



**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING  
OF SHAREHOLDERS OF STAR ROYALTIES LTD.**

TO BE HELD ON JUNE 20, 2023

**MANAGEMENT PROXY CIRCULAR**

DATED MAY 5, 2023



## STAR ROYALTIES LTD.

### NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that the annual general and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (the “**Common Shares**”) of Star Royalties Ltd. (the “**Company**”) will be held on June 20, 2023 at 2:00 p.m. (Toronto time). Due to the ongoing novel coronavirus public health emergency of national concern (“**COVID-19**”), the Meeting will be a virtual only meeting. Shareholders can access the Meeting by the following link <https://virtual-meetings.tsxtrust.com/1480>. The Meeting is being held for the following purposes (which are further described in the Company’s management proxy circular (the “**Circular**”) available on SEDAR at [www.sedar.com](http://www.sedar.com)):

1. to receive the audited annual financial statements of the Company for the financial year ended December 31, 2022, together with the report of the auditor’s thereon;
2. to elect the directors of the Company until the next annual general meeting of Shareholders. For more information, see “*Matters to be Considered at the Meeting – Election of Directors*” in the Circular;
3. to consider and, if deemed advisable, pass, with or without variation a resolution, the full text of which is set forth herein, to re-approve the Company’s equity incentive compensation plan. For more information, see “*Matters to be Considered at the Meeting – Approval of Omnibus Plan*” in the Circular;
4. to appoint KPMG LLP as auditor of the Company for the ensuing year and to authorize the directors of the Company to approve the remuneration of the auditor. For more information, see “*Matters to be Considered at the Meeting – Appointment of Auditor*” in the Circular; and
5. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

Shareholders should refer to the Circular for more detailed information with respect to the matters to be considered at the Meeting.

**A registered Shareholder may attend the Meeting in person (online) or may be represented by proxy. Shareholders unable to attend the Meeting or any adjournment or adjournments thereof in person (online) are requested to date, sign and return the accompanying instrument of proxy (“Instrument of Proxy”) for use at the Meeting or any adjournment or adjournments thereof.** To be effective, the Instrument of Proxy must be mailed so as to reach or be deposited with TSX Trust Company, Attention: Proxy Department, 301 – 100 Adelaide Street West, Toronto ON M5H 4H1, no later than June 16, 2023 at 2:00 p.m. (Toronto time).

If you are not a registered Shareholder and received this Notice and the Circular through your broker or another intermediary, please complete and return the accompanying Instrument of Proxy or voting instruction form provided to you by such broker or other intermediary, in accordance with the instructions provided therein.

The Company has elected to use the notice-and-access rules (“**Notice and Access**”) under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Continuous Disclosure Obligations* for distribution of the Meeting materials to Shareholders.

Notice and Access is a set of rules that allows issuers to post electronic versions of its proxy-related materials on SEDAR and on one additional website, rather than mailing paper copies to Shareholders. The Circular, this Notice of Meeting, the form of proxy, the voting instruction form and the Company’s annual audited consolidated financial statements for the year ended December 31, 2022 and the related management’s discussion and analysis of financial condition and results of operations (the “**Meeting Materials**”) are available at [www.starroyalties.com/investors/annual-meetings](http://www.starroyalties.com/investors/annual-meetings) and under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders are reminded to review the Meeting Materials before voting.

Shareholders may obtain paper copies of the Meeting Materials, or obtain further information about Notice and Access, by contacting the Company's transfer agent, TSX Trust Company, toll free at 1-866-600-5869 or by email at [tmxinvestorservices@tmx.com](mailto:tmxinvestorservices@tmx.com). A request for paper copies should be received by TSX Trust Company by June 9, 2023 in order to allow sufficient time for the Shareholder to receive the paper copy and return the proxy by its due date.

**DATED** this 5th day of May, 2023.

**BY ORDER OF THE BOARD OF DIRECTORS OF  
Star Royalties Ltd.**

(signed) "*Alexandre Pernin*"

Chief Executive Officer and Director

**As a result of COVID-19, the Company is proactively implementing measures to prioritize the health and well-being of its employees, customers, suppliers, partners, securityholders, communities and other stakeholders. The Company is conscious of its responsibility to help slow the spread of COVID-19 and reduce its impact on stakeholders and their health. The Company takes this responsibility seriously. Out of an abundance of caution, to proactively deal with the public health impact of COVID-19 and to mitigate risks to the health and safety of stakeholders, the Company holds the Meeting in a virtual-only format, which will be conducted via live webcast. Accordingly, Shareholders will only be able to attend and participate in the Meeting online via live webcast.**

**STAR ROYALTIES LTD.**  
**ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**  
**JUNE 20, 2023**  
**TO BE HELD VIRTUALLY**  
**MANAGEMENT PROXY CIRCULAR**  
**GENERAL INFORMATION RESPECTING THE MEETING**

*Solicitation of Proxies*

This management proxy circular (“**Circular**”) is furnished in connection with the solicitation of proxies by the management of Star Royalties Ltd. (the “**Company**”), to be used at the annual general and special meeting (“**Meeting**”) of holders (“**Shareholders**”) of common shares (“**Common Shares**”) of the Company, to be held on June 20, 2023, at 2:00 p.m. (Toronto time) via <https://virtual-meetings.tsxtrust.com/1480> or at any adjournment thereof for the purposes set out in the accompanying notice of meeting (“**Notice of Meeting**”). References in this Circular to the Meeting include any adjournment or adjournments thereof. It is expected that the solicitation will be primarily by mail; however, proxies may also be solicited by certain officers, directors and regular employees of the Company by telephone, electronic mail, telecopier or personally. These individuals will receive no compensation for such solicitation other than their regular fees or salaries, if any. The cost of solicitation by management will be borne directly by the Company.

The board of directors of the Company (“**Board**”) has set the close of business on May 1, 2023 as the date of record (“**Record Date**”) for the determination of the registered holders of Common Shares entitled to receive notice of and vote at the Meeting. Duly completed and executed proxies must be received by TSX Trust Company, Attention: Proxy Department, 301 – 100 Adelaide Street West, Toronto ON M5H 4H1, no later than June 16, 2023 at 2:00 p.m. (Toronto time).

Unless otherwise stated, the information contained in this Circular is as of the Record Date.

The Company is sending the Meeting materials to Shareholders using the notice-and-access rules (“**Notice and Access**”) under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Continuous Disclosure Obligations*. Notice and Access is a set of rules that allows issuers to post electronic versions of its proxy-related materials on SEDAR and on one additional website, rather than mailing paper copies to shareholders. Shareholders will still receive a hard copy of the Notice of Meeting and form of proxy or voting instruction form, as the case may be, and may choose to receive a hard copy of the other Meeting materials. The Meeting materials are available online at [www.starroyalties.com/investors/annual-meetings](http://www.starroyalties.com/investors/annual-meetings) and under the Company’s profile on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at [www.sedar.com](http://www.sedar.com).

Shareholders may obtain paper copies of the Meeting Materials, or obtain further information about Notice and Access, by contacting the Company’s transfer agent, TSX Trust Company, toll free at 1-866-600-5869 or by email at [tsxtis@tmx.com](mailto:tsxtis@tmx.com). A request for paper copies should be received by TSX Trust Company by June 9, 2023 in order to allow sufficient time for the Shareholder to receive the paper copy and return the proxy by its due date.

Shareholders are reminded to review the Meeting materials before voting. Although it is expected that the solicitation of proxies will be primarily by mail, proxies and voting instructions may also be solicited personally or by telephone, facsimile, email or other contact by directors, officers and employees of the Company. The solicitation of proxies by this Circular is being made by or on behalf of the management of the Company and the Company will bear all costs of this solicitation.

Shareholders may also obtain proxies online at [www.starroyalties.com/investors/annual-meetings](http://www.starroyalties.com/investors/annual-meetings). In accordance with applicable laws, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Company may reimburse such persons for reasonable fees and disbursements incurred by them in doing so.

#### ***Voting of Proxies by Registered Shareholders***

The Common Shares represented by the accompanying instrument of proxy (“**Instrument of Proxy**”) if the same is properly executed and is received at the offices of TSX Trust Company, Attention: Proxy Department, 301 – 100 Adelaide Street West, Toronto ON M5H 4H1, no later than June 16, 2023 at 2:00 p.m. (Toronto time), will be voted at the Meeting, and, where a choice is specified in respect of any matter to be acted upon, will be voted or withheld from voting, as the case may be, in accordance with the specification made. **In the absence of such specification, Instruments of Proxy in favour of management will be voted in favour of all resolutions described herein. The Instrument of Proxy also confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting.** At the time of printing of this Circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters that are not now known to management should properly come before the Meeting, the Instrument of Proxy will be voted on such matters in accordance with the best judgment of the named proxies.

#### ***Appointment and Revocation of Proxies by Registered Shareholders***

The persons named in the Instrument of Proxy have been selected by the Board and have indicated their willingness to represent as proxy the Shareholder who appoints them. **A Shareholder wishing to appoint some other person, who need not be a Shareholder, to represent them at the Meeting, may do so by inserting such person’s name in the blank space provided in the Instrument of Proxy or by completing another proper Instrument of Proxy and, in either case, depositing the completed and executed Instrument of Proxy at the offices of TSX Trust Company, Attention: Proxy Department, 301 – 100 Adelaide Street West, Toronto ON M5H 4H1, no later than June 16, 2023 at 2:00 p.m. (Toronto time).** A Shareholder forwarding the Instrument of Proxy may indicate the manner in which the appointee is to vote with respect to any specific item, by checking the appropriate space in the Instrument of Proxy. If the Shareholder giving the Instrument of Proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The Common Shares represented by the Instrument of Proxy submitted by a Shareholder will be voted in accordance with the directions, if any, set forth in the Instrument of Proxy.

An Instrument of Proxy given pursuant to this solicitation may be revoked by an instrument in writing executed by a Shareholder or by a Shareholder’s attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney and deposited at the offices of the transfer agent, TSX Trust Company, Attention: Proxy Department, 301 – 100 Adelaide Street West, Toronto ON M5H 4H1, at any time up to and including the last business day preceding the day of the Meeting or with the Chairperson of the Meeting on the day of the Meeting or in any other manner permitted by applicable law. Such instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to such Instrument of Proxy.

#### ***Voting by Non-Registered Shareholders***

If you are not a registered Shareholder (“**Non-Registered Shareholder**”) of the Company and received the Notice of Meeting and this Circular through your broker or through another intermediary (an “**Intermediary**”, which include, among other entities and individuals, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered retirement savings plans, registered retirement income funds, registered education savings plans and similar plans), please complete and return the Instrument of Proxy or voting instruction form (“**VIF**”) provided to you by such broker or other Intermediary, in accordance with the instructions provided therein.

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. Most Shareholders are Non-Registered Shareholders because the Common Shares they own are not registered in their names

but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares. Common Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an Intermediary that the Non-Registered Shareholder deals with in respect of the Common Shares; or (ii) in the name of a clearing agency such as CDS & Co. (the registration name of The Canadian Depository for Securities Limited (“CDS”)) of which the Intermediary is a participant.

Common Shares held by Intermediaries and their nominees can only be voted (for or against resolutions) upon the instructions of the Non-Registered Shareholder. Without specific instructions, the Intermediary or their nominee is prohibited from voting Common Shares for their clients. Each Non-Registered Shareholder should therefore ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”) requires brokers and other Intermediaries to seek voting instructions from Non-Registered 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 Non-Registered Shareholders to ensure their Common Shares are voted at the Meeting. The VIF supplied to a Non-Registered Shareholder by its broker (or the agent of the broker) is substantially similar to the Instrument of Proxy provided directly to registered Shareholders by the Company. 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 Non-Registered Shareholder. In Canada, the vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Services, Inc. (“Broadridge”). Broadridge typically prepares a machine readable VIFs, mails those forms to Non-Registered Shareholders and asks Non-Registered Shareholders to return the VIFs 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 shares to be represented at the Meeting. **A Non-Registered Shareholder who receives a Broadridge VIF cannot use it to vote Common Shares directly at the Meeting. The VIFs must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted.** If you have any questions respecting the voting of Common Shares held through a broker or other Intermediary, please contact that broker or other Intermediary for assistance.

Although a Non-Registered Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of their broker, a Non-Registered Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. **Non-Registered 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 VIF and return it to their broker (or the broker’s agent) in accordance with the instructions provided by such broker.**

There are two categories of Non-Registered Shareholders: (i) objecting beneficial owners (“OBO”) – those who object to their name being made known to the issuer of securities which they own; and (ii) non-objecting beneficial owners (“NOBOs”) – those who do not object to the issuer of the securities they own knowing who they are.

### ***NOBOs***

The Company has decided to take advantage of those provisions of NI 54-101 that permit it to directly deliver proxy-related materials to NOBOs of the Company who have not waived the right to receive such materials. As a result, NOBOs can expect to receive a scannable VIF, together with this Circular, from TSX Trust Company. VIFs are to be completed and returned to TSX Trust Company following the instructions provided in the form. TSX Trust Company will tabulate the results of the VIFs received from NOBOs and provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs received by it. Should a NOBO of the Company wish to vote at the Meeting in person (online), the NOBO must, as set forth in the VIF, request an Instrument of Proxy from TSX Trust Company that will grant the NOBO the right to attend the Meeting and vote in person (online). NOBOs of the Company that wish to change their vote must, in sufficient time in advance of the Meeting, contact TSX Trust Company to change their vote.

If you are a NOBO and the Company or its agent has sent the Notice of Meeting and this Circular directly to you, your name, address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding the securities on your behalf. By choosing to send such materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering them to you and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

### **OBOs**

In accordance with the requirements of NI 54-101, copies of the Notice of Meeting and this Circular have been distributed to the clearing agencies and Intermediaries for distribution to OBOs. Intermediaries are required to forward the Notice of Meeting and this Circular to OBOs unless the OBO has waived the right to receive them. Very often, Intermediaries will use service companies to forward proxy material to OBOs. With the Notice of Meeting and this Circular, Intermediaries or their service companies should provide OBOs with a VIF which, when properly completed and signed by such OBO and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow. The purpose of this procedure is to permit OBOs to direct the voting of the Common Shares that they beneficially own. Should an OBO wish to vote at the Meeting in person (online), the OBO should follow the procedure in the VIF and request a form which will grant the OBO the right to attend the Meeting and vote in person (online). OBOs should carefully follow the instructions of their Intermediary, including those regarding when and where the completed VIF is to be delivered. OBOs who wish to change their vote must, in sufficient time in advance of the Meeting, arrange with their respective Intermediaries to change their vote and, if necessary, revoke their VIF in accordance with the revocation procedures set out above.

The Company does not intend to pay for Intermediaries to deliver proxy-related materials or Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* to OBOs and as such, OBOs will not receive such materials unless their Intermediary assumes the costs thereof.

All references to Shareholders in this Circular and the Instrument of Proxy and Notice of Meeting, are references to registered Shareholders of the Company unless specifically otherwise stated.

All references to “\$” or “dollar” in this Circular are presented in Canadian dollars unless specifically stated otherwise.

### **VOTING AT THE VIRTUAL MEETING**

The Meeting will be hosted virtually via live audio webcast at:

**Meeting ID:** 1480  
**URL:** <https://virtual-meetings.tsxtrust.com/1480>

Registered Shareholders entitled to vote at the Meeting may attend and vote at the Meeting virtually by following the steps listed below:

1. Type in <https://virtual-meetings.tsxtrust.com/1480> on your browser at least 15 minutes before the Meeting starts.
2. Click on **“I have a control number”**.
3. Enter your 12-digit control number (on your proxy form).
4. Enter the password: star2023 (case sensitive).
5. When the ballot is opened, click on the “Voting” icon. To vote, simply select your voting direction from the options shown on screen and click **Submit**. A confirmation message will appear to show your vote has been received.

Beneficial Shareholders entitled to vote at the Meeting may vote at the Meeting virtually by following the steps listed below:

1. Appoint yourself as proxyholder by writing your name in the space provided on the form of proxy or VIF.
2. Sign and send it to your intermediary, following the voting deadline and submission instructions on the VIF.



3. Obtain a control number by contacting TSX Trust Company by emailing [tsxtrustproxyvoting@tmx.com](mailto:tsxtrustproxyvoting@tmx.com) the “Request for Control Number” form, which can be found here <https://tsxtrust.com/resource/en/75>.
4. Type in <https://virtual-meetings.tsxtrust.com/1480> on your browser at least 15 minutes before the Meeting starts.
5. Click on **“I have a control number”**.
6. Enter your 12-digit control number (on your proxy form).
7. Enter the password: star2023 (case sensitive).
8. When the ballot is opened, click on the “Voting” icon. To vote, simply select your voting direction from the options shown on screen and click **Submit**. A confirmation message will appear to show your vote has been received.

If you are a registered shareholder and you want to appoint someone else (other than the Management nominees) to vote online at the Meeting, you must first submit your proxy indicating who you are appointing. You or your appointee must then register with TSX Trust Company in advance of the Meeting by emailing [tsxtrustproxyvoting@tmx.com](mailto:tsxtrustproxyvoting@tmx.com) the “Request for Control Number” form, which can be found here <https://tsxtrust.com/resource/en/75>.

If you are a non-registered shareholder and want to vote online at the Meeting, you must appoint yourself as proxyholder and register with TSX Trust Company in advance of the Meeting by emailing [tsxtrustproxyvoting@tmx.com](mailto:tsxtrustproxyvoting@tmx.com) the “Request for Control Number” form, which can be found here <https://tsxtrust.com/resource/en/75>.

Guests can also listen to the Meeting by following the steps below:

1. Type in <https://virtual-meetings.tsxtrust.com/1480> on your browser at least 15 minutes before the Meeting starts. Please do not do a Google Search. Do not use Internet Explorer.
2. Click on **“I am a Guest”**.

If you have any questions or require further information with regard to voting your Shares, please contact TSX Trust Company toll-free in North America at 1-866-600-5869 or by email at [tmxeinvestorservices@tmx.com](mailto:tmxeinvestorservices@tmx.com).

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

The authorized share capital of the Company consists of an unlimited number of Common Shares. As at the Record Date, there were 74,961,705 Common Shares issued and outstanding. Each Common Share entitles the holder thereof to one (1) vote on all matters to be acted upon at the Meeting.

Registered holders of Common Shares as at the close of business on the Record Date are entitled to attend the Meeting and vote their Common Shares (or, if a completed and executed Instrument of Proxy has been delivered to the Company’s transfer agent, TSX Trust Company, within the time specified in the Notice of Meeting, to attend and vote at the Meeting by proxy) on the basis of one (1) vote for each Common Share held except to the extent that: (i) such Shareholder transfers their Common Shares after the close of business on the Record Date; and (ii) such transferee, at least ten (10) days prior to the Meeting, produces properly endorsed share certificates to the secretary or transfer agent of the Company or otherwise establishes their ownership of the Common Shares, in which case the transferee may vote those Common Shares at the Meeting.

The Company’s by-laws, the quorum for the transaction of business at the meeting consists of one person present and entitled to vote at the meeting that holds or represents by proxy not less than 10% of the votes attached to the outstanding shares of the Company entitled to vote at the meeting.

### ***Principal Holders of Voting Securities***

To the knowledge of the Board and the executive officers of the Company, as of the Record Date, the person listed in the table below beneficially owns, controls or directs, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to all issued and outstanding Common Shares.

Name of Shareholder	Number of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly <sup>(1)</sup>	Approximate Percentage Holdings of Total Outstanding Common Shares <sup>(2)</sup>
ICM Limited	10,151,300	13.88%

*Notes:*

1. The above information was derived from the shareholder list maintained by the Company's registrar and transfer agent, or from insider and beneficial ownership reports available at [www.sedi.com](http://www.sedi.com) and [www.sedar.com](http://www.sedar.com).
2. The percentage of outstanding Common Shares being calculated on a non-diluted basis as of the date of this Circular.

## MATTERS TO BE CONSIDERED AT THE MEETING

### *Financial Statements*

The audited annual financial statements of the Company for the year ended December 31, 2022 and auditor's report thereon ("**Financial Statements**") will be tabled at the Meeting. A copy of the Financial Statements is available at the request of Shareholders. No formal action will be taken at the Meeting to approve the Financial Statements.

### *Election of Directors*

As no director nominations were received pursuant to the Advance Notice Provisions (as defined herein) as of the date of this Circular, the only nominees for election as directors at the Meeting are the nominees listed below. See "Advance Notice Provisions".

The following table sets forth certain information regarding the directors, their respective positions with the Company, principal occupations or employment during the last five years, the dates on which they became directors of the Company and the number of Common Shares beneficially owned by them, directly or indirectly, or over which control or direction is exercised by them as of the Record Date. Management has been informed that each of the proposed nominees listed below is willing to serve as a director if re-elected. The Company proposes to nominate the persons listed below for election as directors, each of whom are current directors of the Company, until the next meeting of the Company held for the purpose of electing directors or until their successors are duly elected or appointed, unless such director's respective office is earlier vacated.

Name and Place of Residence	Positions with the Company and Date First Appointed to the Board	First Appointed as Director	Principal Occupation for Past Five Years	Number of Common Shares Beneficially Owned, or over which Control or Direction is Exercised, Directly or Indirectly
<b>Anthony Lesiak</b> <sup>(1)(2)</sup> Ontario, Canada	Executive Chairman and Director	November 30, 2020	(i) September 2020 – Present: Executive Chairman, the Company (ii) June 2018 – August 2020: Senior Advisor, Investment Banking, Canaccord Genuity Group Inc. (iii) September 2013 – May 2018: Global Head of Mining Research, Canaccord Genuity Group Inc.	3,369,091 Common Shares

Name and Place of Residence	Positions with the Company and Date First Appointed to the Board	First Appointed as Director	Principal Occupation for Past Five Years	Number of Common Shares Beneficially Owned, or over which Control or Direction is Exercised, Directly or Indirectly
<b>Alexandre Pernin</b> <sup>(3)(4)</sup> Ontario, Canada	Chief Executive Officer and Director	April 1, 2019	(i) April 2019 – Present: Chief Executive Officer, the Company (ii) March 2017 – November 2018: Manager, Investment Analysis, Barrick Gold Corporation	1,400,603 Common Shares
<b>Beatriz Orrantia</b> <sup>(8)</sup> Ontario, Canada	Lead Independent Director	November 30, 2020	(i) February 2023 – Present: Director, Fission Uranium Corporation (ii) November 2017 – Present: Strategic Consultant Canada-LatAm	124,428 Common Shares
<b>Belinda Labatte</b> <sup>(6)(8)(9)</sup> Ontario, Canada	Independent Director	November 30, 2020	(i) October 2021 – Present: Chief Executive Officer and Director, Lomiko Metals Inc. (ii) June 2005 – Present: Founder, The Capital Lab Inc. (iii) April 2017 – July 2021: Chief Development Officer, Mandalay Resources Corp. (“ <b>Mandalay Resources</b> ”)	144,999 Common Shares
<b>Jay Layman</b> <sup>(7)(8)</sup> Wyoming, USA	Independent Director	November 30, 2020	(i) June 2012 – Present: Director, Seabridge Gold Inc. (ii) June 2011 – August 2022: President, Chief Operating Officer, Seabridge Gold Inc.	323,095 Common Shares
<b>Jinhee Magie</b> <sup>(5)(6)(7)</sup> Ontario, Canada	Independent Director	November 30, 2020	(i) June 2021 – Present: Director of Lithium Americas Corp; (ii) October 2018 – September 2022: Senior Vice President and Chief Financial Officer, Lundin Mining Corporation (iii) May 2009 – September 2018: Vice President, Finance, Lundin Mining Corporation	187,316 Common Shares
<b>Kylie Dickson</b> <sup>(6)(7)</sup> British Columbia, Canada	Independent Director	November 30, 2020	(i) April 2021 – Present: Director, Audit Committee Chair, Hillcrest Energy Technologies Ltd.	276,428 Common Shares

Name and Place of Residence	Positions with the Company and Date First Appointed to the Board	First Appointed as Director	Principal Occupation for Past Five Years	Number of Common Shares Beneficially Owned, or over which Control or Direction is Exercised, Directly or Indirectly
			(ii) August 2017 – Present: Director, Audit Committee Chair, Fortuna Silver Mines Inc. (iii) March 2017 – March 2020: Vice President Business Development, Equinox Gold Corp.	

*Notes:*

1. Mr. Lesiak holds 2,366,591 Common Shares directly and 800,000 Common Shares through the Lesiak Family Trust.
2. Mr. Lesiak holds 202,500 warrants which entitles the holder thereof to purchase one Common Share of the Company at an exercise price of \$1.00 per Common Share until February 19, 2024 (the “**Warrants**”).
3. Mr. Pernin holds 1,200,203 Common Shares directly and 192,000 Common Shares through Pernin Inc.
4. Mr. Pernin holds 8,400 Warrants.
5. Ms. Magie holds 151,602 Common Shares and 35,714 Warrants directly.
6. Member of the Audit Committee. Kylie Dickson is the chair of the Audit Committee.
7. Member of the Compensation Committee. Jinhee Magie is the chair of the Compensation Committee.
8. Member of the Environmental, Social, Governance and Nominating Committee. Beatriz Orrantia is the chair of the Environmental, Social, Governance and Nominating Committee and Lead Independent Director.
9. Ms. Labatte holds 130,714 Common Shares and 14,285 Warrants.

*Biographical Information of the Directors*

**Anthony Lesiak  
Executive  
Chairman and  
Director**

Anthony Lesiak is the Executive Chairman and a Director of the Company. He was formerly Senior Advisor, Investment Banking at Canaccord Genuity Group Inc. where he focused on the mining royalty and streaming space. He previously held the position of Managing Director and Global Head of Mining Research at Canaccord Genuity Group Inc. and was responsible for coverage of the Canadian large capitalization precious metal equities. Prior to rejoining Canaccord Genuity Group Inc. in September 2013, he was Managing Director and Senior Mining Analyst at Macquarie Capital Markets Canada Ltd. Mr. Lesiak was a Principal and Senior Mining Analyst at Genuity Capital Markets from 2007 to 2010 and previously held senior positions in mining equity research at UBS (Toronto) and HSBC (New York and Toronto). Mr. Lesiak was a research analyst in the metals and mining sector for over 20 years. Mr. Lesiak earned a B.Sc. in Geology and an MBA from the University of Toronto Rotman School of Management and holds an International MBA specializing in Economics from Johannes Kepler University in Austria.

**Alexandre Pernin  
Chief Executive  
Officer and  
Director**

Alexandre Pernin is the Chief Executive Officer and a Director of the Company. He was previously responsible for managing capital allocation and corporate development at Barrick Gold Corporation where he oversaw all major internal, joint-venture and M&A opportunities. He was involved in the US\$6 billion Randgold Resources Limited acquisition, the largest gold sector acquisition in a decade, as well as the US\$5 billion Barrick Gold – Newmont Mining Nevada Joint Venture (Nevada Gold Mines). Prior to Barrick Gold, Mr. Pernin was in equity research at Canaccord Genuity Group Inc. where he covered junior and mid-capitalization precious metals producers as well as royalty and streaming companies. Before that, he was at Freeport-McMoRan Inc. and Northern Superior Resources Inc. in mining operations and greenfields exploration roles, respectively. Mr. Pernin is a Registered

Professional Geologist in the province of Ontario and holds an Honours Bachelor of Science degree in Geology (gold medallist) and a Master of Science degree in Economic Geology, both from the University of Toronto.

**Beatriz Orrantia  
Lead Independent  
Director**

Beatriz Orrantia is a Director of the Company. She has over 17 years of mining industry experience in both legal and operational capacities. She is currently Director at Fission Uranium Corp. and a strategic consultant advising Canada-Latin America businesses on various matters, including expansion into Latin America, access to capital markets, legal, regulatory, risk, government relations, community affairs, and diversity and inclusion. Previously, she was VP Special Projects at Barrick Gold Corporation, focused on mining operations, capital projects, sustainability and license-to-operate across projects in Latin America, while also being responsible for oversight on corporate initiatives globally. Prior to joining Barrick Gold Corporation, Ms. Orrantia was an M&A, securities and mining lawyer at leading law firms in Toronto, including Heenan Blaikie LLP, McCarthy Tétrault LLP and Gowling WLG. She is on the boards of the Heather L. Main Scholarship Fund and Women Who Rock, promoting diversity in capital markets and the mining industry, respectively. Ms. Orrantia holds a law degree (Civil Law, full scholarship for academic excellence) from Universidad del Rosario in Colombia, and a law degree (Common Law) from Osgoode Hall Law School (York University) in Canada. Ms. Orrantia is a member of the National Association of Corporate Directors (United States) and holds the NACD.CD designation. Ms. Orrantia obtained a certificate in Sustainability and Innovation from Harvard University and is pursuing a Masters' degree in Sustainability at Harvard University.

**Belinda Labatte  
Independent  
Director**

Belinda Labatte is a Director of the Company. She has extensive experience in global IR and capital markets, transaction negotiations, and implementing corporate responsibility, risk and crisis management strategies within the mining sector. Ms. Labatte is currently Chief Executive Officer and Director of Lomiko Metals Inc. She was previously Chief Development Officer of Mandalay Resources Corporation and serves as Director of Rambler Metals & Mining plc. She founded The Capital Lab Inc. in 2005 and has also served as a Director of the Prospectors and Developers Association of Canada since 2015. In 2014, Ms. Labatte was awarded the Professional of the Year Award from the Canadian Investor Relations Institute. She has been a member of the Institute of Corporate Directors and has held the ICD.D designation since June 2018. Ms. Labatte holds an MBA from the Rotman School of Management, University of Toronto and is a CFA charterholder.

**Jay Layman  
Independent  
Director**

Jay Layman is a Director of the Company. He is currently Director of Seabridge Gold Inc. where he was previously President and Chief Operating Officer. Under this role, Mr. Layman was responsible for designing and managing the technical programs required to advance Seabridge Gold Inc.'s two main assets – KSM and Courageous Lake. Most recently, he was Vice President Solutions and Innovation for Newmont Corporation where he was responsible for managing Global Technical Services and launching a Global Innovation Department. Functions reporting to him included Mining Engineering, Metallurgy and Process, Geostatistics and Reserves, Economic Geology, Project Engineering, Renewable Energy and Global Exploration, Technology and Solutions. During his employment at Newmont Corporation, he was responsible for managing numerous Feasibility Studies and his career includes experience in Business Development, Operations, Finance and B2B Supply Chain connectivity. In his wide-ranging career, Mr. Layman has lived in Kazakhstan, Uzbekistan, Tajikistan, Indonesia and Australia and has additional work experience in Russia, Singapore, China and Peru. He has worked in both underground and open pit operations containing gold, copper, silver, lead and zinc metals. Mr. Layman holds Bachelor's Degrees in Mechanical Engineering and Finance from Washington State University and an MBA from Eastern Washington University. Mr. Layman has been a member of the Institute of Corporate Directors and has held the ICD.D designation since June 2018.

**Jinhee Magie  
Independent  
Director**

Jinhee Magie is a Director of the Company. She is an executive with over 25 years of experience, the last 18 years being in the mining industry. Ms. Magie was most recently Senior Vice President and Chief Financial Officer of Lundin Mining Corporation. Prior to this, she was Vice President, Finance, having joined Lundin Mining Corporation in September 2008 as Director, Finance. Previously, she was the Director of Corporate Compliance for LionOre Mining International Ltd. Ms. Magie began her career with Ernst & Young and has held progressively more senior roles in public companies. She has extensive experience in acquisitions and divestitures, public and private equity fundraising and public company reporting. Ms. Magie holds a Bachelor of Commerce degree from the University of Toronto and is a Chartered Professional Accountant (CPA, CA).

**Kylie Dickson  
Independent  
Director**

Kylie Dickson is a Director of the Company. She is a mining executive with over 14 years of experience in the industry. Ms. Dickson is currently a Director and Audit Committee Chair of Fortuna Silver Mines Inc. and Hillcrest Energy Technologies Ltd. She has worked with companies at various stages of the mining lifecycle including exploration, mine development and operations, as well as playing a key role in multiple financings and M&A transactions. She was most recently the VP of Business Development at Equinox Gold Corp. Prior to that, she was Vice President, Business Development at Trek Mining Inc. until it merged to form Equinox Gold Corp. in December 2017. Ms. Dickson was the Chief Financial Officer of JDL Gold Corp. when JDL Gold Corp. acquired Luna Gold Corp. to create Trek Mining Inc. in March 2017. Previously, she was a founding shareholder and Chief Financial Officer of Anthem United Inc. and was the Chief Financial Officer of Esperanza Resources Corp. which was acquired by Alamos Gold Inc. in 2013. She also served as the Corporate Controller of Minefinders Corporation from 2007 to 2012 prior to its acquisition by Pan American Silver Corp. She began her career with KPMG's mining practice. Ms. Dickson holds a Bachelor of Business Administration in Accounting degree from Simon Fraser University, and is a Canadian CPA, CA.

Public Company Board Memberships

The following table identifies other public companies for which members of the Board currently serve as directors:

Director	Other Current Board Appointments
Anthony Lesiak	Director of Sabre Gold Mines Corp. (TSX-V) Director of Northstar Gold Corp. (CSE)
Beatriz Orrantia	Director of Fission Uranium Corp. (TSX)
Belinda Labatte	Director of Aris Mining Corp (TSX) (formerly GCM Mining Corp.)
Jay Layman	Director of Seabridge Gold Inc. (TSX)
Jinhee Magie	Director of Lithium Americas Corp. (TSX, NYSE)
Kylie Dickson	Director of Fortuna Silver Mines Inc. (TSX/NYSE) Director of Hillcrest Energy Technologies Ltd. (CSE)

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Corporate Cease Trade Orders

Other than as disclosed below, none of the proposed directors of the Company is, as at the date of this Circular, or has been within the ten years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that: (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

In 2019, while Mr. Jay Layman served as a director of Nautilus Minerals Inc. (“**Nautilus**”), the company sought bankruptcy and insolvency protection in court. Mr. Layman resigned as a director of the Company in March 2019, prior to Nautilus being delisted on the Toronto Stock Exchange. Presently, Nautilus’ cease trade order is in effect as a result of its failure to file its interim financial statements and the corresponding management’s discussion and analysis.

In March 2019, while Mr. Kenneth Ngo was acting as Chief Financial Officer of Namaste Technologies Inc. (“**Namaste**”), an application was made to the securities regulators for a management cease trade order (“**MTCO**”), permitting sufficient time for the newly appointed external auditors to complete an audit of Namaste’s annual financial statements. The request was granted by the British Columbia Securities Commission and the Ontario Securities Commission in April 2019, and the MTCO was lifted in June 2019 upon Namaste filing its audited financial statements.

For the purposes of this paragraph, “order” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case, that was in effect for a period of more than 30 consecutive days.

### **Bankruptcy**

To the knowledge of the Company, as at the date of this Circular, no proposed director is, or within the ten years prior to the date of this Circular has:

- (a) been 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, other than Mr. Layman in respect of his position as a director of Nautilus in 2019 when the company sought bankruptcy and insolvency protection in court; or
- (b) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver manager or trustee appointed to hold the assets of the current or proposed director, executive officer or Shareholder.

### **Penalties or Sanctions**

None of those persons who are proposed directors of the Company (or any personal holding companies) have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

**It is the intention of the persons named in the enclosed Instrument of Proxy, if not expressly directed to the contrary in such Instrument of Proxy, to vote such Instruments of Proxy FOR the election of each of the Board specified above as directors of the Company.**

### **Approval of Continuation of Omnibus Plan**

The Company’s rolling equity incentive compensation plan (the “**Omnibus Plan**”) was approved by the shareholders at the Company’s last annual meeting held on June 28, 2022.

Policy 4.4 of the TSX-V requires that rolling stock option plans must receive shareholder approval yearly, at an issuer's annual meeting. In accordance with Policy 4.4, Shareholders will be asked to consider and, if thought fit, approve an ordinary resolution approving, adopting and ratifying the current Omnibus Plan. A copy of the current Omnibus Plan

is available for review on SEDAR. In order for the resolution approving and adopting the Omnibus Plan to be effective, it must be approved by the affirmative vote of a majority of the votes cast in respect thereof by Shareholders present in person or by proxy at the Meeting.

In the absence of contrary directions, the management proxy intend to vote proxies in the accompanying form in favour of this ordinary resolution. The complete text of the ordinary resolution which management intends to place before the Meeting for approval, confirmation and adoption, with or without modification, is as follows:

**“BE IT RESOLVED THAT:**

1. the rolling equity incentive compensation plan (the **“Omnibus Plan”**) of the Company dated January 11, 2021, and which is filed on SEDAR be and is hereby approved, ratified and confirmed;
2. the form of the Omnibus Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities, or at the discretion of the board of directors of the Company acting in the best interests of the Company without requiring further approval of the shareholders of the Company;
3. all issued and outstanding Awards previously granted, be and are continued and are hereby ratified, confirmed and approved;
4. all unallocated Awards under the Omnibus Plan be hereby approved;
5. the shareholders of the Company hereby expressly authorize the board of directors of the Company to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and
6. any one director or officer of the Company be and is hereby authorized and directed for and on behalf of the Company to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to the foregoing.”

The foregoing resolution must be approved by a simple majority of the votes cast by shareholders at the Meeting by the shareholders voting in person or by proxy.

**It is the intention of the persons named in the enclosed Instrument of Proxy, if not expressly directed to the contrary in such Instrument of Proxy, to vote such Instruments of Proxy FOR the approval of the Omnibus Plan.**

***Appointment of Auditor***

Shareholders will be asked to approve the appointment of KPMG LLP (**“KPMG”**), as auditor of the Company at remuneration to be fixed by the directors of the Company. KPMG was appointed as the auditor of the Company on August 28, 2020. **Unless otherwise directed, Instruments of Proxy given pursuant to this solicitation by the management of the Company will be voted FOR the appointment of KPMG as the auditor of the Company to hold office until the next annual general meeting of Shareholders and the authorization of the directors to approve the remuneration of the auditor.**

**OTHER MATTERS**

Management of the Company knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting accompanying this Circular. However, if any other matter properly comes before the Meeting, the Instrument of Proxy and VIF furnished by the Company will be voted on such matters in accordance with the best judgment of the persons voting the Instrument of Proxy.



## SHAREHOLDER PROPOSALS

The *Canada Business Corporations Act* (the “**CBCA**”) provides, in effect, that a registered holder or beneficial owner of shares that is entitled to vote at an annual meeting of the Company may submit to the Company notice of any matter that the person proposes to raise at the meeting (referred to as a “**Proposal**”) and discuss at the meeting any matter in respect of which the person would have been entitled to submit a Proposal. To be eligible to submit a Proposal, a Shareholder must: (i) be a registered or beneficial Shareholder of (A) at least 1% of the total number of outstanding Common Shares of the Company as of the date which the Shareholder submits such Proposal or (B) that number of Common Shares whose fair market value, as determined on the close of business on the day before the Shareholder submits such Proposal, is at least \$2,000; and (ii) have been a Shareholder for at least six months before the date which the Shareholder submits such Proposal. The CBCA further provides, in effect, that the Company must set out the Proposal in its Circular along with, if so requested by the person who makes the Proposal, a statement in support of the Proposal by such person. However, the Company will not be required to set out the Proposal in its Circular or include a supporting statement if, among other things, the Proposal is not submitted to the Company at least 90 days before the anniversary date of the notice of meeting that was sent to the Shareholders in connection with the previous annual meeting of Shareholders of the Company.

The foregoing is a summary only. Shareholders should carefully review the provisions of the CBCA relating to Proposals and consult with a legal advisor.

## EXECUTIVE COMPENSATION

The following discussion describes the significant elements of the compensation program for the “named executive officers” (“**NEO**”) of the Company, as such term is defined in Form 51-102F6V – *Statement of Executive Compensation*. The NEO’s for fiscal 2022 were:

- **Anthony Lesiak**, Executive Chairman and Director;
- **Alexandre Pernin**, Chief Executive Officer and Director;
- **Kenneth Ngo**, Chief Financial Officer and Corporate Secretary; and
- **Kevin MacLean**, Chief Investment Officer.

To achieve its strategic business and financial objectives, the Company needs to attract, retain and motivate a highly talented executive team.

The Company has designed its executive compensation program to achieve the following objectives:

- provide competitive compensation opportunities in order to attract and retain talented, high-performing and experienced executive officers, whose knowledge, skills and performance are critical to its success;
- motivate its executive team to achieve the Company’s strategic business and financial objectives, including growing its asset base through the creation and acquisitions of royalties, streams and investments that could lead to future cash flowing royalties and streams, and maintaining strong financial capacity to fund asset growth;
- align the interests of its executive officers with those of the Shareholders by tying a significant portion of compensation directly to the long-term value and growth of its business;
- create a strong pay for performance relationship; and
- provide incentives that encourage appropriate levels of risk-taking by its executive team.

The Company offers its executive officers cash compensation in the form of a base salary and bonus. Additionally, the Company grants long-term incentives to its executive officers which could consist of stock options, restricted share units (“**RSUs**”), performance share units (“**PSUs**”), or some combination thereof, under the Omnibus Plan. The Company believes that equity-based compensation awards motivate its executive officers to achieve the Company’s strategic business and financial objectives, and also align their interests with the long-term interests of the Shareholders. While the Company believes that its executive officer compensation program is effective at attracting and maintaining executive officer talent, the Company continues evaluating its compensation practices on an ongoing basis to ensure that it is providing competitive compensation opportunities for its executive team. The Company reviews the compensation of its executive team on an annual basis. As part of this review process, the Company is guided by the philosophy and objectives outlined above, as well as other factors that may become relevant as the Company competes in the market.

### ***Compensation-Setting Process***

The Compensation Committee is responsible for assisting the Board in fulfilling its governance and supervisory responsibilities, and overseeing the human resources, succession planning, and compensation policies, processes and practices. The Compensation Committee is also responsible for ensuring that the Company’s compensation policies and practices provide an appropriate balance of risk and reward consistent with the Company’s risk profile.

The Board has adopted a written charter for the Compensation Committee setting out its responsibilities for administering the Company’s compensation programs and reviewing and making recommendations to the Board concerning the level and nature of the compensation payable to the Company’s directors and executive officers. The Compensation Committee’s oversight includes reviewing objectives, evaluating performance and ensuring that total compensation paid to the Company’s executive officers, personnel who report directly to the Chief Executive Officer and various other key officers and managers is fair, reasonable and consistent with the objectives and philosophy of the Company’s compensation program.

The Executive Chairman makes recommendations to the Compensation Committee each year with respect to the compensation for each of the other NEOs and executive officers. Following which, the Compensation Committee reviews the compensation for the Executive Chairman and the other NEOs and executive officers and make recommendations for any changes to the Board, as appropriate. As part of this annual review, the Compensation Committee may engage an independent compensation consultant to evaluate the Company’s executive compensation program against market practice. Additionally, the Compensation Committee may consider compensation programs in relevant sectors of the mining industry as well as the compensation programs of its competitors and may engage in benchmarking with specific peer groups for purposes of setting levels of compensation, evaluating relative performance or other relevant competitive analysis.

### ***Risk and Executive Compensation***

In reviewing the Company’s compensation policies and practices each year, the Compensation Committee seeks to ensure the executive compensation program provides an appropriate balance of risk and reward consistent with the risk profile of the Company. The Compensation Committee also seeks to ensure the Company’s compensation practices do not encourage excessive risk-taking behavior by the executive team. The key risk-mitigating practices that the Company intends to incorporate into its compensation program are discussed below.

### ***Trading Restrictions***

All of the Company’s directors, officers, employees, consultants, contractors and agents are subject to its securities trading policy. This policy prohibits trading in the Company’s securities while in possession of material undisclosed information about the Company. Further, the Company’s securities trading policy prohibits the communication of material non-public information, from insiders to any person, including family or friends. Insiders are also prohibited from making any recommendations or express opinions on the basis of material non-public information for the purpose of or in the context of trading in the Company’s securities of any other public company when having knowledge has not been generally disclosed.

The Company observes blackout periods prior to quarterly and annual financial statement announcements. Regular blackout periods commence: (i) two calendar weeks before the scheduled release of the Company's quarterly financial statements; or (ii) four calendar weeks before the scheduled release of the Company's annual financial statements, and end at the opening of the market on the second full trading day following the date of the public disclosure of the applicable financial statements. In addition, the Company may deem it appropriate to apply an extraordinary blackout period by issuing notice instructing specified individuals not to trade in the securities of the Company or any other publicly-owned company under special circumstances and until otherwise notified.

### ***Components of Compensation***

The compensation of the majority of the Company's executive officers includes three main components: (i) base salary; (ii) bonus; and (iii) long-term equity incentives, initially consisting of stock options and RSUs or a combination thereof granted from time to time under the Omnibus Plan. The Omnibus Plan also allows for PSUs to be granted, which may be used to incentivize executive officers once a reasonable history of performance has been experienced to support the achievement of specific performance metrics. Perquisites and benefits are not expected to be a significant element of compensation for the Company's executive officers and they are not a significant element of compensation at this time.

### ***Base Salaries***

Base salary is provided as a fixed source of compensation for the Company's executive officers. Base salaries are determined on an individual basis taking into account the scope of the executive officer's responsibilities, their prior experience and their position relative to relevant peers in the market. Base salaries are reviewed annually and may be increased if warranted, or necessary to maintain market competitiveness. In addition, base salaries can be adjusted upwards throughout the year to reflect promotions or other increases in the scope or breadth of an executive officer's role or responsibilities.

### ***Bonus***

The annual bonus is subject to various performance criteria and is payable in cash and/or equity at the ultimate election of the Compensation Committee.

### ***Omnibus Plan***

The material features of the Omnibus Plan are summarized below.

### **Administration and Eligibility**

The Omnibus Plan is administered by the Board, however the Board may, in its discretion, delegate its administrative powers under the Omnibus Plan to the Compensation Committee. Employees and consultants of the Company and its designated affiliates are eligible to participate in the Omnibus Plan.

### **Common Shares Subject to the Omnibus Plan and Participation Limits**

The maximum number of Common Shares that are available for issuance under the Omnibus Plan is 10% of the issued and outstanding Common Shares, provided that: (i) no more than 10% of the outstanding Common Shares may be issued under the Omnibus Plan or pursuant to any other security-based compensation arrangements of the Company to any one person; and (ii) the maximum number of Common Shares issuable under the Omnibus Plan pursuant to Awards (as defined in the Omnibus Plan) that are not Options (as defined in the Omnibus Plan) may not exceed 10% of the issued and outstanding Common Shares at the time of grant. The maximum number of Common Shares for which Awards may be issued to any one Participant (as defined in the Omnibus Plan) in any 12-month period shall not exceed 5% of the outstanding Common Shares unless disinterested Shareholder approval as required by the policies of the TSX Venture Exchange (the "TSX-V") is obtained, or 2% of the outstanding Common Shares in the case of a grant of Awards to any one consultant of the Company and in the case of a grant of Awards to all persons (in the aggregate) retained to provide Investor Relations Activities (as defined in the TSX-V Corporate Finance

Policies), calculated on the date an Award is granted to the Participant. Further, unless disinterested Shareholder approval as required by the policies of the TSX-V is obtained: (i) the maximum number of Common Shares for which Awards may be issued to insiders of the Company (as a group) at any point in time shall not exceed 10% of the outstanding Common Shares; and (ii) the aggregate number of Awards granted to insiders of the Company (as a group), within any 12-month period, shall not exceed 10% of the outstanding Common Shares, calculated at the date an Award is granted to any insider.

#### Stock Options

Subject to the terms and conditions of the Omnibus Plan, the Board may grant Options to Participants in such amounts and upon such terms (including the exercise price, duration of the options, the number of Common Shares to which the Option pertains, and the conditions, if any, upon which an Option shall become vested and exercisable) as the Board shall determine.

The exercise price for stock options is determined by the Board, which may not be less than the market value of a Common Share on the date the stock option is granted, being the greater of: (i) the volume weighted average trading price for the last five trading days immediately preceding such date; and (ii) the closing price of a Common Share on the TSX-V on the last trading day immediately prior to the applicable date (the “**Market Value**”).

Unless otherwise specified in an Award agreement granting Options, Options shall vest subject to the TSX-V Corporate Finance Policies, and the Board may, in its sole discretion, determine the time during which an Option shall vest and the method of vesting.

Stock options must be exercised within a period fixed by the Board that may not exceed 10 years from the date of grant, provided that if the expiry date falls during a blackout period, the expiry date will be automatically extended until 10 business days after the end of the blackout period. The Omnibus Plan also provides for earlier expiration of stock options upon the occurrence of certain events, including the termination of a participant’s employment.

#### RSUs and PSUs

Subject to the terms and conditions of the Omnibus Plan, the Board may grant RSUs and PSUs to Participants in such amounts and upon such terms, including:

- (a) in the case of RSUs, the quantity, type of award, grant date, vesting conditions, vesting periods, settlement date and other terms and conditions with respect to the awards; and
- (b) in the case of PSUs, restrictions based upon time-based restrictions on vesting, restrictions under applicable laws or under the requirements of the TSX-V;

as the Board shall determine.

Unless otherwise specified in an Award agreement granting RSUs and/or PSUs, RSUs and/or PSUs shall vest at the discretion of the Board, subject to the policies of the TSX-V.

Subject to the terms of the Omnibus Plan, earned PSUs may be paid in the form of a number of Common Shares issued from treasury equal to the number of earned PSUs at the end of the applicable performance period. Any Common Shares so issued may be subject to restrictions deemed appropriate by the Board.

Subject to the achievement of the applicable vesting and performance-related (if applicable) conditions, on the settlement date of an RSU or PSU, the Company will, subject to the terms of the particular Award, either: (i) issue from treasury the number of Common Shares covered by the RSUs or PSUs; or (ii) deliver to the Participant an amount in cash equal to the number of Common Shares covered by the RSUs or PSUs multiplied by the Market Value as at the settlement date. All payments made under a RSU or PSU are subject to applicable withholding taxes.

### Termination of Employment

Unless otherwise specified in an Award agreement granting such Award, any Award shall vest at the discretion of the Board, subject to the policies of the TSX-V, provided that, and subject to the Board's discretion, if the terms of the Award, the Omnibus Plan or any resolution of such Board does not specify the effect of a termination, cessation or resignation of the Participant, then the following default rules will apply:

	RSUs	PSUs	Stock Options
<b><i>Voluntary Termination:</i></b>			
Resignation	At the discretion of the Board	At the discretion of the Board	At the discretion of the Board, provided that any Options that have not been exercised (whether vested or not) within 12 months after the termination date shall automatically and immediately expire and be forfeited on such date
Death	Remain and continue to vest	Remain and continue to vest	Remain and continue to vest for a period of 12 months after the termination date <sup>(2)</sup>
Disability	Remain and continue to vest	Remain and continue to vest	Remain and continue to vest for a period of 12 months after the termination date <sup>(2)</sup>
<b><i>Involuntary Termination:</i></b>			
Not for Cause	Automatically and immediately vest	Automatically and immediately vest	Remain and continue to vest for a period expiring on the earlier of (i) the end of the notice period contained in the notice of termination and (ii) 12 months after the termination date <sup>(1)(2)</sup>
For Cause	Any Award (vested or not) outstanding at the time of such termination shall wholly and completely terminate automatically and be immediately forfeited <sup>(1)</sup>		
Change of Control	Possible acceleration of vesting	Possible acceleration of vesting	Possible acceleration of vesting

#### *Notes:*

1. Subject to ensuring that any rights under the Omnibus Plan continue for the statutory notice period, if any.
2. All unvested Options as of such termination date shall remain and continue to vest (and are exercisable) in accordance with the terms of the Omnibus Plan for a period of 12 months after the termination date provided that any Options that have not been exercised (whether vested or not) within 12 months after the termination date shall automatically and immediately expire and be forfeited on such date.

Unless otherwise stated in the terms of the applicable service/consulting agreement, the Award agreement, the Omnibus Plan, or determined by the Board: (i) if a consultant participant's service is terminated for cause, all awards held by the participant on the participant's termination date, whether vested or unvested, will automatically terminate and be of no further force or effect; and (ii) if a consultant participant's service is terminated for any other reason: (a) all unvested PSUs and RSUs held by the participant on the participant's termination date will automatically and immediately vest; and (b) awarded stock options shall remain and continue to vest for a period of 12 months after the termination date.

### Changes of Control

In the event of an actual or potential Change of Control (as is defined in the Omnibus Plan) of the Company, the Board has discretion as to the treatment of Awards, including whether to: (i) accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of any Awards; (ii) permit the conditional redemption or exercise of any Awards, on such terms as it sees fit; (iii) otherwise amend or modify the terms of any Awards; and (iv) terminate, following the successful completion of a Change of Control, on such terms as it sees fit, the Awards not exercised prior to the successful completion of such Change of Control.

### Adjustments

The Omnibus Plan provides for customary adjustments or substitutions, as applicable, in the number of Common Shares that may be issued under the Omnibus Plan in the event of a merger, arrangement, amalgamation, consolidation, reorganization, recapitalization, separation, stock dividend, extraordinary dividend, stock split, reverse stock split, split up, spin-off or other distribution of stock or property of the Company, combination of securities, exchange of securities, dividend in kind, or other like change in capital structure or distribution (other than normal cash dividends) to Shareholders of the Company, or any similar corporate event or transaction.

### Amendment and Termination

The Board may amend, suspend or terminate the Omnibus Plan or any Award, subject to applicable law and stock exchange rules that requires the approval of Shareholders or any governmental or regulatory body, provided that no such action may be taken that materially adversely alters or impairs any rights of a participant under any Award previously granted without the consent of such affected participant.

### Assignment

Except as required by law, the rights of a Participant under the Omnibus Plan are not transferable or assignable, subject to certain exceptions set forth in the Omnibus Plan.

### Securities Authorized for Issuance Under Omnibus Plan

The following table sets out equity compensation plan information as at the end of the financial year ended December 31, 2022:

	<b>Number of securities to be issued upon exercise of outstanding options, RSUs, warrants and rights</b>	<b>Weighted-average exercise price of outstanding options, RSUs warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans</b>
Equity compensation plans approved by security holders	5,978,101	RSUs – N/A Options – \$0.70	1,347,104
Equity compensation plans not approved by security holders	Nil	Nil	Nil
<b>Total</b>	<b>5,978,101</b>	<b>RSUs – N/A Options – \$0.70</b>	<b>1,347,104</b>

The Omnibus Plan provides for the issuance of securities to acquire up to that number of Common Shares that is equal to 10% of the issued and outstanding Common Shares. This is a rolling plan. The Omnibus Plan was established to recognize contributions made by directors, officers, employees and consultants of the Company, to provide incentives to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Board administers the Omnibus Plan and it is their responsibility to ensure that the provisions of the Omnibus Plan are adhered to. As at December 31, 2022, there were 4,025,000 options and 1,953,101 RSUs outstanding and unvested under the Omnibus Plan to purchase Common Shares, representing approximately 7.97% of the issued and outstanding Common Shares.

### Perquisites

The Company does not offer significant perquisites as part of the compensation program.

### ***Director Compensation***

The Company also has a compensation program for the Company's members of the Board and its committees. The compensation of the directors is designed to attract and retain committed and qualified directors and to align their compensation with the long-term interests of the Shareholders.

The Board, on the recommendation of the Compensation Committee, is responsible for reviewing and approving any changes to the directors' compensation arrangements. In consideration for serving on the Board, each director is paid an annual retainer consisting of RSUs and stock options. All directors are reimbursed for their reasonable out-of-pocket expenses incurred while serving as directors.

### ***Summary Compensation Table***

The following table sets out the compensation paid to each of the NEO, executive officers and directors for the fiscal years ended 2020, 2021, and 2022.

<b>Table of Compensation (excluding compensation securities)</b>							
<b>Name and Position(s)</b>	<b>Year</b>	<b>Base salary (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)<sup>(2)</sup></b>	<b>Value of all other compensation (\$)</b>	<b>Total Compensation (\$)<sup>(1)</sup></b>
Anthony Lesiak Executive Chairman and Director <sup>(3)</sup>	2020	-	-	-	-	-	-
	2021	\$150,000	\$100,000	-	-	-	\$250,000
	2022	\$200,000	\$200,000	-	-	-	\$400,000
Alexandre Pernin, Chief Executive Officer and Director <sup>(3)</sup>	2020	\$117,500	-	-	-	-	\$117,500
	2021	\$150,000	\$200,000	-	-	-	\$350,000
	2022	\$250,000	\$250,000	-	-	-	\$500,000
Kenneth Ngo, Chief Financial Officer and Corporate Secretary <sup>(3)</sup>	2020	-	-	-	-	-	-
	2021	\$150,000	\$150,000	-	-	-	\$300,000
	2022	\$215,000	\$172,000	-	-	-	\$387,000
Kevin MacLean, Chief Investment Officer	2020	-	-	-	-	-	-
	2021	-	-	-	-	-	-
	2022	-	-	-	-	-	-
Peter Bures, Former Chief Business Development Officer <sup>(4)</sup>	2020	\$122,500	-	-	-	-	\$122,500
	2021	\$150,000	\$50,000	-	-	-	\$200,000
	2022	\$271,102	-	-	-	-	\$271,102

Beatriz Orrantia, Independent Director	2020	-	-	-	-	-	-
	2021	-	-	-	-	-	-
	2022	-	-	\$35,000	-	-	\$35,000
Belinda Labatte Independent Director	2020	-	-	-	-	-	-
	2021	-	-	-	-	-	-
	2022	-	-	\$20,000	-	-	\$20,000
Jay Layman Lead Independent Director	2020	-	-	-	-	-	-
	2021	-	-	-	-	-	-
	2022	-	-	\$20,000	-	-	\$20,000
Jinhee Magie Independent Director	2020	-	-	-	-	-	-
	2021	-	-	-	-	-	-
	2022	-	-	\$25,000	-	-	\$25,000
Kylie Dickson Independent Director	2020	-	-	-	-	-	-
	2021	-	-	-	-	-	-
	2022	-	-	\$30,000	-	-	\$30,000

*Notes:*

1. All compensation in respect of the NEO, executive officers and directors is paid out in \$. Kevin Maclean's compensation is paid entirely in compensation securities.
2. Neither the NEO, executive officers nor directors are entitled to perquisites or other personal benefits that, in aggregate, are worth over \$50,000 or over 10% of their base salary.
3. Bonus paid in 2022 represent 50% payment in cash and 50% payment in shares of the Company.
4. Compensation paid to Peter Bures in 2022 was for service rendered from January 1, 2022 to May 19, 2022. Compensation to Peter Bures was paid to Investor Resources Inc., an entity controlled by Mr. Bures.

***Compensation Securities***

The Company issued the following compensation securities to the directors and/or NEOs during the year ended December 31, 2022 for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries.



Compensation Securities							
Name and position(s)	Type of compensation security <sup>(1)(2)(3)</sup>	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 (\$)	Expiry date
Anthony Lesiak, Executive Chairman and Director	Options	550,000	February 19, 2021	0.70	0.56	0.62	Options expire 10 years from date of issuance; N/A for RSUs
	RSUs	142,858		N/A			
	Options	550,000	February 19, 2021	0.70	0.56	0.62	Options expire 10 years from date of issuance; N/A for RSUs
	RSUs	142,858		N/A			
Alexandre Pernin, Chief Executive Officer and Director	Options	550,000	February 19, 2021	0.70	0.56	0.62	Options expire 10 years from date of issuance; N/A for RSUs
	RSUs	142,858		N/A			
Kenneth Ngo, Chief Financial Officer and Corporate Secretary	Options	350,000	February 19, 2021	0.70	0.56	0.62	Options expire 10 years from date of issuance; N/A for RSUs
	RSUs	142,858		N/A			
Kevin MacLean, Chief Investment Officer	Options	990,000	February 19, 2021	0.70	0.56	0.62	Options expire 10 years from date of issuance; N/A for RSUs
	RSUs	142,858		N/A			
	Options	625,000	February 21, 2022	0.60	0.60	0.37	Options expire 10 years from date of issuance; N/A for RSUs
	RSUs	135,000		N/A			
Peter Bures, Former Chief Business Development Officer	Options <sup>(4)</sup>	670,000	February 19, 2021	0.70	0.56	0.62	Options expire 10 years from date of issuance; N/A for RSUs
	RSUs <sup>(4)</sup>	142,858		N/A			

Compensation Securities							
Name and position(s)	Type of compensation security <sup>(1)(2)(3)</sup>	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 (\$)	Expiry date
Beatriz Orrantia Lead Independent Director	Options	125,000	February 19, 2021	0.70	0.56	0.62	Options expire 10 years from date of issuance; N/A for RSUs
	RSUs	107,143		N/A			
	Options	135,000	February 21, 2022	N/A			
	RSUs						
Belinda Labatte Independent Director	Options	125,000	February 19, 2021	0.70	0.56	0.62	Options expire 10 years from date of issuance; N/A for RSUs
	RSUs	107,143		N/A			
	Options	135,000	February 21, 2022	N/A			
	RSUs						
Jay Layman Independent Director	Options	125,000	February 19, 2021	0.70	0.56	0.62	Options expire 10 years from date of issuance; N/A for RSUs
	RSUs	107,143		N/A			
	Options	135,000	February 21, 2022	N/A			
	RSUs						
Jinhee Magie Independent Director	Options	125,000	February 19, 2021	0.70	0.56	0.62	Options expire 10 years from date of issuance; N/A for RSUs
	RSUs	107,143		N/A			
	Options	135,000	February 21, 2022	N/A			
	RSUs						
Kylie Dickson Independent Director	Options	125,000	February 19, 2021	0.70	0.56	0.62	Options expire 10 years from date of issuance; N/A for RSUs
	RSUs	107,143		N/A			
	Options	135,000	February 21, 2022	N/A			
	RSUs						

Note:

1. Total amount of compensation securities and underlying securities held by NEO's and directors on December 31, 2022.

2. Vesting provisions of the options are 1/4 on each anniversary of the date of grant.
3. Vesting provision of the RSUs are 1/3 on each anniversary of the date of grant. RSUs are converted to Common Shares immediately upon satisfying vesting requirements.
4. All RSUs were paid out in Common Shares on the departure date. Vested options are exercisable until May 2023.

No compensation security has been re-priced, cancelled and replaced, had its term extended, or otherwise been materially modified, in the most recently completed financial year.

Except for the vesting schedules noted in the above table, there are no restrictions or conditions for converting, exercising or exchanging the compensation securities and no NEO or director of the Company exercised any compensation security during 2022.

### ***Employment and Consulting Agreements***

With the transition to public company status, the Company and its executives have implemented employment and compensation arrangements that are consistent with comparable public companies.

#### **Anthony Lesiak, Executive Chairman and Director**

Mr. Lesiak's employment agreement provides for base salary, an annual cash and/or equity performance bonus, benefits and participation in the Omnibus Plan.

The employment agreement with Mr. Lesiak specifies the amounts or benefits payable, including severance, to Mr. Lesiak in the event that his employment is terminated. See "*Termination and Change of Control Benefits*" below for further details.

Mr. Lesiak's employment agreement also contains customary confidentiality and non-disparagement covenants and certain restrictive covenants that will continue to apply following the termination of his employment, including non-competition and non-solicitation provisions which are in effect during Mr. Lesiak's employment and following the termination of his employment.

#### **Alexandre Pernin, Chief Executive Officer and Director**

Mr. Pernin's employment agreement provides for base salary, an annual cash and/or equity performance bonus, benefits and participation in the Omnibus Plan.

The employment agreement with Mr. Pernin specifies the amounts or benefits payable, including severance, to Mr. Pernin in the event that his employment is terminated. See "*Termination and Change of Control Benefits*" below for further details.

Mr. Pernin's employment agreement also contains customary confidentiality and non-disparagement covenants and certain restrictive covenants that will continue to apply following the termination of his employment, including non-competition and non-solicitation provisions which are in effect during Mr. Pernin's employment and following the termination of his employment.

#### **Kenneth Ngo, Chief Financial Officer and Corporate Secretary**

Mr. Ngo's employment agreement provides for base salary, an annual cash and/or equity performance bonus, benefits and participation in the Omnibus Plan.

The employment agreement with Mr. Ngo specifies the amounts or benefits payable, including severance, to Mr. Ngo in the event that his employment is terminated. See "*Termination and Change of Control Benefits*" below for further details.

Mr. Ngo’s employment agreement also contains customary confidentiality and non-disparagement covenants and certain restrictive covenants that will continue to apply following the termination of his employment, including non-competition and non-solicitation provisions which are in effect during Mr. Ngo’s employment and following the termination of his employment.

**Kevin MacLean, Chief Investment Officer**

Mr. MacLean’s employment agreement provides for an annual cash and/or equity performance bonus, benefits and participation in the Omnibus Plan.

The employment agreement with Mr. MacLean specifies the amounts or benefits payable, including severance, to Mr. MacLean in the event that his employment is terminated. See “*Termination and Change of Control Benefits*” below for further details.

Mr. MacLean’s employment agreement also contains customary confidentiality and non-disparagement covenants and certain restrictive covenants that will continue to apply following the termination of his employment, including non-competition and non-solicitation provisions which are in effect during Mr. MacLean’s employment and following the termination of his employment.

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

For a summary of the termination and change of control benefits provided under the Omnibus Plan, please refer to the “*Executive Compensation — Omnibus Plan*” section above. The tables below provide a summary of the termination and change of control benefits provided under the executive officers’ employment agreements:

	<b>Severance</b>	<b>Bonus</b>	<b>Benefits</b>
<b><i>Voluntary Termination:</i></b>			
Resignation	None	None	None
Death	None	None	None
Disability	Limited to statutory notice entitlements	Limited to statutory notice entitlements	Limited to statutory notice entitlements
<b><i>Involuntary Termination:</i></b>			
Not for Cause	6 months + 1 month/year of service (max 18 months)	Payment equal to bonus received in preceding year (pro-rated)	6 months + 1 month/year of service (max 12 months) or until alternate employment
For Cause	None, except where required by statute	None, except where required by statute	None, except where required by statute
Change of Control <sup>(1)</sup>	12 months + 1 month/year of service (max 24 months)	Payment equal to bonus received in preceding year (pro-rated)	6 months + 1 month/year of service (max 12 months) or until alternate employment

*Note:*

1. Eligible if termination without cause occurs within 6 months following the change of control event.

## CORPORATE GOVERNANCE DISCLOSURE

### *General*

The Board views effective corporate governance as an essential element for the effective and efficient operation of the Company. The Company believes that effective corporate governance improves corporate performance and benefits all of its Shareholders. The following statement of corporate governance practices sets out the Board's review of the Company's governance practices relative to National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101") and National Policy 58-201 - *Corporate Governance Guidelines*.

### Composition of the Board and Board Committees

Under the Company's articles, the Board consists of a minimum of three and a maximum of ten directors as determined from time to time by the directors. The Board currently consists of seven directors, the majority of whom are considered to be independent under Canadian securities laws. Under the *Canada Business Corporations Act*, a director may be removed with or without cause by a resolution passed by an ordinary majority of the votes cast by Shareholders present in person (online) or by proxy at a meeting of Shareholders and who are entitled to vote. The directors will be elected by Shareholders at each annual meeting of Shareholders, and all directors will hold office for a term expiring at the close of the next annual meeting or until their respective successors are elected or appointed. The Company's articles provide that, between annual meetings of Shareholders, the directors may appoint one or more additional directors, but the number of additional directors may not at any time exceed one-third of the number of directors elected at the previous annual meeting of Shareholders.

The nominees for election by Shareholders as directors are determined by the Company's Environmental, Social, Governance and Nominating Committee in accordance with the provisions of applicable corporate law and the charter of the Environmental, Social, Governance and Nominating Committee See also "*Environmental, Social, Governance and Nominating Committee*".

### Director Independence

Under NI 58-101, a director is considered to be independent if he or she is independent within the meaning of section 1.4 of National Instrument 52-110 - *Audit Committees* ("NI 52-110"). Pursuant to section 1.4 of NI 52-110, an independent director is a director who is free from any direct or indirect material relationship which could, in the view of the Board, be reasonably expected to interfere with a director's exercise of independent judgment. Based on information provided by each director concerning his or her background, employment and affiliations, the Board has determined that, of the seven directors on the Board, five are "independent" and two will not be considered "independent" within the meaning of applicable securities laws as a result of their respective relationships with the Company. Mr. Pernin and Mr. Lesiak are not considered to be independent by the Board, as the former is the Chief Executive Officer of the Company and the latter is the Executive Chairman. The remaining members of the Board are considered to be independent by the Board.

### Meetings of Independent Directors

The Board believes that given its size and structure, including the fact that a majority of the Company's directors are independent, it is able to facilitate independent judgment in carrying out its responsibilities. To enhance such independent judgment, it is anticipated that the independent members of the Board hold in camera meetings with members of management and non-independent directors not in attendance, as part of regularly scheduled Board meetings. Open and candid discussion among the independent directors is facilitated by the relatively small size of the Board.

The following table sets forth the attendance by directors of formal board meetings and committee held during the year ended December 31, 2022:

Name	Board Meetings Attended (in person or by telephone)	Audit Committee Meetings Attended (in person or by telephone)	Compensation Committee Meetings Attended (in person or by telephone)	Environmental, Social, Governance and Nominating Committee Meetings Attended (in person or by telephone)
Anthony Lesiak	6/6	N/A	N/A	N/A
Alexandre Pernin	6/6	N/A	N/A	N/A
Jinhee Magie	6/6	4/4	1/1	N/A
Jay Layman	5/6	N/A	1/1	N/A
Beatriz Orrantia	5/6	N/A	N/A	N/A
Kylie Dickson	6/6	4/4	1/1	N/A
Belinda Labatte	6/6	4/4	N/A	N/A

#### ***Advance Notice Provisions***

The Company's by-laws include certain advance notice provisions with respect to the election of the Company's directors (the "**Advance Notice Provisions**"). The Advance Notice Provisions are intended to: (i) facilitate orderly and efficient annual general and special meetings or, where the need arises, special meetings; (ii) ensure that all Shareholders receive adequate notice of Board nominations and sufficient information with respect to all nominees; and (iii) allow Shareholders to register an informed vote. Only persons who are nominated by Shareholders in accordance with the Advance Notice Provisions are eligible for election as directors at any annual meeting of Shareholders, or at any special meeting of Shareholders if one of the purposes for which the special meeting was called was the election of directors. Under the Advance Notice Provisions, a Shareholder wishing to nominate a director would be required to provide notice, in the prescribed form, within the prescribed time periods. These time periods include, (i) in the case of an annual meeting of Shareholders (including annual and special meetings), not less than 30 days prior to the date of the annual meeting of Shareholders; provided, that if the first public announcement of the date of the annual meeting of Shareholders (the "**Notice Date**") is less than 50 days before the meeting date, not later than the close of business on the 10<sup>th</sup> day following the Notice Date; and (ii) in the case of a special meeting (which is not also an annual meeting) of Shareholders called for any purpose which includes electing directors, not later than the close of business on the 15<sup>th</sup> day following the date on which the first public announcement of the date of the special meeting of Shareholders was made.

#### ***Director Term Limits and Other Mechanisms of Board Renewal***

The Board is composed of a diverse range of individuals who represent a mix of background, experience, skills and expertise, evidencing diversity in tenure, age and gender. The Board has adopted a formal director term limit of fifteen years. However, the Environmental, Social, Governance and Nominating Committee is also expected to conduct a process for the assessment of the Board, each committee and each director regarding his, her or its effectiveness and performance, and to report evaluation results to the Board. See also "*Diversity*".

### **Mandate of the Board**

The Board is responsible for supervising the management of the Company's business and affairs, including providing guidance and strategic oversight to management. The Board has adopted a formal mandate that includes the following duties and obligations:

- appointing the Chief Executive Officer and Executive Chairman;
- adopting a strategic planning process and implementing risk management policies and procedures;
- appointment, supervision, evaluation and development of senior management and succession planning;
- monitoring the adequacy and effectiveness of the Company's system of internal controls over financial reporting and disclosure controls and procedures;
- approving certain regulatory filings; and
- adopting and periodically reviewing policies and procedures designed to: (i) ensure compliance with applicable law; (ii) ensure that the Company's business is conducted ethically and with honesty; and (iii) permit Shareholder feedback on material issues.

The Board has adopted a written position description for the Chair, which sets out the Chair's key responsibilities, including, among others, duties relating to setting Board meeting agendas, chairing Board and Shareholder meetings, director development and communicating with Shareholders and regulators.

The Board has adopted a written position description for each of the Company's committee chairs which sets out each of the committee chair's key responsibilities, including, among others, duties relating to setting committee meeting agendas, chairing committee meetings and working with the respective committee and management to ensure, to the greatest extent possible, the effective functioning of the committee.

The Board has adopted a written position description for the Company's Chief Executive Officer which sets out the key responsibilities of the Chief Executive Officer, including, among other duties in relation to providing overall leadership, ensuring the development of a strategic plan and recommending such plan to the Board for consideration, ensuring the development of an annual corporate plan and budget that supports the strategic plan and recommending such plan to the Board for consideration and supervising day-to-day management and communicating with Shareholders and regulators.

### **Orientation and Continuing Education**

The Company has an orientation program for new directors under which a new director is required to meet with the Executive Chairman, members of senior management and the Company's secretary. New directors are provided with a comprehensive orientation and education as to the nature and operation of the Company and its business, the role of the Board and its committees, and the contribution that an individual director is expected to make. The Board is responsible for overseeing director continuing education designed to maintain or enhance the skills and abilities of the directors and to ensure that their knowledge and understanding of the Company's business remains current. The chair of each committee is responsible for coordinating orientation and continuing director development programs relating to the committee's mandate.

### **Code of Ethics**

The Company has adopted a written code of ethics (the "**Code of Ethics**") that applies to all of the Company's officers, directors, employees, consultants and agents acting on behalf of the Company ("**Company Personnel**"). The objective of the Code of Ethics is to provide guidelines for maintaining the Company's integrity, trust and respect. The Code of Ethics addresses compliance with laws, rules and regulations, conflicts of interest, confidentiality, commitment,

preferential treatment, financial information, internal controls and disclosure, protection and proper use of the Company's assets, communications, fair dealing, fair competition, due diligence, illegal payments, equal employment opportunities and harassment, privacy, use of Company computers and the internet, political and charitable activities and reporting any violations of law, regulation or the Code of Ethics. Any person subject to the Code of Ethics should report all violations of law, regulation or of the Code of Ethics of which they become aware to any one of the Company's executive officers or as otherwise set forth in the Code of Ethics. The Environmental, Social, Governance and Nominating Committee is responsible for reviewing and evaluating the Code of Ethics at least annually and recommends any necessary or appropriate changes to the Board for consideration. The Environmental, Social, Governance and Nominating Committee assists the Board with the monitoring of compliance with the Code of Ethics, and is responsible for considering any waivers of the Code of Ethics (other than waivers applicable to members of the Environmental, Social, Governance and Nominating Committee, which shall be considered by the Audit Committee, or waivers applicable to the Company's directors or executive officers, which shall be subject to review by the Board as a whole). The Board has ultimate responsibility for monitoring compliance with the Code of Ethics.

### **Principles of Environmental, Social and Corporate Governance**

The Company recognizes that optimal performance in environmental, social and corporate governance ("ESG") issues in the mining and metals business drives operational and reputational performance. Accordingly, ESG values are core to the Company and it conducts robust due diligence with the objective of investing in projects and companies that are well-managed and where the range of ESG aspects and impacts are such that the investment operates sustainably over the long-term to protect the Company's investments and reputation, along with those of the Company's stakeholders and investors. The Company has adopted written ESG principles and standards that apply to its investment strategy. The ESG principles codify the Company's due diligence process in this regard and ensure that it aligns with recognized, third-party reputational initiatives. Company management and the Board conduct regular site visits, where possible, to monitor and track ESG matters. The Company does not invest in projects that use child labour, forced labour or riverine tailings disposal.

### **Anti-Bribery and Anti-Corruption Compliance Policy**

The Company has adopted an anti-bribery and anti-corruption compliance policy (the "**Anti-Bribery Policy**") which establishes the Company's commitment to comply fully with Canada's *Corruption of Foreign Public Officials Act* and any local and foreign anti-bribery or anti-corruption laws and regulations that may be applicable. All Company Personnel shall comply with all laws prohibiting improper payments to domestic and foreign officials. All Company Personnel shall conduct the Company's business legally and ethically. Gifts, payments or offerings of anything to influence sales or other business, bribes, kickbacks, or other questionable inducements, directly or indirectly to government officials are prohibited. The Anti-Bribery Policy provides a guideline of prohibited payments, as well as the consequences of non-compliance. The Anti-Bribery Policy also sets out strategies the Company adopts to mitigate bribery and corruption risk. The Board is responsible for monitoring compliance with the Anti-Bribery Policy and initiating investigations of reported violations.

### **Committees of the Board**

The Board has established three committees: the Audit Committee, the Compensation Committee, and the Environmental, Social, Governance and Nominating Committee.

#### **Audit Committee**

The Audit Committee consists of three directors, all of whom, together with the committee chair, are persons determined by the Board to be "independent" directors and "financially literate" within the meaning of NI 52-110. The Audit Committee is comprised of Kylie Dickson, who acts as chair of the Audit Committee, Jinhee Magie and Belinda Labatte. Each of the Audit Committee members has an understanding of the accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting. The Audit Committee met four times during the 2022 fiscal year. For additional details regarding the relevant education and experience of each member of the Audit Committee, see "*Election of Directors - Biographic*".



The Board has adopted a written charter of the Audit Committee, in the form set forth in Schedule “B” to this Circular, setting forth the purpose, composition, authority and responsibility of the Audit Committee, consistent with NI 52-110. The Audit Committee assists the Board in fulfilling its oversight of:

- the Company’s financial statements and financial reporting processes;
- the Company’s risk management initiatives;
- the Company’s systems of internal controls over financial reporting and disclosure controls and procedures;
- the annual independent audit of the Company’s financial statements;
- legal and regulatory compliance and compliance with the Company’s Whistleblower Policy;
- related party transactions; and
- public disclosure of financial information extracted or derived from the Company’s financial statements.

It is the responsibility of the Audit Committee to maintain free and open means of communication between the Audit Committee, the external auditors and management of the Company. The Audit Committee is given full access to the Company’s management and records and external auditors as necessary to carry out these responsibilities. The Audit Committee has the authority to carry out such special investigations as it sees fit in respect of any matters within its various roles and responsibilities. The Company provides appropriate funding, as determined by the Audit Committee, for the payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report and to any advisors employed by the Audit Committee.

#### External Auditor Service Fee

For fiscal 2021 and fiscal 2022, the Company incurred the following fees by the Company’s independent auditor, KPMG:

	<b>Fiscal 2022</b>	<b>Fiscal 2021</b>
Audit fees <sup>(1)</sup>	\$163,175	\$130,970
Tax fees <sup>(2)</sup>	\$17,976	\$22,968
Audit-Related fees <sup>(3)</sup>	-	-
All other fees <sup>(4)</sup>	-	-

*Notes:*

2. Fees incurred by our independent auditor for professional services related to the audit of the consolidated financial statements of the Corporation for the years ended December 31, 2021 and December 31, 2020.
3. Fees incurred by our independent auditors for tax compliance, tax advice and tax planning services.
4. Fees incurred by our independent auditors for audit-related services.
5. Fees incurred by our independent auditors for other services.

Pursuant to Section 6.1 of NI 52-110, the Company is exempt from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

#### Compensation Committee

The Compensation Committee is comprised of three directors, all of whom, together with the committee chair, are persons determined by the Board to be independent directors within the meaning of NI 58-101. The Compensation

Committee is comprised of Jinhee Magie, who acts as chair of the Compensation Committee, Kylie Dickson and Jay Layman. The Board believes that the Compensation Committee is able to conduct its activities in an objective manner.

The Board believes that the members of the Compensation Committee individually and collectively possess the requisite knowledge, skill and experience in governance and compensation matters, including human resource management, executive compensation matters and general business leadership, to fulfill the committee's mandate. All members of the Compensation Committee have substantial knowledge and experience as current and former senior executives of large and complex organizations and on the boards of other publicly traded entities. The Compensation Committee met one time during the 2022 fiscal year. For additional details regarding the relevant education and experience of each member of the Compensation Committee, including the direct experience that is relevant to each committee member's responsibilities in executive compensation, see *"Election of Directors - Biographic"*.

The Board has adopted a written charter setting forth the purpose, composition, authority and responsibility of the Compensation Committee consistent with the Company's corporate governance guidelines. The Compensation Committee's purpose is to assist the Board in:

- the performance, evaluation and compensation of the Company's senior executives;
- developing a compensation structure for the Company's senior executives including salaries, annual and long-term incentive plans including plans involving share issuances and other share-based awards;
- establishing policies and procedures designed to identify and mitigate risks associated with the Company's compensation policies and practices;
- reviewing and, if appropriate, recommending to the Board the approval of any adoption, amendment or termination of the Company's incentive or equity-based compensation arrangements (and the aggregate number of Common Shares to be reserved for issuance thereunder), and overseeing their administration and discharging any duties imposed on the committee by any such arrangements;
- assessing the compensation of the Company's directors;

The Board is responsible for approving the compensation of the Company's Chief Executive Officer, as well as, based on the recommendations of the Chief Executive Officer, the compensation of the Company's other executive officers. The compensation paid to the executive officers is set forth above under *"Executive Compensation"*.

Further particulars of the process by which compensation for the Company's executive officers is determined is provided under *"Executive Compensation"*.

In assessing the compensation of the Company's directors and executive officers, including the NEOs, the Company does not have in place any formal objectives, criteria or analysis. The Company has not established any specific performance criteria or goals to which total compensation or any significant element of total compensation to be paid to any NEO is dependent. NEO's performance is reviewed in light of the Company's objectives from time to time.

No significant events occurred during the most recently completed financial year that significantly affected compensation. While the Compensation Committee considers amounts paid by other companies in similar industries at similar stages of development in determining compensation, no specifically selected peer group has been identified as a comparable. No significant changes were made to the Company's compensation policies since the commencement of the most recently completed financial year.

#### *Environmental, Social, Governance and Nominating Committee*

The Environmental, Social, Governance and Nominating Committee consists of three directors, all of whom, together with the committee chair, are persons determined by the Board to be independent directors within the meaning of NI 58-101. The Environmental, Social, Governance and Nominating Committee is comprised of Beatriz Orrantia, who

acts as chair, Belinda Labatte and Jay Layman. Each of the Environmental, Social, Governance and Nominating Committee members has an understanding of all aspect of ESG principles. Beatriz Orrantia holds the NACD.DC accreditation and each of Jay Layman and Belinda Labatte are ICD.D accredited. No formal meeting of the Environmental, Social, Governance and Nominating Committee occurred during the 2022 fiscal year. For additional details regarding the relevant education and experience of each member of the Environmental, Social, Governance and Nominating Committee, see *"Election of Directors - Biographic"*.

The Board has adopted a written charter, setting forth the purpose, composition, authority and responsibility of the Environmental, Social, Governance and Nominating Committee. The Environmental, Social, Governance and Nominating Committee assists the Board in fulfilling its oversight of:

- developing the Company's corporate governance guidelines and principles and providing governance with respect to leadership;
- identifying and overseeing the recruitment of candidates qualified to be nominated as members of the Board;
- monitoring compliance with the Company's Code of Ethics and initiating investigations of reported violations thereof;
- reviewing the structure, composition and mandate of Board committees;
- evaluating the performance and effectiveness of the Board and of the Board committees;
- the recruitment, development and retention of the Company's senior executives; and
- maintaining talent management and succession planning systems and processes relating to the Company's senior management;

The Environmental, Social, Governance and Nominating Committee takes reasonable steps to evaluate and assess the effectiveness of the Board, as a whole and on an individual basis, as well as the performance and effectiveness of executive officers of the Company. The assessment addresses, among other things, individual director independence, individual director and overall Board skills, individual director financial literacy, and individual goals and objectives approved by the Environmental, Social, Governance and Nominating Committee.

The Board receives and considers the recommendations from the Environmental, Social, Governance and Nominating Committee regarding the results of the evaluation of the performance and effectiveness of the Board, committees of the Board, individual Board members, the Chair and committee chairs. In identifying new candidates for the Board, the Environmental, Social, Governance and Nominating Committee considers what competencies and skills the Board, as a whole, should possess and assess what competencies and skills each existing director possesses, considering the Board as a group, as these may ultimately determine the boardroom dynamic. The Environmental, Social, Governance and Nominating Committee is also responsible for orientation and continuing education programs for the Company's directors.

It is the responsibility of the Environmental, Social, Governance and Nominating Committee to maintain free and open means of communication with the Company's management team. The Environmental, Social, Governance and Nominating Committee is given full access to the Company's management and records as necessary to carry out these responsibilities.

### ***Diversity***

The Company believes that having a diverse Board can offer a breadth and depth of perspectives that enhance the Board's performance. The Company values diversity of abilities, experience, perspective, education, gender, background, race and national origin.

Recommendations concerning director nominees are based on merit and past performance as well as contribution to the Board's performance and, accordingly, diversity is taken into consideration. The Company has and will continue to recruit and select senior management candidates that represent a diversity of business understanding, personal attributes, abilities and experience.

Four members of the Board are female (representing 57% of the Board) and two members of the Board are members of visible minorities (representing 29% of the Board). The Company does not have any aboriginal persons or persons with disabilities on the Board.

One member of the senior management is a member of visible minorities (representing 20% of the senior management). The Company does not have any females, aboriginal persons or persons with disabilities in senior management positions.

The Company does not have a formal policy for the representation and nomination of women on the Board or senior management. The Company has been successful in recruiting qualified female directors. The Company has not adopted formal targets for gender or other diversity representation in part due to the need to consider a balance of criteria for each individual appointment. The Company is currently working on adopting strategies to promote diversity of the Board and senior management to include designated groups such as aboriginal persons and persons with disabilities.

The composition of the Board and senior management is shaped by the selection criteria to be established by the Environmental, Social, Governance and Nominating Committee. This is achieved by, among other things, ensuring that diversity considerations are taken into account in Board vacancies and senior management, monitoring the level of designated group representation on the Board and in senior management positions, establish in light of the opportunities and risks facing the Company, competencies, skills and personal qualities it seeks in new Board members in order to add value to the Company, and committing to retention and training to ensure that the Company's most talented employees are promoted from within the Company.

#### **Directors' and Officers' Liability Insurance**

The management, directors and officers of the Company are covered under directors' and officers' liability insurance.

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

No director, executive officer or proposed director of the Company or any associate of the foregoing is, or at any time since the beginning of the Company's most recently completed financial year has been, indebted to the Company, nor were any of these individuals indebted to any other entity which indebtedness was the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company, including under any securities purchase or other program.

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

Other than 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, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon.

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

Other than as set forth in this Circular, the Company is not aware of any material transaction involving any informed person of the Company, any proposed director of the Company, or any associate or affiliate of any of informed person or proposed director.

There are potential conflicts of interest to which the directors and officers of the Company may be subject in connection with the operations of the Company. Some of the directors and officers of the Company are engaged and

will continue to be engaged in other business opportunities on their own behalf and on behalf of other companies, and situations may arise where such directors and officers will be in competition with the Company. Individuals concerned shall be governed in any conflicts or potential conflicts by applicable law and internal policies of the Company.

For the purposes of the above, “informed person” means: (a) a director or executive officer of the Company; (b) a director or executive officer of a company that is itself an informed person or subsidiary of the Company; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company after having purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company may be found under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information for the Company’s last financial year is provided in its comparative financial statements and management’s discussion and analysis, and is also available on the SEDAR website.

To request copies of the Company’s financial statements and management’s discussion and analysis and any document to be approved at the Meeting, Shareholders may contact the Company as follows:

E-mail: [info@starroyalties.com](mailto:info@starroyalties.com)  
Telephone: +1 647 801 3549

DATED this 5th day of May, 2023.

**BY ORDER OF THE BOARD OF DIRECTORS OF  
STAR ROYALTIES LTD.**

(signed) “*Alexandre Pernin*”  
Chief Executive Officer and Director

**SCHEDULE “A”**

**Omnibus Plan**

*(See attached)*

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**STAR ROYALTIES LTD.**

**EQUITY INCENTIVE COMPENSATION PLAN**

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**(Effective January 11, 2021)**

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**STAR ROYALTIES LTD.  
EQUITY INCENTIVE COMPENSATION PLAN**

**Adopted January 11, 2021**

**ARTICLE 1  
PURPOSE AND AMENDMENT**

**1.1 Background**

The Company hereby adopts this Plan on the terms and conditions herein set forth (as may be amended from time to time) in order to provide the Company with flexibility in designing various equity-based compensation arrangements for Eligible Participants. Article 15 sets forth the provisions concerning the effective date of the Plan, and its termination.

**1.2 Purpose**

The purpose of this Plan is to advance the interests of the Company by encouraging Eligible Participants to receive equity-based compensation and incentives, thereby (i) increasing the interest in the Company's welfare of those Eligible Participants who share responsibility for the management, growth and protection of the business of the Company, (ii) providing an incentive to Eligible Participants to continue their services for the Company and encouraging such Eligible Participants whose skills, performance and loyalty to the objectives and interests of the Company are necessary or essential to its success, image, reputation or activities, (iii) rewarding Eligible Participants for their performance of services while working for the Company and (iv) providing a means through which the Company may attract and retain able Persons to enter its employment.

**ARTICLE 2  
DEFINITIONS**

For purposes of the Plan, the following terms shall have the meaning set forth below:

**"Active Employment"** shall mean the period the Participant is employed by the Company up to and including the date on which the Participant's employment terminates. Notwithstanding the foregoing, the definition of "Active Employment" specifically: (i) includes any period for which you are entitled to receive statutory notice of termination under the *Employment Standards Act, 2000*, as amended from time to time (the "**ESA**"); and, (ii) excludes any other period of non-working notice of termination or any period for which pay in lieu of notice, severance pay or any other monies in relation to the cessation of employment are paid or otherwise required by applicable law, regardless of whether the termination is with or without cause or with or without notice.

**"Affiliate"** means any corporation, partnership or other entity (i) in which the Company, directly or indirectly, has majority ownership interest or (ii) which the Company controls. For the purposes of this definition, the Company is deemed to "control"

such corporation, partnership or other entity if the Company possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such corporation, partnership or other entity, whether through the ownership of voting securities, by contract or otherwise, and includes a corporation which is considered to be a subsidiary for purposes of consolidation under International Financial Reporting Standard.

**“Awards”** shall mean, individually or collectively, a grant under the Plan of Options, Restricted Share Units, Performance Awards and/or Performance Share Units.

**“Black-out Period”** shall have the meaning ascribed thereto in Section 5.2(e) of the Plan.

**“Board”** shall mean the Board of Directors of the Company.

**“Change of Control”** shall mean any of the following events (and shall be deemed to occur upon any of the following events):

- (a) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company as a result of which the holders of Shares prior to the completion of the transaction hold or beneficially own, directly or indirectly, less than 50% of the outstanding Voting Securities of the successor corporation after completion of the transaction;
- (b) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of all or substantially all of the assets of the Company and/or any of its subsidiaries to any other person or entity, other than a disposition to a wholly-owned subsidiary in the course of a reorganization of the assets of the Company and its subsidiaries;
- (c) a resolution is adopted to wind-up, dissolve or liquidate the Company;
- (d) an acquisition by any person, entity or group of persons or entities acting jointly or in concert of beneficial ownership of more than 50% of the Voting Securities, or securities convertible into, exercisable for or carrying the right to purchase more than 50% of the Voting Securities on a post-conversion basis, assuming only the conversion or exercise of securities beneficially owned by the acquiror; or
- (e) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

**“Code of Conduct”** means any code of conduct adopted by the Corporation, as modified from time to time;

**“Company”** shall mean Star Royalties Ltd.

**“Consultant”** has the meaning set out in Policy 4.4 of the Exchange or such replacement definition for so long as the Voting Shares are listed on the Exchange, and if the Voting

Shares are not so listed, shall have the meaning, if any, that applies to a listing of the Voting Shares on such other exchange as the Voting Shares are then listed on.

**“Control”** shall mean, with respect to any Person, the possession, directly or indirectly, severally or jointly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or credit arrangement, as trustee or executor, or otherwise.

**“Director”** shall mean an individual who is a member of the Board.

**“Disability”** shall mean an inability to perform the Participant’s material services for the Company for a period of 90 consecutive days or a total of 180 days, during any 365-day period, in either case as a result of incapacity due to mental or physical illness, which is determined to be total and permanent (under the terms of the long term disability policy of the Company applicable to the Employee). A determination of Disability shall be made by a physician satisfactory to both the Participant (or his guardian) and the Company, provided that if the Participant (or his guardian) and the Company do not agree on a physician, the Participant and the Company shall each select a physician and these two together shall select a third physician, whose determination as to Disability shall be final, binding and conclusive with respect to all parties. Notwithstanding the above, eligibility for disability benefits under any policy for long-term disability benefits provided to the Participant by the Company shall conclusively establish the Participant’s disability.

**“Effective Date”** shall mean the date as of which an Award shall take effect, provided that the Effective Date shall not be a date prior to the date the Board determines an Award shall be made and, unless otherwise specified by the Board, the Effective Date will be the date the Board determines an Award shall be made.

**“Eligible Participants”** means the Employees, Officers, Consultants and Directors of the Company and its Affiliates.

**“Employee”** means any employee or officer of the Company or an Affiliate of the Company. Directors who are not otherwise employed by the Company or an Affiliate of the Company shall not be considered Employees under the Plan.

**“Exchange”** means the TSX Venture Exchange, or any other stock exchange on which the Common Shares of the Company are listed.

**“Exchange Policies”** mean the policies and rules of the Exchange, including those set forth in the Corporate Finance Manual of the Exchange.

**“Exercise Price”** shall mean, with respect to an Option, the price payable by a Participant to purchase one Share on exercise of such Option, which, except in the case of Substitute Awards, shall not be less than 100 percent of the Market Value of a Share on the Effective Date of the grant of the Option covering such Share, subject to adjustment pursuant to Article 10.

**“Insiders”** shall have the meaning ascribed thereto in the Exchange Policies.

“**ITA**” shall mean the *Income Tax Act* (Canada) and any regulations thereunder as amended from time to time.

“**Market Value**” of a Share as of a relevant date shall mean the greater of the volume weighted average trading price and the fair market value on such date, as calculated in accordance with (a) and (b) below:

- (a) the volume weighted average trading price of the Shares is determined by dividing the total value of the Shares traded during the last five trading days immediately preceding such date by the total volume of the Shares traded during such five trading days. Value and volume of the Shares as determined in accordance with (i) through (iii) below:
  - (i) As long as Shares are listed on the Exchange, the total value of the Shares is the total value of the Shares traded on the Exchange and the total volume of the Shares is the total volume of the Shares traded on the Exchange;
  - (ii) As to the grant of an Award, the relevant date will be the Effective Date of such grant; and
  - (iii) If the Shares are not listed on the Exchange at the time a determination of volume weighted average trading price is required to be made hereunder, the determination of volume weighted average trading price shall be made in good faith by the Board using any fair and reasonable means selected in the Board’s discretion.
- (b) The fair market value as determined by the Board in accordance with (i) through (iii) below:
  - (i) As long as Shares are listed on the Exchange, the closing price of the Shares on the Exchange on the last trading day prior to the relevant date;
  - (ii) As to the grant of an Award, the relevant date will be the Effective Date of such grant; and
  - (iii) If the Shares are not listed on the Exchange at the time a determination of its fair market value is required to be made hereunder, the determination of fair market value shall be made in good faith by the Board using any fair and reasonable means selected in the Board’s discretion.

“**Officer**” shall mean any officer of the Company.

“**Option**” shall mean an option, granted in accordance with Article 6 hereof, to purchase a Share.

“**Organizational Law**” shall mean the laws of Ontario, Canada or such other law under which a Successor is organized, as such laws may be amended from time to time.

**“Participants”** shall mean those Eligible Participants to whom Awards have been granted from time to time under the Plan. The executors or administrators of such Participant’s estate, any Person or Persons who acquire the right to exercise an Award directly from the Participant by bequest or inheritance or any other permitted transferee of the Participant under Article 9 hereof shall be treated as a Participant solely for the purposes of exercising and enforcing an Award according to the terms thereof and this Plan.

**“Performance Awards”** shall mean Awards that are, or the exercise, vesting, settlement or disposition thereof are, subject to the satisfaction of Performance Criteria. Performance Awards include Performance Share Units.

**“Performance Criteria”** shall mean such financial and/or personal performance criteria as may be determined by the Board, pursuant to Article 7. Performance Criteria may be applied to either the Company as a whole or to a business unit or to a single or group of Affiliates, either individually, alternatively or in any combination, and measured either in total, incrementally or cumulatively over a specified performance period, on an absolute basis or relative to a pre-established target, to previous years’ results or to a designated comparison group.

**“Performance Share Unit”** shall mean a right, granted in accordance with Article 7 hereof, to receive one Share (or the applicable fraction or multiple of a Share as determined by the Board based on applicable Vesting Criteria) or a cash payment equal to the Market Value of the applicable number of Shares, as determined by the Board, that generally becomes Vested, if at all, subject to the attainment of Performance Criteria and satisfaction of such other conditions to Vesting, if any, as may be determined by the Board. Settlement of Performance Share Units shall be in Shares unless otherwise determined by the Board, taking into account best practices in corporate governance.

**“Person”** shall mean, unless the context otherwise requires or unless and to the extent otherwise limited or required by applicable law or Exchange Policies, any natural person, firm, partnership, limited liability company, association, corporation, company, trust, business trust, governmental authority or other entity.

**“Plan”** shall mean this EQUITY INCENTIVE COMPENSATION PLAN, as amended and restated from time to time.

**“Restricted Period”** shall mean the period established by the Board with respect to an Award during which the Award either remains subject to forfeiture or is not exercisable by the Participant.

**“Restricted Share Unit”** shall mean a right, granted in accordance with Article 7 hereof, to receive a Share or a cash payment equal to the Market Value of a Share, as determined by the Board that generally becomes Vested, if at all, based on the Participant’s period of employment with the Company. Settlement of Restricted Share Units shall be in Shares unless otherwise determined by the Board, taking into account best practices in corporate governance.

**“Resignation”** shall mean a termination of employment initiated by an Employee, as that term is understood at common law or termination of service of a Director, under circumstances as shall constitute a resignation, as determined by the Board or in accordance with the written policies established by the Board as they may be amended or revised from time to time.

**“Revised Expiry Date”** shall have the meaning ascribed thereto in Section 5.2(e) hereof.

**“Shares”** shall mean the common shares in the capital of the Company.

**“Substitute Awards”** means Awards granted in assumption, substitution or exchange for, outstanding employee equity awards (i) previously granted by a company or other entity acquired by the Company or with which the Company combines in connection with a corporate transaction; or (ii) previously granted by a company or other entity to a Person who was, at the time of the grant, employed by such company or entity and is, at the time the Substitute Award is granted, employed by the Company. In the case of both (i) and (ii), the outstanding employee equity award must have been granted pursuant to the terms of an equity compensation plan that was approved by the shareholders of the granting company or entity.

**“Successor”** shall mean, with respect to any Person, a Person that succeeds to the first Person’s assets and liabilities by amalgamation, merger, liquidation, dissolution or otherwise by operation of law, or a Person to which all or substantially all the assets and/or business of the first Person are transferred.

**“Termination”** (or any derivative thereof) shall mean the date of termination or cessation of employment or engagement of a Participant’s Active Employment with the Company (or Affiliate) that employs the Participant (other than in connection with the Participant’s transfer to employment with any other Company), whether such termination is lawful or otherwise which shall be as of the date on which such Participant provides notice to or is given notice by the Company or the Affiliate, as the case may be, in writing or verbally, of the date of such termination or cessation of employment or engagement, or if such notice is not provided, then on the last day of work by the Participant which for certainty shall not include any non-working notice period under applicable law (either under statute or common law), but not including a Participant’s absence from Active Employment during a period of vacation, temporary illness, authorized leave of absence or short or long-term disability, and, in the case of a Participant who does not return to Active Employment with the Company immediately following a period of absence due to vacation, temporary illness, authorized leave of absence or short or long-term disability, the last day of such period of absence.

**“Vested”** or **“Vesting”** shall mean, with respect to an Award, that the applicable conditions established by the Board or this Plan have been satisfied or, to the extent permitted under the Plan, waived, whether or not the Participant’s rights with respect to such Award may be conditioned upon prior or subsequent compliance with any confidentiality, non-competition or non-solicitation obligations.

“**Voting Securities**” shall mean any securities of the Company ordinarily carrying the right to vote at elections of directors and any securities immediately convertible into or exchangeable for such securities.

### **ARTICLE 3 ADMINISTRATION**

#### **3.1 Powers of the Board**

Subject to and consistent with the terms of the Plan, applicable law and Exchange Policies, the Board will have the general power to administer the Plan in accordance with its terms (including all powers set out below) and make all determinations required or permitted to be made.

The Board shall have the power to, subject to Section 11.2:

- (a) interpret the Plan and instruments of grant evidencing Awards;
- (b) prescribe, amend and rescind such procedures and policies, and make all determinations, it deems necessary or desirable for the administration and interpretation of the Plan and instruments of grant evidencing Awards;
- (c) determine those Persons who are eligible to be Participants, grant one or more Awards to such Persons and approve or authorize the applicable form and terms of the related instrument of grant;
- (d) determine the terms and conditions of Awards granted to any Participant, including, without limitation, and subject always to the Plan (1) subject to Section 4.2, the number of Shares subject to an Award, (2) the Exercise Price for Shares subject to an Award in accordance with the terms of the Plan, if applicable, (3) the conditions to the Vesting of an Award or any portion thereof, including terms relating to lump sum or installment Vesting, the period for achievement of any applicable Performance Criteria as a condition to Vesting and the conditions, if any, upon which Vesting of any Award or portion thereof will be waived or accelerated without any further action by the Board, (4) the circumstances upon which an Award or any portion thereof shall be forfeited, cancelled or expire, (5) the consequences of a Termination with respect to an Award, (6) the manner of exercise or settlement of the Vested portion of an Award, including whether an Award shall be settled on a current or deferred basis, and (7) whether and the terms upon which any Shares delivered upon exercise or settlement of an Award must continue to be held by a Participant for any specified period;
- (e) set forms of consideration, if any, to be paid with respect to the exercise of an Award (except to the extent certain forms of consideration must be paid to satisfy the requirements of applicable law) and specify whether and the terms upon which an Award shall be settled in cash, shares or a combination thereof. However, unless the Board otherwise specifically provides no consideration other than services may be required for the grant, as opposed to the exercise, of any Award;



- (f) determine whether and the extent to which any Performance Criteria or other conditions applicable to the Vesting of an Award have been satisfied or shall be waived or modified;
- (g) amend the terms of any instrument of grant or other documents evidencing Awards; provided, however, that, subject to Section 5.4, no amendment of an Award may, without the consent of the holder of the Award, adversely affect such Person's rights with respect to such Award in any material respect;
- (h) accelerate or waive any condition to the Vesting of any Award, all Awards, any class of Awards or Awards held by any group of Participants; and
- (i) determine whether, and the extent to which, adjustments shall be made pursuant to Article 10 and the terms of any such adjustments.

The Board will also exercise its discretion in good faith in accordance with the Company's intention that the terms of Awards and the modifications or waivers permitted hereby are in compliance with applicable law and the Exchange Policies.

### **3.2 Effects of the Board's Decision**

Any action taken, interpretation or determination made, or any rule or regulation adopted by the Board pursuant to this Plan and subject to and consistent with applicable law and Exchange Policies shall be made in its sole discretion and shall be final, binding and conclusive on all affected Persons, including, without limitation, the Company, any of its Affiliates, any grantee, holder or beneficiary of an Award, any shareholder and any Eligible Participant.

### **3.3 Liability Limitation**

No member of the Board or any Officer shall be liable for any action or determination made in good faith pursuant to the Plan or any instrument of grant evidencing any Award granted under the Plan.

### **3.4 Delegation and Administration**

The Board may not delegate its powers, rights and duties under the Plan, in whole or in part, to any committee, Person or Persons including any such powers, rights or duties: (i) with respect to the establishment or determination of the achievement of Performance Criteria; or (ii) with respect to any matter that would be in violation of any Organizational Law or the Exchange Policies. The Board may appoint or engage a trustee, custodian or administrator to administer or implement the Plan or any aspect of it, subject to ensuring that the Board does not delegate the powers, rights or duties in (i) or (ii) of the immediately preceding sentence hereof.

## **ARTICLE 4**

### **SHARES SUBJECT TO THE PLAN**

#### **4.1 Aggregate Plan Limits**

The total number of Shares reserved and available for grant and issuance pursuant to Awards shall not exceed ten percent (10%) of the total issued and outstanding Shares of the Company (on a non-diluted basis) at the time of grant and provided that, and subject to the foregoing, the maximum number of Shares issuable under this Plan pursuant to Awards that are not Options may not exceed 2,995,414 Shares. For the purposes of computing the foregoing limits:

- (a) Subject to Section 4.1(b), an Award (or any portion thereof) that uses the price of Shares to determine the amount of the Award or its settlement but that provides for settlement in cash (and not by the issuance of Shares) shall be treated as covering the applicable number of Shares solely for the purposes of computing the above referred limit and only while the Award is not settled or terminated. Upon settlement in cash or termination of such Award, the Shares used as a reference for determining the amount of the Award or its settlement shall not be counted against the limit above.
- (b) All Options that lapse unexercised will be treated as not having been issued for the purposes of computing the foregoing limitation, but any issuance of Shares pursuant to the terms of an Option will reduce the number of Shares available for issuance pursuant to Options; and
- (c) Any Shares withheld or tendered for payment of taxes or any exercise or purchase price in respect of Awards shall not be counted against the limitation above.

#### **4.2 Certain Additional Limits**

The number of Shares reserved for issuance to any one person pursuant to the Plan shall be subject to the following restrictions:

- (a) unless disinterest shareholder approval as required by the Exchange Policies is obtained, (i) the maximum number of Shares issued to Insiders (including associates of Insiders if legally required) within any 12 month period; and (ii) the aggregate number of Shares reserved for issuance to the Insiders at any time, under this Plan and all other Company security-based compensation arrangements (as determined under the Exchange Policies) shall not exceed 10% of the total issued and outstanding Shares, respectively;
- (b) unless disinterest shareholder approval as required by the Exchange Policies is obtained, the number of Shares issued, or reserved for issuance with respect to Awards, to any one Participant (including associates of the Participant if legally required) within any 12 month period under this Plan and all other Company security-based compensation arrangements (as determined under the Exchange Policies) shall not exceed 5% of the total issued and outstanding Shares;

- (c) no more than 2% of the total issued and outstanding Shares at the time of grant may be granted to any one Consultant in any 12 month period, and further, the aggregate number of Shares reserved for issuance with respect to Awards to all technical Consultants shall not exceed 2% of the total issued and outstanding Shares;
- (d) no more than an aggregate of 2% of the total issued and outstanding Shares at the time of grant may be granted pursuant to Options to all persons engaged to conduct Investor Relations Activities in any 12 month period; and
- (e) for Awards granted to Employees or Consultants, the Company and the Participant are responsible for ensuring and confirming that the Participant is a bona fide employee or Consultant, as the case may be.

Appropriate adjustments shall be made as set forth in under Article 10 hereof in both the number of Shares covered by individual grants and the total number of Shares authorized to be issued hereunder, to give effect to any relevant changes in the capitalization of the Company.

For the purposes of determining compliance with the above restrictions, the Board will take into account Shares reserved or issued pursuant to options together with Shares reserved or issued pursuant to all of the Company's security-based compensation arrangements to the extent required by applicable law and applicable Exchange Policies.

#### **4.3 Source of Shares**

Except as expressly provided in the Plan, Shares delivered to Participants in connection with the exercise or settlement of Awards will be issued from the treasury of the Company. The Board shall take such action as may be necessary to authorize and reserve for issuance from unissued Shares such number of Shares as may be necessary to permit the Company to meet its obligations under the Plan.

### **ARTICLE 5 GENERAL PROVISIONS RELATING TO AWARDS**

#### **5.1 Eligibility**

Awards will be granted only to those Persons who are, at the time of the grant, Eligible Participants. If any Participant is (pursuant to the terms of his or her employment or otherwise) subject to a requirement that he or she not benefit personally from an Award, the Board may grant any Award to which such Person would otherwise be entitled to the Person's employer or other entity designated by them that directly or indirectly imposes such requirement on the Person. The Board shall have the power to determine other eligibility requirements with respect to Awards or types of Awards.

## 5.2 Terms of Grant

Subject to the other express terms of this Plan, grants of Awards under the Plan shall contain such terms and conditions as the Board may specify. Without limiting the foregoing,

- (a) each Award granted under the Plan shall be evidenced by an instrument of grant, in such form or forms as the Board shall approve from time to time, which shall set forth such terms and conditions consistent with the terms of the Plan as the Board may determine. Each instrument of grant shall set forth, at a minimum, the Exercise Price, as applicable, the type and Effective Date of the Award evidenced thereby, the number of Shares subject to such Award and the applicable Vesting conditions. References in the Plan to an instrument of grant shall include any supplements or amendments thereto;
- (b) each Award granted under the Plan shall be, unless otherwise determined by the Board, an Award pursuant to which, as applicable: (i) the Exercise Price is stated and payable in Canadian dollars or the basis upon which it is to be settled (whether in cash or in Shares) is stated in Canadian dollars; and (ii) in the case of Restricted Share Units or Performance Share Units, any cash amount payable in settlement thereof shall be paid in Canadian dollars.
- (c) unless prohibited by applicable law or Exchange Policies, Awards may be made to a Participant without regard to such Participant's domicile or residence for tax purposes.
- (d) the term or Restricted Period of each Award that is an Option or Restricted Share Unit shall be for such period as may be determined by the Board; provided, however, that in no event shall the term of such Award exceed a period of ten years (or such shorter terms as may be required in respect of an Award as may be required by the Organizational Law or Exchange Policies to the extent that they are applicable to such Award);
- (e) notwithstanding the foregoing provisions of this Section 5.2, unless otherwise determined by the Board, or as otherwise provided in the Plan, if any Award is scheduled to vest or the term of any Award granted hereunder is scheduled to expire or any Award is scheduled to be settled: (i) at a time when the holder of the Award is subject to restrictions on trading of securities of the Company under a trading "blackout" established by the Company (pursuant to the disclosure policy of the Company then in effect or otherwise) or pursuant to any lock-up agreement or other similar trading restriction (a "**Black-out Period**"), the Award shall be Vested and the term or settlement of the Award, as applicable, will, notwithstanding the scheduled expiry date of the term of such Award, vest, expire or settle as of the date that is 10 business days following the end of the applicable Black-out Period (the "**Revised Expiry Date**") and shall continue to be exercisable, convertible or otherwise remain outstanding for the benefit of the holder, as applicable, at any time up to the applicable time on the Revised Expiry Date. For the avoidance of doubt, should the Revised Expiry Date fall during a subsequent Black-out Period

or fall within 10 Business following the end of a subsequent Black-out Period, the Award shall be Vested and the term or settlement of the Award, as applicable, will, notwithstanding the scheduled expiry date of the term of such Award, vest, expire or settle as of the date that is 10 business days following the end of such subsequent Black-out Period.

- (f) the terms, conditions and/or restrictions contained in an Award may differ from the terms, conditions and restrictions contained in any other Awards.
- (g) the Board may specify such other terms and conditions, consistent with the terms of the Plan, as the Board shall determine or as shall be required under any other provision of the Plan.

Such terms may include, without limitation, provisions requiring forfeiture of Awards in the event of termination of employment by the Participant and provisions permitting a Participant to make elections relating to his or her Award.

### **5.3 Vesting Conditions**

Subject to the terms of the Plan, the Board shall determine any and all conditions to the Vesting of all and/or any portion of Awards and shall specify the material terms thereof in the applicable instrument of grant on, or as soon as reasonably practicable following, the Effective Date of the Award. Vesting of an Award, or portion thereof, may be conditioned upon passage of time, continued employment, satisfaction of Performance Criteria, or any combination of the foregoing, as determined by the Board.

### **5.4 Change of Control**

Unless otherwise provided in the Award or by direction of the Board as to all or any type of Awards, in the event of an actual or potential Change of Control and notwithstanding any other Vesting or other restrictions or conditions, the Board may take whatever action with respect to the Awards outstanding that it deems necessary or desirable, including the following:

- (a) the Board may, in its sole discretion, accelerate Vesting and the expiration or termination date of Options then outstanding to a specified date fixed by the Board. After any accelerated expiration or termination date so specified, all unexercised Options and all rights of Participants thereunder shall terminate; provided, however, that any acceleration of the expiration or termination date shall not be to a date that is earlier than thirty (30) days after notice of such acceleration. The Board may also accelerate Vesting and the time at which Options may be exercised so that those types of Awards may be exercised in full for their then remaining term; and
- (b) the Board may, in its sole discretion, without the necessity or requirement for the agreement of any Participant: (i) accelerate, conditionally or otherwise, on such terms as it sees fit (including, but not limited to those set out in (iii) and (iv) below), the vesting date of any Awards; (ii) permit the conditional redemption or exercise

of any Awards, on such terms as it sees fit; (iii) otherwise amend or modify the terms of any Awards, including for greater certainty by permitting Participants to exercise or redeem any Awards to assist the Participants to participate in the actual or potential Change of Control or to participate in an exchange of options; and (iv) terminate, following the successful completion of a Change of Control, on such terms as it sees fit, the Awards not exercised or redeemed prior to the successful completion of such Change of Control.

## **5.5 Substitute Awards**

Awards granted under the Plan may, in the discretion of the Board, be granted in substitution or exchange for, any other Award or any award granted under another plan of the Company, any Affiliate or any business entity to be acquired by the Company or an Affiliate, or any other right of a Participant to receive payment from the Company or any Affiliate. Such substitute or exchange Awards may be granted at any time. If an Award is granted in substitution or exchange for another Award, the Board shall require the surrender of such other Award for cancellation and such surrendered Award shall no longer be treated as being outstanding for the purposes of determining the aggregate plan limitations under Section 4.1. In addition, Awards may be granted in lieu of cash compensation, including in lieu of cash amounts payable under other plans of the Company or any Affiliate. Notwithstanding the foregoing, the grant of an Award to a Participant shall not entitle such Participant to a future grant of an Award of the same or a different type.

## **5.6 Securities Matters**

No Shares will be issued or transferred pursuant to an Award unless and until all then-applicable requirements imposed by applicable securities and other laws, rules and regulations and by any regulatory agencies having jurisdiction and by the Exchange, have been fully met. As a condition precedent to the issuance of Shares pursuant to the grant or exercise of an Award, the Company may require the grantee to take any reasonable action to meet such requirements. The Company shall not be obligated to take any affirmative action in order to cause the issuance or transfer of Shares pursuant to an Award to comply with any law or regulation, however.

## **5.7 Fractional Shares**

No fractional Shares shall be issued or delivered pursuant to the Plan or any Award Agreement. In such an instance, unless the Board determines otherwise, fractional Shares and any rights thereto shall be forfeited or otherwise eliminated.

# **ARTICLE 6 STOCK OPTIONS**

## **6.1 General**

The Board may from time to time grant one or more Options to Participants on such terms and conditions, consistent with the Plan, as the Board shall determine. The instrument of

grant evidencing an Option shall specify the Exercise Price for each Share subject to such Option and the maximum term of such Option.

## **6.2 Vesting Terms**

Options granted under the Plan shall become Vested at such times, in such installments and subject to such terms and conditions consistent with Section 5.3 hereof (including satisfaction of Performance Criteria and/or continued employment) as may be determined by the Board and set forth in the applicable instrument of grant.

## **6.3 Exercise Price**

The Exercise Price for each Share subject to an Option, except in the case of Substitute Awards, shall not be less than the Market Value of a Share on the Effective Date of the Award of such Option. The Exercise Price shall be stated and payable in Canadian dollars.

## **6.4 Exercise of Vested Options**

Options granted under this Article 6 shall be exercisable at such times and on the occurrence of such events, and be subject to such restrictions and conditions, as the Board shall in each instance approve, which need not be the same for each grant or for each Participant.

As soon as practicable after receipt of a notification of exercise and full payment of the Exercise Price, the Shares in respect of which the Option has been exercised shall be issued as fully-paid and non-assessable common shares of the Company. As of the business day the Company receives such notice and such payment, the Participant (or the person claiming through a Participant, as the case may be) shall be entitled to be entered on the share register of the Company as the holder of the number of Shares in respect of which the Option was exercised and to receive a certificate or evidence of book entry representing the said number of Shares. The Company shall cause to be delivered to or to the direction of the Participant Share certificates or evidence of book entry Shares in an appropriate amount based upon the number of Shares purchased under the Option(s).

## **6.5 Option Period**

Unless the Board provides for a shorter option period at or after the Effective Date of an Award of Options and subject to Article 8 hereof, all or any part of the Options covered by an Award shall, to the extent Vested, be exercisable, from time to time, within the period commencing on the date such Option or part thereof becomes Vested and ending on the last day of the term of such Award.

**ARTICLE 7**  
**RESTRICTED SHARE UNITS AND PERFORMANCE SHARE UNITS GENERAL**

**7.1 Grants**

The Board may from time to time grant one or more Awards of Restricted Share Units and/or Performance Share Units to Participants on such terms and conditions, consistent with the Plan, as the Board shall determine.

**7.2 Vesting Terms**

- (a) Restricted Share Units and/or Performance Share Units shall become Vested at such times, in such installments and subject to such terms and conditions consistent with Section 5.3 hereof as may be determined by the Board and set forth in the applicable instrument of grant, provided that the conditions to Vesting of Restricted Share Units shall be based on the Participant's continued employment, without regard to the satisfaction of any Performance Criteria and the conditions to Vesting of Performance Share Units shall be based on the satisfaction of Performance Criteria either alone or in addition to any other Vesting conditions as may be determined by the Board consistent with Section 5.3 hereof.
- (b) Notwithstanding the foregoing provisions of this Section 7.2, unless otherwise determined by the Board, or as otherwise provided in the Plan, if the Vesting of any Restricted Share Unit and/or Performance Share Unit granted hereunder is scheduled to occur during a Black-out Period, the Vesting of the Restricted Share Unit and/or Performance Share Unit will, notwithstanding the scheduled Vesting date of such Award, vest and be settled as of the date that is 10 business days following the end of the applicable Black-out Period.

**7.3 Settlement**

Unless otherwise determined by the Board (including by the terms of the Award or the Plan) and subject to the immediately succeeding sentence, Restricted Share Units and Performance Share Units shall be settled and/or paid, following the Vesting thereof and subject in any case to payment or other satisfaction of all related withholding obligations in accordance with the provisions of this Plan, in accordance with this Section 7.3. Except as may otherwise be required under Section 7.2, settlement and payment in respect of Restricted Share Units or Performance Share Units shall be made to Participants by the date that is no later than December 15 of the third year following the year in which the services with respect to the grant of the Award were provided. Settlement shall be made in Shares, unless otherwise determined by the Board that settlement shall be made in cash or a combination of cash and Shares, taking into account best practices in corporate governance.

A determination by the Board that settlement shall be made in cash or a combination of cash and Shares may be reflected in the Award and may be made on or before the date of the settlement or as otherwise specified by the Board. Settlement of Restricted Share Units



or Performance Share Units in cash shall be made by payment of an aggregate amount equal to the product of:

- (a) the Market Value of a Share on the applicable settlement date specified by the Board in the Award,  
  
and
- (b) the number of Restricted Share Units or Performance Share Units then being settled.

Any cash payment in settlement of Restricted Share Units or Performance Share Units shall be payable in Canadian dollars. Upon payment of any amount pursuant to settlement of Restricted Share Units or Performance Share Units granted under this Article 7 in cash or Shares, as the case may be, the particular Restricted Share Units or Performance Share Units in respect of which such payment was made shall be cancelled and no further payments (whether in Shares or cash or otherwise) shall be made in relation to such Restricted Share Units or Performance Share Units.

#### **7.4 Dividend Equivalents**

The terms of an Award of Restricted Share Units or Performance Share Units may include provision for the accrual of dividend equivalent amounts with respect to cash dividends paid in the ordinary course to shareholders in respect of outstanding Shares. If the Board determines that dividend equivalent amounts will be accrued in respect of Restricted Share Units or Performance Share Units subject to an Award, if and when cash dividends are paid with respect to Shares (other than any extraordinary dividend) to shareholders of record as of a record date occurring during the period from the Effective Date of the applicable Award to the date of settlement thereof, a number of additional Restricted Share Units or Performance Share Units, as the case may be, shall be granted to the holder of such Award equal to the greatest number of whole Shares having a Market Value, as of the payment date for such dividend, equal to the product of (i) the cash dividend paid with respect to a Share multiplied by (ii) the number of Restricted Share Units or Performance Share Units subject to such Award as of the record date for the dividend. The additional Restricted Share Units or Performance Share Units granted to a Participant shall be subject to the same terms and conditions, including Vesting and settlement terms, as the corresponding Restricted Share Units or Performance Share Units, as the case may be.

#### **7.5 No Other Benefit**

- (a) No amount will be paid to, or in respect of, a Participant (or a person with whom the Participant does not deal at arm's length within the meaning of the ITA) under the Plan to compensate for a downward fluctuation in the price of a Share or the value of any Award granted, nor will any other form of benefit be conferred upon, or in respect of, a Participant (or a person with whom the Participant does not deal at arm's length within the meaning of the ITA), for such purpose.

- (b) The Company makes no representations or warranties to Participants with respect to the Plan or any Awards whatsoever. Participants are expressly advised that the value of any Awards in the Plan will fluctuate as the trading price of Shares fluctuates. Participants are further expressly advised that the amount of dividends that may be paid in respect of Shares, if any, will vary.
- (c) In seeking the benefits of participation in the Plan, a Participant agrees to exclusively accept all risks associated with a decline in the market price of Shares and all other risks associated with the holding of Awards.

## **ARTICLE 8**

### **CONSEQUENCES OF TERMINATION**

#### **8.1 General Provisions**

Each Award Agreement shall set forth the extent to which the Participant shall have the right to retain Awards following termination of the Participant's employment or other relationship with the Company or its Affiliates. Such provisions shall be determined in the sole discretion of the Board, need not be uniform among all Awards issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination, provided that provisions shall comply with applicable rules of the Exchange.

If the terms of the Award, the Plan or any resolution of such Board does not specify the effect of a termination, cessation or resignation of the Participant, then the following default rules will apply:

- (a) if employment of an Employee, Officer or service of a Director is terminated for any reason whatsoever other than Resignation, death, Disability or for cause (in the opinion of the Company's legal counsel), or if service of a Consultant is terminated for any reason whatsoever other than death or for cause: (A) All unvested Options as of such termination date shall remain and continue to vest (and are exercisable) in accordance with the terms of the Plan for a period expiring on the earlier of: (i) the end of the notice period contained within the applicable notice of termination; and (ii) 12 months after the termination date provided in the applicable notice of termination; provided that in no event will the Employee, Officer or Director's entitlements under the Plan terminate prior to the conclusion of the notice period required by the ESA, if any and provided that any Options that have not been exercised (whether vested or not) within 12 months after the termination date provided in the applicable notice of termination shall automatically and immediately expire and be forfeited on such date; and (B) all Restricted Share Units and Performance Share Units shall automatically and immediately vest.
- (b) if the employment of an Employee or Officer or service of a Director is terminated by reason of Resignation: the Board shall have the discretion, with respect to such Participant's Awards, to determine: (i) whether to accelerate vesting of any or all of such Awards, (ii) whether any of such Awards shall be cancelled, with or without payment, and (iii) how long, if at all, such Awards may remain outstanding following such termination; provided, however, that any Options that have not been

exercised (whether vested or not) within 12 months after the termination date shall automatically and immediately expire and be forfeited on such date.

- (c) upon termination of employment or service from the Company as a result of Disability of an Employee, Officer or Director or death of an Employee, Officer, Director or Consultant, or with respect to a Participant who is either a retired former Employee, Officer or Director who dies, any non-vested portion of any outstanding Award remain and continue to vest in accordance with the terms of the Plan, provided that any Options that have not vested within 12 months after such Person's termination of employment by reason of Disability or death shall automatically and immediately expire and be forfeited on such date.
- (d) if employment of an Employee or Officer or service of a Director or services of a Consultant is terminated for just cause at common law, any Award (vested or not) granted pursuant to the Plan outstanding at the time of such termination and all rights thereunder shall wholly and completely terminate automatically and be immediately forfeited upon the later of: (i) the termination date provided in the applicable notice of termination; and (ii) the conclusion of the statutory notice period required by the ESA, if any.

## **8.2 Discretion of the Board**

Notwithstanding any other provision hereof and without limiting the discretion of the Board, subject to Exchange Policies, the Board may (whether by terms of the Award or by its election notwithstanding the terms of an Award):

- (a) allow non-Vested Awards to be treated as Vested upon termination of employment or service of a Participant, as to any or all of termination, death or Disability;
- (b) provide that the Awards with respect to certain classes, types or groups of Participants will have different acceleration, forfeiture, termination, exercise, continuation or other terms than other classes, types or groups of Participants. Without limiting the foregoing, but rather as an example of the foregoing, Awards to Directors may specify that they will become Vested in full upon Resignation, death, Disability or other change of status even though Awards to Employees do not provide for such acceleration;
- (c) provide for the continuation of any Award for such period and upon such terms and conditions as are determined by the Board in the event that a Participant ceases to be an Eligible Participant and provided that in all cases Options that have not been exercised (whether vested or not) within 12 months after the termination date provided in the applicable notice of termination shall automatically and immediately expire and be forfeited on such; or
- (d) set any other terms for the exercise or termination of Awards upon termination of employment or service.

## **ARTICLE 9 TRANSFERABILITY**

### **9.1 Transfer Restrictions**

No Award, and no rights or interests therein, shall or may be assigned, transferred, sold, exchanged, encumbered, pledged or otherwise hypothecated or disposed of by a Participant other than by testamentary disposition by the Participant or the laws of intestate succession. No such interest shall be subject to execution, attachment or similar legal process including without limitation seizure for the payment of the Participant's debts, judgments, alimony or separate maintenance.

## **ARTICLE 10 ADJUSTMENTS**

### **10.1 No Restrictions on Action**

The existence of the Plan and/or the Awards granted hereunder shall not limit, affect or restrict in any way the right or power of the Board or the shareholders of the Company to make or authorize (i) any adjustment, recapitalization, reorganization or other change in the capital structure or business of the Company, (ii) any merger, consolidation, amalgamation or change in ownership of the Company, (iii) any issue of bonds, debentures, capital, preferred or prior preference shares ahead of the Shares or affecting the capital of the Company or the rights holders of Shares in respect thereof, (iv) any dissolution or liquidation of the Company, (v) any sale or transfer of all or any part of the assets or business of the Company or (vi) any other corporate act or proceeding with respect to the Company. No Participant or any other Person shall have any claim against any member of the Board of Directors or the Board, or the Company or any employees, officers or agents of the Company as a result of any such action.

### **10.2 Recapitalization Adjustment**

- (a) In the event that (A) a dividend shall be declared upon the Shares or other securities of the Company payable in Shares or other securities of the Company, (B) the outstanding Shares shall be changed into or exchanged for a different number or kind of shares or other securities of the Company or of another corporation or entity, whether through an arrangement, plan of arrangement, amalgamation or other similar statutory procedure or a share recapitalization, subdivision, consolidation or otherwise, (C) there shall be any change, other than those specified in (A) or (B) above, in the number or kind of outstanding Shares or of any securities into which such Shares shall have been changed or for which they shall have been exchanged, or (D) there shall be a distribution of assets or shares to shareholders of the Company out of the ordinary course of business, then, the Board shall determine whether an adjustment in the number or kind of Shares theretofore authorized but not yet covered by Awards, in the number or kind of Shares theretofore subject to outstanding Awards, in the Exercise Price applicable under any outstanding Awards, in the number or kind of Shares generally available for Awards or available in any calendar year under the Plan and/or such other adjustment as may

be appropriate should be made, in order to ensure that, after any such event, the Shares subject to the Plan and each Participant's proportionate interest shall be maintained substantially as before the occurrence of the event, and if the Board determines that an adjustment should be made, such adjustment shall be made and be effective and binding for all purposes.

- (b) In the case of any such adjustment as provided for in this Section 10.2, the Exercise Price shall be adjusted appropriately to reflect such adjustment. No adjustment provided for in this Section 10.2 shall require the Company to issue a fractional Share and the total adjustment with respect to each outstanding Award shall be limited accordingly.

## **ARTICLE 11 AMENDMENT AND TERMINATION**

### **11.1 General**

The Board may, at any time, suspend or terminate the Plan. Subject to compliance with any applicable law, including the Exchange Policies, the Board may also, at any time, amend or revise the terms of the Plan and any Award. No such amendment of the Plan or Award may be made if such amendment would materially and adversely impair any rights arising from any Awards previously granted to a Participant under the Plan without the consent of the Participant or the representatives of his or her estate, as applicable.

### **11.2 Shareholder Approval**

To the extent required by applicable law or by the Exchange Policies, shareholder approval will be required for the following types of amendments:

- (a) any amendment which reduces the exercise price or purchase price of an Award, except for purposes of maintaining an Awards value in the case of adjustment or a Change of Control in accordance with the Plan. Notwithstanding the foregoing and subject to Exchange Policies, disinterested shareholder approval will be required for any reduction in the exercise price of an Option if the optionee is an Insider of the Company at the time of the proposed amendment. No such amendment or termination will, without the consent of an optionee, alter or impair any rights which have accrued to him prior to the effective date thereof.
- (b) any amendment that would result in the cancellation of an Option in exchange for an Option with a lower Exercise Price from that of the original Option or another Award or cash payment except in the case of adjustment or a Change of Control in accordance with the Plan;
- (c) any amendment extending the term of an Award beyond its original expiry date except as otherwise permitted by the Plan;

- (d) any amendment extending eligibility to participate in the Plan to persons other than Officers, Employees, Directors or Consultants or increasing the annual limit on Awards;
- (e) any amendment permitting the transfer of Awards, other than for normal estate settlement purposes or to a trust governed by a registered retirement savings plan, registered retirement income fund, tax free savings account, registered education savings plan or similar plan;
- (f) any amendment increasing the maximum aggregate number of Shares that may be subject to issuance at any given time in connection with Awards granted under the Plan, subject to adjustments contemplated in this Plan;
- (g) any amendment to these amendment provisions; and
- (h) any other amendment required to be approved by shareholders under applicable law or Exchange Policies.

## **ARTICLE 12 REGULATORY APPROVAL**

Notwithstanding anything herein to the contrary, the Company shall not be obligated to cause to be issued any Shares or cause to be issued and delivered any certificates evidencing Shares pursuant to the Plan, unless and until the Company is advised by its legal counsel that the issuance and delivery of the Shares and such Share certificates is in compliance with all applicable laws, regulations, rules, orders of governmental or regulatory authorities and the requirements of the Exchange. The Company shall in no event be obligated to take any action in order to cause the issuance or delivery of Shares or such certificates to comply with any such laws, regulations, rules, orders or requirements. The Board may require, as a condition of the issuance and delivery of such Shares or certificates and in order to ensure compliance with such laws, regulations, rules, orders and requirements, that the Participant, or any permitted transferee of the Participant under Article 8 hereof or, after his or her death, the Participant's estate, as described in Article 8 hereof, make such covenants, agreements and representations as the Board deems necessary or desirable.

## **ARTICLE 13 NO ADDITIONAL RIGHTS**

No Person shall have any claim or right to be granted Awards under the Plan, and the grant of any Awards under the Plan shall not be construed as giving a Participant any right to continue in the employment of the Company or affect the right of the Company to terminate the employment of a Participant. Unless otherwise determined by the Board, neither any period of notice, if any, nor any payment in lieu thereof, upon Termination shall be considered as extending the period of employment for the purposes of the Plan.

## **ARTICLE 14**

### **MISCELLANEOUS PROVISIONS**

#### **14.1 Shareholder Rights**

A Participant shall not have the right or be entitled to exercise any voting rights, receive any dividends (though this shall not limit the accruals pursuant to Section 7.4) or have or be entitled to any other rights as a shareholder in respect of Shares subject to an Award unless and until such Shares have been paid for in full and issued and certificates therefor have been issued to the Participant. A Participant entitled to Shares as a result of the exercise of an Option or the settlement of a Restricted Share Unit or a Performance Share Unit shall not be deemed for any purpose to be, or have any such rights as a shareholder of the Company by virtue of such exercise or settlement, except to the extent a Share certificate is issued therefor and then only from the date such certificate is issued. No adjustment shall be made for dividends or distributions or other rights for which the record date is prior to the date such share certificate is issued, other than adjustments for dividend equivalent amounts to the extent provided under Article 7 hereof.

#### **14.2 Withholding**

The Company or any Affiliate may withhold from any amount payable to a Participant, either under this Plan or otherwise, such amount as may be necessary so as to ensure that the Company or any Affiliate will be able to comply with the applicable provisions of any federal, provincial, state or local law relating to the withholding of tax or that any other required deductions are paid or otherwise satisfied. Subject to the other provisions of the Plan, the Company shall also have the right in its discretion to satisfy any such liability for withholding or other required deduction amounts by retaining any Shares that would otherwise be issuable on the settlement on an Award and selling them on the Participant's behalf through a broker-assisted sale, or retaining any amount payable, which would otherwise be issued or delivered, provided or paid to a Participant hereunder. The Company may require a Participant, as a condition to exercise of an Option, a Share issuance hereunder or the settlement of a Restricted Share Unit or a Performance Share Unit, to pay to the Company any amounts as are necessary for the Company to comply with its withholding obligations for any such withholding or other required deduction amounts related to the exercise of Options, a Share issuance hereunder or settlement of Restricted Share Units or Performance Share Units.

#### **14.3 Governing Law**

The Plan, all instruments of grant evidencing Awards granted hereunder and any other agreements or other documents relating to the Plan shall be interpreted and construed in accordance with the Organizational Law, except to the extent the terms of the Plan, any supplement to the Plan, or the Award in question expressly provides for application of the laws of another jurisdiction. The Board may provide that any dispute as to any Award shall be presented and determined in such forum as the Board may specify, including through binding arbitration. Any reference in the Plan, in any instrument of grant evidencing Awards granted hereunder or in any other agreement or document relating to the Plan to a

provision of law or to a rule or regulation shall be deemed to include any successor law, rule or regulation of similar effect or applicability.

#### **14.4 Compliance with Laws of Other Jurisdictions**

Awards may be granted to Participants who are citizens or residents of a jurisdiction other than Canada on such terms and conditions different from those under the Plan as may be determined by the Board to be necessary or advisable to achieve the purposes of the Plan while also complying with applicable local laws, customs and tax practices, including any such terms and conditions as may be set forth in any supplement to the Plan intended to govern the terms of any such Award. In no event shall the eligibility, grant, exercise or settlement of an Award constitute a term of employment, or entitlement with respect to employment, of any employee.

#### **14.5 Severability**

In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

#### **14.6 Funding**

Except as would not result in adverse tax consequences to a Participant, no provision of the Plan shall require or permit the Company, for the purpose of satisfying any obligations under the Plan, to purchase assets or place any assets in a trust or other entity to which contributions are made or otherwise to segregate any assets, nor shall the Company maintain separate bank accounts, books, records or other evidence of the existence of a segregated or separately maintained or administered fund for such purposes. Participants shall have no rights under the Plan other than as unsecured general creditors of the Company, except that insofar as they may have become entitled to payment of additional compensation by performance of services, they shall have the same rights as other Employees, Officers, Consultants or Directors under applicable law.

#### **14.7 No Guarantee of Tax Consequences**

Neither the Board nor the Company makes any commitment or guarantee that any specific tax treatment will apply or be available to pay Person participating or eligible to participate hereunder.

### **ARTICLE 15 EFFECTIVE DATE AND TERM OF PLAN**

#### **15.1 Effective Date of the Plan**

The Plan became effective upon approval by the Board and shall become effective as of and from such date, upon approval by the shareholders of the Company and Exchange.



**SCHEDULE “B”**  
**Star Royalties Ltd. (“Company”)**  
**Audit Committee Charter (the “Charter”)**

**INTRODUCTION**

This Charter sets forth the purpose, composition, responsibilities and authority of the Audit Committee (the “**Committee**”) of the board of directors (the “**Board**”) of Star Royalties Ltd. (the “**Company**”).

**1. STATEMENT OF PURPOSE**

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:

- Financial reporting and related financial disclosure;
- Risk management;
- Internal control over financial reporting and disclosure controls and procedures;
- The annual independent audit of the Company’s financial statements;
- Legal and regulatory compliance and compliance with the Whistleblower Policy;
- Related party transactions; and
- Compliance with public disclosure requirements.

**2. COMMITTEE MEMBERSHIP**

The Committee shall consist of as many directors of the Board as the Board may determine (the “**Members**”), but in any event, not less than three (3) Members. Each Member shall be independent and financially literate within the meaning of National Instrument 52-110 — Audit Committees (“**NI 52-110**”) and any other applicable securities laws and the rules of any stock exchanges upon which the Company’s securities are listed. NI 52-110 requires, among other things, that to be independent, a Member be free of any relationship which could, in the view of the Board, reasonably interfere with the exercise of a Member’s independent judgment. No Member shall: (i) accept, directly or indirectly, any consulting or advisory or other compensatory fee from the Company or any of its subsidiaries (other than remuneration for acting in his or her capacity as a member of the Board and as a member of Board Committees); or (ii) be an “affiliated entity” within the meaning of NI 52-110.

Members shall be appointed by the Board, taking into account any recommendation that may be made by the Environmental, Social, Governance and Nominating Committee of the Board (the “**ESGN Committee**”). Any Member may be removed and replaced at any time by the Board, and will automatically cease to be a Member if he or she ceases to meet the qualifications required of Members. The Board will fill vacancies on the Committee by appointment from among qualified directors of the Board, taking into account any recommendation that may be made by the ESGN Committee. If a vacancy exists on the Committee, the remaining Members may exercise all of the Committee’s powers so long as there is a quorum in accordance with Section 3 below.

***Chair***

The Board will designate one of the independent directors of the Board to be the chair of the Committee (the “**Chair**”) and the Chair may be removed or replaced at any time by the Board, in both cases, taking into account any recommendation that may be made by the ESGN Committee.

### ***Qualifications***

Subject to the permitted phase-in periods contemplated by Section 3.2 and Section 3.8 of NI 52-110, all Members shall be independent and financially literate as described above. Members must have suitable experience and must be familiar with auditing and financial matters.

### ***Attendance of Management and other Persons***

The Committee may invite, at its discretion, senior executives of the Company or such persons as it sees fit to attend meetings of the Committee and to take part in the discussion and consideration of the affairs of the Committee. The Committee may also require senior executives or other employees of the Company to produce such information and reports as the Committee may deem appropriate in the proper exercise of its duties. Senior executives and other employees of the Company shall attend a Committee meeting if invited by the Committee. The Committee may meet without senior executives in attendance for a portion of any meeting of the Committee.

### ***Delegation***

Subject to applicable law, the Committee may delegate any or all of its functions to any of its Members or any subset thereof, or other persons, from time to time as it sees fit.

## **3. COMMITTEE OPERATIONS**

### ***Meetings***

The Chair, in consultation with the other Members, shall determine the schedule and frequency of meetings of the Committee. Meetings of the Committee shall be held at such times and places as the Chair may determine. To the extent possible, advance notice of each meeting will be given to each Member unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings of the Committee either in person or by telephone, video or other electronic means. Powers of the Committee may also be exercised by written resolutions signed by all Members.

At the request of the external auditors of the Company, the Chief Executive Officer or the Chief Financial Officer of the Company or any Member, the Chair shall convene a meeting of the Committee. Any such request shall set out in reasonable detail the business proposed to be conducted at the meeting so requested.

### ***Agenda and Reporting***

To the extent possible, in advance of every regular meeting of the Committee, the Chair shall prepare and distribute, or cause to be prepared and distributed, to the Members and others as deemed appropriate by the Chair, an agenda of matters to be addressed at the meeting together with appropriate briefing materials.

The Chair shall report to the Board on the Committee's activities since the last Board meeting. However, the Chair may report orally to the Board on any matter in his or her view requiring the immediate attention of the Board. Minutes of each meeting of the Committee shall be circulated to the Board following approval of the minutes by the Members. The Committee shall oversee the preparation of, review and approve the applicable disclosure for inclusion in the Company's annual information form.

### ***Secretary and Minutes***

The Corporate Secretary of the Company may act as the secretary of the Committee unless an alternative secretary is appointed by the Committee. The secretary of the Committee shall keep regular minutes of Committee proceedings and shall circulate such minutes to all Members and to the chair of the Board (and to any other director of the Board that requests that they be sent to him or her) on a timely basis.

### ***Quorum and Procedure***

A quorum for any meeting of the Committee will be a simple majority of the Members in office. The procedure at meetings will be determined by the Committee. The powers of the Committee may be exercised by a simple majority of Members at a meeting where a quorum is present or by resolution in writing signed by all Members. In the absence of the Chair, the Committee may appoint one of its other Members to act as Chair of any meeting.

### ***Exercise of Power between Meetings***

Between meetings, the Chair, or any Member designated for such purpose by the Committee, may, if required in the circumstance, exercise any power delegated by the Committee on an interim basis. The Chair or other designated Member will promptly report to the other Members in any case in which this interim power is exercised.

## **4. DUTIES AND RESPONSIBILITIES**

The Committee is responsible for performing the duties set out below and any other duties that may be assigned to it by the Board, as well as any other functions that may be necessary or appropriate for the performance of its duties.

### ***Financial Reporting and Disclosure***

Review and recommend to the Board for approval, the interim and audited annual financial statements, including the auditors' report thereon, management's discussion and analysis, financial reports, press releases related to such financial statements and reports, and other applicable financial disclosure, prior to the public disclosure of such information.

Review and recommend to the Board for approval, where appropriate, financial information contained in any prospectuses, annual information forms, annual reports to shareholders, management proxy circulars, material change disclosures of a financial nature and similar disclosure documents, prior to the public disclosure of such documents or information.

Review with senior executives of the Company, and with external auditors, significant accounting principles and disclosure issues and alternative treatments under International Financial Reporting Standards ("IFRS"), with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly the Company's financial position and the results of its operations in accordance with IFRS, as applicable.

Seek to ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, the Company's disclosure controls and procedures and periodically assess the adequacy of those procedures and recommend any proposed changes to the Board for consideration.

### ***Risk Management***

Review the Company's major financial risk exposures and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities.

Review and make recommendations to the Board regarding the adequacy of the Company's risk management policies and procedures with regard to identification of the Company's principal risks and implementation of appropriate systems and controls to manage such risks including an assessment of the adequacy of insurance coverage maintained by the Company.

### ***Internal Controls and Internal Audit***

Review the adequacy and effectiveness of the Company's internal control and management information systems through discussions with senior executives of the Company and the external auditor relating to the maintenance of (i) necessary books, records and accounts in sufficient detail to accurately and fairly reflect the Company's transactions;

(ii) effective internal control over financial reporting; and (iii) adequate processes for assessing the risk of material misstatements in the financial statements and for detecting control weaknesses or fraud. From time to time the Committee shall assess any requirements or changes with respect to the establishment or operations of the internal audit function having regard to the size and stage of development of the Company at any particular time.

Satisfy itself, through discussions with senior executives of the Company that the adequacy of internal controls, systems and procedures has been periodically assessed in accordance with regulatory requirements and recommendations.

Periodically review the Company's policies and procedures for reviewing and approving or ratifying related- party transactions.

### ***External Audit***

Recommend to the Board a firm of external auditors to be nominated for appointment as the external auditors of the Company.

Ensure the external auditors report directly to the Committee on a regular basis. Review the independence of the external auditors.

Review and recommend to the Board the fee, scope and timing of the audit and other related services rendered by the external auditors.

Review and approve the audit plan of the external auditors, including the scope and staffing of the audit, prior to the commencement of the audit. Establish and maintain a direct line of communication with the Company's external auditors.

At each meeting, the Committee shall meet in private session, if required, and may meet with the external auditors, with management, and with the Committee members only.

Review and assess the compensation and oversight of the work of the external auditors of the Company with respect to preparing and issuing an audit report or performing other audit or review services for the Company, including the resolution of issues between senior executives of the Company and the external auditors regarding financial reporting. The external auditor shall report directly to the Committee.

Review the results of the external audit and the external auditors' report thereon, including discussions with the external auditors as to the quality of accounting principles used and any alternative treatments of financial information that have been discussed with senior executives of the Company and any other matters.

Review any material written communications between senior executives of the Company and the external auditors and any significant disagreements between the senior executives and the external auditors regarding financial reporting.

Discuss with the external auditors their perception of the Company's financial and accounting personnel, records and systems, the cooperation which the external auditors received during their course of their review and availability of records, data and other requested information and any recommendations with respect thereto.

Discuss with the external auditors their perception of the Company's identification and management of risks, including the adequacy or effectiveness of policies and procedures implemented to mitigate such risks.

Recommend to the Board any change of the external auditors and oversee any such change to ensure compliance with NI 52-110 and other applicable securities laws.

Review the reasons for any proposed change in the external auditors which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendations to the Board.

Review and assess, at least annually, the performance of the external auditors, including (i) reviewing and evaluating the lead partner on the external auditor's engagement with the Company; and (ii) considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services are compatible with maintaining the auditor's independence.

### ***Associated Responsibilities***

Monitor and periodically review the Whistleblower Policy of the Company and associated procedures for:

- The receipt, retention and treatment of complaints received by the Company regarding accounting and internal accounting controls or auditing matters;
- The confidential, anonymous submission by directors, officers and employees of the Company of concerns regarding questionable accounting or auditing matters; and
- Any violations of applicable law, rules or regulations that relate to corporate reporting and disclosure, or violations of the Company's Code of Conduct.

Review and approve the Company's hiring policies regarding employees and partners, and former employees and partners, of the present and former external auditors of the Company.

### ***Non-Audit Services***

Pre-approve all non-audit services to be provided to the Company or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities, in accordance with NI 52-110 and other applicable securities laws, if any. The Committee may delegate to one or more of its Members the authority to pre-approve non-audit services but pre-approval by such Member or Members so delegated shall be presented to the full Committee at its first scheduled meeting following such pre-approval.

### ***Other Duties***

Direct and supervise the investigation into any matter brought to its attention within the scope of the Committee's duties. Perform such other duties as may be assigned to it by the Board from time to time or as may be required by applicable law.

## **5. THE COMMITTEE CHAIR**

In addition to the responsibilities of the Chair described above, the Chair has the primary responsibility for overseeing and reporting on the evaluations to be conducted by the Committee, as well as monitoring developments with respect to accounting and auditing matters in general and reporting to the Committee on any related significant developments.

## **6. COMMITTEE EVALUATION**

The performance of the Committee shall be evaluated by the Board as part of its regular evaluation of the Board committees.

## **7. ACCESS TO INFORMATION AND AUTHORITY TO RETAIN INDEPENDENT ADVISORS**

The Committee shall be granted unrestricted access to all information regarding the Company that is necessary or desirable to fulfill its duties and all directors, officers and employees of the Company will be directed to cooperate as requested by Members. The Committee has the authority to retain, at the Company's expense, independent legal,

financial, and other advisors, consultants and experts to assist the Committee in fulfilling its duties and responsibilities, including sole authority to retain and to approve their fees. In selecting such advisors, consultants and experts, the Committee shall take into account factors relevant to their independence from the Company's management and other relevant considerations.

The Committee shall discharge its responsibilities, and shall assess the information provided by the Company's management and the external advisors, in accordance with its business judgment. Members are entitled to rely, absent knowledge to the contrary, on the integrity of the persons and organizations from whom they receive information, and on the accuracy and completeness of the information provided. Nothing in this Charter is intended or may be construed as imposing on any member of the Committee or the Board a standard of care or diligence that is in any way more onerous or extensive than the standard to which the directors of the Board are subject under applicable law.

The Committee also has the authority to communicate directly with internal and external auditors. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate or comply with IFRS and other applicable requirements. These are the responsibilities of the senior executives of the Company responsible for such matters and the external auditors. The Committee, the Chair and any Members identified as having accounting or related financial expertise are directors of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Company, and are specifically not accountable or responsible for the day-to-day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and the Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of the Company's financial information or public disclosure. This Charter is not intended to change or interpret the constating documents of the Company or applicable law or stock exchange rule to which the Company is subject, and this Charter should be interpreted in a manner consistent with the constating documents of the Company and all applicable laws and rules.

The Board may, from time to time, permit departures from the terms of this Charter, either prospectively or retrospectively. This Charter is not intended to give rise to civil liability on the part of the Company or its directors or officers, to shareholders, security holders, customers, suppliers, competitors, employees or other persons, or to any other liability whatsoever on their part.

## **8. REVIEW OF CHARTER**

The Committee shall periodically review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.



