the execution of any such document of the doing of any such other act or thing by any director or officer of the Corporation being conclusive evidence of such determination”*

The approval of the above resolution must be passed by not less than a majority of the votes cast by those Shareholders, who being entitled to do so, vote in person or by proxy in respect of the resolution at the Meeting. The Board recommends that Shareholders vote in favour of the above resolution. In the absence of contrary instructions, the persons named in the enclosed form of proxy intend to vote in favour of the foregoing ordinary resolution at the Meeting.

In the event that the Plan is not approved no further options may be granted under the Plan but those currently outstanding shall remain in place in accordance with their terms until their expiry

A copy of the Plan may be inspected at the offices of the Company at Suite 900, 777 Hornby St., Vancouver, B.C., V6Z 1S4, during normal business hours and at the Meeting. In addition, a copy of the Plan will be mailed, free of charge, to any holder of Common Shares. Any such requests should be mailed to the Corporation, at its head office at Suite 900, 777 Hornby St., Vancouver, B.C., V6Z 1S4, Canada, to the attention of the Corporate Secretary.

IT IS INTENDED THAT THE COMMON SHARES REPRESENTED BY PROXIES WILL BE VOTED IN FAVOUR OF THE ORDINARY RESOLUTION APPROVING THE PLAN. AN AFFIRMATIVE VOTE OF A SIMPLE MAJORITY (50% + 1) OF THE VOTES CAST AT THE MEETING IS SUFFICIENT TO PASS THE ORDINARY RESOLUTION.

Approval of Name Change

At the Meeting, the shareholders of the Corporation will be asked to consider and, if deemed advisable, to pass, with or without variation, a special resolution (“**Name Change Resolution**”), to alter the Articles of the Corporation by changing the name of the Corporation to Arizona Gold & Silver Inc. or such other name that is acceptable to the Board.

The text of the special resolution to be considered at the Meeting will be substantially as follows:

“BE IT RESOLVED as a special resolution of the Corporation that:

- 1. The Articles of the Corporation (the “Articles”) be amended by changing the name of the Corporation to Arizona Gold & Silver Inc. or such other name that is acceptable to the Board (the “Amendment”) effective as of the date shown in the relevant certificate of amendment to be issued by the Registrar of Companies (“Registrar”)*
- 2. The Articles of Amendment giving effect to the foregoing in a form to be approved by the Board of Directors of the Corporation be and are hereby approved and any one director or officer of the Corporation be authorized and directed to file the Articles of the Amendment with the Director;*

3. *The Board of Directors be, and they are hereby authorized to revoke these resolutions, in their discretion, at any time prior to the filing of the Articles of Amendment without any further approval of the Shareholders.*
4. *Any director or officer of the Corporation is hereby authorized to execute and deliver for and on behalf of the Corporation any documents, act or other written instrument, including the Articles of Amendment in accordance with these resolutions, and to take any other action which in his opinion, may be necessary or useful to give effect to these resolutions and the matters contemplated herein:*

The approval of the above Name Change Resolution must be passed by not less than 66 2/3% of the votes cast by those Shareholders, who being entitled to do so, vote in person or by proxy in respect of the Name Change Resolution at the Meeting. The Board recommends that the Shareholders vote in favour of the above Name Change Resolution. In the absence of contrary instructions, the persons named in the enclosed form of proxy intend to vote in favour of the Name Change Resolution at the meeting.

The Board reserves the right, at its discretion to refrain from submitting the Articles of Amendment to the Registrar of Companies, for any reason, if it deems that it is not in the best interests of the Corporation to follow through on the proposed amendment to the Articles set out in the Name Change Resolution.

IT IS INTENDED THAT THE COMMON SHARES REPRESENTED BY PROXIES WILL BE VOTED IN FAVOUR OF APPROVAL OF APPROVAL OF THE AMENDMENT OF THE ARTICLES IN ACCORDANCE WITH THE FOREGOING SPECIAL RESOLUTION. AN AFFIRMATIVE VOTE OF 66 2/3% OF THE VOTES CAST AT THE MEETING IS SUFFICIENT TO PASS THE SPECIAL RESOLUTION.

OTHER MATTERS

The enclosed form of proxy conveys discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of the Meeting, and with respect to other matters that may properly come before the Meeting. While management of the Company knows of no such amendments, variations or other matters, which may properly be presented at the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote such proxy according to their best judgment

ADDITIONAL INFORMATION

Additional information relating to the Company is available for review by the public on SEDAR+ at www.sedarplus.ca and may also be obtained by a shareholder upon request without charge from the Corporate Secretary of the Company at Suite 900 – 777 Hornby, Vancouver, B.C. V6Z 1S4, telephone: (604) 559-3511, Fax (604) 559-3501.

Approval by the Board of Directors

The contents and the sending of this Circular have been approved by the directors of the Company.

BY ORDER OF THE BOARD OF DIRECTORS

“Mike Stark”

Mike Stark President and CEO

Schedule "A"

ARIZONA SILVER EXPLORATION INC.
(the "Company")

AUDIT COMMITTEE CHARTER

Mandate

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

- 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.
- Review and appraise the performance of the Company's external auditors.
- Provide an open avenue of communication among the Company's auditors, financial and senior management and the Board.

Composition

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

At least one member of the Audit Committee shall have accounting or related financial management expertise. All members of the Audit 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 this Circular, 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 Audit Committee shall be 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 may designate a Chair by a majority vote of the full Audit Committee membership.

Meetings

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

Responsibilities and Duties

To fulfill its responsibilities and duties, the Audit Committee shall:

Documents/Reports Review

- (a) Review and update this Charter annually.
- (b) Review the Company's financial statements, MD&A and any annual and interim earnings, 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 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, consistent with Independence Standards Board Standard 1.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take, or recommend that the full Board take, appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the Board 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 five percent 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 Audit Committee by the Company and approved prior to the completion of the audit by the Audit Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Audit Committee.

Provided the pre-approval of the non-audit services is presented to the Audit Committee's first scheduled meeting following such approval such authority may be delegated by the Audit Committee to one or more independent members of the Audit 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 auditors' 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 any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.
- (j) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

Review any related-party transactions.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of National Instrument 52-110.