



**NOTICE OF ANNUAL GENERAL MEETING  
MANAGEMENT INFORMATION CIRCULAR**

FOR THE

**ANNUAL GENERAL MEETING OF SHAREHOLDERS**

TO BE HELD

**WEDNESDAY, JUNE 19, 2024**

**10:00 A.M. (PACIFIC)**

**SUITE 1305, 1090 WEST GEORGIA STREET**

**VANCOUVER, BRITISH COLUMBIA**

## **SALAZAR RESOURCES LIMITED**

#1305 - 1090 West Georgia Street  
Vancouver, BC V6E 3V7

### **NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Shareholders (the “**Meeting**”) of Salazar Resources Limited (the “**Company**”) will be held at Suite 1305, 1090 West Georgia Street, Vancouver, British Columbia on Wednesday, June 19, 2024 at 10:00 a.m. (Pacific time), for the following purposes:

1. To receive the audited consolidated financial statements of the Company for the fiscal year ended December 31, 2023, together with the report of the auditors therein;
2. To fix the number of directors at five (5);
3. To elect directors;
4. To appoint D&H Group LLP, Chartered Professional Accountants, as the auditor of the Company for the ensuing year and to authorize the directors to fix the auditor's remuneration; and
5. To consider and, if thought fit, to pass an ordinary resolution to ratify and approve the Company’s incentive stock option plan, as more particularly described in the accompanying management information circular.

Accompanying this Notice of Meeting is a Management Information Circular, together with a Form of Proxy and a Request Form for Annual and Interim Financial Statements. The accompanying Management Information Circular provides information relating to the matters to be addressed at the meeting and is incorporated into this Notice of Meeting.

To be valid, the accompanying Form of Proxy, duly completed, dated and signed, must arrive at the office of the Registrar and Transfer Agent of the Company, Computershare Investor Services Inc., not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or delivered to the Chairman of the Meeting on the day of the Meeting prior to the commencement of the Meeting.

If you are a non-registered shareholder of the Company and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the Income Tax Act (Canada), or a nominee of any of the foregoing that holds your security on your behalf (the "Intermediary"), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

DATED at Vancouver, British Columbia, this 16<sup>th</sup> day of May, 2024.

By Order of the Board of Directors

*“Nick DeMare”*

Nick DeMare, Director

## SALAZAR RESOURCES LIMITED

#1305 - 1090 West Georgia Street  
Vancouver, British Columbia V6E 3V7

### MANAGEMENT INFORMATION CIRCULAR

(Containing information as at May 16, 2024, unless otherwise stated)

#### **SOLICITATION OF PROXIES**

This management information circular (“**Information Circular**”) is furnished in connection with the solicitation of proxies by the management of Salazar Resources Limited (the “**Company**”) for use at the Annual General Meeting of Shareholders of the Company (and any adjournment thereof) to be held on June 19, 2024 (the “**Meeting**”) at the time and place and for the purposes set forth in the accompanying Notice of Annual General Meeting. While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by the directors, officers and regular employees of the Company at nominal cost. All costs of solicitation by management will be borne by the Company.

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

#### **APPOINTMENT OF PROXYHOLDER**

The individuals named in the accompanying form of proxy are directors and/or officers (“**Management’s Nominees**”) of the Company. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY STRIKING OUT THE NAMES OF THOSE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY AND INSERTING THE DESIRED PERSON’S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER FORM OF PROXY. A proxy will not be valid unless the completed form of proxy is received by Computershare Investor Services Inc. (the “Transfer Agent”), Proxy Department, 9<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting, or any adjournment thereof. Proxies delivered after that time will not be accepted.**

#### **REVOCAION OF PROXIES**

A shareholder who has given a proxy may revoke it by an instrument in writing executed by the shareholder or by his attorney duly authorized in writing or, where the shareholder is a company, by a duly authorized officer or attorney of the company, and delivered to the head office of the Company located at Suite 1305, 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7 (Attention: Corporate Secretary), at any time up to and including the last business day preceding the day of the Meeting, or if adjourned, any reconvening thereof, or to the Chairman of the Meeting on the day of the Meeting or, if adjourned, any reconvening thereof or in any other manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

#### **INFORMATION FOR NON-REGISTERED SHAREHOLDERS**

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are “non-registered” shareholders because the common shares of the Company (“Common Shares”) they own are not registered in their names but are instead registered in the names of a brokerage firm, bank or other intermediary or in the name of a clearing agency. Shareholders who do not hold their Common Shares in their own name (referred to herein as “Beneficial Shareholders”) should note that only registered shareholders may vote at the Meeting.** If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in such shareholder’s name on the records of the Company. Such Common Shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which company acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker’s client

can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the brokers' clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided by the Company to the registered shareholders. However, its purpose is limited to instructing the registered shareholder (i.e. the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction form must be returned to Broadridge (or instructions respecting the voting of Common Shares must be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted.**

This Information Circular and accompanying materials are being sent to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own ("**OBOs**") and those who do not object to their identity being made known to the issuers of the securities they own ("**NOBOs**"). Subject to the provision of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") issuers may request and obtain a list of their NOBOs from intermediaries via their transfer agents. Pursuant to NI 54-101, issuers may obtain and use the NOBO list for distribution of proxy-related materials directly (not via Broadridge) to such NOBOs. If you are a Beneficial Shareholder, and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the Common Shares on your behalf.

The Company's OBOs can expect to be contacted by Broadridge or their brokers or their broker's agents as set out above.

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

All references to shareholders in this Information Circular and the accompanying form of Proxy and Notice of Annual and Special Meeting are to shareholders of record unless specifically stated otherwise.

### **VOTING OF PROXIES**

The shares represented by a properly executed proxy in favour of Management's Nominees as proxyholders in the accompanying form of proxy will:

- (a) be voted or withheld from voting in accordance with the instructions of the person appointing the proxyholder on any ballot that may be taken; and
- (b) where a choice with respect to any matter to be acted upon has been specified in the form of proxy, be voted in accordance with the specification made in such proxy.

ON A POLL, SUCH SHARES WILL BE VOTED **AS DIRECTED BY MANAGEMENT OF THE COMPANY** FOR EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED, OR WHERE BOTH CHOICES HAVE BEEN SPECIFIED, BY THE SHAREHOLDER.

The enclosed form of proxy when properly completed and delivered and not revoked confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. If any amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the persons designated in the enclosed form of proxy to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Information Circular, the management of the Company knows of no such amendment, variation or other matter that may be presented to the Meeting.

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

Except as disclosed herein, no person who has been a director or executive officer of the Company at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors, the appointment of auditors or the approval of the proposed restricted share unit plan. Directors and senior officers may, however, be interested in the general authorization granted to the directors with respect to stock options to insiders as detailed herein.

### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The authorized capital of the Company consists of an unlimited number of Common Shares without par value. As at May 10, 2024 (the "**Record Date**"), the Company had 214,812,079 Common Shares issued and outstanding.

Only shareholders of record at the close of business on the Record Date 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 shares voted at the Meeting.

On a show of hands, every individual who is present and is entitled to vote as a shareholder or as a representative of one or more corporate shareholders will have one vote, and on a poll every shareholder present in person or represented by a proxy and every person who is a representative of one or more corporate shareholders, will have one vote for each Common Share registered in that shareholder's name on the list of shareholders as at the Record Date, which is available for inspection during normal business hours at the Transfer Agent and will be available at the Meeting. **Shareholders represented by proxy holders are not entitled to vote on a show of hands.**

To the knowledge of the directors and senior officers of the Company, the following are the only persons or companies who beneficially own, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company as of the close of business on May 10, 2024:

<b><u>Name</u></b>	<b><u>Number of Shares</u></b>	<b><u>Percentage</u></b>
Fredy Enrique Salazar*	37,011,226	17.23%

*\*Mr. Salazar is the President & Chief Executive Officer of the Company.*

### **ELECTION OF DIRECTORS**

The board of directors (the "**Board**") presently consists of six (6) directors and shareholders will be asked at the Meeting to fix the number of directors at five (5) for the ensuing year. Mr. Etienne Walter will not be standing for re-election. It is proposed that five directors be elected for the ensuing year.

The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as management's nominees and the persons named by management as proxyholders in the accompanying form of proxy intend to vote for the election of these nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual

general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company or the provisions of the *Business Corporations Act* (British Columbia) (the "BCBCA").

The following table and notes thereto set out the name of each of management's nominees for election as a director, the province and country in which he/she is ordinarily resident, all offices of the Company now held by him/her, his/her principal occupation, the period of time he/she has been a director of the Company, and the number of shares of the Company beneficially owned by him/her, directly or indirectly, or over which he/she exercises control or direction, as at the date hereof.

Name, Position and Province and Country of Residence <sup>(1)</sup>	Principal Occupation and, if not at present an elected Director, Occupation during the past five years <sup>(1)</sup>	Director Since	No. of Shares beneficially held <sup>(2)</sup>
<b>FREDY E. SALAZAR</b> President, Chief Executive Officer & Director Quito, Ecuador	Geologist, principal of Salazar Resources since March 8, 2007. Prior thereto, principal of Congeminpa Ltda, an environmental consulting company from 2001.	Mar. 8/07	37,011,226 <sup>(3)</sup>
<b>PABLO ACOSTA</b> Chief Financial Officer & Director Quito, Ecuador	Certified Public Accountant in Ecuador. CFO of Salazar Resources since March 8, 2007 and has been a director of several private companies in Ecuador since 1985.	Mar. 8/07	1,094,963
<b>MERLIN MARR-JOHNSON</b> Director & Corporate Secretary United Kingdom	Geologist. Mr. Marr-Johnson has over 25 years' experience in the minerals sector, including work as an exploration geologist for Rio Tinto, an analyst for HSBC and a portfolio manager for Blakeney Management. Mr. Marr-Johnson has worked on projects in South America, Africa, Central Asia and Europe, and as CEO he has brought two companies to AiM, London.	Jan. 24/19	253,000
<b>NICK DEMARE<sup>(4)</sup></b> Director Burnaby, British Columbia	Chartered Professional Accountant; principal of Chase Management Ltd. since 1991 and is a director and/or officer of several publicly listed companies since 1986.	Jun. 6/88	5,929,442 <sup>(5)</sup>
<b>MARY GILZEAN<sup>(4)</sup></b> Director Vancouver, British Columbia	Geologist. Ms. Gilzean has over 25 years of experience in international mineral exploration and human resources management. Ms. Gilzean has lived and worked in South America, Europe, Africa and North America and has served on the boards of several non-profit organizations in the Vancouver area.	Jun. 14/21	500,000

NOTES:

- (1) The information as to province or state and country of residence and principal occupation, not being within the knowledge of the Company, has been furnished by the respective directors individually.
- (2) The information as to shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Company, has been furnished by the respective directors individually.
- (3) Of these shares, 32,542,880 are held by S1959 Ltd., a private UK company controlled by Mr. Salazar.

- (4) Denotes member of Audit Committee.
- (5) Of these shares, 3,318,776 are held through 888 Capital Corp., a private company 50% owned by Mr. DeMare; 888,700 are held through Chase Management Ltd. and 826,966 are held through DNG Capital Corp., private companies wholly owned by Mr. DeMare.

### **Corporate Cease Trade Orders or Bankruptcies**

None of the proposed directors of the Company or any of their personal holding companies:

- (a) is, as at the date of this Information Circular, or has been, within ten years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any Company, including the Company, that:
  - (i) was subject to 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 while that person 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 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 person ceased to be a director, chief executive officer or chief financial officer of the Company 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; or
- (b) is as at the date of this Information Circular or has been within the 10 years before the date of this Information Circular, a director or executive officer of any Company, including the Company, that while that person was acting in 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
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

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

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

### **STATEMENT OF EXECUTIVE COMPENSATION**

The following disclosure regarding executive compensation is provided pursuant to National Instrument 51-102 Continuous Disclosure and in accordance with Form 51-102F6V for venture issuers.

#### **General**

For the purposes of this Information Circular:

- “**compensation securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued

by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries;

- **“external management company”** includes a subsidiary, affiliate or associate of the external management company;
- **“named executive officer”** or **“NEO”** means each of the following individuals:
  - (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
  - (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
  - (c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5), for that financial year;
  - (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year;
- **“plan”** includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons;
- **“underlying securities”** means any securities issuable on conversion, exchange or exercise of compensation securities.

During the financial years ended December 31, 2023 and 2022, the Company had two NEOs: Fredy Salazar, President and CEO, and Pablo Acosta, CFO.

#### **Director and NEO Compensation, Excluding Options and Compensation Securities**

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company to each NEO and director of the Company, current or former, for the completed financial years ended December 31, 2023 and 2022. Options and compensation securities are disclosed under the heading *“Stock Options and Other Compensation Securities and Instruments”* below.

<b>Table of Compensation, Excluding Compensation Securities</b>							
<b>Name and position</b>	<b>Year<sup>(1)</sup></b>	<b>Salary, consulting fee, retainer or commission (\$)<sup>(2)</sup></b>	<b>Bonus (\$)<sup>(2)</sup></b>	<b>Committee or meeting fees (\$)<sup>(2)</sup></b>	<b>Value of perquisites (\$)<sup>(2)</sup></b>	<b>Value of all other compensation (\$)<sup>(2)</sup></b>	<b>Total compensation (\$)<sup>(2)</sup></b>
Fredy Salazar President, CEO and Director	2023	58,503	-	-	-	212,789 <sup>(3)</sup>	271,292
	2022	76,021	-	-	-	194,869 <sup>(3)</sup>	270,890
Pablo Acosta CFO and Director	2023	45,654	-	-	-	2,005 <sup>(4)</sup>	47,659
	2022	54,343	-	-	-	1,940 <sup>(4)</sup>	56,283

Table of Compensation, Excluding Compensation Securities							
Name and position	Year <sup>(1)</sup>	Salary, consulting fee, retainer or commission (\$) <sup>(2)</sup>	Bonus (\$) <sup>(2)</sup>	Committee or meeting fees (\$) <sup>(2)</sup>	Value of perquisites (\$) <sup>(2)</sup>	Value of all other compensation (\$) <sup>(2)</sup>	Total compensation (\$) <sup>(2)</sup>
Merlin Marr-Johnson <sup>(5)</sup> Corporate Secretary, Director and former Executive Vice- President	2023	29,500	-	-	-	-	29,500
	2022	132,000	-	-	-	-	132,000
Nick DeMare Director and Assistant Corporate Secretary	2023	19,261	-	-	-	56,604 <sup>(6)</sup>	75,865
	2022	38,690	-	-	-	58,092 <sup>(6)</sup>	96,782
Etienne Walter Director	2023	15,084	-	-	-	-	15,084
	2022	23,978	-	-	-	-	23,978
Mary Gilzean <sup>(7)</sup> Director	2023	15,084	-	-	-	-	15,084
	2022	23,798	-	-	-	-	23,798

NOTES:

- (1) Financial years ended December 31.
- (2) All amounts shown were paid in Canadian currency, the reporting currency of the Company.
- (3) Includes \$175,422 (2022 - \$158,807) paid for professional services and \$32,386 (2022 - \$31,241) for equipment rental services provided by La Orquidea Lorsa S.A. (formerly Amlatminas S.A.), a private corporation owned by Mr. Salazar, and \$4,981 (2022 - \$4,821) health benefits premiums paid.
- (4) Includes \$2,005 (2022 - \$1,940) for health benefits premiums paid for Mr. Acosta.
- (5) Mr. Marr-Johnson was appointed as a director on January 14, 2019. From October 14, 2021 to February 17, 2023, he also served as Executive Vice-President.
- (6) Paid to Chase Management Ltd. (“Chase”), a private corporation owned by Mr. DeMare, for bookkeeping, accounting and corporate services rendered by Chase personnel exclusive of Mr. DeMare.
- (7) Ms. Gilzean was appointed as a director on June 14, 2021.

**Stock Options and Other Compensation Securities and Instruments**

The following table of compensation securities provides a summary of compensation securities granted or issued by the Company to the NEOs and directors of the Company, current or former, for the financial year ended December 31, 2023, for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries:

Compensation Securities							
Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$) <sup>(1)</sup>	Expiry Date
Fredy Salazar <sup>(2)</sup>	Options RSUs	1,500,000 Nil	May 23/23 N/A	0.10 N/A	0.065 N/A	0.05 N/A	May 23/28 N/A
Pablo Acosta <sup>(3)</sup>	Options RSUs	500,000 Nil	May 23/23 N/A	0.10 N/A	0.065 N/A	0.05 N/A	May 23/28 N/A

Compensation Securities							
Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$) <sup>(1)</sup>	Expiry Date
Merlin Marr-Johnson <sup>(4)</sup>	Options RSUs	500,000 Nil	May 23/23 N/A	0.10 N/A	0.065 N/A	0.05 N/A	May 23/28 N/A
Nick DeMare <sup>(5)</sup>	Options RSUs	710,000 Nil	May 23/23 N/A	0.10 N/A	0.065 N/A	0.05 N/A	May 23/28 N/A
Etienne Walter <sup>(6)</sup>	Options RSUs	500,000 Nil	May 23/23 N/A	0.10 N/A	0.065 N/A	0.05 N/A	May 23/28 N/A
Mary Gilzean <sup>(7)</sup>	Options RSUs	500,000 Nil	May 23/23 N/A	0.10 N/A	0.065 N/A	0.05 N/A	May 23/28 N/A

NOTES:

- (1) Market value of the securities underlying the options on December 29, 2023, being the last trading day of the Company's shares for the financial year.
- (2) As at December 31, 2023, Mr. Salazar held 2,970,000 stock options of the Company entitling him to acquire, upon exercise, 2,970,000 common shares in the capital of the Company. As at December 31, 2023, 2,796,667 of these stock options were vested. Mr. Salazar also held 180,000 RSUs, all of which vested on April 6, 2023.
- (3) As at December 31, 2023, Mr. Acosta held 1,010,000 stock options of the Company entitling him to acquire, upon exercise, 1,010,000 common shares in the capital of the Company. As at December 31, 2023, 956,667 of these stock options were vested. Mr. Acosta also held 80,000 RSUs, all of which vested on April 6, 2023.
- (4) As at December 31, 2023, Mr. Marr-Johnson held 1,900,000 stock options of the Company entitling him to acquire, upon exercise, 1,900,000 common shares in the capital of the Company. As at December 31, 2023, 1,766,667 of these stock options were vested. Mr. Marr-Johnson also held 150,000 RSUs, all of which vested on April 6, 2023.
- (5) As at December 31, 2023, Mr. DeMare held 1,364,000 stock options of the Company entitling him to acquire, upon exercise, 1,364,000 common shares in the capital of the Company. These include 360,000 stock options granted to Chase. As at December 31, 2023, 550,000 of these stock options were vested. Mr. DeMare also held 80,000 RSUs, all of which vested on April 6, 2023.
- (6) As at December 31, 2023, Mr. Walter held 900,000 stock options of the Company entitling him to acquire, upon exercise, 900,000 common shares in the capital of the Company. As at December 31, 2023, 866,667 of these stock options were vested. Mr. Walter also held 35,000 RSUs, all of which vested on April 6, 2023.
- (7) As at December 31, 2023, Ms. Gilzean held 1,000,000 stock options of the Company entitling her to acquire, upon exercise, 1,000,000 common shares in the capital of the Company. As at December 31, 2023 833,333 of these stock options were vested. Ms. Gilzean also held 100,000 RSUs, all of which vested on June 14, 2023.

The following table provides a summary of each exercise of compensation securities by each NEO and director of the Company for the financial year ended December 31, 2023:

Exercise of Compensation Securities							
Name	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Fredy Salazar	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Pablo Acosta	N/A	Nil	N/A	N/A	N/A	N/A	N/A

Exercise of Compensation Securities							
Name	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Merlin Marr-Johnson	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Nick DeMare	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Etienne Walter	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Mary Gilzean	RSUs	100,000	0.00	Nov 10/23	0.045	0.045	4,500

NOTE:

- (1) Ms. Gilzean redeemed 100,000 of RSUs on November 10, 2023.

### Stock Option Plans and Other Incentive Plans

#### A. 10% Rolling Stock Option Plan

The Company has in place a 10% rolling stock option plan (the “**Option Plan**”) whereby the maximum number of common shares that may be reserved for issuance pursuant to such plan will not exceed 10% of the issued shares of the Company at the time of the stock option grant.

In accordance with the policies of the TSX Venture Exchange (the “**Exchange**”) "rolling" plans require shareholder approval on an annual basis. At the Meeting, shareholders will be asked to approve the annual renewal of the Option Plan. For a description of the Option Plan, see “*Particulars of Other Matters to be Acted Upon – Ratification of Stock Option Plan*”.

#### B. Fixed Restricted Share Unit Plan

In addition to the above Option Plan, the Company has in place a fixed restricted share unit plan (the “**RSU Plan**”). The RSU Plan described below was adopted by the Company on August 27, 2020, as amended on December 6, 2022, and approved by the shareholders at the annual and special meeting held on February 17, 2023.

Restricted share units (“**RSUs**”) granted under the RSU Plan will rise and fall in value based on the value of the Common Shares. Unlike Options, RSUs will not require the payment of any monetary consideration to the Company. Instead, each RSU represents a right to receive one Common Share following the attainment of vesting criteria determined at the time of the award.

The RSU Plan is a fixed plan pursuant to which the number of Common Shares that may be issued pursuant to RSUs granted under the RSU Plan is fixed at 2,000,000; provided, however, that the total number of Common Shares which may be issued pursuant to RSUs and Options granted under the Option Plan is a maximum of 10% of the issued and outstanding Common Shares at the time of grant. No RSUs were granted during the Company’s last completed financial year ended December 31, 2023. As of the date of this Information Circular a total of 763,000 RSUs were outstanding.

The following information is intended to be a brief description of the material terms of the RSU Plan and is qualified in its entirety by the full text of the RSU Plan, a copy of which was attached as Schedule “C” to the Information Circular filed on SEDAR+ on January 27, 2023.

- (a) Eligible Persons: The Board of Directors or a committee delegated by the Board of Directors under the RSU Plan (the “**Committee**”) may grant RSUs to directors, officers, employees or consultants (excluding investor relations service providers) of the Company or a subsidiary of the Company (the “**Participants**”) provided that

the Board, together with such individuals or companies, are responsible for ensuring and confirming that such person is a bona fide Participant.

- (b) **Fixed Plan:** The RSU Plan is a fixed plan, such that the aggregate number of Common Shares that may be issued pursuant to the Plan shall not exceed 2,000,000 Common Shares, subject to the number of Common Shares reserved for issuance under the Option Plan and the RSU Plan being no greater than 10% of the Company's issued and outstanding Common Shares at any time.
- (c) **Vesting:** Each RSU will vest in such manner as determined by the Board of Directors or the Committee at the time of grant.
- (d) **Settlement of RSUs:** On the vesting date, the Company at its sole and absolute discretion have the option of settling the RSUs in cash (if applicable), Common Shares acquired by the Company on the Exchange or Common Shares to be issued from the treasury of the Company.
- (e) **Limitations:** The RSU Plan includes the following additional limitations: (i) investor relations service providers may not receive any RSUs pursuant to the RSU Plan; (ii) the maximum aggregate number of Shares reserved for issuance to any one Participant retained as a Consultant to provide services to any of the entities comprising the Salazar Group under all Security Based Compensation Arrangements in any 12 month period shall not exceed 2% of the issued and outstanding Shares, calculated as at the date of grant or issue to the Consultant; (iii) unless the Company has received disinterested shareholder approval to do so, the number of Common Shares reserved for issuance to any one Participant under all security based compensation arrangements in any 12 month period will not exceed 5% of the issued and outstanding Common Shares; (iv) unless the Company has received disinterested shareholder approval to do so, the number of Common Shares issuable to insiders, at any time, under all security based compensation arrangements, shall not exceed 10% of the issued and outstanding Common Shares; and (v) unless the Company has received disinterested shareholder approval to do so the number of Common Shares issued to insiders, within any one year period, under all security based compensation arrangements, shall not exceed 10% of the issued and outstanding Common Shares.
- (f) **Ceasing to be a director, officer, employee or consultant:** The RSU Plan provides that that if a Participant shall cease to be a director or officer of or be in the employ of, or a consultant or other Participant to, the Company or a subsidiary for any reason whatsoever including, without limitation, retirement, resignation or involuntary termination (with or without cause), as determined by the Board of Directors in its sole discretion, before all of the awards respecting RSUs credited to the Participant's account have vested or are forfeited pursuant to any other provision hereof, (i) such Participant shall cease to be a Participant as of the forfeiture date, (ii) the former Participant shall forfeit all unvested awards respecting RSUs credited to the Participant's account effective as at the forfeiture date, (iii) any award value corresponding to any vested RSUs remaining unpaid as of the forfeiture date shall be paid to the former Participant and (iv) the former Participant shall not be entitled to any further payment from the RSU Plan.
- (g) **Change of control:** In the event of a Change of Control (as defined in the RSU Plan), the Board or the Committee shall have absolute discretion to determine if all issued and outstanding RSUs shall vest (whether or not then vested) upon the Change of Control and the vesting date shall be the date which is immediately prior to the time such Change of Control takes place, or at such earlier time as may be established by the Board of Directors or the Committee, in its absolute discretion, prior to the time such Change of Control takes place.
- (h) **Transferability:** Except as required by law, the rights of a Participant under the RSU Plan are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant.
- (i) **Amendments:** The Board of Directors may amend the RSU Plan in any way, or discontinue the RSU Plan altogether, and may amend, in any way, any RSU granted under the RSU Plan at any time without the consent of a Participant, provided that such amendment shall not adversely alter or impair any RSU previously granted under the RSU Plan or any related RSU agreement, except as otherwise permitted under the RSU Plan. In addition, the Board of Directors may, by resolution, make any amendment to the RSU Plan or any RSU granted under it (together with any related RSU agreement) without shareholder approval, provided however, that the Board will not be entitled to amend the RSU Plan or any RSU granted under it without shareholder (disinterested

shareholder approval if applicable) and, if applicable, Exchange approval, in order to: (i) increase the maximum number of Common Shares issuable pursuant to the RSU Plan; (ii) cancel an RSU and subsequently issue to the holder of such RSU a new RSU in replacement thereof; (iii) extend the term of an RSU, but not beyond the Expiry Date; (iv) permit the assignment or transfer of an RSU other than as provided for in the RSU Plan; (v) add to the categories of persons eligible to participate in this Plan; or (viii) in any other circumstances where Exchange and shareholder approval is required by the Exchange. Any renewal of the RSU Plan will be subject to disinterested shareholder approval, and Exchange approval as applicable.

### **Employment, Consulting and Management Agreements**

Management services are provided to the Company by Chase Management Ltd. (“Chase”) of Suite 1305, 1090 West Georgia Street, Vancouver, BC V6E 3V7 pursuant to an arrangement with the Company on a month-to-month basis. Chase is a corporation controlled by Nick DeMare, a director of the Company. During the year ended December 31, 2023, a total of \$75,865 was billed by Chase, as to \$56,604 in accounting, management and administration services provided by Chase personnel and \$19,261 for Mr. DeMare’s services. The amounts have been recorded at the exchange amounts agreed to by Chase and the Company.

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

#### *Compensation, Philosophy and Objectives*

The Board meets to discuss and determine management compensation, without reference to formal objectives, criteria or analysis. The general objectives of the Company’s compensation strategy are to (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management’s interests with the long-term interests of shareholders; and (c) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Company is under by virtue of the fact that it is a junior mineral exploration company without a history of earnings.

The Board, as a whole, ensures that total compensation paid to all Named Executive Officers (or NEOs), as hereinafter defined, is fair and reasonable. The Board, as a whole, recommends levels of executive compensation that are competitive, motivating and commensurate with the time spent by executive officers in meeting their obligations. While the Board does not have direct experience related to executive compensation, the Board relies on their experience as officers and directors with other junior mining companies in assessing compensation levels.

#### *Analysis of Elements*

Base salary is used to provide the Named Executive Officers a set amount of money during the year with the expectation that each Named Executive Officer will perform his responsibilities to the best of his ability and in the best interests of the Company.

The Company considers the granting of incentive stock options to be a significant component of executive compensation as it allows the Company to reward each NEO’s efforts to increase value for shareholders without requiring the Company to use cash from its treasury. Stock options are generally awarded to executive officers at the commencement of employment and periodically thereafter. The terms and conditions of the Company’s stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Company’s Option Plan. A description of the significant terms of the Option Plan is found under the heading “*Particulars of Other Matters to be Acted Upon - Ratification of Stock Option Plan*”.

The Company does not determine executive compensation based on the share price performance. Overall the salaries or consulting fees payable to the NEOs, in particular to the Company’s CEO, have had a minor upward trend in order to provide competitive levels of compensation necessary to attract and maintain executive talent.

The Board has considered the implications of the risks associated with the Company's compensation practices. The Board acknowledges that the Company, as a junior natural resource company, does not presently generate any revenues, and that all management compensation to date has been derived solely from cash in the Company's treasury, acquired by way of equity financings to date, and the grant of incentive stock options to directors, management, contractors and employees. Salary compensation to the Named Executive Officers is provided for under verbal understandings or written consulting

agreements with the Named Executive Officers or management companies under their control. Upon the occurrence of certain events, the Company's early termination of these contracts may also trigger additional balloon payments, which could adversely impact the Company's working capital.

#### *Option-based Awards*

As described above, the Company has in place an Option Plan. The Company's directors, employees, officers and certain consultants are entitled to participate in the Option Plan. The Option Plan is designed to encourage share ownership and entrepreneurship on the part of the senior management and other employees. The Board believes that the Option Plan aligns the interests of the NEOs and the Board with shareholders by linking a component of executive compensation to the longer term performance of the Company's common shares.

Options are granted by the Board. In monitoring or adjusting the option allotments, the Board takes into account its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value, previous option grants and the objectives set for the NEOs and the Board. The scale of options is generally commensurate to the appropriate level of base compensation for each level of responsibility.

In addition to determining the number of options to be granted pursuant to the methodology outlined above, the Board also makes the following determinations:

- parties who are entitled to participate in the Option Plan;
- the exercise price for each stock option granted, subject to the provision that the exercise price cannot be lower than the prescribed discount permitted by the Exchange from the market price on the date of grant;
- the date on which each option is granted;
- the vesting period, if any, for each stock option;
- the other material terms and conditions of each stock option grant; and
- any re-pricing or amendment to a stock option grant.

The Board makes these determinations subject to and in accordance with the provisions of the Option Plan. The Board reviews and approves grants of options on an annual basis and periodically during a financial year.

There is no restriction on NEOs or Directors regarding the purchase of financial instruments, including prepaid variable forward contracts, equity swaps, collars or units or exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held directly or indirectly by the NEO or Director for the financial year ended December 31, 2023.

No NEO or Director, directly or indirectly, purchased any financial instruments or employed a strategy to hedge or offset a decrease in market value of equity securities granted as compensation or held.

#### **Pension**

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

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

The following table provides information regarding compensation plans under which securities of the Company are authorized for issuance to directors, officers, employees and consultants in effect as of the end of the Company's most recently completed fiscal year end:

Plan Category	Column (a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Column (b) Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Column (c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity Compensation Plans Approved by Securityholders	14,987,000 Options 763,000 RSUs	0.14 N/A	3,434,208 Options <sup>(1)</sup> 1,237,000 RSUs <sup>(2)</sup>
Equity Compensation Plans Not Approved by Securityholders	-	-	-
Total	14,987,000 Options 763,000 RSUs	0.14 N/A	3,434,208 Options <sup>(1)</sup> 1,237,000 RSUs <sup>(2)</sup>

NOTES:

- (1) Based upon the Company having 184,212,079 common shares issued and outstanding as at December 31, 2023. The Company currently has in place a "rolling" stock option plan whereby the maximum number of common shares that may be reserved for issuance pursuant to such plan will not exceed 10% of the issued shares of the Company at the time of the stock option grant. See "*Particulars of Other Matters to be Acted Upon - Ratification of Stock Option Plan*" for further particulars of the stock option plan.
- (2) In September 2020 the Company adopted a RSU Plan, as amended February 2023, whereby the maximum number of RSUs that may be reserved for issuance pursuant to such plan will not exceed 2,000,000 common shares, subject to the number of common shares reserved for issuance pursuant to such plan and the stock option plan not exceeding 10% of the issued shares of the Company at any time. See "*Stock Option Plans and Other Incentive Plans – Restricted Share Unit Plan*" for further particulars of the restricted share unit plan.

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

As of May 16, 2024, the date of this Information Circular, no director, executive officer, employee, proposed management nominee for election as a director of the Company, nor any associate of any such director, executive officer, or proposed management nominee of the Company, or any former director, executive officer or employee of the Company or any of its subsidiaries, was indebted to the Company or any of its subsidiaries, or indebted to another entity where such indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

**INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Except as disclosed below, none of the proposed directors, directors or executive officers of the Company, a director or executive officer of a person or company that is itself an informed person (as defined in National Instrument 51-102 *Continuous Disclosure Obligations*) or subsidiary of the Company, nor any person or company who beneficially owns, or controls or directs, directly or indirectly, Common Shares or a combination of both, carrying more than 10% of the voting rights attached to the outstanding Common Shares nor an associate or affiliate of any of the foregoing persons has since January 1, 2023 (being the commencement of the Company's last completed financial year) any material interest, direct or indirect, in any transactions which materially affected or would materially affect the Company or any of its subsidiaries.

During fiscal 2023 the Company incurred \$32,386 for equipment rental services and \$175,422 for professional services provided by La Orquidea Lorsa S.A., a private corporation beneficially controlled by Mr. Salazar.

During fiscal 2023 the Company incurred \$29,147 for storage rental provided by Agrosamex S.A., a private corporation controlled by the son of Mr. Salazar.

## **APPOINTMENT OF AUDITOR**

Unless such authority is withheld, the persons named in the accompanying proxy intend to vote for the appointment of D&H Group LLP, Chartered Professional Accountants, as the auditor of the Company and to authorize the directors to fix their remuneration.

## **AUDIT COMMITTEE**

Under National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), companies are required to provide disclosure with respect to their audit committee, including the text of the audit committee’s charter, the composition of the audit committee and the fees paid to the external auditor.

### **Audit Committee Charter**

The Company has adopted a Charter of the Audit Committee of the Board of Directors, the text of which is set out in the attached Schedule “A” to this Information Circular.

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

Following the election of the directors pursuant to this Information Circular, it is intended that the following will be the members of the Audit Committee:

Nick DeMare	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
Etienne Walter	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
Mary Gilzean	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>

#### NOTES:

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company that could, in the view of the Board of Directors, reasonably interfere with the exercise of a member’s independent judgment.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

### **Relevant Education and Experience**

Mr. Nick DeMare is a Chartered Professional Accountant and has been the President of Chase Management Ltd. since 1991. Chase is a private company which provides accounting, management, securities regulatory compliance and corporate secretarial services to companies listed on the Toronto and Venture Exchanges and their predecessors. He also serves as an officer and/or director of a number of public companies listed on the Toronto and Venture Exchanges. He holds a Bachelor of Commerce degree from the University of British Columbia and is a member in good standing with the Institute of Chartered Professional Accountants of British Columbia.

Mr. Etienne Walter has been an Honorary Consul General of Republic of Ecuador with jurisdiction over the Provinces of Alberta and British Columbia, the Northwest Territories and Yukon Territory since December 1993 and has been recognized by the Canadian Government since March 17, 1994. Mr. Walter has worked with many public and private corporations, consulting on matters of international relations and trade, particularly in the resource and energy fields, throughout South America. He has also served as a director of other public and private companies.

Ms. Mary Gilzean has over 25 years of experience in international mineral exploration and human resources management. She has lived and worked in Africa, Europe, and North and South America with Teck Resources and BHP Billiton. She is a graduate in geology from Stanford University and holds a Master’s Degree in geology from the University of California, Berkeley. She has served on the boards of several non-profit organizations in the Vancouver area.

As such, each proposed member of the audit committee has acquired knowledge and understanding of the financial issues and accounting principles that are relevant in assessing this Company’s financial disclosures and internal control systems.

### **Audit Committee Oversight**

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

### **Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), the exemptions in Subsection 6.1.1(4) (Circumstances Affecting the Business or Operations of the Venture Issuer), Subsection 6.1.1(5) (Events Outside Control of Member), Subsection 6.1.1(6) (Death, Incapacity or Resignation) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

### **Pre-Approval Policies and Procedures**

The Committee is required to review the performance of the Company's external auditors and to approve in advance provision of services other than auditing. The Committee is also required to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company. The Committee is authorized to approve any non-audit services or additional work that the Chairman deems necessary. In such a case, the Chairman of the Committee is to notify the other members of the Committee of such non-audit or additional work.

### **External Auditor Service Fees (By Category)**

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit fees are as follows:

<b>Financial Year Ending</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit Related Fees<sup>(2)</sup></b>	<b>Tax Fees<sup>(3)</sup></b>	<b>All Other Fees<sup>(4)</sup></b>
2023	\$95,856	-	-	\$1,159
2022	\$111,115	-	-	\$1,281

#### NOTES:

- (1) The aggregate audit fees billed.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or the review of the Company's financial statements are not included under the heading of "Audit Fees".
- (3) The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning, as well as the preparation of corporate income tax returns.
- (4) The aggregate fees billed for products and services other than as set out under the headings "Audit Fees", "Audit Related Fees" and "Tax Fees".

### **Exemption**

The Company is currently a "Venture Issuer", as defined in Section 1.1 of NI 52-110. Accordingly, in providing the disclosure contained in this section titled "Audit Committee", the Company is relying upon the exemption in Section 6.1 of NI 52-110 (which is available to all Venture Issuers).

### **CORPORATE GOVERNANCE PRACTICE**

National Instrument 58-101, *Disclosure of Corporate Governance Practices* ("NI 58-101") requires issuers to disclose their governance practices in accordance with that instrument. The Company is a "venture issuer" within the meaning of NI 58-101.

The Board has adopted certain corporate governance policies to reflect the Company's commitment to good corporate governance, and to comply with NI 58-101, Form 58-101F2 - *Corporate Governance Disclosure (Venture Issuers)* and National Policy 58-201 - *Corporate Governance Guidelines*. The Board periodically reviews these policies and proposes

modifications to the Board for consideration as appropriate. The Company considers good corporate governance to be central to the effective and efficient management and operation of the Company, and the Board is directly responsible for developing the Company's approach to corporate governance issues. A discussion of the Company's governance practices within the context of NI 58-101 is set out below.

### **Statement of Corporate Governance Practices**

Corporate governance relates to the activities of the board of directors of the Company (the "Board"), the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. The Board is committed to sound corporate governance practices which are both in the interest of its shareholders and contribute to effective and efficient decision making. National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101 *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices for Venture Issuers in Form 58-101F2, which disclosure is set out below.

### **Board of Directors**

#### *Structure and Compensation*

The Board is currently composed of six directors, five of whom are proposed nominees for re-election as director at the Meeting.

Form 58-101F1 suggests that the board of directors of every listed corporation should be constituted with a majority of individuals who qualify as "independent" directors under National Instrument 52-110 ("NI 52-110"), which provides that a director is independent if he or she has no direct or indirect "material relationship" with the Company. "Material relationship" is defined as a relationship which could, in the view of the Company's board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment. Of the proposed nominees, two (2), Fredy Salazar, President and Chief Executive Officer, Pablo Acosta, Chief Financial Officer, are "inside" or management directors and accordingly are considered not "independent". Nick DeMare, Etienne Walter, Merlin Marr-Johnson and Mary Gilzean are considered by the Board to be "independent", within the meaning of NI 52-110.

In assessing Form 58-101F2 and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors.

The Board does not currently have a Chair. The independent directors exercise their responsibilities for independent oversight of management and are provided with leadership through their position on the Board and ability to meet independently of management whenever deemed necessary.

The quantity and quality of the Board compensation is reviewed on an annual basis. At present, the Board is satisfied that the current Board compensation arrangements, which currently only includes incentive stock options, adequately reflect the responsibilities and risks involved in being an effective director of the Company. The number of options to be granted is determined by the Board as a whole, thereby providing the independent directors with significant input into compensation decisions. At this time the Company does not believe its size and limited scope of operations requires a formal compensation committee.

### **Directorships**

As of the date of this Information Circular, certain directors of the Company are also serving as directors of other reporting issuers, details of which are as follows:

Director	Other Reporting Issuer
Fredy Salazar	N/A
Pablo Acosta	N/A
Nick DeMare	Auscan Resources Inc., Cliffmont Resources Ltd., East West Petroleum Corp., Hannan Metals Ltd., Kingsmen Resources Ltd., Mirasol Resources Ltd., Rochester Resources Ltd., T2 Metals Corp., Tinka Resources Limited, Tribeca Resources Corporation and Whitewater Acquisition Corp.
Etienne Walter	N/A
Merlin Marr-Johnson	Fitzroy Minerals Inc.
Mary Gilzean	Fitzroy Minerals Inc.

### **Mandate of the Board**

The mandate of the Board is to manage or supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company's affairs directly and through the Audit Committee. In fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Company's overall business strategies and its annual business plan, reviewing and approving the annual corporate budget and forecast, reviewing and approving significant capital investments outside the approved budget; reviewing major strategic initiatives to ensure that the Company's proposed actions accord with shareholder objectives; reviewing succession planning; assessing management's performance against approved business plans and industry standards; reviewing and approving the reports and other disclosure issued to shareholders; ensuring the effective operation of the Board; and safeguarding shareholders' equity interests through the optimum utilization of the Company's capital resources. The Board also takes responsibility for identifying the principal risks of the Company's business and for ensuring these risks are effectively monitored and mitigated to the extent reasonably practicable. At this stage of the Company's development, the Board does not believe it is necessary to adopt a written mandate, as sufficient guidance is found in the applicable corporate legislation and regulatory policies. However, as the Company grows, the Board will move to develop a formal written mandate.

In keeping with its overall responsibility for the stewardship of the Company, the Board is responsible for the integrity of the Company's internal control and management information systems and for the Company's policies respecting corporate disclosure and communications.

Each member of the Board understands that he is entitled to seek the advice of an independent expert if he reasonably considers it warranted under the circumstances.

The positions of President and Chief Executive Officer are combined. The Board believes the Company is well serviced and the independence of the Board from management is not compromised by the combined role. The Board does not, and does not consider it necessary to, have any formal structures or procedures in place to ensure that the Board can function independently of management. The Board believes that its current composition, in which only two (2) of six (6) are members of management, is sufficient to ensure that the Board can function independently of management.

### **Nomination and Assessment**

The Board determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members and the President and Chief Executive Officer. The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions.

The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Company's size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The Board plans to continue evaluating its own effectiveness

on an ad hoc basis. The current size of the Board is such that the entire Board takes responsibility for selecting new directors and assessing current directors. Proposed directors' credentials are reviewed in advance of a Board Meeting with one or more members of the Board prior to the proposed director's nomination.

New directors are briefed on strategic plans, short, medium and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing corporation policies. However, there is no formal orientation for new members of the Board, and this is considered to be appropriate, given the Company's size and current limited operations.

The skills and knowledge of the Board of Directors as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies in the natural resource sector. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. Board members have full access to the Company's records. Reference is made to the table under the heading "Election of Directors" in the Information Circular for a description of the current principal occupations of the Company's Board.

### **Expectations of Management and Ethical Business Conduct**

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives. To date, the Board has not adopted a formal written Code of Business Conduct and Ethics. However, the current limited size of the Company's operations and the small number of officers and employees allow the independent members of the Board to monitor on an ongoing basis the activities of management and to ensure that the highest standard of ethical conduct is maintained. As the Company grows in size and scope, the Board anticipates that it will formulate and implement a formal Code of Business Conduct and Ethics.

### **Committee Responsibilities and Activities**

Committees of the Board are an integral part of the Company's governance structure. At the present time, the only standing committee is the Audit Committee. Disclosure with respect to the Audit Committee, as required by NI 52-110 – Audit Committee, is contained in Schedule "A" to this Information Circular. As the Company grows, and its operations and management structure become more complex, the Board will likely find it appropriate to constitute formal standing committees, such as a Corporate Governance Committee, Compensation Committee and Nominating Committee, and to ensure that such committees are governed by written charters and are composed of at least a majority of independent directors.

## **PARTICULARS OF OTHER MATTERS TO BE ACTED UPON**

### **Ratification of Stock Option Plan**

At the Meeting, shareholders will be asked to ratify the Company's 10% rolling stock option plan (the "**Option Plan**") adopted on September 25, 2014, as amended January 12, 2023, whereby the maximum number of common shares that may be reserved for issuance pursuant to such plan will not exceed 10% of the issued shares of the Company at the time of the stock option grant. The Option Plan, as amended, was approved by the shareholders on February 17, 2023 and by the Exchange on April 18, 2023. In accordance with the policies of the Exchange, rolling stock option plans require shareholder approval on an annual basis.

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Executives, Employees and Consultants, to incent such individuals to contribute toward the long term goals of the Company, and to encourage such individuals to acquire Shares of the Company as long term investments. The Option Plan is subject to approval by the shareholders and to the final acceptance of the Exchange.

A summary of certain provisions of the Option Plan is set out below, and a full copy of the Option Plan was filed on SEDAR+ on January 27, 2023 as Schedule "B" to the Company's Information Circular dated January 12, 2023. This summary is qualified in its entirety to the full copy of the Option Plan.

The following is a brief description of the Option Plan:

- (a) To be eligible for the issuance of a stock option under the Option Plan an optionee must either be a director, employee (including an officer) or consultant of the Company or any subsidiary of the Company or a company owned by an employee, director or consultant at the time the option is granted. Options may be granted only to an individual or to a company that is owned by individuals eligible for an option grant.
- (b) The options granted pursuant to the Option Plan will be exercisable at a price which is not lower than the market value of the Company's Shares at the time the option is granted less any applicable discounts permitted by the applicable regulatory authorities. "Market Value" will be the closing trading price of the Company's Shares on the TSX Venture Exchange (the "**Exchange**") or such other stock exchange upon which the common shares are listed on the trading day immediately preceding the date of the grant of the option.
- (c) Options granted under the Option Plan will be granted for a term not to exceed ten years from the date of their grant. All options will terminate on the earlier of the expiry of their term and the date of termination of an option holder's employment, engagement or position with the Company if terminated for just cause or on other bases as set out in the Option Plan, otherwise 90 days following termination of employment or cessation of the option holder's position with the Company.
- (d) The Company's Board may, at their discretion, impose vesting provisions on Options granted under the Option Plan. Notwithstanding any vesting schedule to which Options are subject, Options shall cease to vest immediately if the employment or engagement of an Option Holder as an Employee or Consultant or the position of an Option Holder as a director or officer of the Company or a Subsidiary is terminated for any reason whatsoever. In which case, the Option Holder may only exercise such number of Options that are vested as at the date of termination of such Option Holder's employment, engagement or appointment as a director or officer.
- (e) Options will also be non-assignable and non-transferable; provided that they will be exercisable by an option holder's legal heirs or personal representatives, subject to the expiry date of such option, for up to 12 months following the death or termination of an option holder due to disability, and up to 12 months following the death of an option holder terminated for disability within the previous 12 months.
- (f) The number of common shares of the Company reserved for issuance to any one person on a yearly basis cannot exceed 5% of the number of issued and outstanding common shares of the Company at the time of the grant of options, unless the Company has obtained disinterested shareholder approval as required by the Exchange. The aggregate number of options granted to employees or consultants engaged in investor relations activities must not exceed 2% of the outstanding issue in any 12 month period and such options must vest in stages over 12 months with no more than 25% of the options vesting in any three month period.
- (g) In the event that the expiration date of Options granted under the Option Plan falls in a period during which the Company has imposed a restriction on its directors, officers, employees and consultants from trading in securities of the Company, the expiry date of such Options will be extended for a period of time ending on the tenth business day after the expiry of the Black-Out to provide such Option Holders with an extension to the right to exercise such Options, so long as the expiry date does not exceed ten years from the date of grant of such Options.
- (h) If a material alteration in the capital structure of the Company occurs as a result of a consolidation, subdivision, conversion, exchange, reclassification or otherwise, the Board shall make adjustments to the Option Plan and to the options then outstanding under it as the Board determines to be appropriate and equitable under the circumstances, unless the Board determines that it is not practicable or feasible to do so, in which event the options granted under the Option Plan will terminate as set forth above.
- (i) The Board may amend the terms of the Option Plan or the terms and conditions of any option thereafter to be granted, subject to approval of any stock exchange on which the Company is listed, provided that where such amendment relates to an existing option and it would materially decrease the rights or benefits accruing to an option holder or materially increase the obligations of an option holder, then, unless otherwise excepted out by a provision of the Option Plan, the Board must also obtain the written consent of the option holder in question to such amendment. If at the time the exercise price of an option is reduced the option holder is an insider of the

Company, the insider must not exercise the option at the reduced exercise price until the reduction in exercise price has been approved by the disinterested shareholders of the Company.

#### *Company Option Plan Resolution*

At the Meeting, the shareholders of the Company will be asked to consider and approve an ordinary resolution, in substantially the following form, in order to ratify and approve the Option Plan, which resolution requires approval of greater than 50% of the votes cast by the shareholders who, being entitled to do so, vote, in person or by proxy, on the ordinary resolution at the Meeting:

“BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

- (a) subject to final acceptance of the TSX Venture Exchange (the “**Exchange**”), the Company’s stock option plan (the “**Option Plan**”), substantially in the form previously approved by the Shareholders of the Company at the last annual and special meeting held on February 17, 2023, is hereby ratified and approved;
- (b) the directors of the Company or any committee of the board of directors of the Company are hereby authorized to grant Options pursuant to the Option Plan to those eligible to receive Options thereunder;
- (c) any one director or officer of the Company is hereby authorized to execute and deliver on behalf of the Company all such documents and instruments and to do all such other acts and things as in such director’s opinion may be necessary to give effect to the matters contemplated by these resolutions; and
- (d) notwithstanding that this resolution be passed by the shareholders of the Company, the approval of the Option Plan is conditional upon receipt of final approval of the Exchange, and the directors of the Company are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Company, at any time if such revocation is considered necessary or desirable to the directors.”

#### *Recommendation of the Board*

The Board has determined that the Option Plan is in the best interests of the Company and the shareholders and unanimously recommends that the shareholders vote in favour of approving the Option Plan. **In the absence of any contrary directions, it is the intention of management to vote proxies in the accompanying form FOR the foregoing resolution.**

The Board reserves the right to amend any terms of the Option Plan or not to proceed with the Option Plan at any time prior to the Meeting if the Board determines that it would be in the best interests of the Company and the shareholders and to do so in light of any subsequent event or development occurring after the date of the Information Circular.

#### **ANY OTHER MATTERS**

Management of the Company 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, it is the intention of the persons named in the form of proxy accompanying this Information Circular to vote the same in accordance with their best judgment of such matters.

#### **ADDITIONAL INFORMATION**

Additional information regarding the Company and its business activities is available on the Company’s profile on SEDAR+ website located at [www.sedarplus.ca](http://www.sedarplus.ca). The Company’s financial information is provided in the Company’s audited comparative financial statements and related management discussion and analysis for its most recently completed financial year and may be viewed on the SEDAR+ website at the website noted above. Shareholders of the Company may request copies of the Company’s financial statements and related management discussion and analysis by contacting the Company at Salazar Resources Limited, #1305 – 1090 W. Georgia Street, Vancouver, BC, V6E 3V7, Tel: (604) 685-9316 | Fax: (604) 683-1585.

Schedule "A"

**SALAZAR RESOURCES LIMITED**

**CHARTER OF THE AUDIT COMMITTEE  
OF THE BOARD OF DIRECTORS**

**Mandate**

The primary function of the audit committee (the "Committee") is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. The Committee's primary duties and responsibilities are to:

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

**Composition**

The Committee shall be comprised of at least three directors. Each member must be a director of the Company. A majority of the members of the Committee shall not be officers or employees of the Company or of an affiliate of the Company. At least one member of the Committee shall be financially literate. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Audit Committee 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 the issues that can reasonably be expected to be raised by the Company's financial statements.

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

**Meetings**

Meetings of the Committee shall be scheduled to take place at regular intervals. Unless all members are present and waive notice, or those absent waive notice before or after a meeting, the Chairman will give Committee members 24 hours' advance notice of each meeting and the matters to be discussed at it. Notice may be given personally, by telephone, facsimile or email.

The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Company's annual financial statements and, if the Committee feels it is 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 of Directors or the shareholders of the Company.

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

telephone or other communications medium, are able to communicate with each other and if all members who wish to participate in the meeting agree to such participation.

As part of its goal to foster open communication, 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 annually to review the Company's financial statements.

The Committee may invite to its meetings any director, any manager of the Company, and any other person whom it deems appropriate to consult in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate to exclude in order to carry out its responsibilities.

### **Responsibilities and Duties**

To fulfill its responsibilities and duties, the Committee shall:

#### *Documents/Reports Review*

- (a) Review the Company's financial statements, including any certification, report, opinion, or review rendered by the Auditor, MD&A and any annual and interim earnings press releases before the Company publicly discloses this information.
- (b) Review and satisfy itself that adequate procedures are in place for the review of the Company'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.

#### *External Auditors*

- (a) 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 or review services for the Company.
- (b) Require the Auditor to report directly to the Committee.
- (c) Review annually, the performance of the Auditor who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.
- (d) Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor.
- (e) Take, or recommend that the Board of Directors take, appropriate action to oversee the independence of the Auditor.
- (f) Recommend to the Board of Directors the external auditor to be nominated at the annual general meeting for appointment as the Auditor for the ensuing year and the compensation for the Auditors, or, if applicable, the replacement of the Auditor.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditor of the Company.
- (h) Be directly responsible for the oversight of the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work.
- (i) Review with management and the Auditor the audit plan for the year end financial statements.

- (j) Review and pre-approve all audit and audit related services and the fees and other compensation related thereto, and any non-audit services, provided by the 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 Company 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 Company at the time of the engagement to be non-audit services; and
  - (iii) such services are promptly brought to the attention of the Committee 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 out in this section provided the pre-approval of non-audit services by any member to whom authority has been delegated must be presented to the Committee at its first scheduled meeting following such pre-approval.

#### *Financial Reporting Processes*

- (a) In consultation with the Auditor, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the Auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the Auditor and management.
- (d) Review significant judgments made by management in the preparation of financial statements and the view of the Auditor as to the appropriateness of such judgments.
- (e) 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 work or access to required information.
- (f) Review any significant disagreement among management and the Auditor in connection with the preparation of the financial statements.
- (g) Review with the Auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Discuss with the Auditor the Auditor's perception of the Company's financial and accounting personnel, any material recommendations which the Auditor may have, the level of cooperation which the Auditor received during the course of their review and the adequacy of their access to records, data and other requested information.
- (i) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (j) Establish procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and

- (ii) the confidential, anonymous submission by the employees of the Company of concerns regarding questionable accounting or auditing matters.

*Other*

- (a) Perform such other duties as may be assigned to it by the Board of Directors from time to time or as may be required by applicable regulatory authorities or legislation.
- (b) Report regularly and on a timely basis to the Board of Directors on matters coming before the Committee.
- (c) Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board of Directors for approval.

**Authority**

The Committee is authorized to:

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

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