

## NEVADA EXPLORATION INC.

### NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual General and Special Meeting of the shareholders of Nevada Exploration Inc. (the “Corporation”) will be held at Suite 1500 - 701 West Georgia Street, Vancouver, British Columbia, on Tuesday, January 24, 2023, at 10:00 a.m. (Vancouver time), for the following purposes:

1. to receive the financial statements of the Corporation for the financial year ended April 30, 2022 and the report of the auditors thereon;
2. to elect the directors for the ensuing year;
3. to re-appoint RSM Canada LLP, as auditors of the Corporation;
4. to consider and, if thought fit, to pass an ordinary resolution to approve the Corporation’s amended and restated incentive stock option plan;
5. to consider, and if thought fit, to approve an ordinary resolution in the form set forth in the Circular authorizing the directors of the Company, in their sole discretion, to consolidate all of the issued and outstanding common shares of the Company on the basis of up to one (1) post consolidation common share for every twenty-five (25) pre-consolidation common shares; and
6. to transact such further and other business as may properly come before the meeting or any adjournment thereof.

Shareholders of record at the close of business on December 8, 2022 are entitled to notice of, to attend, and vote at, either in person or by proxy, the meeting.

**Specific details of the above items of business are contained in the information circular of management which accompanies this notice of meeting and, together with management’s form of proxy, which also accompanies this notice of meeting, form a part hereof and must be read in conjunction with this notice of meeting. The enclosed form of proxy appoints nominees of management as proxyholder and you may amend the form of proxy, if you wish, by inserting in the space provided the name of the person you wish to represent you as proxyholder at the meeting.**

**If you are a non-registered holder of shares and receive these materials through your broker or another intermediary, please complete and return the form of proxy in accordance with instructions provided to you by your broker or such other intermediary.**

DATED at Vancouver, British Columbia, this 8<sup>th</sup> day of December, 2022.

**BY ORDER OF THE BOARD OF DIRECTORS**

(signed) Anne Labelle  
Interim Chief Executive Officer

If you are unable to be present at the meeting, PLEASE SIGN AND RETURN THE ACCOMPANYING PROXY to: TSX TRUST, Suite 301, 100 Adelaide Street West, Toronto, ON M5H 4H1, not later than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the time set for the meeting or any adjournment or postponement thereof.



# NEVADA EXPLORATION INC.

## INFORMATION CIRCULAR

(Containing information as at December 8, 2022 unless otherwise indicated.)

### SOLICITATION OF PROXIES

This information circular is furnished in connection with the solicitation of proxies by the management of Nevada Exploration Inc. (the “Corporation”) for use at the annual general and special meeting of the shareholders of the Corporation to be held at Suite 1500 - 701 West Georgia Street, Vancouver, British Columbia, on Tuesday January 24, 2023 at 10:00 a.m. (Vancouver time), or at any adjournments thereof, (the “Meeting”) for the purposes set forth in the accompanying notice of meeting.

While it is expected that the solicitation of proxies will be primarily by mail, proxies may be solicited personally, by telephone or by electronic means by the directors, officers and regular employees of the Corporation at nominal cost. All costs of the solicitation of proxies by management will be borne by the Corporation.

### APPOINTMENT OF PROXIES

**The persons named in the accompanying form of proxy are directors or officers of the Corporation and are nominees of management. A shareholder has the right to appoint a person or company, who need not be a shareholder, to represent the shareholder at the Meeting other than those persons named in the accompanying form of proxy and may exercise that right either by inserting the desired person’s or company’s name in the blank space provided in the form of proxy or by completing another proper form of proxy.**

The instrument appointing a proxy must be in writing and signed by the shareholder or his or her attorney duly authorized in writing, or, if the shareholder is a corporation, either under the seal of the corporation or signed by a duly authorized officer or representative of or attorney for such corporation. A form of proxy will not be valid unless the completed form of proxy and the power of attorney or other authority, if applicable, under which it is signed, or a notarially certified copy thereof is deposited at the office of TSX Trust Company, Suite 301, 100 Adelaide Street West, Toronto, ON M5H 4H1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the commencement of the Meeting or any adjournments thereof.

### REVOCAION OF PROXIES

A shareholder who has given a proxy may revoke it by an instrument in writing, including a form of proxy bearing a later date, signed in the manner set forth above, and deposited at the office of TSX Trust Company, Suite 301, 100 Adelaide Street West, Toronto, ON M5H 4H1, to the attention of the President of the Corporation, at any time up to the business day preceding the day of the Meeting, or if adjourned, any reconvening thereof, or to the chair of the Meeting on the day of the Meeting, or if adjourned, any reconvening thereof, before any vote in respect of which the proxy is to be used shall have been taken. A proxy may also be revoked in any other matter provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

## USE OF PROXY AND DISCRETIONARY POWERS

If the instructions in the form of proxy are certain, and if the instrument of proxy is duly completed and delivered and has not been revoked, the shares represented by the form of proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any poll that may be called for and, if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted on any poll accordingly. Where no choice is specified by a shareholder on a resolution shown on the form of proxy, or where instructions on the form of proxy are uncertain, the persons named in the accompanying form of proxy will vote the shares represented by the form of proxy as if the shareholder had specified an affirmative vote.

**The accompanying form of proxy confers discretionary authority upon the person(s) appointed proxy thereunder to vote all shares represented by the form of proxy on any amendments or variations to the matters identified in the notice of meeting or any other matters that may properly come before the Meeting. At the time of printing this information circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting. In the event that amendments or variations to matters identified in the notice of meeting are properly brought before the Meeting or any other matter properly comes before the Meeting, the persons named in the accompanying form of proxy will vote in accordance with their best judgment on such matters.**

## NOTICE TO BENEFICIAL SHAREHOLDERS

These meeting materials are being sent to both registered and non-registered shareholders. If you are a non-registered shareholder and the Corporation 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 regulatory requirements from the intermediary/broker holding on your behalf.

Shareholders whose common shares in the capital stock of the Corporation (the “Common Shares”) are not registered in their own name are referred to in this information circular as “Beneficial Shareholders”. There are two kinds of Beneficial Shareholders: those who have objected to their name being made known to the Corporation (called “OBOs” for Objecting Beneficial Owners) and those who have not objected (called “NOBOs” for Non-Objecting Beneficial Owners).

The Corporation can request and obtain a list of their NOBOs from intermediaries via its transfer agent and can use this NOBO list for distribution of proxy-related materials directly to NOBOs. The Corporation has decided to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a voting instruction form from the Corporation’s transfer agent, Equity Transfer and Trust Company. These voting instruction forms are to be completed and returned to the transfer agent in the postage paid envelope provided or by facsimile. Alternatively, NOBOs can call a toll-free number or access the transfer agent’s dedicated voting website (each as noted on the voting instruction form) to deliver their voting instructions and vote the Common Shares held by them. The transfer agent will tabulate the results of the voting instruction forms received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by voting instruction forms they receive. By choosing to send these materials to you directly, the Corporation (and not the intermediary/broker holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your instructions as specified in the request for voting instruction.

With respect to OBOs, applicable regulatory policy requires intermediaries/brokers to whom meeting materials have been sent to seek voting instructions from OBOs in advance of shareholders’ meetings. Every intermediary has its own mailing procedures and provides its own return instructions,

which should be carefully followed by OBOs in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to an OBO by its broker is identical to that provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder how to vote on behalf of the OBO. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“Broadridge”). Broadridge typically prepares a special voting instruction form, mails those forms to the OBOs and asks for appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. OBOs are requested to complete and return the voting instruction form to Broadridge by mail or facsimile. Alternatively, OBOs can call a toll-free telephone number or access Broadridge’s dedicated voting website (each as noted on the voting instruction form) to deliver their voting instructions and vote the Common Shares held by them. Broadridge then tabulates the results of all voting instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. The voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have the Common Shares voted. OBOs who receive forms of proxies or voting materials from organizations other than Broadridge should complete and return such forms of proxies or voting materials in accordance with the instructions on such materials in order to properly vote their Common Shares at the Meeting.

**Beneficial shareholders cannot be recognized at the Meeting for purposes of voting their Common Shares in person or by way of depositing a form of proxy. If you are a beneficial shareholder and wish to vote in person at the Meeting, please see the voting instructions you received or contact your intermediary/broker well in advance of the Meeting to determine how you can do so.**

**Beneficial shareholders should carefully follow the voting instructions they receive, including those on how and when voting instructions are to be provided, in order to have their Common Shares voted at the Meeting.**

#### **Notice and Access**

The Corporation is sending meeting materials for the Meeting to shareholders using the “notice and access” provisions of National Instrument 54-101 – *Communication with Beneficial Owners*. Pursuant to such provisions, the Corporation provides shareholders with a notice on how they may access the Information Circular electronically instead of providing a paper copy.

### **VOTING SECURITIES AND QUORUM**

On December 8, 2022, 169,121,620 Common Shares of the Corporation were issued and outstanding. There are no other classes of voting securities of the Corporation authorized for issuance.

Only shareholders of record at the close of business on December 8, 2022, who either personally attend the Meeting or who have completed and delivered a form of proxy in the manner and subject to the provisions described above shall be entitled to vote or to have their Common Shares voted at the Meeting.

Quorum for the Meeting is at least two persons present in person and holding or representing by valid proxy not less than five percent (5%) of the Common Shares entitled to vote at the Meeting.

On a show of hands, every shareholder who is present in person and entitled to vote will have one vote, and on a poll, every shareholder present in person or represented by proxy or other proper authority will have one vote for each share of which he or she is the registered holder. In the case of an equality of votes, the chairman shall not have a second vote.

## PRINCIPAL HOLDERS OF VOTING SECURITIES

To the knowledge of the directors and executive officers of the Corporation, no person beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to the issued and outstanding Common Shares of the Corporation.

## ELECTION OF DIRECTORS

The articles of the Corporation provide that the board of directors of the Corporation (the “Board”) shall consist of a minimum of three directors and a maximum of fifteen directors. The Board has fixed the number of directors to be elected at the Meeting at five (5).

The term of office of each of the present directors expires at the Meeting. Each director elected at the Meeting will hold office until the next annual general meeting of the Corporation or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated in accordance with the articles of the Corporation or with the provisions of the Business Corporations Act (BC).

In the following table, for each person proposed to be nominated by management for election as a director, is stated their name, province or state, and country of residence, principal occupation, business or employment during the past five years, previous service as a director of the Corporation, and the number of Common Shares of the Corporation beneficially owned, or controlled or directed, directly or indirectly, by them as at the date hereof:

Name, Province or State, and Country of Residence <sup>(1)</sup>	Principal Occupation, Business or Employment, and if not Previously Elected as a Director, Principal Occupation, Business or Employment During the Past Five Years <sup>(1)</sup>	Previous Service as a Director	Number of Common Shares <sup>(1)</sup>
Darcy Higgs <sup>(2)</sup> British Columbia, Canada	Self-employed businessman and consultant Corporate Secretary, Austin Gold Corp.	Since 2022	11,458,956 <sup>(3)</sup>
Anne Labelle <sup>(4)</sup> British Columbia, Canada	Lawyer and Geologist, Interim President and Chief Executive Officer of Nevada Exploration Inc.	-	Nil
John Larson <sup>(2)</sup> Arizona, USA	President & Principal Consultant, Lucero Exploration, Inc. Director, Vortex Metals Inc.	Since 2012	276,000
Benjamin Leboe <sup>(2)</sup> British Columbia, Canada	Principal, Independent Management Consultants of British Columbia Director, Ynvisible Interactive Inc Director; Austin Gold Corp.	Since 2015	232,500
Nancy Richter Idaho, USA	Consulting Economic Geologist, Barrick Gold Exploration Inc, US Exploration Manager	Since 2021	Nil

(1) This information has been furnished by the respective directors individually.

(2) Member of the Audit Committee.

(3) 5,000,221 of these shares are controlled or directed by Darcy Higgs.

(4) Anne Labelle was appointed interim Chief Executive Officer and President on October 24, 2022.

The proposed nominees were elected to their present term of office by the shareholders of the Corporation at a meeting in respect of which the Corporation circulated to shareholders a management proxy circular, except for the following proposed director:

Anne Labelle (BSc., LLB, ICD.D) is an experienced corporate director having served on the boards of operating, development and exploration companies. Current boards include High Gold Mining Inc. (TSX-V: HIGH) and Klondike Gold Corp. (TSX-V: KG). She served on the board of Fiore Gold Ltd. (TSX-V: F) until completion of its acquisition by Calibre Mining Corp. for C\$110M in January 2022. She was previously a director of Midas Gold Idaho, Inc., the operating subsidiary of Midas Gold Corp. (TSX: MAX) (now Perpetua Resources Corp.), and Latin Metals Inc. (TSX-V: LMS). Committee and Chair experience includes Lead Director, Special M&A Committee, Corporate Governance & Nominating, Compensation, Technical, HSE & Sustainability. Ms. Labelle created the Stibnite Foundation in 2019, a charitable foundation which she also chaired from 2019 to 2021.

Ms. Labelle is a geologist and lawyer with significant expertise in all areas of mineral exploration, development and mining, and has served in roles of increasing responsibility over the past 25 years, as a field geologist, as a lawyer, as an executive and as a corporate director. An expert in sustainable development, she provides strategic advice and legal counsel to mineral exploration and development companies, with a focus on developing collaborative agreements with local communities, conservation organizations and First Nations.

To the knowledge of management, no proposed director is, at the date hereof, or has been, within ten years before the date hereof, a director, chief executive officer or chief financial officer of any company that: (i) was subject to a cease trade order or similar order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to a cease trade or similar order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the knowledge of management, no proposed director or a holding company of such proposed director: (i) is, as at the date hereof, or has been within ten years before the date hereof, a director or executive officer of any 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 (ii) has, within the ten years before the date hereof, 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 assets of the proposed director.

Except as disclosed herein, and to the knowledge of management, no proposed director or a holding company of such proposed director has been subject to: (i) 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 (ii) 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.

In February 2010, Darcy A. Higgs entered into a settlement agreement with the Investment Industry Regulatory Organization of Canada (“IIROC”). The settlement agreement relates to conduct that took place between 2003 and 2005. In the settlement, Mr. Higgs admitted he effected trades in a small number of client accounts on the instructions of a third party who did not have a duly executed trading authorization and failed to use due diligence to learn and remain informed of the essential facts in relation to transactions in the same group of client accounts. Mr. Higgs agreed to the following terms of settlement: a global payment totaling \$40,000, which comprises both a fine and a portion of IIROC’s costs of the proceeding and a suspension of registration in all capacities for a period of 15 months.

## **EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

#### **Overview**

The Board is responsible for annually reviewing the Corporation’s compensation arrangements with the Named Executive Officers (as defined below). The Corporation’s compensation objectives are: (i) recruiting and retaining the executives critical to the success of the Corporation and the enhancement of shareholder value; (ii) implementing compensation programs that are cost efficient and reflect the Corporation’s budget and financial strength; (iii) providing fair and competitive compensation; (iv) balancing the interests of management and shareholders of the Corporation; (v) motivating executives to deliver strong business performance, both on an individual basis and with respect to the business in general; and (vi) ensuring the executive compensation program is simple to communicate and administer. The Board has the responsibility of negotiating the Named Executive Officers’ total compensation package, determining stock option guidelines, including specific option grants and compensation policies and principles that will be applied to other executives and employees of the Corporation.

The Board receives and reviews any recommendations of the President and Chief Executive Officer of the Corporation and the Compensation Committee of the Board of Directors relating to the general compensation structure and policies and programs for the Corporation and the salary and benefit levels of the Named Executive Officers.

#### **Compensation Committee**

On June 7, 2021, the Corporation established a Compensation Committee. The composition of the Compensation Committee (up to Dennis Higgs’ resignation on October 1, 2022) included three (3) directors, being Benjamin Leboe, Nancy Richter and Dennis Higgs (Chairman). All remaining Compensation Committee members are independent within the meaning of National Instrument 52-110, *Audit Committees (“NI 52-110”)*. Appointment of the third Compensation Committee member and Chairman is currently pending.

On June 7, 2021, the Board adopted the Compensation Committee Mandate. The Compensation Committee has responsibility for determining the appropriate levels of compensation for management and for determining related compensatory matters such as the granting of incentive stock options and cash remuneration paid to the non-management independent directors. The Compensation Committee makes its determination on such matters for recommendation to the Board.

To determine an objective process for compensation, the Compensation Committee reviews the adequacy and form of compensation in comparison to other companies of similar size and stage of development. The Compensation Committee meets at least annually. None of the Compensation Committee members has any direct experience that is relevant to his responsibilities in executive compensation, however, the



independence of the majority of its members and their knowledge of the market through experience and peer comparison enable the Compensation Committee to make decisions on the suitability of the Corporation's compensation practices.

## **Objectives**

It is the objective of the Corporation's compensation program to attract and retain highly qualified executives and to link incentive compensation to performance and shareholder value. It is the goal of the Board to endeavor to ensure that the compensation of the Named Executive Officers is sufficiently competitive to achieve the objectives of the executive compensation program. The Board considers the Corporation's contractual obligations, performance, quantitative financial objectives including relative share value as well as the qualitative aspects of the individual's contributions, performance and achievements.

## **Elements of the Compensation Program**

The Corporation's compensation program is comprised of (i) base salary or management fee arrangements and benefits; (ii) short-term incentive program; and (iii) long-term incentives and the Corporation's Amended and Restated Incentive Stock Option Plan (or "Plan"). Each component of the executive compensation program is addressed below.

### *Base Salaries or Management Fee Arrangement and Benefits*

The Board reviews the annual salaries for the Named Executive Officers annually based on corporate and personal performance and on individual levels of responsibility. Salaries of the Named Executive Officers are not determined based on a specific formula. In its review, the Board considers recommendations prepared by the Chief Executive Officer, which, in addition to recommendations for the other Named Executive Officers, includes a recommendation for the Chief Executive Officer's executive compensation. As stated above, base salaries and management fee arrangements are set so as to be competitive in order to attract and retain highly qualified executives.

Other components of compensation may include personal benefits that are consistent with the overall compensation strategy. There is no formula for how personal benefits are utilized in the total compensation package. The Corporation does not currently provide any pension or retirement benefits to the Named Executive Officers.

### *Short-Term Incentive*

Bonuses are performance based short-term financial incentives and may be paid based on certain indicators such as personal performance, achievement of significant objectives such as financings or acquisitions, and the Corporation's budget and financial strength. Bonus levels will be determined by level of position of the Named Executive Officer with the Corporation. No bonuses were paid to the Named Executive Officers in the financial year ended April 30, 2022.

### *Long Term Incentives and Incentive Stock Option Plan*

The Board also administers the incentive stock option plan that is designed to provide a long-term incentive that is linked to shareholder value. The Board determines the number of options to be granted to each Named Executive Officer based on the level of responsibility and experience required for the position. The Board sets the number of options so as to attract and retain qualified and talented

employees. The Board also takes account of the Corporation’s contractual obligations and the award history for all participants in the incentive stock option plan.

### Risks Associated with the Corporation’s Compensation Policies and Practices

The Board has not considered the implications of the risks associated with the Corporation’s compensation practices.

### Named Executive Officer Purchase of Financial Instruments

The Corporation has not adopted a policy to prohibit Named Executive Officers and directors from purchasing financial instruments, including prepaid forward contracts, equity swaps, collars, or units of exchange funds (collectively, “Hedging Contracts”) 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 Named Executive Officer or director. Based on information provided to the Corporation by the Named Executive Officers and directors, as of the date of this Circular, no Named Executive Officer or director has purchased any Hedging Contracts with respect to the Corporation.

### Significant Changes to Compensation Policies and Practices in the Next Financial Year

As of the date of this Circular, the Corporation has not determined if it will be making any significant changes to its compensation policies and practices in the next financial year.

### Summary Compensation Table

The following table provides a summary of the compensation earned in respect of the last financial year by (i) any individual who acted as Chief Executive Officer or Chief Financial Officer of the Corporation for any part of the most recently completed financial year, (ii) each of the three most highly compensated executive officers of the Corporation, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year and whose total compensation was, individually, more than \$150,000, and (iii) each individual who would have been an executive officer under (ii) but for the fact that the individual was not an executive officer of the Corporation at the end of that financial year (the “Named Executive Officers”):

Name and Principal Position	Year	Salary (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)		All Other Compensation <sup>(1)</sup> (\$)	Total Compensation (\$)
				Annual Incentive Plans	Long-Term Incentive Plans		
James Buskard Chief Executive Officer <sup>(4)</sup>	2022	138,000	-	-	-	-	138,000
	2021	138,000	156,826 <sup>(3)</sup>	-	-	-	294,826
	2020	138,000	-	-	-	-	138,000
Christina Blacker Chief Financial Officer <sup>(2)</sup>	2022	-	-	-	-	90,000 <sup>(2)</sup>	90,000
	2021	-	47,563 <sup>(3)</sup>	-	-	78,000 <sup>(2)</sup>	125,563
	2020	-	-	-	-	78,000 <sup>(2)</sup>	87,212
Wade A. Hodges Chief Discovery Officer and Director, Former Chief Executive Officer <sup>(5)</sup>	2022	127,979 <sup>(6)</sup>	-	-	-	-	127,979
	2021	133,495 <sup>(6)</sup>	159,684 <sup>(3)</sup>	-	-	-	293,179
	2020	136,298 <sup>(6)</sup>	-	-	-	-	136,298

- (1) Excludes perquisites that are generally available to all employees, or that in aggregate are worth less than \$50,000, or are worth less than 10% of a Named Executive Officer's total salary for the financial year.
- (2) Consulting fees are paid to PNW Corporate Services & Advisory Ltd. of which Christina Blacker is an employee.
- (3) The weighted average fair value of option-based awards was determined as of the date of grant using the Black-Scholes option pricing model with the following assumptions: a ten year term, an average risk-free interest rate of 1.29%, no dividend payments, and an average annualized volatility in the share price of 143.47%.
- (4) James Buskard was appointed as Chief Executive Officer on January 26, 2022 and resigned from his position effective September 30, 2022. Anne Labelle was appointed as interim Chief Executive Officer on October 24, 2022.
- (5) Wade Hodges resigned from his position as Chief Executive Officer on January 26, 2022. He was appointed as Chief Discovery Officer on January 27, 2022.
- (6) Converted to Canadian dollars from United States dollars at an average rate of 1.2547 for the year ended April 30, 2022, 1.3088 for the year ended April 30, 2021, and 1.3363 for the year ended April 30, 2020.

See also "Termination and Change of Control Benefits" below.

### Incentive Plan Awards

The following table sets forth, for each Named Executive Officer, all option-based and share-based awards outstanding at the end of the most recently completed financial year.

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 (\$) <sup>(1)</sup>	Number of Shares or Units of Shares that Have Not Vested (#)	Market or Payout Value of Share-Based Awards that Have Not Vested (\$)
James Buskard <sup>(2)</sup>	225,000	0.47	2-Aug-26	-	-	-
	450,000	0.26	30-Sep-28	-	-	-
	300,000	0.185	20-Oct-30	-	-	-
	643,500	0.18	31-Mar-31	-	-	-
Christina Blacker <sup>(3)</sup>	150,000	0.35	26-Oct-28	-	-	-
	200,000	0.185	20-Oct-30	-	-	-
	100,000	0.18	31-Mar-31	-	-	-
Wade A. Hodges <sup>(4)</sup>	250,000	0.47	2-Aug-26	-	-	-
	450,000	0.26	30-Sep-28	-	-	-
	300,000	0.185	20-Oct-30	-	-	-
	660,000	0.18	31-Mar-31	-	-	-

- (1) Based upon the difference between the closing market price of the Common Shares on the TSX Venture Exchange (the "Exchange") on April 30, 2022, being \$0.075, and the exercise price of the option.
- (2) James Buskard was appointed as Chief Executive Officer on January 26, 2022 and resigned from his position effective September 30, 2022. In accordance with his resignation, all stock options will expire 90 days after the resignation date. Anne Labelle was appointed as interim Chief Executive Officer on October 24, 2022.
- (3) Option based awards granted to PNW Corporate Services & Advisory Ltd. of which Christina Blacker is an employee.
- (4) Wade Hodges resigned from his position as Chief Executive Officer on January 26, 2022. He was appointed as Chief Discovery Officer on January 27, 2022.

The following table sets forth the value of option-based and share-based awards and non-equity incentive plan compensation vested or earned by the Named Executive Officers during the most recently completed financial year:

Name	Option-Based Awards – Value Vested During the Year (\$) <sup>(1)</sup>	Share-Based Awards – Value Vested During the Year (\$)	Non-equity Incentive Plan Compensation – Value Earned During the Year (\$)
James Buskard <sup>(2)</sup>	-	-	-
Christina Blacker	-	-	-
Wade Hodges <sup>(3)</sup>			

- (1) The aggregate value of the option-based awards vested during the financial year is based on the difference between the closing market price of the Common Shares on the Exchange on the vesting date of the options and the exercise price of the options.
- (2) James Buskard resigned from his position effective September 30, 2022. Anne Labelle was appointed as interim Chief Executive Officer on October 24, 2022.
- (3) Wade Hodges resigned from his position as Chief Executive Officer on January 26, 2022. He was appointed as Chief Discovery Officer on January 27, 2022.

All option-based awards are issued pursuant to the Corporation’s Amended and Restated Incentive Stock Option Plan. For more information on the Amended and Restated Incentive Stock Option Plan (the “Plan”), see “Approval of Amended and Restated Incentive Stock Option Plan” below.

#### **Pension Plan Benefits**

The Corporation does not have a defined benefit plan, deferred contribution plan or a deferred compensation plan.

#### **Termination and Change of Control Benefits**

There are currently no contracts, agreements, plans or arrangements that provide for payments to a Named Executive Officer at, following, or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or its subsidiaries or a change in a Named Executive Officer’s responsibilities (excluding perquisites and other personal benefits if the aggregate of this compensation is less than \$50,000).

#### **Compensation of Directors**

The following table provides a summary of compensation, excluding compensation securities, provided to the directors of the Corporation, who are not Named Executive Officers, for the most recently completed financial year. See “Summary Compensation Table” above for any compensation received by Named Executive Officers.

Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$) <sup>(1)</sup>	Total (\$)
John Larson	-	-	13,142 <sup>(3)</sup>	-	-	-	13,142
Darcy Higgs	-	-	-	-	-	60,000	60,000
Dennis Higgs <sup>(4)</sup>	-	-	-	-	-	60,000 <sup>(2)</sup>	60,000 <sup>(2)</sup>
Benjamin Leboe	-	-	13,142 <sup>(3)</sup>	-	-	-	13,142
Nancy Richter	-	-	19,713 <sup>(3)</sup>	-	-	2,500	22,213

(1) Relates to consulting fees for the year ended April 30, 2022.

(2) Consulting fee paid to Ubex Capital Inc, a private company wholly owned by Dennis Higgs.

(3) The weighted average fair value of option-based awards was determined as of the date of grant using the Black-Scholes option pricing model with the following assumptions: a ten year term, an average risk-free interest rate of 1.50%, no dividend payments, and an average annualized volatility in the share price of 143.25%.

(4) Dennis Higgs resigned from his position on October 1, 2022.

The Corporation did not pay fees to directors for Board and committee meetings in the financial year ended April 30, 2022.

The Corporation's directors and officers are covered under directors and officers liability insurance policies. As at April 30, 2022, the aggregate coverage amount applicable to those directors and officers under the policies was \$5,000,000 per claim and \$5,000,000 as an aggregate limit per policy year. The deductible is \$50,000 per claim.

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

The following table sets forth the compensation plans under which equity securities of the Corporation are authorized for issuance as at the end of the Corporation's most recently completed financial year.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by securityholders <sup>(1)</sup>	12,410,500	\$0.21	4,501,662 <sup>(2)</sup>
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
<b>Total</b>	12,410,500	\$0.21	4,501,662 <sup>(2)</sup>

(1) The sole compensation plan approved by securityholders is the Corporation's Plan.

(2) The number of Common Shares available for issuance under the Corporation's Plan is not to exceed 10% of the Corporation's issued and outstanding Common Shares on a non-diluted basis.

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

No director, executive officer or employee and no former director, executive officer or employee of the Corporation is indebted to the Corporation or any of its subsidiaries or indebted to another entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries, other than routine indebtedness.

No individual who is, or at any time during the Corporation's most recently completed financial year was, a director or executive officer of the Corporation, no proposed nominee for election as a director of the Corporation, and no associate of any such director, executive officer or proposed nominee is, or at any time during the Corporation's most recently completed financial year was, indebted to (i) the Corporation or any of its subsidiaries or (ii) indebted to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries, other than routine indebtedness.

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

Other than as set forth below and elsewhere in this information circular, to the knowledge of management of the Corporation, no person who is an informed person of the Corporation, nor any proposed director of the Corporation, nor any associate or affiliate of any such informed person or proposed director, has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

Darcy Higgs is an officer, and Benjamin Leboe is a Director of Austin Gold Corp. ("Austin"). Austin's wholly-owned subsidiary has a joint venture agreement with the Corporation's wholly-owned subsidiary, Pediment Gold, LLC.

## **MANAGEMENT CONTRACTS**

There are no management functions of the Corporation or any of its subsidiaries which are to any substantial degree performed by a person other than the directors or executive officers of the Corporation or subsidiary.

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

Except as described elsewhere in this information circular, no person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year, no proposed nominee of management of the Corporation for election as a director of the Corporation, and no associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

## **SETTING NUMBER OF DIRECTORS**

The persons named in the enclosed Proxy intend to vote in favour of fixing the number of directors at five (5). The Board proposes that the number of directors remain at five (5). Shareholders will therefore be asked to approve an ordinary resolution that the number of directors elected be fixed at five (5).

**Unless such authority is withheld, the persons named in the accompanying form of proxy intend to vote FOR the election of the director nominees whose names are set forth herein. Management does not contemplate that any of these nominees will be unable to serve as a director. If, prior to the Meeting, any of the nominees are unable or decline to so serve, the persons named in the accompanying form of proxy will vote for another nominee if presented, or reduce the number of directors accordingly, in their discretion.**

**The directors of the Corporation recommend that the shareholders vote FOR the election of the director nominees whose names are set forth herein and to fix the number of directors to be elected at the Meeting at five (5).**

#### **APPOINTMENT OF AUDITORS**

The Corporation's external auditors are RSM Canada LLP. At the Meeting, the shareholders will be called upon to re-appoint RSM Canada LLP as auditors of the Corporation, to hold office until the next annual general meeting of the Corporation, at a remuneration to be fixed by the Board. A simple majority of Common Shares voted on the resolution to appoint RSM Canada LLP, as auditors of the Corporation is required to pass such resolution.

**Unless such authority is withheld, the persons named in the accompanying form of proxy intend to vote FOR the re-appointment of RSM Canada LLP, as auditors of the Corporation, to hold office until the next annual general meeting of the Corporation, at a remuneration to be fixed by the Board.**

**The directors of the Corporation recommend that the shareholders vote FOR the re-appointment of RSM Canada LLP.**

#### **APPROVAL OF THE AMENDED AND RESTATED INCENTIVE STOCK OPTION PLAN**

The Corporation's Plan was adopted by the shareholders of the Corporation on November 30, 2007. The purpose of the Plan is to advance the interests of the Corporation by encouraging the directors, officers and employees and consultants of the Corporation to acquire shares in the Corporation, thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of their affairs. The Plan is a "rolling" stock option plan permitting the grant of incentive stock options to purchase up to the number of common shares that is equal to 10% of the issued common shares of the Corporation at the time of the stock option grant.

As a housekeeping matter and at the request of the Exchange, the Plan was amended by the Board of the Corporation in November 2015 to: (i) set the minimum exercise price to be not be less than the "Discounted Market Price", as calculated pursuant to the policies of the Exchange, or such other minimum price as may be required by the Exchange; (ii) set the maximum term of options as 10 years from the date of grant, regardless of whether the Corporation is listed on Tier 1 or Tier 2 of the Exchange; and (iii) in the case the Corporation is listed on Tier 1 of the Exchange, set the limit for which the Board may extend the exercise period of a participant that ceases to be an eligible person under the Plan as a maximum of 12 months following the date such participant ceased to be an eligible person under the Plan.

The Board has amended the Plan again and the amendments were approved by the Board on December 5, 2022 (the "Amended and Restated Plan"). 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.* A copy of the Amended and Restated Incentive Stock Option Plan is attached as schedule C.

As a “rolling” stock option plan, the Plan is required to be approved by the shareholders each year at the Corporation’s annual general meeting. In accordance with the Exchange requirements, the Plan will be placed before the shareholders for approval at the Meeting. A simple majority of Common Shares voted on the resolution to approve the Plan is required to pass such resolution. The Plan was last ratified, confirmed and approved by the shareholders at the Corporation’s annual general meeting held on January 25, 2022.

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 Amended and Restated Plan:

BE IT RESOLVED as an ordinary resolution that:

1. the proposed Amended and Restated Plan as described in the Circular dated December 8, 2022 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 Amended and Restated 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 Amended and Restated 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 or 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 Amended and Restated Plan is not approved no further options may be granted under the Amended and Restated Plan but those currently outstanding shall remain in place in accordance with their terms until their expiry.

**OTHER MATTERS Unless such authority is withheld, the persons named in the accompanying form of proxy intend to vote FOR the resolution to approve the Amended and Restated Incentive Stock Option Plan.**

**The directors of the Corporation recommend that the shareholders vote FOR the resolution to approve the Amended and Restated Incentive Stock Option Plan.**



## **APPROVAL OF SHARE CONSOLIDATION**

The Board has determined that it is in the best interests of the Company to consolidate all of the Company's issued and outstanding shares (the "Consolidation"). At the Meeting, Shareholders will be asked to consider, and if thought advisable, to pass an ordinary resolution (the "Consolidation Resolution") (the full text of which is set out below) providing for the alteration of the Company's share structure by consolidating the Company's issued and outstanding shares on the basis of a maximum of one (1) Post-Consolidation Share for every twenty-five (25) Pre-Consolidation Shares issued and outstanding (the "Consolidation Ratio").

The Board will in its sole discretion determine the Consolidation Ratio or potentially a lesser ratio that results in the Company continuing to meet the distribution requirements of the TSX Venture Exchange. The Board will then have the sole discretion to proceed with the Consolidation, subject to the receipt of the approval of the Shareholders and the acceptance of the Exchange, and the Board notes that proceeding with the Consolidation is not contingent on the outcome of any other matter to be voted on pursuant to this Information Circular.

### **Reasons for the Consolidation**

The Board believes that the Consolidation is necessary due to market conditions that have made it challenging to raise capital under the Company's current share structure. An additional potential benefit of the Consolidation to Shareholders includes greater investor interest. A higher Post-Consolidation Share price could help generate interest in the Company among investors as a higher anticipated Post-Consolidation Share price may meet investing guidelines for certain institutional investors and investment funds that may be prevented under their investing guidelines from investing in the shares at current price levels. In addition, a higher Post-Consolidation Share price could result in changes in the price of levels of the shares making them less volatile on a percentage basis. In addition, to support the Consolidation, the Company will also consider a name change.

### **Effects of the Consolidation**

The Consolidation will result in Shareholders holding a smaller number of Common Shares. In the event the resolution with respect to the Consolidation is approved, the consolidation ratio permitted will be one (1) Post-Consolidation Share for every twenty-five (25) Pre-Consolidation Shares, however, the board in its discretion may elect to proceed with Consolidation at a ratio less than the Consolidation to minimize the effect to its Shareholders. The Consolidation will not affect any Shareholder's percentage ownership interest or voting the rights in the Company, except to the extent that the Consolidation would otherwise result in any Shareholder owning a fractional Share. Any fractional Shares resulting from the Consolidation will be rounded up to the next whole Share if such fractional Shares are greater than or equal to one-half of a Share and will be cancelled if such fractional Shares are less than one-half of a Share.

The implementation of the Consolidation would not affect the total Shareholders' equity of the Company or any components of Shareholders' equity as reflected on the Company's financial statements except: (i) to change the number of issued and outstanding Post-Consolidation Shares; and (ii) to change the stated capital of the Post-Consolidation Shares to reflect the Consolidation.

Each option, warrant or other security of the Company convertible into Pre-Consolidation Shares that have not been exercised or cancelled prior to the implementation of the Consolidation will be adjusted pursuant to the terms thereof on the basis of the same ratio as may be decided upon by the Board for the Consolidation (i.e. the number of shares issuable will decrease while the exercise price will increase).

## **Risk Factors Associated with the Share Consolidation**

### *Decline in Market Capitalization*

There are numerous factors and contingencies that could affect the Pre-Consolidation Share and Post-Consolidation Share prices, including general economic, stock market and industry conditions. Accordingly, the market price of the Post-Consolidation Shares may not be sustainable at the direct arithmetic product of multiplying the Pre-Consolidation Share price and the consolidation ratio, and may be lower. If the market price of the Post-Consolidation Shares is lower than it was before the Consolidation on an arithmetic equivalent basis, the Company's total market capitalization (the aggregate value of all Post-Consolidation Shares at then market price) after the Consolidation may be lower than before the Consolidation.

### *Potential for Adverse Effect on the Liquidity of the Shares*

If the Consolidation is implemented and the market price of the Post-Consolidation Shares declines, the percentage decline may be greater than would occur in the absence of the Consolidation. The market price of the Post-Consolidation Shares will, however, also be based on the Company's performance and other factors, which are unrelated to the number of Post-Consolidation Shares outstanding. Furthermore, the liquidity of the Post-Consolidation Shares could be adversely affected by the reduced number of Post-Consolidation Shares that would be outstanding after the Consolidation.

### *No Fractional Shares to be Issued*

As previously noted, no fractional Post-Consolidation Shares will be issued in connection with the Consolidation and, in the event that a Shareholder would otherwise be entitled to receive a fractional Post-Consolidation Share upon the Consolidation, any fractional Shares will be rounded up to the next whole Share if such fractional Shares are greater than or equal to one-half of a Share and will be cancelled if such fractional Shares are less than one-half of a Share.

### *Decreased Tradability of Shares*

The Consolidation may result in some Shareholders owning "odd lots" of Post-Consolidation Shares. "Odd lots" may be more difficult to sell, or require greater transaction costs per Post-Consolidation Share to sell, than Post-Consolidation Shares held in even multiples of "board lots". A "board lot" is 1000 shares for shares trading at less than \$0.10 per share, 500 shares for shares trading at or above the \$0.10 per share but below the \$1.00 share and is 100 shares for shares trading at or above \$1.00 per share.

## **Procedures for Implementing the Consolidation**

If the Shareholders approve the Consolidation Resolution set forth below, the Board will have the authority, in its sole discretion, to determine whether or not to implement the Consolidation. If the Board decides to implement the Consolidation, the Company will promptly make the required filings with the Exchange. The Consolidation will be effective on the date on which the Board determines to carry out the Consolidation after receiving the acceptance of the Exchange. The Board may also elect to complete the Consolidation at a ratio less than the Consolidation Ratio to minimize any effects to the Company's shareholders.

## **Effects of the Consolidation on Share Certificates**

If the approvals required for the Share Consolidation are obtained and the Board decides to implement the Share Consolidation, registered shareholders will be required to exchange their share certificates representing pre-consolidation common shares for new share certificates representing post-consolidation common shares. Following the announcement by the Corporation of the Consolidation Ratio selected by the Board and the effective date of the Consolidation, registered shareholders will be provided with a letter of transmittal by the Corporation's transfer agent to be used for the purpose of surrendering their certificates representing the then outstanding common shares to the Corporation's transfer agent in exchange for new share certificates representing Post-Consolidation Common Shares. After the Consolidation, share certificates representing Pre-Consolidation Common Shares will: (i) not constitute good delivery for the purposes of trades of common shares post-consolidation; and (ii) be deemed for all purposes to represent the number of common shares to which the shareholder is entitled as a result of the Share Consolidation. No delivery of a new share certificate to a shareholder will be made until the shareholder surrenders its certificates representing the Pre-Consolidation Common Shares along with the letter of transmittal to the Corporation's transfer agent in the manner detailed therein.

## **Effect on Non-Registered Holders**

Non-Registered beneficial holders holding their common shares through a bank, broker or other nominee should note that such banks, brokers or other nominees may have specific procedures for processing the Share Consolidation. If you hold your common shares with such a bank, broker or other nominee and if you have any questions in this regard, you are encouraged to contact your nominee.

## **No Dissent Rights Under the Business Corporations Act (BC) ("BCCA")**

Shareholders do not have dissent and appraisal rights with respect to the proposed Consolidation.

## **Consolidation Resolution – Up to one (1) Post-Consolidation Share for twenty-five (25) Pre-Consolidation Shares**

BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

- (a) The authorized share structure of the Company may be altered by consolidating the issued and outstanding common shares on the basis of up to one (1) post-consolidation common share for every twenty-five (25) pre-consolidation common shares then issued and outstanding, or such lesser number of pre-consolidation common shares as may be determined by the board of directors of the Company (the "Consolidation"), subject to approval thereof by the TSX Venture Exchange;
- (b) any fractional shares resulting from the consolidation of the common shares shall be converted to whole common shares pursuant to section 83 of the Business Corporations Act;
- (c) the board of directors of the Company may, in their discretion, without further approval of the shareholders, revoke this resolution at any time;
- (d) upon the date determined by the board of directors, these resolutions described herein shall be deposited at the Company's records office; and
- (e) any one director or officer of the Company be and is hereby authorized and directed to execute all documents and instruments and take all such other actions as may be necessary or desirable to

implement this resolution and the matters authorized hereby.” The Board has determined that it is in the best interests of the Company to proceed with the Consolidation and unanimously recommends that Shareholders vote in favour of the Consolidation Resolution. It is the intention of the management designees, if named as proxy, to vote for the approval of the Consolidation, unless otherwise directed in the form of proxy.

## **AUDIT COMMITTEE INFORMATION**

### **Charter of the Audit Committee**

The charter for the Audit Committee of the Corporation is attached as Schedule “A” to this information circular.

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

The Audit Committee of the Corporation currently consists of Benjamin Leboe, Darcy Higgs, and John Larson. Mr. Leboe chairs the Audit Committee.

All members of the current Audit Committee of the Corporation are “independent” and each member is “financially literate”, as such terms are defined in *National Instrument 52-110 – Audit Committees* (“NI 52-110”).

### **Relevant Education and Experience**

The education and experience of each current member of the Audit Committee of the Corporation that is relevant to the performance of his or her responsibilities as an Audit Committee member is described below:

*Benjamin Leboe* – Mr. Leboe was most recently Chief Financial Officer of Uranerz Energy Corporation before that company merged with Energy Fuels Inc. Mr. Leboe also served as Uranerz's Ethics Officer, Principal Accounting Officer and Senior Vice President of Finance. Mr. Leboe has been Principal, Independent Management Consultants of British Columbia, since 1990. Prior to joining Uranerz he was a Senior Consultant, Management Consulting, of the Business Development Bank of Canada from 2005 to 2006. Previously, from 1995 to 2005 he was a director, Chief Financial Officer, Principal Accounting Officer and Treasurer of numerous public companies in Canada and the U.S.A. From 1991 to June 1995, he served as Chief Financial Officer and Vice President of VECW Industries Ltd. He was a Partner of KPMG Consulting and its predecessor firms from 1978 to 1990. Mr. Leboe has a B.Comm from the University of British Columbia, and is a retired Chartered Professional Accountant (CPA, CA) and a Certified Management Consultant (CMC).

*Darcy Higgs* – Mr. Higgs has over 35 years of experience in capital markets. Mr. Higgs has been principally self-employed as an investor since 2010. Mr. Higgs has also been providing consulting services to Nevada Exploration Inc. (TSXV: NGE) since 2015. He was registered in Canada (securities, options and futures) for over 25 years as a broker and in the United States (securities) and acted as a consultant to one of the largest private equity firms in China. Mr. Higgs has a Bachelor of Commerce (Finance) degree from the University of British Columbia.

*John Larson* – Mr. Larson has an Artium Baccalaurei, Honours degree in Geology from Dartmouth College, an MSc in Geology from University of Western Ontario, and a PhD in Geology and Geochemistry from Colorado School of Mines. During his 40 year career, Mr. Larson has served in senior positions for several mining and exploration companies, including President and CEO roles, as well as

servicing as an Exploration Manager with BHP and Zinifex. In these roles, Mr. Larson has managed operations and corporate entities in many different countries, including managing accounting and auditing staff and rolling out SAP and Sarbanes Oxley Compliance for BHP in Latin America.

### **Audit Committee Oversight**

At no time since the commencement of the Corporation’s most recently completed financial year was a recommendation of the Audit Committee of the Corporation to nominate or compensate an external auditor not adopted.

### **Reliance on Certain Exemptions**

At no time since the commencement of the Corporation’s most recently completed financial year did the Corporation rely upon an exemption from the provisions of NI 52-110 (i) for de minimis non-audit services or (ii) granted by applicable securities regulatory authorities.

### **Prior Approval Policies and Procedures**

The Audit Committee’s charter provides that it is responsible for pre-approving any non-audit services to be provided to the Corporation by the external auditor and the fees for these services. The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

### **External Auditor Service Fees (by category)**

Effective July 15, 2009, RSM Canada LLP are the Corporation’s external auditors. The following table sets forth, by category, the fees billed by RSM Canada LLP for the years ended April 30, 2022 and 2021 respectively:

Fee Category	Fees Paid	
	2022	2021
Audit Fees	\$32,500	\$28,000
Audit-Related Fees	-	-
Tax Fees	-	-
All Other Fees	-	-
Total:	\$32,500	\$28,000

### **Exemption**

As a “venture issuer”, as defined in NI 52-110, the Corporation is exempt from (and has relied upon such exemption pursuant to section 6.1 of NI 52-110) the requirements in Part 3 of NI 52-110 relating to the composition of audit committees and Part 5 of NI 52-110 relating to certain reporting obligations.

## **CORPORATE GOVERNANCE**

Disclosure of the Corporation's corporate governance practices within the context of *National Instrument 58-101 – Disclosure of Corporate Governance Practices* ("NI 58-101") is attached as Schedule "B" to this information circular.

## **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Corporation's consolidated financial statements and management's discussion and analysis for the Corporation's most recently completed financial year. Copies of the Corporation's financial statements and management's discussion and analysis are available upon request from the Corporate Secretary of the Corporation at Nevada Exploration Inc., Suite 1400 - 885 West Georgia Street, Vancouver, BC V6C 3E8.

## **OTHER BUSINESS**

Management of the Corporation knows of no matters to come before the Meeting other than those referred to in the notice of meeting accompanying this information circular. However, if any other matters properly come before the Meeting, the persons named in the form of proxy accompanying this information circular will vote the same in accordance with their best judgment on such matters.

DATED at Vancouver, British Columbia this 8th day of December, 2022.

## **BY ORDER OF THE BOARD OF DIRECTORS**

(signed) Anne Labelle  
Interim Chief Executive Officer

**SCHEDULE “A”  
NEVADA EXPLORATION INC.  
AUDIT COMMITTEE DISCLOSURE (FORM 52-110F2)**

**ITEM 1: AUDIT COMMITTEE CHARTER**

**Mandate**

The primary function of the audit committee (the “Committee”) of Nevada Exploration Inc. (the “Corporation”) is to assist the Corporation’s board of directors (the “Board”) in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation’s system of internal controls regarding finance and accounting and the Corporation’s auditing, accounting and financial reporting processes. The Committee’s primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Corporation’s financial reporting and internal control system and review the Corporation’s financial statements;
- review and appraise the performance of the Corporation’s external auditors (the “Auditor”); and
- provide an open avenue of communication among the Corporation’s Auditor, management and the Board.

**Composition, Procedures and Organization**

The Committee shall consist of at least three members. Each member must be a director of the Corporation. A majority of the members of the Committee shall not be officers or employees of the Corporation or of an affiliate of the Corporation. At least one (1) member of the Committee shall be financially literate. All members of the Committee who are not financially literate will work towards becoming financially literate to obtain working familiarity with basic finance and accounting practices. For the purposes of this Charter, the term “financially literate” means 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 issues that can reasonably be expected to be raised by the Corporation’s financial statements.

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

The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.

**Meetings of the Committee**

Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly. Unless all members are present and waive notice, or those absent waive notice before or after a meeting, the Chairman will give the Committee members 24 hours’ advance notice of each meeting and the matters to be discussed at such meeting. Notice may be given personally, by telephone, by facsimile or e-mail.

The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Corporation's annual financial statements and, if the Committee determines it to be necessary or appropriate, at any other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board or the shareholders of the Corporation.

At each meeting of the Committee, a quorum shall consist of a majority of members that are not officers or employees of the Corporation or of an affiliate of the Corporation. A member may participate in a meeting of the Committee in person or by telephone if all members participating in the meeting, whether in person or by telephone or other communications medium other than telephone are able to communicate with each other and if all members who wish to participate in the meeting agree to such participation.

The Committee may periodically meet separately with each of management and the Auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and management quarterly to review the Corporation's financial statements.

The Committee may invite to its meeting any director, any manager of the Corporation, and any other person whom it deems appropriate to consult in order to carry out its responsibilities.

### **Responsibilities and Duties**

To fulfill its responsibilities and duties, the Committee shall:

- (a) Review the Corporation's financial statements, including any certification, report, opinion, or review rendered by the Auditor, Management Discussion and Analysis and any annual and interim earnings press releases before the Corporation publicly discloses such information.
- (b) Review and satisfy itself that adequate procedures are in place and review the Corporation's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assess the adequacy of those procedures.
- (c) Be directly responsible for overseeing the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) engaged for the purpose of preparing or issuing an audit report or performing other audit review services for the Corporation.
- (d) Require the Auditor to report directly to the Committee.
- (e) Review annually the performance of the Auditor who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Corporation.
- (f) Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor.
- (g) Take, or recommend that the Board take, appropriate action to oversee the independence of the Auditor.
- (h) Recommend to the Board the external auditor to be nominated at the annual meeting for appointment of the Auditor for the ensuing year and the compensation for the Auditors, or, if applicable, the replacement of the Auditor.



- (i) Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditors of the Corporation.
- (j) Review with management and the Auditor the audit plan for the annual financial statements.
- (k) Review and pre-approve all audit and audit-related services and fees and other compensation related thereto, and any non-audit services provided by the Auditor. 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 that were not pre-approved is reasonably expected to constitute not more than 5% of the total amount of fees paid by the Corporation and its subsidiary entities to the Auditor during the fiscal year in which the non-audit services are provided;
  - (ii) such services were not recognized by the Corporation at the time of the engagement to be non-audit services; and
  - (iii) such services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more members of the Committee to whom authority to grant such approvals has been delegated by the Committee.

The Committee may delegate to one or more independent members of the Committee the authority to pre-approve non-audit services in satisfaction of the pre-approval requirement set forth in this section provided the pre-approval of non-audit services by any member to whom such authority has been delegated must be presented to the Committee at its first scheduled meeting following such pre-approval.

- (l) In consultation with the Auditor, review with management the integrity of the Corporation's financial reporting process, both internal and external.
- (m) Consider the Auditor's judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.
- (n) Consider and approve, if appropriate, changes to the Corporation's auditing accounting principles and practices as suggested by the Auditor and management.
- (o) Review significant judgments made by management in the preparation of the financial statements and the view of the Auditor as to the appropriateness of such judgments.
- (p) Following completion of the annual audit, review separately with management and the Auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of the work or access to required information.
- (q) Review any significant disagreement among management and the Auditor in connection with the preparation of the financial statements.
- (r) Review with the Auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented.

- (s) Discuss with the Auditor the Auditor's perception of the Corporation's financial and accounting personnel, any material recommendations which the Auditor may have, the level of co-operation which the Auditor received during the course of their review and the adequacy of their access to records, data or other requested information.
- (t) Review any complaints or concerns about any questionable accounting, internal account controls or auditing matters.
- (u) Establish procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
  - (ii) the confidential and anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- (v) Perform such other duties as may be assigned to it by the Board from time to time or as may be required by applicable regulatory authorities or legislation.
- (w) Report regularly and on a timely basis to the Board on the matters coming before the Committee.
- (x) Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

### **Authority**

The Committee is authorized to:

- (a) to seek any information it requires from any employee of the Corporation in order to perform its duties;
- (b) to engage, at the Corporation's expense, independent legal counsel or other professional advisors in any matter within the scope of the role and duties of the Committee under this Charter;
- (c) to set and pay compensation for any advisors engaged by the Committee; and
- (d) to communicate directly with the internal and external auditors of the Corporation.

This Charter supersedes and replaces all prior charters and other terms of reference pertaining to the Committee.

### **ITEM 2: COMPOSITION OF THE AUDIT COMMITTEE**

At the present date, the members of the audit committee are Benjamin Leboe, Darcy Higgs, and John Larson. They are all considered "independent" and "financially literate", as those terms are defined in NI 52-110 of the Canadian Securities Administrators (the "Instrument").

**ITEM 3: AUDIT COMMITTEE OVERSIGHT**

At no time since the incorporation of the Corporation's was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Corporation's Board.

**ITEM 4: RELIANCE ON CERTAIN EXEMPTIONS**

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemptions contained in sections 2.4 or 8 of the Instrument. Section 2.4 provides an exemption from the requirement that an audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a Corporation to apply to a securities regulatory authority for an exemption from the requirements of the Instrument, in whole or in part.

**ITEM 5: PRE-APPROVAL OF POLICIES AND PROCEDURES**

Formal policies and procedures for the engagement of non-audit services have not been formulated or adopted by the Committee. Subject to the requirements of the Instrument, the engagement of non-audit services shall be considered by the Corporation's Board, and where applicable, by the Committee, on a case by case basis.

**ITEM 6: EXTERNAL AUDITOR SERVICES FEES (BY CATEGORY)**

The aggregate fees charged to the Corporation by the external auditor in each of the last two (2) fiscal years are as follows:

<b>Financial Year</b>	<b>Audit Fees</b>	<b>Audit Related Fees</b>	<b>Tax Fees</b>	<b>All other Fees</b>
2022	\$32,500	-	-	-
2021	\$28,000	-	-	-

**ITEM 7: EXEMPTION**

In respect of the period since the Corporation's incorporation, the Corporation is relying on the exemption set out in section 6.1 of NI 52-110 with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

**SCHEDULE “B”  
NEVADA EXPLORATION INC.  
CORPORATE GOVERNANCE DISCLOSURE**

**GENERAL**

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. Regulator authorities have implemented National Instrument 58-101 Disclosure of Corporate Governance Practices (“NI 58-101”), which prescribes certain disclosure by the Corporation of its corporate governance practices. This disclosure is presented below.

**Board of Directors**

*The Board’s Responsibility*

There is no specific written mandate of the Board of Directors of the Corporation, other than the corporate standard of care set out in the governing corporate legislation of the Corporation, i.e. the Board of Directors has overall responsibility for the management, or supervision of the management, of the business and affairs of the Corporation. The Board’s primary tasks are to establish the policies, courses of action and goals of the Corporation and to monitor management’s strategies and performance for realizing them. All major acquisitions, dispositions, and investments, as well as financing and significant matters outside the ordinary course of the Corporation’s business are subject to approval by the full Board of Directors. The Board of Directors does not currently have in place programs for succession planning and training of directors and management. As the growth of the Corporation continues, the Board of Directors may consider implementing such programs. In order to carry out the foregoing responsibilities, the Board of Directors meets on a quarterly basis and as required by circumstances.

*Composition of the Board*

The Board is currently comprised of 5 directors, of whom Darcy Higgs, John Larson, Benjamin Leboe, and Nancy Richter are considered independent for the purposes of NI 58-101. As a result of Wade A. Hodges’s position as Chief Discovery Officer, Mr. Hodges is not considered independent for the purposes of NI 58-101.

*Directorships*

The current directors of the Corporation who are presently directors of other reporting issuers in Canada or elsewhere:

<b>Name of Director</b>	<b>Other Reporting Issuer</b>
Benjamin Leboe	Ynvisible Interactive Inc. Austin Gold Corp.
John Larson	Vortex Metals Inc.

### ***Orientation and Continuing Education***

New Board members receive an orientation package which includes reports on operations and results, and public disclosure filings by the Corporation. Board meetings are sometimes held at the Corporation's facilities and are combined with tours and presentations by the Corporation's management and employees to give the directors additional insight into the Corporation's business. In addition, management of the Corporation makes itself available for discussion with all Board members.

### **Ethical Business Conduct**

The Board of Directors has not adopted a formal written code of ethics. As the growth of the Corporation continues, the Board of Directors may consider implementing a formal written code.

### **Nomination of Directors**

The Board of Directors considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of view and experience.

The Board does not have a nominating committee, and these functions are performed by the Board as a whole.

### **Determination of Compensation of Directors and Officers**

The Board's mandate includes reviewing and approving appropriate practices for determining and establishing compensation for the directors and officers of the Corporation to ensure it reflects the responsibilities and risks of being a director of a public corporation. See "*Executive Compensation*".

### **Board Committees**

The Board has developed a mandate for the audit committee and compensation committee and reviews such mandate annually. The mandate of the audit committee is described in this Circular under the heading "Audit Committee". As the growth of the Corporation continues, the Board of Directors will review its corporate governance practices and may implement more comprehensive corporate governance practices.

### **Assessment of Directors, the Board and Board Committees**

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees.

### **Concluding Statement**

The Corporation has reviewed a number of the recommendations for improved corporate governance. As the Corporation continues to build on its financial position and prospects, the Board of Directors may implement further corporate governance policies and procedures, including the establishment of formal committees and formal codified policies.

C-1

SCHEDULE “C”

**NEVADA EXPLORATION INC.  
AMENDED AND RESTATED INCENTIVE STOCK OPTION PLAN**

---

**AMENDED AND RESTATED INCENTIVE STOCK OPTION  
PLAN**

Made as of October 16, 2007  
As Amended as of December 21, 2015 and December 5, 2022

**NEVADA EXPLORATION INC.**  
(the “Corporation”)

## TABLE OF CONTENTS

<b>ARTICLE 1 – DEFINITIONS AND INTERPRETATION</b>	<b>C-3</b>
Section 1.1 Defined Terms	C-3
Section 1.2 Interpretation	C-4
<b>ARTICLE 2 – ESTABLISHMENT OF PLAN</b>	<b>C-5</b>
Section 2.1 Purpose	C-5
Section 2.2 Shares Reserved	C-5
Section 2.3 Non-Exclusivity	C-6
Section 2.4 Effective Date	C-6
<b>ARTICLE 3 – ADMINISTRATION OF PLAN</b>	<b>C-6</b>
Section 3.1 Administration	C-6
Section 3.2 Amendment, Suspension and Termination	C-6
Section 3.3 Compliance with Legislation	C-6
<b>ARTICLE 4 – OPTION GRANTS</b>	<b>C-7</b>
Section 4.1 Eligibility and Multiple Grants	C-7
Section 4.2 Option Agreement	C-7
Section 4.3 Limitation on Grants and Exercises	C-7
<b>ARTICLE 5 – OPTION TERMS</b>	<b>C-8</b>
Section 5.1 Exercise Price	C-8
Section 5.2 Expiry Date	C-8
Section 5.3 Vesting	C-9
Section 5.4 Non-Assignability	C-9
Section 5.5 Ceasing to be Eligible Person	C-9
<b>ARTICLE 6 EXERCISE PROCEDURE</b>	<b>C-10</b>
Section 6.1 Exercise Procedure	C-10
Section 6.2 Monitoring of Trades	C-10
<b>ARTICLE 7 – AMENDMENT OF OPTIONS</b>	<b>C-10</b>
Section 7.1 Consent to Amend	C-10
Section 7.2 Amendment Subject to Approval	C-11
<b>ARTICLE 8 – MISCELLANEOUS</b>	<b>C-11</b>
Section 8.1 No Rights as Shareholder	C-11
Section 8.2 No Right to Employment	C-11
Section 8.3 Hold Period	C-11
Section 8.4 Governing Law	C-11
SCHEDULE A – OPTION AGREEMENT	C-13
EXERCISE NOTICE	C-14

# AMENDED AND RESTATED INCENTIVE STOCK OPTION PLAN

## NEVADA EXPLORATION INC. (the "Corporation")

### ARTICLE 1 – DEFINITIONS AND INTERPRETATION

#### Section 1.1 Defined Terms

For the purposes of this Plan, the following terms shall have the following meanings:

- (1) **"Affiliate"** has the meaning ascribed thereto by the Exchange;
- (2) **"Board"** means the Board of Directors of the Corporation or, as applicable, a committee consisting of not less than three Directors of the Corporation duly appointed to administer this Plan;
- (3) **"Common Shares"** means the common shares of the Corporation;
- (4) **"Consultant"** means an individual who:
  - (a) provides ongoing consulting, technical, management or other services to the Corporation or an Affiliate under a written contract with the Corporation or the Affiliate,
  - (b) possesses technical, business or management expertise of value to the Corporation or an Affiliate,
  - (c) in the opinion of the Corporation, spends or will spend a reasonable amount of time and attention on the business and affairs of the Corporation or an Affiliate, and
  - (d) has a relationship with the Corporation or an Affiliate that enables the Consultant to be knowledgeable about the business and affairs of the Corporation or the Affiliate,and includes a company of which a Consultant is an employee or shareholder and a partnership of which a Consultant is an employee or partner;
- (5) **"Corporation"** means Nevada Exploration Inc.;
- (6) **"Director"** means a director of the Corporation or of an Affiliate;
- (7) **"Disinterested Shareholder Approval"** has the meaning ascribed thereto by the Exchange in "Policy 4.4 — Security Based Compensation" of the Exchange's Corporate Finance Manual;
- (8) **"Eligible Person"** means a Director, Officer, Employee or Consultant, and includes an issuer all the voting securities of which are owned by Eligible Persons; provided that, while the Corporation is a Capital Pool Company, Eligible Person means a Director, Officer or Consultant;
- (9) **"Eligible Participant"** means an Eligible Person who has been granted an Option;
- (10) **"Employee"** means an individual who:



- (a) is considered an employee of the Corporation or an Affiliate under the Income Tax Act, i.e. for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source,
  - (b) works full-time for the Corporation or an Affiliate providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or the Affiliate over the details and method of work as an employee of the Corporation or the Affiliate, but for whom income tax deductions are not made at source, or
  - (c) works for the Corporation or an Affiliate on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or the Affiliate over the details and method of work as an employee of the Corporation or the Affiliate, but for whom income tax deductions are not made at source;
- (11) **“Exchange”** means the TSX Venture Exchange and any successor entity;
  - (12) **“Expiry Date”** means the last day of the term for an Option, as set by the Board at the time of grant in accordance with Section 1.1 and, if applicable, as amended from time to time;
  - (13) **“Insider”** has the meaning ascribed thereto by the Exchange;
  - (14) **“Investor Relations Activities”** has the meaning ascribed thereto by the Exchange;
  - (15) **“Management Company Employee”** means an individual who is employed by a person providing management services to the Corporation or an Affiliate which are required for the ongoing successful operation of the business enterprise of the Corporation or the Affiliate. but excluding a person providing Investor Relations Activities;
  - (16) **“Officer”** means an officer of the Corporation or of an Affiliate, and includes a Management Company Employee;
  - (17) **“Option”** means an option to purchase Common Shares pursuant to this Plan;
  - (18) **“Plan”** means this Amended and Restated Incentive Stock Option Plan;
  - (19) **“Security Based Compensation Plan”** has the meaning specified in the policies of the Exchange; and
  - (20) **“Termination Date”** means the date upon which an Eligible Person ceases to qualify as an Eligible Person as that term is defined above.

## **Section 1.2 Interpretation**

References to the outstanding Common Shares at any point in time shall be computed on a non-diluted basis.

## **ARTICLE 2 – ESTABLISHMENT OF PLAN**

### **Section 2.1 Purpose**

The purpose of this Plan is to advance the interests of the Corporation, through the grant of Options, by:

- (a) providing an incentive mechanism to foster the interest of Eligible Persons in the success of the Corporation and its Affiliates;
- (b) encouraging Eligible Persons to remain with the Corporation or its Affiliates; and
- (c) attracting new Directors, Officers, Employees and Consultants.

### **Section 2.2 Shares Reserved**

(1) The aggregate number of Common Shares that may be reserved for issuance pursuant to Options shall not exceed 10% of the outstanding Common Shares at the time of the granting of an Option (rolling percentage), LESS the aggregate number of Common Shares then reserved for issuance pursuant to any Security Based Compensation Plan. For greater certainty, if an Option is surrendered, terminated or expires without being exercised, the Common Shares reserved for issuance pursuant to such Option shall be available for new Options granted under this Plan.

(2) If there is a change in the outstanding Common Shares by reason of any share consolidation or split, reclassification or other capital reorganization, or a stock dividend, arrangement, amalgamation, merger or combination, or any other change to, event affecting, exchange of or corporate change or transaction affecting the Common Shares, the Board shall make, as it shall deem advisable and subject to the requisite approval of the relevant regulatory authorities, appropriate substitution and/or adjustment in:

- (a) the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to this Plan;
- (b) the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to any outstanding unexercised Options, and in the exercise price for such shares or other securities or property; and
- (c) the vesting of any Options, including the accelerated vesting thereof on conditions the Board deems advisable,

and if the Corporation undertakes an arrangement or is amalgamated, merged or combined with another corporation, the Board shall make such provision for the protection of the rights of Eligible Participants as it shall deem advisable.

(3) No fractional Common Shares shall be reserved for issuance under this Plan and the Board may determine the manner in which an Option, insofar as it relates to the acquisition of a fractional Common Share, shall be treated.

(4) The Corporation shall, at all times while this Plan is in effect, reserve and keep available such number of Common Shares as will be sufficient to satisfy the requirements of this Plan.

### **Section 2.3 Non-Exclusivity**

Nothing contained herein shall prevent the Board from adopting such other incentive or compensation arrangements as it shall deem advisable.

### **Section 2.4 Effective Date**

This Plan shall be subject to the approval of any regulatory authority whose approval is required. Any Options granted under this Plan prior to such approvals being given shall be conditional upon such approvals being given, and no such Options may be exercised unless and until such approvals are given.

## **ARTICLE 3 – ADMINISTRATION OF PLAN**

### **Section 3.1 Administration**

(1) This Plan shall be administered by the Board. Subject to the provisions of this Plan, the Board shall have the authority:

- (a) to determine the Eligible Persons to whom Options are granted, to grant such Options, and to determine any terms and conditions, limitations and restrictions in respect of any particular Option grant, including but not limited to the nature and duration of the restrictions, if any, to be imposed upon the acquisition, sale or other disposition of Common Shares acquired upon exercise of the Option, and the nature of the events and the duration of the period, if any, in which any Eligible Participant's rights in respect of an Option or Common Shares acquired upon exercise of an Option may be forfeited;
- (b) To interpret the terms of this Plan, to make all such determinations and take all such other actions in connection with the implementation, operation and administration of this Plan, and to adopt, amend and rescind such administrative guidelines and other rules and regulations relating to this Plan, as it shall from time to time deem advisable, including without limitation for the purpose of ensuring compliance with Section 3.3 hereof

(2) The Board's interpretations, determinations, guidelines, rules and regulations shall be conclusive and binding upon the Corporation, Eligible Persons, Eligible Participants and all other persons.

### **Section 3.2 Amendment, Suspension and Termination**

The Board may amend, subject to the approval of any regulatory authority whose approval is required, suspend or terminate this Plan or any portion thereof. No such amendment, suspension or termination shall alter or impair any outstanding unexercised Options or any rights without the consent of such Eligible Participant. If this Plan is suspended or terminated, the provisions of this Plan and any administrative guidelines, rules and regulations relating to this Plan shall continue in effect for the duration of such time as any Option remains outstanding.

### **Section 3.3 Compliance with Legislation**

(1) This Plan, the grant and exercise of Options hereunder and the Corporation's obligation to sell, issue and deliver any Common Shares upon exercise of Options shall be subject to all applicable federal, provincial and foreign laws, policies, rules and regulations, to the policies, rules and regulations of any stock exchanges or other markets on which the Common Shares are listed or quoted for trading and to such approvals by any governmental or regulatory agency as may, in the opinion of counsel to the Corporation, be required. The Corporation shall not be obligated by the existence of this Plan or any provision of this Plan or the grant or exercise of Options hereunder to sell, issue or deliver Common Shares upon exercise of Options in violation of such laws, policies, rules and regulations or any condition or requirement of such approvals.

(2) No Option shall be granted and no Common Shares sold, issued or delivered hereunder where such grant, sale, issue or delivery would require registration or other qualification of this Plan or of the Common Shares under the securities laws of any foreign jurisdiction, and any purported grant of any Option or any sale, issue and delivery of Common Shares hereunder in violation of this provision shall be void. In addition, the Corporation shall have no obligation to sell, issue or deliver any Common Shares hereunder unless such Common Shares shall have been duly listed, upon official notice of issuance, with all stock exchanges on which the Common Shares are listed for trading.

(3) Common Shares sold, issued and delivered to Eligible Participants pursuant to the exercise of Options shall be subject to restrictions on resale and transfer under applicable securities laws and the requirements of any stock exchanges or other markets on which the Common Shares are listed or quoted for trading, and any certificates representing such Common Shares shall bear, as required, a restrictive legend in respect thereof, including that provided in Section 1.1 hereof.

## ARTICLE 4 – OPTION GRANTS

### Section 4.1 Eligibility and Multiple Grants

Options shall only be granted to Eligible Persons. An Eligible Person may receive Options on more than one occasion and may receive separate Options, with differing terms, on any one or more occasions.

### Section 4.2 Option Agreement

Every Option shall be evidenced by an option agreement, in the form provided in Schedule A or as otherwise approved from time to time by the Board. The Corporation and the Eligible Participant are responsible for ensuring and confirming that the Eligible Participant is a bona fide Employee, Consultant or Management Company Employee, as the case may be, of the Corporation or an Affiliate. In the event of any discrepancy between this Plan and an option agreement, the provisions of this Plan shall govern.

### Section 4.3 Limitation on Grants and Exercises

(1) **To any one person.** The number of Common Shares reserved for issuance to any one person in any 12 month period under this Plan and any Security Based Compensation Plan shall not exceed 5% of the outstanding Common Shares at the time of the grant, unless the Corporation is listed on Tier 1 of the Exchange and has obtained Disinterested Shareholder Approval to exceed such limit.

(2) **To Consultants.** The number of Common Shares reserved for issuance to any one Consultant in any 12 month period under this Plan and any Security Based Compensation Plan shall not exceed 2% of the outstanding Common Shares at the time of the grant.

(3) **To persons conducting Investor Relations Activities.** The aggregate number of Common Shares reserved for issuance to any persons conducting Investor Relations Activities in any 12 month period under this Plan and any Security Based Compensation Plan shall not exceed 2% of the outstanding Common Shares at the time of the grant; provided, that while the Corporation is a Capital Pool Company, no Common Shares may be reserved for issuance to any persons conducting Investor Relations Activities.

(4) **To Insiders.** Unless the Corporation has received Disinterested Shareholder Approval to do so:

- (a) the aggregate number of Common Shares reserved for issuance to Insiders under this Plan and any Security Based Compensation Plan shall not exceed 10% of the outstanding Common Shares at the time of the grant;

- (b) the aggregate number of Common Shares reserved for issuance to Insiders in any 12 month period under this Plan and any Security Based Compensation Plan shall not exceed 10% of the outstanding Common Shares at the time of the grant.
- (5) **Exercises.** Unless the Corporation is listed on Tier 1 of the Exchange and has received Disinterested Shareholder Approval to do so, the number of Common Shares issued to any person within a 12 month period pursuant to the exercise of Options granted under this Plan and any Security Based Compensation Plan shall not exceed 5% of the outstanding Common Shares at the time of the exercise.
- (6) **Exclusion.** For purposes of subsections 4.3(4) and 4.3(5) herein, any Common Shares reserved for issuance or issued to any person pursuant to this Plan and any Security Based Compensation Plan prior to the person becoming an Insider shall be excluded for purposes of the calculations in subsections 4.3(4) and 4.3(5) herein.

## ARTICLE 5 – OPTION TERMS

### Section 5.1 Exercise Price

- (1) The exercise price per Common Share for an Option shall not be less than the “Discounted Market Price”, as calculated pursuant to the policies of the Exchange, or such other minimum price as may be required by the Exchange.
- (2) Subject to Exchange approval, the exercise price per Common Share under an Option may be reduced at the discretion of the Board or committee if:
  - (a) prior Exchange approval is obtained and at least six months has elapsed since the later of the date such Option was granted and the date the exercise price for such Option was last amended; and
  - (b) “disinterested shareholder” approval is obtained in accordance with the policies of the Exchange for any reduction in the exercise price of or extensions to stock options granted to individuals that are insiders at the time of the proposed amendment;

provided that if the exercise price is reduced to less than the Market Price, the Exchange Hold Period will apply from the date of the amendment.

- (3) If Options are granted within ninety days of a distribution by the Corporation by prospectus, then the exercise price per Common Share for such Option shall not be less than the greater of the minimum exercise price calculated pursuant to subsection 5.1(1) herein and the price per Common Share paid by the public investors for Common Shares acquired pursuant to such distribution. Such ninety day period shall begin:
  - (a) on the date the final receipt is issued for the final prospectus in respect of such distribution; and
  - (b) in the case of a prospectus that qualifies special warrants, on the closing date of the private placement in respect of such special warrants.

## Section 5.2 Expiry Date

Every Option shall have a term not exceeding and shall therefore expire no later than 10 years after the date of grant.

## Section 5.3 Vesting

(1) Subject to the subsection **Error! Reference source not found.** herein and otherwise in compliance with the policies of the Exchange, the Board shall determine the manner in which an Option shall vest and become exercisable.

(2) Options issued to Persons retained to provide Investor Relations Activities will be subject to a vesting schedule of at least 12 months such that:

- (a) no more than 1/4 of the Stock Options vest no sooner than three months after the Options were granted;
- (b) no more than another 1/4 of the Options vest no sooner than six months after the Options were granted;
- (c) no more than another 1/4 of the Options vest no sooner than nine months after the Options were granted; and
- (d) the remainder of the Options vest no sooner than 12 months after the Stock Options were granted

## Section 5.4 Non-Assignability

Options may not be assigned or transferred.

## Section 5.5 Ceasing to be Eligible Person

(1) **Termination for cause.** If an Eligible Participant who is an Officer, Employee or Consultant is terminated for cause, each Option held by such Eligible Participant shall terminate and shall therefore cease to be exercisable upon such termination for cause. If an Eligible Participant who is a Director ceases to meet the qualifications set forth in the Corporation's incorporating statute, then, each Option held by such Director shall terminate at the date such Director ceases to be a Director of the Corporation.

(2) **Death.** If an Eligible Participant dies prior to otherwise ceasing to be an Eligible Person, each Option held by such Eligible Participant shall terminate and shall therefore cease to be exercisable no later than the earlier of the Expiry Date and the date which is six months after the date of the Eligible Participant's death, always provided that the Board may, in its discretion, extend the date of such termination and the resulting period in which such Option remains exercisable to a date not exceeding the earlier of the Expiry Date and the date which is twelve months after the date of the Eligible Participant's death.

(3) **End of Eligible Person status.** Subject to Sections 5.5(1) and 5.5(7) below, if an Eligible Participant ceases to be an Eligible Person for any reason whatsoever other than death, each Option held by the Eligible Participant other than an Eligible Participant who is involved in investor relations activities will cease to be exercisable 90 days after the Termination Date. For Eligible Participants involved in investor relations activities, Options shall cease to be exercisable 30 days after the Termination Date.

(4) **Legal representatives.** For greater certainty, if the Eligible Participant dies, each Option held by such Eligible Participant shall be exercisable by the legal representative of such Eligible Participant until such Option terminates and therefore ceases to be exercisable pursuant to the terms of this Section.

(5) **Unvested options.** If any portion of an Option is not vested at the time the Eligible Participant ceases, for any reason whatsoever, to be an Eligible Person, such unvested portion of the Option may not be thereafter exercised by the Eligible Participant or its legal representative, as the case may be, always provided that the Board may, in its discretion, thereafter permit the Eligible Participant or its legal representative, as the case may be, to exercise all or any part of such unvested portion of the Option that would have vested prior to the time such Option otherwise terminates and therefore ceases to be exercisable pursuant to the terms of this Section. For greater certainty, and without limitation, this provision will apply regardless of whether the Eligible Participant ceased to be an Eligible Person voluntarily or involuntarily, was dismissed with or without cause, and regardless of whether the Eligible Participant received compensation in respect of dismissal or was entitled to a notice of termination for a period which would otherwise have permitted a greater portion of an Option to vest.

(6) **Tier 1.** Notwithstanding the foregoing, if the Corporation is listed on Tier 1 of the Exchange and the Eligible Participant ceases to be an Eligible Person in the circumstances set out in subsection 5.5(3) herein, the Board may, for any such Eligible Participant and in its discretion, extend the date of such termination and the resulting period in which the Option remains exercisable to a date not exceeding 12 months from the date such person ceased to be an Eligible Person.

(7) **Change in duties.** The change in the duties or position of the Eligible Participant or the transfer of such Eligible Participant from a position with the Corporation to a position with a Subsidiary, or vice-versa, shall not trigger the termination of such Eligible Participant's Option provided such Eligible Participant remains a director, officer, employee or Consultant of the Corporation or Subsidiary.

## ARTICLE 6 – EXERCISE PROCEDURE

### Section 6.1 Exercise Procedure

An Option may be exercised from time to time, and shall be deemed to be validly exercised by the Eligible Participant only upon the Eligible Participant's delivery to the Corporation at its registered office:

- (1) a written notice of exercise addressed to the Corporate Secretary of the Corporation, specifying the number of Common Shares with respect to which the Option is being exercised;
- (2) the originally signed option agreement or option certificate with respect to the Option being exercised (or if the Corporation is holding such original, confirmation of same);
- (3) a certified cheque or bank draft made payable to the Corporation for the aggregate exercise price for the number of Common Shares with respect to which the Option is being exercised; and
- (4) documents containing such representations, warranties, agreements and undertakings, including such as to the Eligible Participant's future dealings in such Common Shares, as counsel to the Corporation reasonably determines to be necessary or advisable in order to comply with or safeguard against the violation of the laws of any jurisdiction;

and on the business day following, the Eligible Participant shall be deemed to be a holder of record of the Common Shares with respect to which the Option is being exercised, and thereafter the Corporation shall,

within a reasonable amount of time, cause certificates for such Common Shares to be issued and delivered to the Eligible Participant.

### **Section 6.2 Monitoring of Trades**

An Option holder who performs Investor Relations Activities shall provide written notice to the Board of each of his trades of securities of the Corporation, within five (5) business days of each trade.

## **ARTICLE 7 – AMENDMENT OF OPTIONS**

### **Section 7.1 Consent to Amend**

The Board may amend any Option with the consent of the affected Eligible Participant and the Exchange, , subject to the following:

- (a) The Disinterested Shareholder Approval is required for any reduction in the exercise price of an Option if the Eligible Participant is an Insider at the time of the proposed amendment; and
- (b) The Disinterested Shareholder Approval will be required for any extension of the Option Period of an Option if the Optionee is an Insider of the Corporation at the time of the proposed amendment.

### **Section 7.2 Amendment Subject to Approval**

If the amendment of an Option requires regulatory or shareholder approval, such amendment may be made prior to such approvals being given, but no such amended Options may be exercised unless and until such approvals are given.

## **ARTICLE 8 – MISCELLANEOUS**

### **Section 8.1 No Rights as Shareholder**

Nothing in this Plan or any Option shall confer upon an Eligible Participant any rights as a shareholder of the Corporation with respect to any of the Common Shares underlying an Option unless and until such Eligible Participant shall have become the holder of such Common Shares upon exercise of such Option in accordance with the terms of the Plan.

### **Section 8.2 No Right to Employment**

Nothing in this Plan or any Option shall confer upon an Eligible Participant any right to continue in the employ of the Corporation or any Affiliate or affect in any way the right of the Corporation or any Affiliate to terminate the Eligible Participant's employment, with or without cause, at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any Affiliate to extend the employment of any Eligible Participant beyond the time which the Eligible Participant would normally be retired pursuant to the provisions of any present or future retirement plan of the Corporation or any Affiliate, or beyond the time at which he would otherwise be retired pursuant to the provisions of any contract of employment with the Corporation or any Affiliate.



### **Section 8.3 Hold Period**

In addition to any resale restrictions under applicable legislation, all options granted hereunder and all Common Shares issued on the exercise of such options will, if applicable under the policies of the Exchange, be subject to a four (4) month TSX Venture Exchange hold period from the date the options are granted, and the stock option agreements and the certificates representing such shares will bear the following legend:

“Without prior written approval of the Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [insert date].”

### **Section 8.4 Governing Law**

This Plan, all option agreements, the grant and exercise of Options hereunder, and the sale, issue and delivery of Common Shares hereunder upon exercise of Options shall be, as applicable, governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The Courts of the Province of British Columbia shall have the exclusive jurisdiction to hear and decide any disputes or other matters arising herefrom.

**Schedule A – of the Option Agreement**

**NEVADA EXPLORATION INC.**

This certificate is issued pursuant to the provisions of the Nevada Exploration Inc. (the “Corporation”) Incentive Stock Option Plan (the “Plan”) and evidences that \_\_\_\_\_ (the “Eligible Participant”) is the holder of an option (the “Option”) to purchase up to \_\_\_\_\_ common shares (the “Shares”) in the capital stock of the Corporation at a purchase price of \$ \_\_\_\_\_ per Share. Subject to the provisions of the Plan:

- (a) the date of grant of this Option is \_\_\_\_\_; and
- (b) the Expiry Date of this Option is \_\_\_\_\_.

This Option may be exercised in accordance with its terms at any time and from time to time from and including the Award Date through to and including up to 5:00 p.m. (Montreal time) on the Expiry Date, by delivering to the Corporation an Exercise Notice, in the form attached, together with this certificate and a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which this Option is being exercised. The Corporation and the Eligible Participant confirm that the Eligible Participant is a bona fide Employee, Consultant or Management Company Employee, as the case may be, of the Corporation or an Affiliate.

This certificate and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan. This certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Corporation shall prevail.

**IN WITNESS WHEREOF** the parties hereto have executed this Agreement as of the \_\_\_ day of \_\_\_\_\_, 20\_\_.

**NEVADA EXPLORATION INC.**

\_\_\_\_\_  
Optionee  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXERCISE NOTICE**

To: The Administrator, Incentive Stock Option Plan  
**NEVADA EXPLORATION INC.** (the "Corporation")

The undersigned hereby irrevocably gives notice, pursuant to the Corporation's Incentive Stock Option Plan (the "Plan"), of the exercise of the Option granted to the Eligible Participant to acquire and hereby subscribes for:

- (a) all of the Common Shares; or
- (b) \_\_\_\_\_ of the Common Shares, which are the subject of the Option Agreement attached hereto.
- (c) the undersigned represents that he/she/it is, or the Eligible Participant was at the date of grant, a Director, Officer, Employee or Consultant of the Corporation or a director, officer, employee or Consultant of any Affiliate of the Corporation and has not been induced to purchase the Common Shares by expectation of employment or continued employment;
- (d) the undersigned is purchasing the Common Shares pursuant to the exercise of such Option as principal for the Eligible Participant's own account (or if such Eligible Participant is deceased, for the account of the estate of such deceased Eligible Participant); and
- (e) the undersigned will, prior to and upon any sale or disposition of any of the Common Shares purchased pursuant to the exercise of such Option, comply with all applicable securities laws and any other federal, provincial or state laws or regulations to the extent that such laws or regulations are applicable to such sale or disposition.

Calculation of total Exercise Price:

- (i) number of Shares to be acquired on exercise: \_\_\_\_\_ Shares
- (ii) multiplied by the Exercise Price per Share: \$ \_\_\_\_\_
- TOTAL EXERCISE PRICE, enclosed herewith: \$ \_\_\_\_\_

The undersigned tenders herewith a certified cheque or bank draft in an amount equal to the total Exercise Price of the aforesaid Shares, as calculated above, and directs the Corporation to issue the share certificate evidencing said Shares in the name of the undersigned to be mailed to the undersigned at the following address: \_\_\_\_\_

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

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

\_\_\_\_\_  
Name of Option Holder (please print)

