

CHAKANA COPPER CORP.

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INFORMATION CIRCULAR

as at October 12, 2023 *(except as otherwise indicated)*

This Information Circular is furnished in connection with the solicitation of proxies by the management of Chakana Copper Corp. for use at the annual general meeting (the “Meeting”) of its shareholders to be held on November 21, 2023 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.

In this Information Circular, references to “the Company”, “we” and “our” refer to Chakana Copper Corp. “Common Shares” means common shares in the capital of the Company. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxyholders

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

Voting by Proxyholder

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

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

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.

Registered Shareholders

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

- a) complete, date and sign the Proxy and return it to the Company's transfer agent, TSX Trust Company ("TSX Trust"), by mail to 100 Adelaide Street, Suite 301, Toronto, Ontario, M5H 1S3, or by fax at 1-416-595-9593; or
- b) log on to the TSX Trust website at www.voteproxyonline.com. Registered shareholders must follow the instructions provided on the website and refer to the enclosed proxy form for the holder's account number and the proxy access number.

In either case you must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or the adjournment thereof. Failure to complete or deposit a proxy properly may result in its invalidation. The time limit for the deposit of proxies may be waived by the chairman of the meeting at the chairman's discretion without notice. **Please note that in order to vote your Common Shares in person at the Meeting, you must attend the Meeting and register with the Scrutineer before the Meeting. If you have already submitted a Proxy, but choose to change your method of voting and attend the Meeting to vote, then you should register with the Scrutineer before the Meeting and inform them that your previously submitted proxy is revoked and that you personally will vote your Common Shares at the Meeting.**

Beneficial Shareholders

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

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

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

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

The Company is taking advantage of the provisions of National Instrument 54-101 “*Communication with Beneficial Owners of Securities of a Reporting Issuer*” that permit it to deliver proxy-related materials directly to its NOBOs. As a result, NOBOs can expect to receive a scannable Voting Instruction Form (“VIF”) from our transfer agent, TSX Trust Company. The VIF is to be completed and returned to TSX Trust Company as set out in the instructions provided on the VIF. TSX Trust Company will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

These securityholder materials are being sent to both registered and non-registered owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of securities were obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

By choosing to send these materials to you directly, the Company (and not the intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions. Please return your VIF as specified in the request for voting instructions that was sent to you.

These securityholder materials are sent to both registered and non-registered (beneficial) owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent sent these materials directly to you, your name, address and information about your holdings of securities, were obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting.

The form of proxy supplied to you (as a beneficial owner) by your broker will be similar to the proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“**Broadridge**”) in Canada and in the United States. Broadridge mails a Voting Instruction Form (“VIF”) in lieu of the proxy provided by the Company. The VIF will name the same persons as the Company’s Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), different from the persons designated in the VIF, to represent your Common Shares at the Meeting, and that person may be you. To exercise this right, insert the name of your desired representative (which may be you) in the blank space provided in the VIF. Once you have completed and signed your VIF return it to Broadridge by mail or facsimile, or deliver your voting instructions to Broadridge by phone or via the internet, in accordance with Broadridge’s instructions. Broadridge tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **If you receive a VIF from Broadridge, it must be completed and returned to Broadridge, in accordance with Broadridge’s instructions, well in advance of the Meeting in order to: (a) have your Common Shares voted at the Meeting as per your instructions; or (b) have an alternate representative chosen by you duly appointed to attend and vote your Common Shares at the Meeting.**

Notice to Shareholders in the United States

The solicitation of proxies involves securities of an issuer located in Canada and is being affected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States *Securities Exchange Act of 1934*, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared

in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia), as amended, certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by:

- a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or duly authorized attorney, and by delivering the proxy bearing a later date to TSX Trust or at the address of the registered office of the Company at 1500-1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- b) personally attending the Meeting and voting the registered shareholder's Common Shares.

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

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

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

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company's board of directors (the "**Board**") has fixed October 12, 2023 as the record date (the "**Record Date**") for determining persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Company is authorized to issue an unlimited number of Common Shares.

As of October 12, 2023, there were 174,392,689 Common Shares without par value issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

To the knowledge of the directors and executive officers of the Company, only the following person beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company as at October 12, 2023:

Shareholder Name ^(*)	Number of Common Shares Held ^(*)	Percentage of Issued Common Shares
Gold Fields Nazca Holdings Inc.	30,411,700	17.44%

Note:

(*) The above information has been furnished by the Company and from the insider reports available at www.sedi.ca.

The following documents filed with the securities commissions or similar regulatory authority in British Columbia and Alberta are specifically incorporated by reference into, and form an integral part of, this information circular:

- the Company's audited consolidated financial statements for the year ended May 31, 2023, and related management discussion and analysis as filed under the Company's profile on September 27, 2023 at www.sedarplus.ca.

Copies of documents incorporated herein by reference may be obtained by a shareholder upon request without charge from the Company at 1012 - 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3, email: info@chakanacopper.com or fax no. (604) 648-8105. These documents are also available via the internet under the Company's profile at www.sedarplus.ca.

VOTES NECESSARY TO PASS RESOLUTIONS

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

ELECTION OF DIRECTORS

The size of the Board was last set at five and the Board has determined to propose the number of directors to be elected to the Board at the Meeting be set at five (5) directors. At the Meeting shareholders will be asked to approve an ordinary resolution to set the number of Board positions at five (5).

The Board will nominate the five (5) individuals set out below to be elected to the Board at the Meeting.

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

Advance Notice Provisions

On December 11, 2018, the shareholders of the Company approved the alteration of the Company's Articles include advance notice provisions (the "Advance Notice Provision"). The Advance Notice Provision

provides for advance notice to the Company in circumstances where nominations of persons for election to the Board are made by shareholders of the Company other than pursuant to (i) a requisition of a meeting made pursuant to the provisions of the BCA or (ii) a shareholder proposal made pursuant to the provisions of the BCA.

The Advance Notice Provision is the framework by which the Company seeks to fix a deadline by which holders of record of Common Shares of the Company must submit director nominations to the Company prior to any annual or special meeting of shareholders, and sets forth the information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

The foregoing is merely a summary of the Advance Notice Provision, is not comprehensive and is qualified by the full text of such provision which is available in Schedule A of the Company's Information Circular filed on November 15, 2018 under the Company's profile on SEDAR at www.sedarplus.ca.

The Company did not receive notice of a nomination in compliance with the Advance Notice Provision, and as such, any nominations other than nominations by or at the direction of the Board or an authorized officer of the Company will be disregarded at the Meeting.

Management Director Nominees

The following table sets out the names of management's nominees for election as director, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's current principal occupation, business or employment (for the five preceding years for each new nominee), the period of time during which each has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at October 12, 2023.

Nominee Position with the Company and Province or State and Country of Residence	Occupation, Business or Employment ⁽¹⁾	Period as a Director of the Company	Common Shares Beneficially Owned or Controlled ⁽¹⁾⁽²⁾
David Kelley ⁽⁴⁾⁽⁶⁾⁽⁷⁾ CEO, President and Director Colorado, U.S.A.	CEO and President of the Company (Dec 2016 – present); General Manager Exploration – Americas for MMG Limited and predecessor companies (May 2007 to November 2016)	Since January 2018	4,699,272 ⁽³⁾
Douglas Silver ⁽⁶⁾⁽⁷⁾ Chairman of the Board Colorado, U.S.A.	Mr. Silver was previously a portfolio manager of Orion Resource Partners January 2011 to December 2020.	Since April 2021	795,772 ⁽³⁾
John Black ⁽⁵⁾⁽⁷⁾ Director Colorado, U.S.A.	Self-employed economic geologist (Jan 2011 to present) CEO and Director of Regulus Resources Inc. (May 2012 to present), CEO and Director of Aldebaran Resources Inc. (October 2018 to present)	Since January 2018	355,227 ⁽³⁾
Darren Devine ⁽⁴⁾⁽⁵⁾⁽⁶⁾ Director British Columbia, Canada	Principal of CDM Capital Partners (2011 to present); President of Chelmer Consulting Corp. (2005 to present)	Since January 2018	Nil ⁽³⁾

Nominee Position with the Company and Province or State and Country of Residence	Occupation, Business or Employment ⁽¹⁾	Period as a Director of the Company	Common Shares Beneficially Owned or Controlled ⁽¹⁾⁽²⁾
Thomas E. Wharton, Jr. ⁽⁴⁾⁽⁵⁾⁽⁶⁾ Director Nebraska, U.S.A.	President of Wharton Consulting (August 2007 to present)	Since January 2018	8,607,879 ⁽³⁾

Notes:

- (1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of management of the Company and has been furnished by the respective nominees, or obtained from information available on SEDI.
- (2) On an undiluted basis.
- (3) This director also holds options to purchase additional Common Shares: Kelley as to 1,875,000; Silver as to 1,200,000; Black as to 950,000; Devine as to 950,000; and Wharton as to 950,000.
- (4) Member of the Audit Committee.
- (5) Member of the Compensation Committee.
- (6) Member of the Nominating and Corporate Governance Committee.
- (7) Member of the Technical Committee.

Biographies of Director Nominees

David Kelley – Director / Chief Executive Officer /President

Mr. Kelley is an economic geologist and exploration geochemist with more than 30 years of international exploration experience throughout the Americas, Central Asia and Australasia. Prior to Chakana, David was responsible for developing the exploration program at Las Bambas, Peru for MMG as the General Manager Exploration - Americas. Prior to this he worked for Oz Minerals, Zinifex, Newmont, WMC, BHP, Westmont Mining, and Gold Standard. He obtained a B.Sc. degree in geology from Colorado State University in 1985 and an M.Sc. degree in geology/geochemistry from the Colorado School of Mines in 1989. He is a past President of both the Society of Economic Geologists Foundation and the Association of Applied Geochemists.

Douglas Silver– Director / Chairman of the Board

Mr. Silver was previously a portfolio manager of Orion Resource Partners, one of the world’s largest mining private equity firms (managing approximately US\$6B in assets) and directly managed the \$1.1B sale of Orion’s royalty streaming portfolio to Osisko Gold Royalties. Mr. Silver retired from Orion in December 2020. In 2018, Mr. Silver was inducted into the U.S. National Mining Hall of Fame, and in 2023 he was inducted into the Canadian Mining Hall of Fame. He holds an M.Sc. in Economic Geology from the University of Arizona and a B.A. in Geology and Zoology from the University of Vermont. He is also known for his philanthropic work with educators, women’s issues and industry non-profits. Mr. Silver is the founder of the Denver Gold Group, today the world’s most prestigious gold investment conference.

John Black – Director

Mr. Black is an economic geologist with more than 30 years of exploration experience in the Americas, Central Asia, the SW Pacific, and Eastern Europe/Western Asia. He first worked in South America in 1993 and has been actively involved in mineral exploration throughout the continent for several companies since that time. Mr. Black was the founding President/CEO of Antares Minerals Inc. and was instrumental in that company acquiring the Haquira project in Peru. He was the key driver in negotiating the sale of Antares Minerals Inc. to First Quantum Minerals for C\$650 million. He subsequently became CEO and Director of Regulus Resources which is currently advancing the AntaKori copper-gold discovery in Peru. Mr. Black is

also CEO and Director of Aldebaran Resources, which has recently earned a 60% interest in the Altar copper-gold project in Argentina.

Mr. Black's early career included work with Bear Creek Mining Company, Kennecott Minerals Corporation, Rio Tinto and Western Mining Corporation.

His professional credentials include a B.Sc. degree in Geology from Stanford University in 1983 and an M.S. degree in Geology – Ore Deposits Exploration from Stanford University in 1988.

Darren Devine – Director

Mr. Devine is the principal of CDM Capital Partners a leading Vancouver based corporate finance advisory services to private and public companies. In this role, Mr. Devine acts as founder, board member and management advisor with respect to direct and indirect listings on Canadian and international stock exchanges, public and private financings, corporate governance, and the structuring of mergers, acquisitions and dispositions.

Mr. Devine is a past member of the TSX Venture Exchange's Advisory Committee, advising the stock exchange on policy decisions in relation to listing requirements for public and going public transactions.

Mr. Devine is qualified as a barrister and solicitor in British Columbia and in England & Wales and prior to founding CDM Capital Partners, practiced exclusively in the areas of corporate finance and securities law.

Thomas E. Wharton, Jr. – Director

Mr. Wharton has over 30 years of experience in the development, marketing, management, financing, and the sale of early-stage companies. Since January 2011 Mr. Wharton has been the Investment Manager for Saint Thomas Capital Partners, evaluating and managing investments in the areas of junior mining, oil & gas, and business to business technology services. Mr. Wharton has had integral experience working with all aspects of public and private companies in both junior exploration and mining.

Mr. Wharton received a Bachelor's degree in Business Administration from Creighton University in 1983 and began his career at Bozell & Jacob's Advertising. In 1988 Tom was promoted to Bozell's Business to Business New York Advertising division Poppe Tyson where he advanced to CFO and CIO in 1992. While CIO at Poppe Tyson, Mr. Wharton co-founded, managed, and was a Director for Poppe's ad sales network, Doubleclick Inc. where he assisted in its early management and initial financing. DoubleClick is now owned by Google.

Penalties, Sanctions and Cease Trade Orders

Except as set out below, no proposed director is, as at the date of this information circular, or has been, within ten (10) years before the date of this information circular, a director, chief executive officer or chief financial officer of any company (including the Company, in respect of which the information circular is being prepared) that:

- a) was subject to an order that was issued while the proposed director 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 proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
or

- c) while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- d) has, within the ten (10) years before the date of this information circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

The British Columbia Securities Commission, as principal regulator, issued a management cease trade order (the “**Chakana MCTO**”) against the Company on October 1, 2019 in connection with the late filing of the Company’s annual financial statements, management’s discussion and analysis and officer’s certifications for the year ended May 31, 2019. The Chakana MCTO was revoked on November 19, 2019 in connection with the completion of the annual filings. Each of the proposed directors, other than Douglas Silver, was a director of the Company at the time of issuance of the Chakana MCTO.

The British Columbia Securities Commission, as principal regulator, issued a management cease trade order (the “**TrackX MCTO**”) against TrackX Holdings Inc., a Company of which Darren Devine was acting as a director, on January 29, 2020 in connection with the late filing of the Company’s financial statements, management’s discussion and analysis and officer’s certifications for the year ended September 30, 2019, the quarter ended December 31, 2019 and the quarter ended March 31, 2020. The TrackX MCTO was revoked on May 7, 2020 in connection with the completion of the filing of the financial statements.

APPOINTMENT OF AUDITOR

Smythe LLP, Chartered Professional Accountants, of Suite 1700 – 475 Howe St., Vancouver, British Columbia, Canada V6C 2B3 will be nominated at the meeting for re-appointment as auditor for the ensuing year.

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the appointment of Smythe LLP, Chartered Professional Accountants, as auditor of the Company until the close of the next annual general meeting, and the authorization of the directors of the Company to fix the remuneration to be paid to the auditors.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

The Company is a venture issuer as defined under National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) and each venture issuer is required to disclose annually in its information circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor, as set forth below.

The Audit Committee’s Charter

A copy of the Company’s Audit Committee Charter was attached as Schedule A to the Company’s information circular dated November 6, 2018 and filed on SEDAR at www.sedarplus.ca on November 15, 2018. The Audit Committee Charter was adopted by the Board on March 15, 2018 and the actions and decisions of the Audit Committee have been governed by the Charter since then, and continue to be so.

Composition of the Audit Committee

The current Audit Committee members are Thomas E. Wharton, Jr. (chair), David Kelley and Darren Devine. Messrs. Wharton and Devine are independent. Mr. Kelley is not independent as he is an officer of the Company. All Audit Committee members are considered to be financially literate.

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

A member of the Audit Committee is considered financially literate if he or she has the ability to read and understand a set of financial statements presenting a breadth and level of complexity of accounting issues generally comparable to the breadth and complexity of issues one can reasonably expect to be raised by the Company.

Relevant Education and Experience

Each member of the Company's Audit Committee has adequate education and experience relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that provides the member with:

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

See *Biographies of Director Nominees* above, in particular the biographies of each Audit Committee member, for more information concerning each Audit Committee member's education and experience.

Audit Committee Oversight

The Audit Committee has not made any recommendations to the Board to nominate or compensate any auditor other than Smythe LLP.

Reliance on Certain Exemptions

The Company's auditor, Smythe LLP, Chartered Professional Accountants has not provided any material non-audit services. At no time since the commencement of the Company's two most recently completed fiscal periods has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis* Non-Audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*).

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audit services provided by Smythe LLP to the Company to ensure auditor independence in the financial years ended May 31, 2023 and May 31, 2022. Fees incurred with Smythe LLP for audit and non-audit services in the last two fiscal periods are outlined in the following table:

Nature of Services	Fees Paid to Auditor in Year Ended May 31, 2023 (C\$)	Fees Paid to Auditor in Year Ended May 31, 2022 (C\$)
Audit Fees ⁽¹⁾	39,000	34,000
Audit-Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	4,500	3,500
All Other Fees ⁽⁴⁾	Nil	Nil
Total	43,500	37,500

Notes:

- (1) “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of the Company’s consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) “Audit-Related Fees” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All Other Fees” include all other non-audit services.

Exemption

The Company is a “venture issuer” as defined in NI 52-110 and relies on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

CORPORATE GOVERNANCE

General

National Instrument 58-101 - Disclosure of Corporate Governance Practices (“NI 58-101”) requires issuers to disclose their corporate governance practices and National Policy 58-201 – Corporate Governance Guidelines (“NP 58-201”) provides guidance on corporate governance practices. This section sets out the Company’s approach to corporate governance and addresses the Company’s compliance with NI 58-101.

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the company’s shareholders. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

Board of Directors

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

The Board facilitates its independent supervision over management of the Company through frequent meetings of the Board at which members of management or non-independent directors are not in attendance and by retaining independent consultants where it deems necessary.

Management is delegated the responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company’s business in the ordinary course, managing cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board facilitates its independent supervision over management by reviewing and approving long-term strategic, business and capital plans, material contracts and business transactions,

and all debt and equity financing transactions. Through its Audit Committee, the Board examines the effectiveness of the Company's internal control processes and management information systems. The Board reviews executive compensation and recommends stock option grants.

The independent members of the Board are John Black, Darren Devine and Thomas E. Wharton Jr. Douglas Silver (Chairman) and David Kelley (CEO) are not independent as they are officers of the Company.

Directorships

Certain members of the Board are currently serving on boards of directors of other reporting companies (or equivalent) as set out below:

Name of Director	Name of Reporting Issuer	Exchange
David Kelley	Westward Gold Inc.	CSE
Darren Devine	Dolly Varden Silver Corp. Gladiator Metals Corp. Just Kitchen Holdings Corp. Trenchant Capital Corp.	TSXV TSXV TSXV CSE
John Black	Regulus Resources Inc. Aldebaran Resources Inc.	TSXV TSXV

Orientation and Continuing Education

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company's properties, business, technology and industry and on the responsibilities of directors.

Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business.

Ethical Business Conduct

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

Nomination of Directors

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

The Company's nominating and corporate governance committee (the "NCG Committee") has responsibility for identifying potential Board candidates. There is no set process for identifying new candidates, but a pool of candidates may be generated using the existing network of the Company Board members, a search firm, or any other method that the Board may choose. Two of the three members of the NCG Committee are independent.

Compensation

The Board acting through its Compensation Committee determines compensation for the directors and compensation paid to the Chief Executive Officer. The procedures for this determination are described under Statement of Executive Compensation below.

Other Board Committees

The Board has the following committees: Audit Committee, described above, the Compensation Committee, the Nominating and Corporate Governance Committee, the Technical Committee and the Disclosure Committee.

Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management, and the strategic direction and processes of the Board and the Audit Committee on an ongoing basis.

STATEMENT OF EXECUTIVE COMPENSATION

General

The following compensation information is provided as required under *Form 51-102F6V – Statement of Executive Compensation – Venture Issuers*, (the “F6V”) as such is defined in NI 51-102.

For the purposes of this form F6V:

“**compensation securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries; and

“**NEO**” or “**named executive officer**” means each of the following individuals:

- i. each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer (“**CEO**”), including an individual performing functions similar to a CEO;
- ii. each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer (“**CFO**”), including an individual performing functions similar to a CFO;
- iii. in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5), for that financial year;
- iv. each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, requirements and was not acting in a similar capacity, at the end of that financial year.

Director and Named Executive Officer Compensation

The following executive compensation disclosure is in respect of David Kelley, CEO, and Xavier Wenzel, CFO, as the Company’s NEOs; and David Kelley, Douglas Silver, John Black, Darren Devine and Thomas E. Wharton Jr. as directors.

The following compensation table, excluding options and compensation securities, provides a summary of the compensation paid by the Company to the Company’s NEOs and members of the Board for the financial years ended May 31, 2023, May 31, 2022. Options and compensation securities are disclosed under the heading “*Share Options and Other Compensation Securities*” below.

Table of compensation excluding compensation securities							
Name and Principal Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of Perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
David Kelley CEO and Director	2023	202,903	Nil	Nil	Nil	Nil	202,903
	2022	257,428	Nil	Nil	Nil	Nil	257,428
Xavier Wenzel ⁽¹⁾ CFO	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
John Black, Director	2023	12,000	Nil	Nil	Nil	Nil	12,000
	2022	12,000	Nil	Nil	Nil	Nil	12,000
Darren Devine, Director	2023	52,500	Nil	Nil	Nil	Nil	52,500
	2022	60,000	Nil	Nil	Nil	Nil	60,000
Douglas Silver, Director	2023	66,971	Nil	Nil	Nil	Nil	66,971
	2022	83,665	Nil	Nil	Nil	Nil	83,665
Thomas E. Wharton, Jr., Director	2023	12,000	Nil	Nil	Nil	Nil	12,000
	2022	12,000	Nil	Nil	Nil	Nil	12,000

Notes:

- (1) The Corporation is party to a consulting agreement with Fehr & Associates, Chartered Professional Accountants (“Fehr”), of which Mr. Wenzel is an associate, to provide the services of Mr. Wenzel as the Corporation’s CFO as well as financial consulting, accounting and bookkeeping services. Under the agreement with Fehr, the Corporation pays a monthly fee of \$8,500 to Fehr for such services including Mr. Wenzel’s services as CFO on behalf of the Corporation. Mr. Wenzel receives his remuneration through Fehr and is not paid directly by the Corporation for his services as CFO.

Stock Options and Other Compensation Securities

The Company has a Share Option Plan dated for reference October 12, 2023 (the “**Option Plan**”). The principal purpose of the Option Plan is to advance the interests of the Company by encouraging the directors, employees and consultants of the Company and of its subsidiaries or affiliates, if any, by providing them with the opportunity, through Options, to acquire Common Shares in the share capital of the Company, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs.

The Option Plan provides that the aggregate number of securities reserved for issuance under the Option Plan will be 10% of the number of Common Shares of the Company issued and outstanding from time to time.

The Option Plan is administered by the Board of Directors of the Company, which has full and final authority with respect to the granting of all Options thereunder.

Options may be granted under the Option Plan to such service providers of the Company and its affiliates, if any, as the Board of Directors may from time to time designate. The exercise prices will be determined by the Board of Directors, but will, in no event, be less than the Discounted Market Price, as such defined by the policies of the TSX Venture Exchange (“TSXV”). All Options granted under the Option Plan will expire not later than the date that is ten years from the date that such Options are granted. Options granted under the Option Plan are not transferable or assignable other than by testamentary instrument or pursuant to the laws of succession.

As at October 12, 2023 there were 10,025,000 options outstanding under the Option Plan. As at October 12, 2023 there were 174,392,689 issued and outstanding Common Shares and accordingly, there are a further 7,414,269 Common Shares available for reserve for grant of Options. At the May 31, 2023 financial year end there were 10,025,000 options outstanding pursuant to the Option Plan.

The Board is of the view that the Option Plan permits the Company to attract and maintain the services of executives, employees and other service providers with other companies in the industry, and therefore will seek Shareholder approval at the Meeting of the Plan.

Material Terms of the Plan

The following is a summary of the material terms of the Option Plan. All terms capitalized but not defined below shall have the meanings ascribed to such terms in the Option Plan.

- (a) Persons who are Service Providers to the Company or its affiliates, or who are providing services to the Company or its affiliates, are eligible to receive grants of options under the Plan;
- (b) Investor Relations Service Providers may not receive any Security Based Compensation other than Options.
- (c) Options granted under the Plan are non-assignable, and non-transferable;
- (d) For options granted to Service Providers, the Company must ensure that the proposed Option holder (an “**Optionee**”) is a bona fide Service Provider of the Company or its affiliates;
- (e) An Option granted to any Service Provider will expire within 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option), after the date the Optionee ceases to be employed by or provide services to the Company, but only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company;
- (f) If an Optionee dies, any vested option held by him or her at the date of death will become exercisable by the Optionee’s lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such option;
- (g) In the case of an Optionee being dismissed from employment or service for cause, such Optionee’s options, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same;
- (h) Vesting of options shall be at the discretion of the Board, and will generally be subject to: (i) the Service Provider remaining employed by or continuing to provide services to the Company or its affiliates, as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or its affiliates during the vesting period; or (ii) the Service Provider remaining as a Director of the Company or its affiliates during the vesting period;
- (i) Subject to approval from the TSXV, the Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Plan with respect to all Plan shares in respect of options which have not yet been granted under the Plan;

- (j) Disinterested shareholder approval will be required to approve any extensions or reductions of exercise price to stock options granted to individuals that are Insiders at the time of the proposed amendment;
- (k) The Plan includes specific restrictions with respect to adjustments to security based compensation. Any adjustment to stock options granted or issued (except in relation to a consolidation or share split) is subject to the prior acceptance of the TSXV; and
- (l) The Plan provides for the following limits on grants, unless otherwise permitted pursuant to the policies of the TSXV:
 - i. unless Disinterested Shareholder Approval is obtained, the maximum aggregate number of Common Shares that may be issuable to any one Participant (and where permitted pursuant to the policies of the TSX Venture, any company that is wholly-owned by the Participant) pursuant to all Security Based Compensation of the Company granted or issued within any twelve (12) month period may not exceed 5% of the Outstanding Shares calculated on the date of grant of any Security Based Compensation;
 - ii. unless Disinterested Shareholder Approval is obtained, the maximum aggregate number of Common Shares that may be issuable to Insiders of the Company (as a group) pursuant to all Security Based Compensation of the Company granted or issued within any twelve (12) month period may not exceed 10% of the Outstanding Shares calculated on the date of grant of any Security Based Compensation;
 - iii. unless Disinterested Shareholder Approval is obtained, the maximum aggregate number of Common Shares that may be issuable to Insiders of the Company (as a group) pursuant to all Security Based Compensation of the Company may not exceed 10% of the Outstanding Shares at any point in time;
 - iv. the maximum aggregate number of Common Shares that may be issuable to any Consultant of the Company pursuant to all Security Based Compensation of the Company granted or issued within any twelve (12) month period may not exceed 2% of the Outstanding Shares calculated on the date of grant of any Security Based Compensation; and
 - v. the maximum aggregate number of Common Shares that may be issuable to all Investor Relations Services Providers pursuant to Options granted or issued within any twelve (12) month period may not exceed 2% of the Outstanding Shares calculated on the date of grant of any Options and Investor Relations Services Providers may not received any Security Based Compensation other than Options.

The Option Plan also allows for option holders to exercise options on a “Cashless Exercise” or “Net Exercise” basis. “Cashless Exercise” is a method of exercising Options in which a securities dealer loans funds to the Optionee or sells the same shares as those underlying the Option, prior to or in conjunction with the exercise of Options, to allow the Optionee to fund the exercise of some or all of their Options. “Net Exercise” is a method of Option exercise under which the Optionee does not make any payment to the issuer for the exercise of their Options and receives on exercise a number of Common Shares equal to the intrinsic value (current market price less the exercise price) of the Option valued at the current market price. Pursuant to the policies of the TSXV, the current market price must be the 5-day volume weighted average

trading price prior to Option exercise. “Net Exercise” may not be utilized by persons performing investor relations services.

Refer to heading below - **“Particulars of Matters to be Acted Upon – Continuation of the Option Plan”**

The following table discloses all compensation securities granted or issued to each director and NEO by the Company, or a subsidiary of the Company, in the most recently completed financial year ended May 31, 2023 for services provided or to be provided, directly or indirectly, to the Company, or a subsidiary of the Company.

Compensation Securities							
Name and Position	Type of Compensation Security	Number of Compensation Securities, underlying securities and percentage of class (#)	Date of Grant or Issue (mm/dd/yy)	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 (mm/dd/yy)
David Kelley ⁽¹⁾ Director and CEO	Share Options	1,225,000	09/29/22	\$0.075	\$0.075	\$0.065	09/29/27
Xavier Wenzel CFO	Share Options	180,000	09/29/22	\$0.075	\$0.075	\$0.065	09/29/27
Douglas Silver Director	Share Options	450,000	09/29/22	\$0.075	\$0.075	\$0.065	09/29/27
John Black ⁽²⁾ Director	Share Options	450,000	09/29/22	\$0.075	\$0.075	\$0.065	09/29/27
Darren Devine ⁽³⁾ Director	Share Options	450,000	09/29/22	\$0.075	\$0.075	\$0.065	09/29/27
Thomas Wharton, Jr. ⁽⁴⁾ Director	Share Options	450,000	09/29/22	\$0.075	\$0.075	\$0.065	09/29/27

Notes:

- (1) as of May 31, 2023, David Kelley held 400,000 options exercisable at \$0.40 until July 10, 2025, 250,000 options exercisable at \$0.50 until April 22, 2026, and 1,225,000 options exercisable at \$0.075 until September 29, 2027.
- (2) as of May 31, 2023, John Black 250,000 options exercisable at \$0.40 until July 10, 2025 and 250,000 options exercisable at \$0.50 until April 22, 2026, and 450,000 options exercisable at \$0.075 until September 29, 2027.
- (3) as of May 31, 2023, Darren Devine held 250,000 options exercisable at \$0.40 until July 10, 2025 and 250,000 options exercisable at \$0.50 until April 22, 2026, and 450,000 options exercisable at \$0.075 until September 29, 2027.
- (4) as of May 31, 2023, Thomas Wharton, Jr. held 250,000 options exercisable at \$0.40 until July 10, 2025 and 250,000 options exercisable at \$0.50 until April 22, 2026, and 450,000 options exercisable at \$0.075 until September 29, 2027.
- (5) as of May 31, 2023, Douglas Silver held 750,000 options exercisable at \$0.50 until April 22, 2026 and 450,000 options exercisable at \$0.075 until September 29, 2027.

Exercise of Compensation Securities by NEOs and Directors

There were no compensation securities exercised by any of the NEOs or directors of the Company during the financial year ended May 31, 2023.

Employment, Consulting and Management Agreements

Executive Employment Agreement with David Kelley

The Company entered into an Executive Employment Agreement dated December 3, 2018 with David Kelley in respect to Mr. Kelley's position as the Company's Chief Executive Officer (the "Kelley Agreement").

Under the Kelley Agreement, Mr. Kelley is paid an annual salary in the amount of US\$200,000 per year. In the event Company terminates the Kelley Agreement without cause, or Mr. Kelley resigns for good reason, Company will provide Mr. Kelley with:

- a) a lump sum cash payment equal to the greater of (A) USD\$200,000, and (B) one (1) year's salary as in effect immediately prior to the date of termination;
- b) a pro-rated lump sum cash payment equal to the greater of (A) the average performance bonus that Mr. Kelley received for each of the two preceding fiscal years; and (B) the performance bonus that Mr. Kelley received during the preceding fiscal year (provided, however, that if Mr. Kelley is not employed for a sufficient time to have received a performance bonus, such calculation will assume that a target performance bonus, if any, was paid) pro-rated for the period of time Mr. Kelley was employed by the Company in the current fiscal period (for greater clarity, if Mr. Kelley's date of termination was six months following the beginning of a fiscal period the cash payment would be reduced by 50%);
- c) the continuation of Mr. Kelley's benefits for a period of twelve (12) months following the date of termination (provided, however, that if the Company cannot provide, for any reason, Mr. Kelley or his dependents with the opportunity to participate in the benefits, the Company shall pay Mr. Kelley a lump sum cash payment, payable within 60 days following the date the Company determines it cannot provide such benefits, in an amount equal to the fair market value of such benefits);
- d) the acceleration of the vesting of all equity awards that would otherwise vest during the twelve (12) month period following the date of termination, and payment of all amounts owed, and satisfaction of all other obligations related to, all equity awards that are so vested in accordance with the foregoing;
- e) accrued obligations being (i) earned but unpaid base salary through the date of termination; (ii) payment of any annual, long-term, or other cash incentive award (including performance bonuses) earned in respect to any period ending on or before the date of termination, or payable (but not yet paid) on or before the date of termination; (iii) a lump sum payment in respect of accrued but unused vacation days; and (iv) any unpaid expense or other reimbursements due; and
- f) to the extent permitted by applicable law, Company shall extend the expiry date of any options Mr. Kelley holds to the date that is 12 months after the date of termination.

In the event (i) the Company terminates Mr. Kelley's employment without cause within nine (9) months of a change of control, or (ii) Mr. Kelley resigns for good reason within nine (9) months of a change of control, then, in addition to any payment that may be due as stated above, the Company shall pay Mr. Kelley a lump sum cash payment equal to the greater of (A) USD\$200,000, and (B) one (1) year's salary as in effect immediately prior to the date of termination (the "**Change of Control Payment**"). In such event, if the date of termination occurs prior to the change of control, then the Company shall pay Mr. Kelley the Change of Control Payment within 20 business days after the change of control. If the change of control occurs prior to the date of termination, then the Company shall pay Mr. Kelley the Change of Control Payment within 20 business days after date of termination. In the event Mr. Kelley resigns without good reason within nine (9) months after a change of control, then the Company shall pay Mr. Kelley a lump sum cash payment equal to the greater of (A) USD\$200,000, and (B) one (1) year's salary as in effect immediately prior to the date of termination.

Oversight and Description of Director and Named Executive Officer Compensation

Elements of the Compensation Program

The responsibilities relating to executive and director compensation, including reviewing and recommending compensation of the Company's officers and employees and overseeing the Company's base compensation structure and equity-based compensation program is performed by the Board as a whole. The Board also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the Company's senior management. The Board generally reviews the compensation of senior management on an annual basis taking into account compensation paid by other issuers of similar size and activity and the performance of officers generally and in light of the Company's goals and objectives.

The Company is a junior resource company with limited resources. The compensation for senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including: (a) attracting and retaining talented, qualified and effective executives; (b) motivating the short and long-term performance of executives; and (c) better aligning the interests of executive officers with those of the Company's shareholders. In the Board's view, paying salaries which are competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. Competitive salary information on comparable companies is compiled from a variety of sources, including national and international publications.

The Board determines the compensation for the CEO and compensation of the Company's executives is also determined by the Board. In each case, the Board takes into consideration the prior experience of the executive, industry standards, competitive salary information on comparable companies of similar size and stage of development, the degree of responsibility and participation of the executive in the day-to-day affairs of the Company, and the Company's available cash resources.

In the Board's view, to attract and retain qualified and effective executives, the Company must pay base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which the Company operates.

The Board has assessed the Company's compensation plans and programs for its executive officers to ensure alignment with the Company's business plan and to evaluate the potential risks associated with those plans and programs. The Board has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Company. The Board considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

The Company has not adopted a policy restricting its executive officers or directors from purchasing financial instruments designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the knowledge of the Company, none of the executive officers or directors has purchased such financial instruments.

Pension Disclosure

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

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The only equity compensation plan the Company has in place is the Option Plan. The following table sets out equity compensation plan information as at May 31, 2023:

	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders - the Option Plan	10,025,000	0.41	7,414,269
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	10,025,000		7,414,269

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as at the closing of the Company's most recently completed financial year ended May 31, 2023, or as at the date hereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

In addition to the disclosure below, this Information Circular, briefly describes (and, where practicable, states the approximate amount) of any material interest, direct or indirect, of any informed person of the Company, any proposed director of the Company, or any associate or affiliate of any informed person or proposed director, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

MANAGEMENT CONTRACTS

There are no management functions of the Company, which are to any substantial degree performed by a person or company other than the directors or senior officers of the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

Continuation of 10% Rolling Share Option Plan

The Option Plan is described above in this information circular under "Statement of Executive Compensation – Stock Options and Other Incentive Plans".

To comply with the policies of the TSXV covering "rolling" option plans, rolling plans, such as the Option Plan must be approved annually by the shareholders of the Company. At the Meeting Shareholders will be asked to approve the Option Plan for continuation until the next annual general meeting of the Company.

The Option Plan is described in more detail, including the material terms of the Plan, above; see *Statement of Executive Compensation – Share Options and Other Compensation Securities*.

Shareholder Approval

To comply with the policies of the TSXV regarding security based compensation, the ordinary resolution to approve the continuation of the Option Plan must be passed by a simple majority of the votes of Shareholders of the Company. The text of the resolution is set out below.

The Board is of the view that the Option Plan provides the Company with the flexibility to attract and maintain the services of executives, employees and other service providers in competition with other companies in the industry. At the Meeting, this ordinary resolution must be approved by a majority of the votes of Shareholders of the Company:

“RESOLVED as an ordinary resolution of Shareholders of the Company, that the Company’s Option Plan dated for reference October 12, 2023, be and is hereby approved for continuation until the next annual general meeting of the Company.”

A copy of the Option Plan will be available for inspection by any Shareholder at the Meeting and is attached to this Information Circular as Schedule “B”.

THE BOARD UNANIMOUSLY RECOMMENDS SHAREHOLDERS VOTE IN FAVOUR OF THE ABOVE RESOLUTION APPROVING THE CONTINUATION OF THE OPTION PLAN.

In the absence of a contrary instruction, the persons named in the enclosed form of proxy intend to vote in favour of the above ordinary resolution.

ADDITIONAL INFORMATION

Financial information is provided in the Company’s audited financial statements for the year ended May 31, 2023, together with the related management’s discussion and analysis (the “**Financial Statements**”). The Financial Statements will be placed before the Meeting.

Additional information relating to the Company and a copy of the Financial Statements may be obtained under the Company’s profile at www.sedarplus.ca or upon request from the Company at Suite 1012, 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3, Email: info@chakanacopper.com or Fax No.: 604-648-8105. The Company may require payment of a reasonable charge from any person or company who is not a securityholder of the Company, requesting a copy of any such document.

OTHER MATTERS

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this information circular.

The contents of this information circular and its distribution to shareholders have been approved by the Board of the Company.

DATED at Vancouver, British Columbia this 12th day of October, 2023.

BY ORDER OF THE BOARD

“David Kelley”

**David Kelley
Chief Executive Officer**

SCHEDULE "A"

Stock Option Plan dated for Reference
October 12, 2023

CHAKANA COPPER CORP.
(the “Company”)

SHARE OPTION PLAN

Dated for Reference October 12, 2023

ARTICLE 1
PURPOSE AND INTERPRETATION

Purpose

1.1 The purpose of this Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of Common Shares of the Company. It is the intention of the Company that this Plan will at all times be in compliance with TSX Venture Policies and any inconsistencies between this Plan and TSX Venture Policies will be resolved in favour of the latter.

Definitions

1.2 In this Plan

- (a) **Affiliate** means a company that is a parent or subsidiary of the Company, or that is controlled by the same entity as the Company;
- (b) **Black-out Period** means a period during which a restriction has been formally imposed by the Company, pursuant to its internal trading policies as a result of the bona fide existence of undisclosed material information, on all or any of its Participants whereby such Participants are prohibited from exercising, redeeming or settling their Options, provided that any Black-out Period must expire following the general disclosure of the undisclosed material information;
- (c) **Board** means the board of directors of the Company or any committee thereof duly empowered or authorized to grant Options under this Plan;
- (d) **Cause** means “Just Cause” as defined in the Participant’s employment agreement or agreement for services with the Company or one of its subsidiaries, or if such term is not defined or if the Participant has not entered into an employment agreement or agreement for services with the Company or one of its subsidiaries, then any circumstance that would permit the Company or one of its subsidiaries to terminate a Participant’s employment or agreement for services without notice of termination, or payment in lieu of notice of termination, severance pay or benefits continuation under the applicable law;
- (e) **Change of Control** means the occurrence of any of:
 - (i) any transaction at any time and by whatever means pursuant to which any person or any group of two or more persons acting jointly or in concert (other than the Company or any of its Affiliates) thereafter acquires the direct or indirect “beneficial ownership” (as defined in the *Business Corporations Act* (British Columbia)) of, or acquires the right to

exercise control or direction over, securities of the Company representing 50% or more of the then issued and outstanding voting securities of the Company in any manner whatsoever, including, without limitation, as a result of a take-over bid, an issuance or exchange of securities, an amalgamation of the Company with any other person, an arrangement, a capital reorganization or any other business combination or reorganization;

(ii) the sale, assignment or other transfer of all or substantially all of the assets of the Company to a person or any group of two or more persons acting jointly or in concert (other than a wholly-owned subsidiary of the Company);

(iii) the occurrence of a transaction requiring approval of the Company's security holders whereby the Company is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any person or any group of two or more persons acting jointly or in concert (other than an exchange of securities with a wholly-owned subsidiary of the Company);

(iv) a majority of the Board consists of individuals which management of the Company has not nominated for election or appointment as directors; or

(v) the Board passes a resolution to the effect that an event comparable to an event set forth in this definition has occurred;

(f) **Common Shares** means the common shares without par value in the capital of the Company providing such class is listed on the TSX Venture;

(g) **Company** means the company named at the top hereof and includes, unless the context otherwise requires, all of its successors according to law;

(h) **Consultant** means, in relation to the Company, an individual (other than a Director, Officer or Employee of the Company or any of its subsidiaries) or Company that:

(i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to any of its subsidiaries, other than services provided in relation to a Distribution;

(ii) provides the services under a written contract between the Company or any of its subsidiaries and the individual or the Company, as the case may be; and

(iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or of any of its subsidiaries;

(i) **Date of Termination** means, for a Participant, the last day that the Participant actively provides services to the Company or a subsidiary of the Company without regard to any notice of termination or pay in lieu of notice thereof, deemed or notional notice period, or period during which the Participant receives pay in lieu of notice, termination pay, severance payments, or salary continuance, whether pursuant to statute, agreement, common law or otherwise;

(j) **Director** means a director (as defined under applicable securities laws) of the Company or any of its subsidiaries;

- (k) **Discounted Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (l) **Disinterested Shareholder Approval** has the meaning assigned by Policy 4.4 Sections 5.3(b) and (c) of the TSX Venture Policies;
- (m) **Distribution** has the meaning assigned by the Securities Act, and generally refers to a distribution of securities by the Company from treasury;
- (n) **Effective Date** for an Option means the date of grant thereof by the Board;
- (o) **Employee** means:
 - (i) an individual who is considered an employee of the Company or of its subsidiary under the *Income Tax Act* (Canada) and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source;
 - (ii) an individual who works full-time for the Company or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company or its subsidiary over the details and methods of work as an employee of the Company or of the subsidiary, as the case may be, but for whom income tax deductions are not made at source; or
 - (iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company or its subsidiary over the details and methods of work as an employee of the Company or of the subsidiary, as the case may be, but for whom income tax deductions are not made at source;
- (p) **Exchange Hold Period** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (q) **Exercise Price** means the amount payable per Common Share on the exercise of an Option, as determined in accordance with the terms hereof;
- (r) **Expiry Date** means the day on which an Option lapses as specified in the Option Commitment therefor or in accordance with the terms of this Plan;
- (s) **Insider** means an insider as defined in the TSX Venture Policies or as defined in securities legislation applicable to the Company;
- (t) **Investor Relations Service Provider** means any Consultant that performs Investor Relations Activities and any Director, Officer, Employee or Management Company Employee whose role and duties primarily consist of Investor Relations Activities;
- (u) **Investor Relations Activities** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;

- (v) **Management Company Employee** means an individual employed by a company providing management services to the Company which services are required for the ongoing successful operation of the business enterprise of the Company;
- (w) **Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (x) **Officer** means an officer (as defined under applicable securities laws) of the Company or any of its subsidiaries;
- (y) **Option** means the right to purchase Common Shares granted hereunder to a Participant under this Security Based Compensation Plan;
- (z) **Option Commitment** means the notice of grant of an Option delivered by the Company hereunder to a Participant and substantially in the form of Schedule A attached hereto;
- (aa) **Optioned Shares** means Common Shares that may be issued in the future to a Participant upon the exercise of an Option;
- (bb) **Optionee** means the recipient of an Option hereunder;
- (cc) **Outstanding Shares** means at the relevant time, the number of issued and outstanding Common Shares of the Company from time to time;
- (dd) **Participant** means a Service Provider that is the recipient of Security Based Compensation granted or issued by the Company;
- (ee) **Person** includes a company, any unincorporated entity, or an individual;
- (ff) **Plan** means this security based share option plan, the terms of which are set out herein or as may be amended;
- (gg) **Plan Shares** means the total number of Common Shares which may be reserved for issuance as Optioned Shares under this Plan as provided in §2.2;
- (hh) **“Promoter”** has the meaning given to such term in TSX Venture Policies;
- (ii) **Regulatory Approval** means the approval of the TSX Venture and any other securities regulatory authority that has lawful jurisdiction over this Plan and any Options issued hereunder;
- (jj) **Securities Act** means the Securities Act, R.S.B.C. 1996, c. 418, or any successor legislation;
- (kk) **Security Based Compensation** has the meaning given to such term in TSX Venture Policy 4.4 – *Security Based Compensation*;
- (ll) **Security Based Compensation Plan** has the meaning given to such term in TSX Venture Policy 4.4 – *Security Based Compensation*;
- (mm) **Service Provider** means a Person who is a Director, Officer, Employee, Management Company Employee, or Consultant, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers;

(nn) **Shareholder Approval** means approval by a majority of the votes cast by eligible shareholders of the Company at a duly constituted shareholders' meeting;

(oo) **Take Over Bid** means a take over bid as defined in National Instrument 62-104 (Take-over Bids and Issuer Bids) or the analogous provisions of securities legislation applicable to the Company;

(pp) **TSX Venture** means the TSX Venture Exchange and any successor thereto;

(qq) **TSX Venture Policies** means the rules and policies of the TSX Venture as amended from time to time; and

(rr) **VWAP** means the volume-weighted average trading price of the Common Shares on the TSX Venture calculated by dividing the total value by the total volume of the Common Shares traded for the five trading days immediately preceding the exercise of the subject Option, provided that the TSX Venture may exclude internal crosses and certain other special terms trades from the calculation.

Other Words and Phrases

1.3 Words and phrases used in this Plan but which are not defined in this Plan, but are defined in the TSX Venture Policies, will have the meaning assigned to them in the TSX Venture Policies.

Gender

1.4 Words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

ARTICLE 2 SHARE OPTION PLAN

Establishment of Share Option Plan

2.1 This Plan is hereby established to recognize contributions made by Service Providers and to create an incentive for their continuing assistance to the Company and its Affiliates.

Maximum Plan Shares

2.2 The maximum aggregate number of Common Shares that may be reserved for issuance under this Plan, together with all other Security Based Compensation Plans, at any point in time is up to 10% of the Outstanding Shares as at the date of grant or issuance of any Security Based Compensation under any of such Security Based Compensation Plans.

Eligibility

2.3 Options to purchase Common Shares may be granted hereunder to Participants from time to time by the Board. Participants that are not individuals will be required to undertake in writing not to effect or permit any transfer of ownership or option of any of its securities, or to issue more of its securities (so as to indirectly transfer the benefits of an Option), as long as such Option remains outstanding, unless the written permission of the TSX Venture and the Company is obtained.

Options Granted Under this Plan

2.4 All Options granted under this Plan will be evidenced by an Option Commitment substantially in the form attached as Schedule A (or in such other form as determined by the Company) showing the number of Optioned Shares, the term of the Option, a reference to vesting terms, if any, and the Exercise Price.

2.5 Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of an Option Commitment made hereunder.

Limitations on Participation

2.6 This Plan provides for the following limits on grants unless otherwise permitted pursuant to the policies of the TSX Venture:

(i) unless Disinterested Shareholder Approval is obtained, the maximum aggregate number of Common Shares that may be issuable to any one Participant (and where permitted pursuant to the policies of the TSX Venture, any company that is wholly-owned by the Participant) pursuant to all Security Based Compensation of the Company granted or issued within any twelve (12) month period may not exceed 5% of the Outstanding Shares calculated on the date of grant of any Security Based Compensation;

(ii) unless Disinterested Shareholder Approval is obtained, the maximum aggregate number of Common Shares that may be issuable to Insiders of the Company (as a group) pursuant to all Security Based Compensation of the Company granted or issued within any twelve (12) month period may not exceed 10% of the Outstanding Shares calculated on the date of grant of any Security Based Compensation;

(iii) unless Disinterested Shareholder Approval is obtained, the maximum aggregate number of Common Shares that may be issuable to Insiders of the Company (as a group) pursuant to all Security Based Compensation of the Company may not exceed 10% of the Outstanding Shares at any point in time;

(iv) the maximum aggregate number of Common Shares that may be issuable to any Consultant of the Company pursuant to all Security Based Compensation of the Company granted or issued within any twelve (12) month period may not exceed 2% of the Outstanding Shares calculated on the date of grant of any Security Based Compensation; and

(v) the maximum aggregate number of Common Shares that may be issuable to all Investor Relations Services Providers pursuant to Options granted or issued within any twelve (12) month period may not exceed 2% of the Outstanding Shares calculated on the date of grant of any Options and Investor Relations Services Providers may not received any Security Based Compensation other than Options.

Exercised and Unexercised Options

2.7 In the event an Option granted under this Plan is exercised, expires unexercised or is otherwise lawfully cancelled prior to exercise of the Option, the Optioned Shares that were issuable thereunder will be returned to this Plan and will be eligible for re-issuance.

Administration of this Plan

2.8 The Board will be responsible for the general administration of this Plan and the proper execution of its provisions, the interpretation of this Plan and the determination of all questions arising hereunder. Without limiting the generality of the foregoing, the Board has the power to

- (a) allot Common Shares for issuance in connection with the exercise of Options;
- (b) grant Options hereunder;
- (c) subject to any necessary Regulatory Approval, amend, suspend, terminate or discontinue this Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of this Plan will, without the prior written consent of all Optionees, alter or impair any Option previously granted under this Plan unless the alteration or impairment occurred as a result of a change in the TSX Venture Policies or the Company's tier classification thereunder; and
- (d) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of this Plan so delegated to the same extent as the Board is hereby authorized so to do.

Amendment of this Plan by the Board of Directors

2.9 Subject to the requirements of the TSX Venture Policies and the prior receipt of any necessary Regulatory Approval, the Board may in its absolute discretion, amend or modify this Plan or any Option granted as follows:

- (a) amendments which are of a typographical, grammatical, clerical nature only;
- (b) amendments of a housekeeping nature;
- (c) amendments necessary as a result in changes in securities laws applicable to the Company or any requested changes by the TSX Venture; and
- (d) if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSX Venture, amendments as may be required by the policies of such senior stock exchange or stock market.

Amendments Requiring Disinterested Shareholder Approval

2.10 The Company will be required to obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:

- (a) this Plan, together with any other Security Based Compensation Plans, or any particular grant or issue of Security Based Compensation, could result in:
 - (i) the aggregate number of Common Shares issuable pursuant to Security Based Compensation to Insiders (as a group) exceeding 10% of the Outstanding Shares at any time;

(ii) the aggregate number of Common Shares issuable pursuant to Security Based Compensation granted or issued within any 12 month period to Insiders (as a group) exceeding 10% of the Outstanding Shares calculated at the date of grant or issue; or

(iii) the aggregate number of Common Shares issuable pursuant to Security Based Compensation granted or issued within any 12 month period to any one Participant exceeding 5% of the Outstanding Shares calculated at the date of grant or issue; or

(b) any reduction in the Exercise Price or the extension of the term of an Option held by an Insider or any other amendment to an Option that results in a benefit to an Insider.

Options Granted Under the Company's Previous Share Option Plans

2.11 Any option granted pursuant to a stock option plan previously adopted by the Board which is outstanding at the time this Plan comes into effect shall be deemed to have been issued under this Plan and shall, as of the date this Plan comes into effect, be governed by the terms and conditions hereof.

ARTICLE 3 TERMS AND CONDITIONS OF OPTIONS

Exercise Price

3.1 The Exercise Price of an Option will be set by the Board at the time such Option is allocated under this Plan, and cannot be less than the Discounted Market Price.

Term of Option

3.2 The term of an Option will be set by the Board at the time such Option is allocated under this Plan. An Option can be exercisable for a maximum of 10 years from the Effective Date.

Option Amendment

3.3 Subject to §2.10(b), the Exercise Price of an Option may be amended only if at least six (6) months have elapsed since the later of the date of commencement of the term of the Option, the date the Common Shares commenced trading on the TSX Venture, or the date of the last amendment of the Exercise Price.

3.4 An Option must be outstanding for at least one year before the Company may extend its term, subject to the limits contained in §3.2.

3.5 In respect of any proposed amendment to the terms of an Option, and except as otherwise provided under TSX Venture Policies:

(a) any amendment must be approved by the TSX Venture, and be subject to shareholder approval, where applicable, prior to the exercise of such Option; and

(b) the Company must issue a news release outlining the terms of the amendment.

Vesting of Options

3.6 Subject to §3.7, vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under this Plan, in the absence of a vesting schedule being specified at the time of grant, all such Options shall vest immediately. Where applicable, vesting of Options will generally be subject to:

- (a) the Participant remaining employed by or continuing to provide services to the Company or any of its Affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its Affiliates during the vesting period; or
- (b) the Participant remaining as a Director of the Company or any of its Affiliates during the vesting period.

Vesting of Options Granted to Investor Relations Service Providers

3.7 Notwithstanding §3.6, Options granted to Investor Relations Service Providers will vest such that:

- (a) no more than 25% of the Options vest no sooner than three months after the Options were granted;
- (b) no more than another 25% of Options vest no sooner than six months after the Options were granted;
- (c) no more than 25% of Options vest no sooner than nine months after the Options were granted; and
- (d) the remainder of the Options vest no sooner than 12 months after the Options were granted.

Effect of Take-Over Bid

3.8 If a Take Over Bid is made to the shareholders generally then the Company shall immediately upon receipt of notice of the Take Over Bid, notify each Optionee currently holding an Option of the Take Over Bid, with full particulars thereof whereupon such Option may, notwithstanding §3.6 or any vesting requirements set out in the Option Commitment, be immediately exercised in whole or in part by the Optionee, subject to approval of the TSX Venture for vesting requirements imposed by the TSX Venture Policies.

Acceleration of Vesting on Change of Control

3.9 In the event of a Change of Control occurring, Options granted and outstanding, which are subject to vesting provisions, shall be deemed to have immediately vested upon the occurrence of the Change of Control, excluding Options granted to a Person engaged in Investor Relations Activities. Notwithstanding the foregoing, no acceleration to the vesting schedule of one or more Options granted to an Investor Relations Service Provider can be made without the prior written acceptance of the TSXV.

Extension of Options Expiring during Black-out Period

3.10 Should the Expiry Date for an Option fall within a Black-out Period, such Expiry Date shall be automatically extended without any further act or formality to that day which is the tenth (10th) Business Day after the end of the Black-out Period, such tenth Business Day to be considered the Expiry Date for such Option for all purposes under the Plan, provided that such automatic extension of the Expiry Date for an Option will not apply where the Participant or the Company is subject to a cease trade order (or similar order under securities laws) in respect of the Company's securities.

Optionee Ceasing to be Director, Employee or Service Provider

3.11 Options may be exercised after the Participant has left his/her employ/office or has been advised by the Company or its subsidiary, as applicable, that his/her services are no longer required or his/her service contract has expired, until the term applicable to such Options expires, except as follows:

- (a) in the case of the death of an Optionee, any vested Option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;
- (b) an Option granted to any Participant will expire 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option) after the Termination Date, and only to the extent that such Option was vested at the Termination Date; and
- (c) in the case of an Optionee being dismissed from employment or service for Cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate on the Termination Date without right to exercise same.

Non-assignable

3.12 Subject to §3.11(a), all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

Adjustment of the Number of Optioned Shares

3.13 The number of Common Shares subject to an Option will be subject to adjustment in the events and in the manner following:

- (a) in the event of a subdivision of Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a greater number of Common Shares, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder, in addition to the number of Optioned Shares in respect of which the right to purchase is then being exercised, such additional number of Common Shares as result from the subdivision without an Optionee making any additional payment or giving any other consideration therefor;
- (b) in the event of a consolidation of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a lesser number of Common Shares, the Company will thereafter deliver and an Optionee will accept, at the time of purchase of Optioned Shares

hereunder, in lieu of the number of Optioned Shares in respect of which the right to purchase is then being exercised, the lesser number of Common Shares as result from the consolidation;

(c) in the event of any change of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder the number of shares of the appropriate class resulting from the said change as an Optionee would have been entitled to receive in respect of the number of Common Shares so purchased had the right to purchase been exercised before such change;

(d) in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Company, a consolidation, merger or amalgamation of the Company with or into any other company or a sale of the property of the Company as or substantially as an entirety at any time while an Option is in effect, an Optionee will thereafter have the right to purchase and receive, in lieu of the Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option, the kind and amount of shares and other securities and property receivable upon such capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale which the holder of a number of Common Shares equal to the number of Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option would have received as a result thereof. The subdivision or consolidation of Common Shares at any time outstanding (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of the Company for the purposes of this §3.13;

(e) an adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this section are cumulative;

(f) the Company will not be required to issue fractional shares in satisfaction of its obligations hereunder. Any fractional interest in a Common Share that would, except for the provisions of this §3.13, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Company;

(g) if any questions arise at any time with respect to the Exercise Price or number of Optioned Shares deliverable upon exercise of an Option in any of the events set out in this §3.13, such questions will be conclusively determined by the Company's auditors, or, if they decline to so act, any other firm of Chartered Accountants, in Vancouver, British Columbia (or in the city of the Company's principal executive office) that the Company may designate and who will be granted access to all appropriate records and such determination will be binding upon the Company and all Optionees; and

(h) any adjustment, other than in connection with a security consolidation or security split, to Options granted or issued under this Plan is subject to the prior acceptance of the TSX Venture, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization.

ARTICLE 4
COMMITMENT AND EXERCISE PROCEDURES

Option Commitment

4.1 Upon grant of an Option hereunder, an authorized officer of the Company will deliver to the Optionee an Option Commitment detailing the terms of such Options and upon such delivery the Optionee will be subject to this Plan and have the right to purchase the Optioned Shares at the Exercise Price set out therein subject to the terms and conditions hereof, including any additional requirements contemplated with respect to the payment of required withholding taxes on behalf of Optionees.

Manner of Exercise

4.2 An Optionee who wishes to exercise his Option may do so by delivering:

- (a) a written notice to the Company specifying the number of Optioned Shares being acquired pursuant to the Option; and
- (b) a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Exercise Price for the Optioned Shares being acquired, plus any required withholding tax amount subject to §4.5.

Cashless Exercise

4.3 Subject to the provisions of this Plan (including, without limitation, Section 4.5 and, upon prior approval of the Board, once an Option has vested and become exercisable, an Optionee may elect to exercise such Option by either:

- (a) excluding Options held by any Investor Relations Service Provider, a “net exercise” procedure in which the Company issues to the Optionee, Common Shares equal to the number determined by dividing (i) the product of the number of Options being exercised multiplied by the difference between the VWAP of the underlying Common Shares and the exercise price of the subject Options by (ii) the VWAP of the underlying Common Shares; or
- (b) a broker assisted “cashless exercise” in which the Company delivers a copy of irrevocable instructions to a broker engaged for such purposes by the Company to sell the Common Shares otherwise deliverable upon the exercise of the Options and to deliver promptly to the Company an amount equal to the Exercise Price and all applicable required withholding obligations as determined by the Company against delivery of the Common Shares to settle the applicable trade.

An Option may be exercised pursuant to this §4.3 from time to time by delivery to the Company, at its head office or such other place as may be specified by the Company of (i) written notice of exercise specifying that the Optionee has elected to effect such a cashless exercise of such Option, the method of cashless exercise, and the number of Options to be exercised and (ii) the payment of an amount for any tax withholding or remittance obligations of the Optionee or the Company arising under applicable law and verified by the Company to its satisfaction (or by entering into some other arrangement acceptable to the Company in its discretion, if any). The Participant shall comply with Section 4.5 of this Plan with regard to any applicable required withholding obligations and with such other procedures and policies as the Company may prescribe or determine to be necessary or advisable from time to time including prior written consent of the Board in connection with such exercise.

4.4 In the event of a net exercise pursuant to §4.3(a) or a cashless exercise pursuant to §4.3(b), the number of Options exercised, surrendered or converted, and not the number of Common Shares actually issued by the Company, must be included in calculating the limits set forth in §2.2, §2.6 and §2.10 of this Plan.

Tax Withholding and Procedures

4.5 Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an Optionee who wishes to exercise an Option must, in addition to following the procedures set out in §4.5 and elsewhere in this Plan, and as a condition of exercise:

- (a) deliver a certified cheque, wire transfer or bank draft payable to the Company for the amount determined by the Company to be the appropriate amount on account of such taxes or related amounts; or
- (b) otherwise ensure, in a manner acceptable to the Company (if at all) in its sole and unfettered discretion, that the amount will be securely funded;

and must in all other respects follow any related procedures and conditions imposed by the Company.

Delivery of Optioned Shares and Hold Periods

4.6 As soon as practicable after receipt of the notice of exercise described in §4.2 or §4.3, as applicable, and payment in full for the Optioned Shares being acquired, the Company will direct its transfer agent to issue to the Optionee the appropriate number of Optioned Shares. Wherever required under TSX Venture Policies, an Exchange Hold Period will be applied from the date of grant, including for all Options granted to:

- (a) Directors, Officers, Promoters or Consultants of the Company;
- (b) Persons holding securities carrying more than 10% of the voting rights attached to the Company's securities both immediately before and after the transaction in which the securities are issued, and who have elected or appointed or have the right to elect or appoint one or more directors or senior officers of the Company; or
- (c) where Options are granted to any Participants, including those noted in (a) and (b) above, where the Exercise Price less than the applicable Market Price.

4.7 Pursuant to TSX Venture Policies, where the Exchange Hold Period is applicable, the certificate representing the Optioned Shares or written notice in the case of uncertificated shares will include a legend stipulating that the Optioned Shares issued are subject to a four-month Exchange Hold Period commencing the Effective Date of the grant of the Options.

ARTICLE 5 GENERAL

Employment and Services

5.1 Nothing contained in this Plan will confer upon or imply in favour of any Optionee any right with respect to office, employment or provision of services with the Company or a subsidiary of the Company, or interfere in any way with the right of the Company or a subsidiary of the Company to lawfully terminate the Optionee's office, employment or service at any time pursuant to the arrangements pertaining to same. Participation in this Plan by an Optionee is voluntary.

No Representation or Warranty

5.2 The Company makes no representation or warranty as to the future market value of Common Shares issued in accordance with the provisions of this Plan or to the effect of the *Income Tax Act* (Canada) or any other taxing statute governing the Options or the Common Shares issuable thereunder or the tax consequences to a Participant. Compliance with applicable securities laws as to the disclosure and resale obligations of each Participant is the responsibility of each Participant and not the Company.

Interpretation

5.3 This Plan will be governed and construed in accordance with the laws of the Province of British Columbia.

Continuation of Plan

5.4 This Plan will become effective from and after October 12, 2023, and will remain effective provided that this Plan, or any amended version thereof, receives Shareholder Approval at each annual general meeting of the holders of Common Shares of the Company subsequent to such effective date.

Amendment of this Plan

5.5 The Board reserves the right, in its absolute discretion, to at any time amend, modify or terminate this Plan with respect to all Common Shares in respect of Options which have not yet been granted hereunder. Any amendment to any provision of this Plan will be subject to any necessary Regulatory Approvals and Shareholder Approval.

SCHEDULE A
SHARE OPTION PLAN
OPTION COMMITMENT

Notice is hereby given that, effective this _____ day of _____, 20____, pursuant to the provisions of the Share Option Plan (the “Plan”) of Chakana Copper Corp. (the “Company”), the Company has granted to _____ (the “Optionee”), an Option to acquire _____ Common Shares (“Optioned Shares”) up to 5:00 p.m. (Vancouver Time) on the _____ day of _____, 20____ (the “Expiry Date”), or such earlier date as determined in accordance with the terms of this Plan, at an Exercise Price of Cdn\$ _____ per share.

[Optioned Shares are to vest immediately.]

OR

[Optioned Shares will vest (*INSERT VESTING SCHEDULE AND TERMS*)]

The grant of the Option evidenced hereby is made subject to the terms and conditions of the Plan, which are hereby incorporated herein and form part hereof. This Option Commitment and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan. This Option Commitment is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company shall prevail.

To exercise the Option, (1) deliver a written notice in the form attached as Schedule B to the Plan (or in such other form as established by the Company) specifying the number of Optioned Shares you wish to acquire, together with a certified cheque, wire transfer or bank draft payable to the Company for the aggregate exercise price, or (2) if the Optionee wishes to exercise the Option on a “net exercise” basis or “cashless exercise” basis in accordance Section 4.3(a) or Section 4.3(b) of the Plan and the Company’s Board of Directors approves the exercise on a “net exercise” basis or “cashless exercise” basis, deliver a written notice and comply with such other conditions as established by the Company for a “net exercise” or “cashless exercise”. A certificate, or a written notice in the case of uncertificated shares, for the Optioned Shares so acquired will be issued by the Company or its transfer agent, if applicable, as soon as practicable thereafter and may bear a restrictive legend if required under applicable securities laws or the policies of the TSX Venture Exchange.

[Note: If a four month hold period is applicable under the policies of the TSX Venture Exchange, the following legend must be placed on the certificate or the written notice in the case of uncertificated shares.

“WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL *[insert date 4 months from the date of grant of the Options]*.”

The Company and the Optionee represent that the Optionee, under the terms and conditions of the Plan, is a bona fide Service Provider (as defined in the Plan), entitled to receive Options under TSX Venture Policies.

The Optionee also acknowledges and consents to the collection and use of Personal Information (as defined in the TSX Venture Policies) by both the Company and the TSX Venture Exchange as more particularly set out in the Acknowledgement - Personal Information form in use by the TSX Venture Exchange on the date of this Option Commitment.

CHAKANA COPPER CORP.

Per:

Authorized Signatory

[insert name and title of authorized signatory]

The Optionee acknowledges receipt of a copy of the Plan and represents to the Company that the Optionee is familiar with the terms and conditions of the Plan, and hereby accepts this Option subject to all of the terms and conditions of the Plan. The Optionee agrees to execute, deliver, file and otherwise assist the Company in filing any report, undertaking or document with respect to the awarding of the Option and exercise of the Option, as may be required by applicable regulatory authorities.

OPTIONEE:

Signature

Date signed:

Print Name

Address

SCHEDULE B

SHARE OPTION PLAN

NOTICE TO EXERCISE OPTIONS

CHAKANA COPPER CORP.

1430 - 800 West Pender Street

Vancouver, B.C. V6C 2V6

Attention: Share Option Plan Administrator

Re: Employee Share Option Exercise

Attn: Share Option Plan of Chakana Copper Corp. (the "Company")

This letter is to inform the Administrator of the Company's Share Option Plan that I, _____, wish to exercise _____ options, at _____ per share, on this ____ day of _____, 20____.

Payment issued in favour of [*insert the name of the Company*] for the amount of \$_____ will be forwarded, including withholding tax amounts.

Please register the share certificate in the name of:

Name of Optionee: _____

Address: _____

Please send share certificate to:

Name: _____

Address: _____

Sincerely,

Signature of Optionee

Date

SIN Number (for T4)