

FOUNDERS METALS INC.
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MANAGEMENT INFORMATION CIRCULAR
as of February 18, 2025

MANAGEMENT SOLICITATION OF PROXIES

This Management Information Circular (the "Circular") is furnished to you in connection with the solicitation of proxies by management of Founders Metals Inc. (formerly, Avalon Works Corp.) ("we", "us" or the "Company") for use at the annual general and special meeting (the "Meeting") of shareholders of the Company to be held on April 8, 2025 at 10:00 a.m. (Pacific Standard Time), and at any adjournment or postponements thereof. We will conduct the solicitation by mail and our officers, directors and employees may, without receiving special compensation, contact shareholders by telephone, electronic means or other personal contact. We will not specifically engage employees or soliciting agents to solicit proxies. We do not reimburse shareholders, nominees or agents (including brokers holding shares on behalf of clients) for their costs of obtaining authorization from their principals to sign forms of proxy. We will pay the expenses of this solicitation.

APPOINTMENT OF PROXY HOLDER

The persons named as proxy holders in the enclosed form of proxy and voting instruction form are our directors or officers. As a shareholder, you have the right to appoint a person (who need not be a shareholder) in place of the persons named in the form of proxy and voting instruction form to attend and act on your behalf at the Meeting. To exercise this right, you must insert the name of your representative in the blank space provided in the form of proxy or voting instruction form.

A proxy or voting instruction form will not be valid unless it is dated and signed by you or your attorney duly authorized in writing or, if you are a corporation, by an authorized director, officer, or attorney of the corporation.

VOTING BY PROXY

The persons named in the accompanying form of proxy and voting instruction form will vote or withhold from voting the common shares of the Company ("Common Shares") represented by the proxy or voting instruction form in accordance with your instructions, provided your instructions are clear. You may indicate the manner in which the persons named in the enclosed proxy or voting instruction form are to vote on any matter by marking an "X" in the appropriate space. If you have specified a choice on any matter to be acted on at the Meeting, your Common Shares will be voted or withheld from voting accordingly. If you do not specify a choice or where you specify both choices for any matter to be acted on, your Common Shares will be voted as recommended by management of the Company.

The enclosed form of proxy and voting instructions gives the persons named as proxy holders discretionary authority regarding amendments or variations to matters identified in the Notice of Meeting and any other matter that may properly come before the Meeting. As of the date of this Circular, our management is not aware of any such amendment, variation or other matter proposed or likely to come before the Meeting. However, if any amendment, variation or other matter properly comes

before the Meeting, the persons named in the form of proxy and voting instruction form intend to vote on such other business in accordance with their judgement.

RETURN OF PROXY

In order to be valid and acted upon at the Meeting, the completed form of proxy must be received by our registrar and transfer agent, Odyssey Trust Company ("Odyssey"), no later than 10:00 a.m. (Pacific Standard Time) on April 4, 2025, or 48 hours (excluding Saturdays, Sundays, and holidays) before the scheduled time of the Meeting or any adjournment or postponement thereof. You may also vote by facsimile and by online voting. Please see the form of proxy and voting instruction form for instructions on voting.

A voting instruction form must be completed and returned in accordance with the instructions provided therein and by your intermediary.

ADVICE TO NON-REGISTERED SHAREHOLDERS

Only shareholders whose names appear on our records or validly appointed proxyholders are permitted to vote at the Meeting. Most of our shareholders are "non-registered" shareholders because their Common Shares are registered in the name of an intermediary, such as a brokerage firm, bank, trust company, trustee, or administrator of a self-administered RRSP, RRIF, RESP or similar plan or a clearing agency such as CDS Clearing and Depository Services Inc.. If you purchased your Common Shares through a broker, you are likely a non-registered shareholder.

There are two categories of non-registered shareholders under applicable securities regulations for purposes of dissemination to non-registered shareholder of proxy-related materials and other security holder materials and requests for voting instructions from such non-registered shareholders. Non-registered shareholders who have not objected to their intermediary disclosing certain ownership information about themselves to us are referred to as non-objecting beneficial owners ("**NOBOs**"). Those non-registered shareholders who have objected to their Nominee disclosing ownership information about themselves to us are referred to as objecting beneficial owners ("**OBOs**").

These security holder materials are being sent to both registered and non-registered owners of the securities. The Company will not send proxy-related materials directly to NOBOs, and such materials will be delivered to NOBOs by the NOBO's intermediary. The Company does not intend to pay for the costs of an intermediary to deliver to OBOs the proxy-related materials. OBOs will not receive the materials unless the OBO's intermediary assumes the cost of delivery.

Regulatory policy requires brokers and other intermediaries to seek voting instructions from non-registered Shareholders in advance of Shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by non-registered Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often the form of proxy supplied to a non-registered Shareholder by its broker is identical to the form of proxy provided by the Company to the registered Shareholders. However, its purpose is limited to instructing the registered Shareholder (i.e. the broker or agent of the broker) how to vote on behalf of the non-registered Shareholder. **All non-registered Shareholders should carefully follow the instructions provided by their intermediaries, as these may vary.**

Although non-registered Shareholders may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of their broker, a non-registered Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. **Non-registered Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered Shareholder should enter their own names in the blank space on the**

proxy or voting instruction form provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.

REVOCATION OF PROXY

If you are a registered shareholder who has returned a proxy, you may revoke your proxy at any time before it is exercised. In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by either:

- (a) completing and delivering another validly executed form of proxy with Odyssey bearing a later date that we receive no later than 10:00 a.m. (Pacific Standard Time) on April 4, 2025, or 48 hours (excluding Saturdays, Sundays, and holidays) before the scheduled time of the Meeting or any adjournment or postponement thereof;
- (b) depositing a validly executed instrument in writing (i.e., a written notice of revocation) either, (i) at the registered office of the Company at any time up to and including the last business day before the day of the Meeting or any adjournment or postponement thereof, or (ii) with the Chair of the Meeting at the Meeting; or
- (c) attending the Meeting in person, registering with the scrutineer as a registered shareholder present in person and voting your Common Shares.

If you are a non-registered Shareholder, you must follow the instructions on your enclosed voting instruction form to revoke or amend any prior voting instructions.

VOTING SHARES AND PRINCIPAL SHAREHOLDERS

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value, of which 91,361,376 Common Shares are issued and outstanding as of the date of this Circular. Each Common Share entitles the holder thereof to one vote.

Persons who are registered shareholders as of the close of business on February 25, 2025 will be entitled to receive notice of, attend, and vote at the Meeting. On a show of hands, every shareholder and proxy holder will have one vote and, on a poll, every shareholder present in person or represented by proxy will have one vote for each share. In order to approve a motion proposed at the Meeting, a majority of more than 50% of the votes cast will be required to pass an ordinary resolution and a majority of at least two-thirds of the votes cast will be required to pass a special resolution.

To the knowledge of our directors and executive officers, as at the date of this Circular, no person beneficially owns or exercises control or direction over, directly or indirectly, Common Shares of the Company carrying more than 10% of all the voting rights attached to Common Shares of the Company other than as set out below:

Name of Shareholder	Number of Common Shares⁽¹⁾	Percentage of Issued and Outstanding Common Shares⁽²⁾
1832 Asset Management L.P.	11,833,700	12.95%

Notes:

- (1) The information as to Common Shares beneficially owned, controlled or directed, not being within the knowledge of the Company, has been obtained by the Company from publicly disclosed information.
- (2) On a non-diluted basis.

BUSINESS OF THE MEETING

(1) Financial Statements

We will place before the Meeting the audited financial statements of the Company for the Company's fiscal years ending August 31, 2024, and 2023, the report of the auditor thereon and the related management's discussion and analysis (MD&A). Our financial statements and the related MD&A are available on the Company's SEDAR+ profile at www.sedarplus.ca and will be mailed to shareholders who request a copy.

(2) Fix the Number of Directors

There are currently five (5) directors of the Company. Management proposes that the number of directors be fixed at five (5) for the ensuing year. Shareholders will therefore be asked to approve an ordinary resolution fixing the number of directors of the Company at five (5) (the "**Resolution Fixing the Number of Directors**"), subject to any further increase in the number of directors of the Company as permitted by the Company's Notice of Articles, Articles, or the *Business Corporations Act* (British Columbia).

The Company's Board of Directors (the "Board") unanimously recommends that shareholders vote FOR the Resolution Fixing the Number of Directors. Unless otherwise directed, the management nominees named in the enclosed proxy will vote FOR the Resolution Fixing the Number of Directors.

(3) Election of Directors

Our directors are elected at each annual general meeting and hold office until the next annual general meeting or until that person sooner ceases to be a director. As of the date of this Circular, the Board is composed of five (5) directors.

The Company's Articles include advance notice provisions. These provisions are generally intended to provide shareholders, the Board and management of the Company with a clear framework for nominating directors. These provisions set deadlines for a shareholder to notify the Company of their intention to nominate one or more directors at a shareholders' meeting and explains the information that must be included with the notice for it to be valid. As of the date of this Circular, the Company has not received a notice of intention to nominate one or more directors at the Meeting pursuant to the advance notice provisions. The Company's Articles are available on SEDAR+ at www.sedarplus.ca.

Unless you provide other instructions, the enclosed proxy will be voted for the nominees listed below, all of whom are presently members of the Board. Management does not expect that any of the nominees will be unable to serve as a director. If before the Meeting any vacancies occur in the slate of nominees listed below, the person named in the proxy will exercise his or her discretionary authority to vote the Common Shares represented by the proxy for the election of any other person or persons as directors.

Management proposes to nominate the persons named in the table below for election as a director. Roy Bonnell does not intend to stand for election as a director of the Company at the Meeting. The information concerning the proposed nominees has been furnished by each of them:

Name, Province or State and Country of Residence and Present Office Held	Periods Served as Director	Present Principal Occupation, Business or Employment	Principal Occupations, Businesses, or Employments within the five preceding years	Number of Shares Beneficially Owned, Directly or Indirectly, or over which Control or Direction is Exercised
Colin Padget ⁽¹⁾ Alberta, Canada President, Chief Executive Officer ("CEO"), and Director	October 31, 2022, to present	President and CEO of the Company	President and CEO of the Company (November 2022 – present) Senior Geologist for Thesis Gold Inc., a resource development company (January 2021 – October 2022) Independent consulting Geologist (June 2016 – January 2020)	378,000
Nicholas Stajduhar ⁽²⁾⁽³⁾⁽⁴⁾ Ontario Canada Director	February 26, 2021, to present	Independent Consultant	Independent Consultant (June 2019 – present)	3,891,666 ⁽⁵⁾
Kevin Vienneau ⁽²⁾⁽³⁾⁽⁴⁾ New Brunswick, Canada Director	February 26, 2021, to present	Self Employed Engaged in residential and commercial real estate, waste management, cold storage, company building, mineral and land acquisitions	Self Employed (January 2015 – present)	2,575,500 ⁽⁶⁾
Christopher Taylor ⁽³⁾ British Columbia, Canada Director	October 1, 2024, to present	Chief Executive Officer and President for Railtown Capital Corp., a capital pool company (November 2023 – present)	Chief Executive Officer and President for Great Bear Resources Ltd., a mineral exploration company (January 2011 - February 2022)	-
Barry Macdonald ⁽²⁾⁽⁴⁾ British Columbia, Canada Director Nominee	-	Corporate Director	Chairman of Truvera Trust & Mortgage Corporation, a regulated trust company and mortgage investor (January 2020 – present) Chairman of FrontFundr Financial Services, a regulated online broker for private companies (January 2018 – present) Executive Chairman of Simon Fraser University Community Trust (University) a real estate developer (January 2018 – present) Chairman of EasyPark, a parking lot management company (on board June 2016 to June 2024) (June 2016 – June 2024)	-

Notes:

(1) 375,000 Shares are held by 2379868 Alberta Ltd., of which Mr. Padget is a principal.

- (2) Denotes a member or proposed member of our Audit Committee. Roy Bonnell is the current Chair and Barry Macdonald is the proposed Chair.
- (3) Denotes a member or proposed member of our Compensation Committee. Roy Bonnell is the current Chair and Kevin Vienneau is the proposed Chair.
- (4) Denotes a member or proposed member of our Nominating and Corporate Governance Committee. Roy Bonnell is the current Chair and Barry Macdonald is the proposed Chair.
- (5) Shares held by Severin Holdings Inc., of which Mr. Stajduhar is a principal.
- (6) Shares held by 677606 New Brunswick Corp., of which Mr. Vienneau is a principal.

Colin Padget, *President, Chief Executive Officer, and Director*

Colin has over ten years of experience in mining and mineral exploration. He was most recently the Senior Geologist for Thesis Gold Inc.. Mr. Padget holds a Bachelor of Business Administration from Memorial University of Newfoundland, a First-Class Honours (B.Sc.) in geology from the University of New Brunswick, and graduate studies at the University of Calgary, where he received the highest level of Natural Science and Engineering Research Council's (NSERC) Masters and Doctoral awards in support of his work on orogenic gold deposits.

Nicholas Stajduhar, *Director*

Mr. Stajduhar is an accomplished financial industry professional with 15 years of experience in all aspects of sales and operations. He has a proven track record in the capital markets and is a highly knowledgeable market professional with strong communication and client relationship skills.

Mr. Stajduhar has been providing consulting services in public and private capital markets since June 2019. Previously, he was Director of Investments for Skyline Wealth Management Inc. (2017 to June 2019), Vice-President Sales and Trading for Desjardins Capital Markets (2015 to 2017), and Partner and Head of Institutional Sales for Byron Capital Markets Ltd. (2008-2015). Most recently, Mr. Stajduhar has been a Director of Thesis Gold Inc. since October 30, 2020, which is a mining exploration company listed on the TSX Venture Exchange.

In addition, Mr. Stajduhar also holds licenses from the Canadian Securities Institute (CSC and CPH).

Kevin Vienneau, *Director*

Mr. Vienneau is a mining engineer with over 25 years experience in mining exploration, production and development on a variety of gold and base metal projects mainly in the Bathurst mining camp. Previous work experience also includes Noranda's world-famous Brunswick #12 mine, Brunswick lead smelter, Stratabound Minerals Corp and Castle Resources. Kevin holds a Bachelor of Engineering from Dalhousie University and is heavily involved in permitting, negotiating with key stakeholders for projects, land and mineral acquisitions as well as acquisitions through bankruptcy. He has played key roles in bringing projects into production as well as post-production environmental reclamation.

Mr. Vienneau is also involved in commercial and residential real estate, metal fabrication, a cold storage facility and is the President of the waste management company Mr. Trash. He is also the former President of the Bathurst Marina.

Christopher Taylor, *Director*

Mr. Taylor is a mining entrepreneur and geologist. Mr. Taylor is a structural and economic geologist with more than 20 years of industry and research experience with both mid- tier producer and junior exploration companies. He was a founder and CEO & President of Great Bear Resources, which made a district-scale gold discovery in Canada and was taken over by Kinross Gold for \$1.8bn. Mr. Taylor is a former geologist with Imperial Metals exploring for copper porphyries in North America.

Barry Macdonald, Director Nominee

Mr. Macdonald is a Fellow of the Chartered Professional Accountants (FCPA) and a retired PwC partner with 40+ years of experience in strategic governance, international tax, mergers and acquisitions, and corporate finance. Mr. Macdonald is the current board chair of the Simon Fraser University UniverCity Real Estate Trust, Truvera Trust & Mortgage Corporation, and Frontfundr. Mr. Macdonald was the 2018/19 Chair of the Board of the Chartered Professional Accountants of B.C. where he led its board of 17 directors governing 35,000 members and was on the leadership team that unified the three accounting bodies in 2015, creating a new board and governance structure.

Mr. Macdonald has chaired or served on several non-profit organizations, including several boards at Simon Fraser University (Past Chair of the Beedie Dean's Business Advisory Board, past member of the Board of the Governors), Canuck Place Children's Hospice (Vice Chair), Vancouver International Film Festival, Arts Umbrella Foundation (past chairman) and YMCA Coquitlam Campaign Cabinet. He is on the BC Executive of the Institute of Corporate Directors. Mr. Macdonald was Chairman of the Canadian Chamber of Commerce in Hong Kong, the largest Canadian Chamber outside of Canada, and an early governor of the Canadian International School of HK during his time as a PwC partner in its Hong Kong office.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company's management, no proposed director of the Company:

- (a) is, as at the date of this Circular, or has been within 10 years before the date of the Circular, a director, CEO or CFO of any company (including the Company) that:
 - (i) was subject to a cease trade or similar order or an order that denied such other issuer access to any exemption under securities legislation for more than thirty consecutive days, that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or
 - (ii) was subject to a cease trade or similar order or an order that denied such other issuer access to any exemption under securities legislation for more than thirty consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO; or
- (b) is, as at the date of this Circular, or has been within 10 years before the date of the Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this 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; or
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

- (e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

The Board unanimously recommends the election of each nominee as a director of the Company to hold office until the Company's next annual general meeting. Unless otherwise directed, the management nominees named in the accompanying proxy will vote FOR the election of each nominee as a director of the Company.

(4) Appointment of the Auditor

MS Partners LLP is the auditor of the Company. The Company first appointed MS Partners LLP as the auditor of the Company on September 1, 2022.

At the Meeting, shareholders will be asked to pass an ordinary resolution (i) re-appointing MS Partners LLP as the Company's auditor for ensuing year, to hold office until the close of the next annual general meeting of shareholders or until the firm of MS Partners LLP is removed from office or resigns as provided by the Company's constating documents; and (ii) authorizing the Board to fix the compensation of the auditor.

The Board unanimously recommends that shareholders vote FOR the appointment of MS Partners LLP as the Company's auditor. Unless otherwise directed, the management nominees named in the accompanying proxy will vote FOR the appointment of MS Partners LLP as the Company's auditor.

(5) Annual Approval of Option Plan

The Option Plan is a rolling maximum stock option plan providing that the aggregate number of Common Shares reserved for issuance under the Option Plan and Common Shares reserved for issuance under any other share compensation arrangement granted or made available by the Company from time to time may not exceed in aggregate 10% of the Company's Common Shares issued and outstanding as at the date of grant or issuance of Options under the Option Plan. In accordance with the policies of the TSXV, a rolling stock option plan must be approved by the shareholders of an issuer on an annual basis at the issuer's annual meeting of shareholders. Accordingly, at the Meeting, the shareholders of the Company will be asked to pass an ordinary resolution to approve the Option Plan.

The Option Plan is intended to provide the Board with the ability to issue options to provide the employees, consultants, officers and directors of the Company with long-term equity-based performance incentives which are a key component of the Company's executive compensation strategy. The Company believes it is important to align the interests of management and employees with shareholder interests and to link performance compensation to enhancement of shareholder value. This is accomplished through the use of options whose value over time is dependent on market value. The Option Plan is described further below under the heading "*Stock Option Plans and Other Incentive Plans*" and a copy of the Option Plan is attached hereto as Schedule "B".

The Board unanimously recommends that shareholders vote FOR the approval of the Option Plan. Unless otherwise directed, the management nominees named in the accompanying proxy will vote FOR the approval of the Option Plan.

EXECUTIVE COMPENSATION

Securities laws require that a "Statement of Executive Compensation" in accordance with Form 51-102F6V *Statement of Executive Compensation – Venture Issuers* ("**Form 51-102F6V**") be included in this Circular.

Form 51-102F6V prescribes the disclosure requirements in respect of the compensation of executive officers and directors of reporting issuers. Form 51-102F6V provides that compensation disclosure must be provided for the Chief Executive Officer and the Chief Financial Officer (or any individual serving in such capacity during any part of the most recently completed financial year) and the three most highly compensated executive officers other than such individuals whose total compensation exceeds \$150,000 at the end of the most recently completed financial year. Based on those requirements, the executive officers of the Company for whom disclosure is required under Form 51-102F6V are: Colin Padget; Samuel Yik (who became CFO and Corporate Secretary effective January 5, 2024); and Justin Bourassa (who was CFO and Corporate Secretary from February 26, 2021, until his resignation on January 5, 2024).

For the purpose of this Statement of Executive Compensation:

"**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 (if any) for services provided or to be provided, directly or indirectly to the Company or any of its subsidiaries (if any);

"**NEO**" or "**named executive officer**" means:

- (a) each individual who served as chief executive officer ("**CEO**") of the Company, or who performed functions similar to a CEO, during any part of the most recently completed financial year,
- (b) each individual who served as chief financial officer ("**CFO**") of the Company, or who performed functions similar to a CFO, during any part of the most recently completed financial year,
- (c) the most highly compensated executive officer of the Company or any of its subsidiaries (if any) other than 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 for that financial year, and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year;

"**plan**" includes any plan, contract, authorization or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons; and

"**underlying securities**" means any securities issuable on conversion, exchange or exercise of compensation securities.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company or any subsidiary thereof during the last two fiscal years to each NEO and each director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO

or director for services provided and for services to be provided, directly or indirectly, to the Company or any subsidiary thereof:

Name and position	Year ⁽¹⁾	Salary, consulting fee, retainer or commission ⁽²⁾ (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites ⁽³⁾ (\$)	Value of all Other compensation (\$)	Total compensation (\$)
Colin Padget ⁽⁴⁾ President, CEO, and Director	2024	\$266,867	50,000	Nil	Nil	Nil	\$316,867
	2023	\$144,000	Nil	Nil	Nil	Nil	\$144,000
Samuel Yik ⁽⁵⁾ CFO & Corporate Secretary	2024	132,000	Nil	Nil	Nil	Nil	\$132,000
	2023	Nil	Nil	Nil	Nil	Nil	Nil
John Williamson ⁽⁶⁾ Former President, CEO and Director	2024	\$25,000	Nil	Nil	Nil	Nil	\$25,000
	2023	\$60,000	Nil	Nil	Nil	Nil	\$60,000
Justin Bourassa ⁽⁷⁾ Former CFO & Corporate Secretary	2024	\$26,895	Nil	Nil	Nil	Nil	\$26,895
	2023	\$60,000	Nil	Nil	Nil	Nil	\$60,000
Nicholas Stajduhar Director	2024	\$130,000	\$35,000	Nil	Nil	Nil	\$165,000
	2023	\$120,000	Nil	Nil	Nil	Nil	\$120,000
Roy Bonnell Director	2024	\$72,000	Nil	Nil	Nil	Nil	\$72,000
	2023	\$72,000	Nil	Nil	Nil	Nil	\$72,000
Kevin Vienneau Director	2024	\$15,000	Nil	Nil	Nil	Nil	\$15,000
	2023	Nil	Nil	Nil	Nil	Nil	Nil
Christopher Taylor Director	2024	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil

(1) For the financial years ended August 31, 2024, and August 31, 2023.

(2) This figure includes the dollar value of cash and non-cash base salary of each NEO earned during the applicable financial period.

(3) The value of those perquisites that are generally available to all employees and that, in the aggregate, are less than \$15,000 have been excluded.

(4) Mr. Padget received no compensation for acting as a director of the Company.

(5) Mr. Yik became CFO and Corporate Secretary on January 5, 2024.

(6) Mr. Williamson became President, CEO and a director on February 26, 2021, resigned as President and CEO on October 31, 2022 and resigned as a director of the Company on January 29, 2024.

(7) Mr. Bourassa became CFO and Corporate Secretary on February 26, 2021, and resigned as CFO and Corporate Secretary on January 5, 2024.

No director of the Company who is not a NEO has received, except as otherwise disclosed herein (see "*Employment, Consulting and Management Agreements*" below), during the most recently completed financial year, compensation pursuant to:

- (a) any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors; or
- (c) any arrangement for the compensation of directors for services as consultants or experts.

Stock Options and Other Compensation Securities

The following table sets out the compensation securities granted or issued to directors and NEOs by the Company or any subsidiary thereof in the Company's most recently completed financial year, for services provided, or to be provided, directly or indirectly, to the Company or any subsidiary thereof:

Compensation Securities							
Name and position	Type of compensation security ⁽¹⁾	Number of compensation securities, number of underlying securities, and percentage of class ⁽¹⁾	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Colin Padget ⁽²⁾ President, CEO, and Director	Stock Options	350,000 (7.8%) 450,000 10.0%	October 4, 2023 March 4, 2024	\$0.80 \$1.56	\$0.80 \$1.56	\$2.74	October 4, 2028 March 4, 2029
	Restricted Share Units	525,000 (19.8%)	March 4, 2024	N/A	\$1.56	\$2.74	March 4, 2029
Samuel Yik ⁽³⁾ CFO & Corporate Secretary	Stock Options	100,000 2.2%)	March 4, 2024	\$1.56	\$1.56	\$2.74	March 4, 2029
	Restricted Share Units	175,000 (6.6%)	March 4, 2024	N/A	\$1.56	\$2.74	March 4, 2029
Nicholas Stajduhar ⁽⁵⁾ Director	Stock Options	175,000 (3.9%) 225,000 5.0%	October 4, 2023 March 4, 2024	\$0.80 \$1.56	\$0.80 \$1.56	\$2.74	October 4, 2028 March 4, 2029
	Restricted Share Units	275,000 (10.4%)	March 4, 2024	N/A	\$1.56	\$2.74	March 4, 2029
Roy Bonnell ⁽⁶⁾ Director	Stock Options	50,000 (3.3%) 75,000 1.7%	October 4, 2023	\$0.80 \$1.56	\$0.80 \$1.56	\$2.74	October 4, 2028 March 4, 2029
	Restricted Share Units	150,000 (5.7%)	March 4, 2024	N/A	\$1.56	\$2.74	March 4, 2029
Kevin Vienneau ⁽⁷⁾ Director	Stock Options	50,000 (3.3%) 75,000 1.7%	October 4, 2023	\$0.80 \$1.56	\$0.80 \$1.56	\$2.74	October 4, 2028 March 4, 2029
	Restricted Share Units	150,000 (5.7%)	March 4, 2024	N/A	\$1.56	\$2.74	March 4, 2029
Christopher Taylor ⁽⁸⁾ Director	Stock Options	Nil	Nil	Nil	Nil	Nil	Nil
	Restricted Share Units	Nil	Nil	Nil	Nil	Nil	Nil
John Williamson ⁽⁹⁾ Former President, CEO and Director	Stock Options	75,000	October 4, 2023	\$0.80	\$0.80	\$2.74	October 4, 2028 ⁽¹⁰⁾
	Restricted Share Units	Nil	Nil	Nil	Nil	Nil	Nil

(1) 4,492,000 Options (as defined below) 2,650,000 RSUs (as defined below) were outstanding as at August 31, 2024.

(2) Mr. Padget beneficially owned, or exercises control or direction over, 1,000,000 Options, and 525,000 RSUs as at August 31, 2024.

(3) Mr. Yik beneficially owned, or exercises control or direction over, 100,000 Options, and 175,000 RSUs as at August 31,

- 2024.
- (4) Mr. Bourassa became CFO and Corporate Secretary on February 26, 2021, and resigned as CFO and Corporate Secretary on January 5, 2024.
 - (5) Mr. Bourassa beneficially owned, or exercises control or direction over, 225,000 Options as at August 31, 2024.
 - (6) Mr. Stajduhar beneficially owned, or exercises control or direction over, 760,000 Options, and 275,000 RSUs as at August 31, 2024.
 - (7) Mr. Vienneau beneficially owned, or exercises control or direction over, 485,000 Options, and 150,000 RSUs, and 62,500 Common Share purchase warrants as at August 31, 2024.
 - (8) Mr. Taylor beneficially owned, or exercised control or direction over, no compensation securities of the Company as at August 31, 2024.
 - (9) Mr. Williamson became President, CEO and a director on February 26, 2021, resigned as President and CEO on October 31, 2022 and resigned as a director of the Company on January 29, 2024.
 - (10) The Options granted to Mr. Williamson were subsequently cancelled on May 29, 2024.
 - (11) Options granted during most recently completed financial year vested immediately. RSUs granted during most recently completed financial year shall vest March 4, 2025.

Exercise of Compensation Securities by Directors and NEOs

No compensation securities of the Company were exercised by a director or NEO during the Company's most recently completed financial year.

Stock Option Plan and Other Incentive Plans

We have two equity compensation plans: one being our stock option plan, (the "**Option Plan**"); and the second being the Company's restricted share unit plan ("**RSU Plan**"), each as further described below. A copy of the Option Plan is attached hereto as Schedule "B" and a copy of the RSU Plan is available on the Company's SEDAR+ profile at www.sedarplus.ca. The Option Plan and the RSU Plan were last approved by the Company's shareholders at the Company's most recent annual general meeting held on February 29, 2024.

Option Plan

We established the Option Plan to assist us in attracting, retaining, and motivating directors, executive officers, employees, consultants and management company employees, and to closely align the personal interests of those people with those of the shareholders. The Board administers the Option Plan based upon recommendation from the Compensation Committee. The Option Plan provides that we may grant stock options ("**Options**"), under option agreements and in accordance with the policies of the TSX Venture Exchange (the "**TSXV**"), to the following eligible persons ("**Eligible Persons**") in consideration of their services to the Company:

- (a) any employee, director or officer of the Company or any affiliate of the Company, or a company that is wholly owned by one of them; or
- (b) any Consultant or Consultant Company (as such terms are defined under the policies of the TSXV, as described below) of the Company or any affiliate of the Company that is eligible to receive stock options pursuant to the policies of the TSXV.

"**Consultant**" is defined under the policies of the TSXV as, in relation to the Company, an individual (other than a director, officer or employee of the Company or any of its subsidiaries) or a 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 the distribution of securities;
- (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.

"**Consultant Company**" means a Consultant that is a company.

Material Terms of the Option Plan

The Board determines the number of Common Shares subject to each Option within the guidelines established by the TSXV. The Options enable the holders to purchase our Common Shares at a price fixed in accordance with the rules of the TSXV.

The Option Plan provides that the total number of Common Shares reserved for issuance under the Option Plan and Common Shares reserved for issuance under any other share compensation arrangement granted or made available by the Company from time to time may not exceed 10% of the issued and outstanding Common Shares on the date the Board grants an Option under the Option Plan.

In addition, so long as the Company is classified as a "Tier 1" or "Tier 2" issuer by the TSXV:

- (a) the maximum number of Common Shares of the Company that are issuable pursuant to all Securities Based Compensation (as such term is defined under the policies of the TSXV), which includes Options under the Option Plan and restricted share units ("**RSUs**") under the RSU Plan (as defined herein), must not exceed 10% of the Common Shares of the Company at the applicable time, unless the Company has received disinterested shareholder approval pursuant to the policies of the TSXV;
- (b) the maximum number of Common Shares of the Company that are issuable pursuant to all Securities Based Compensation granted or issued in any 12 month period to insiders of the Company (as a group) must not exceed 10% of the Common Shares of the Company, calculated as at the date any Securities Based Compensation is granted or issued to an insider, unless the Company has received disinterested shareholder approval pursuant to the policies of the TSXV;
- (c) the maximum number of Common Shares of the Company that are issuable pursuant to all Securities Based Compensation granted or issued in any 12 month period to any one Eligible Person must not exceed 5% of the Common Shares of the Company, calculated as at the date any Securities Based Compensation is granted or issued to the Eligible Person, unless the Company has received disinterested shareholder approval pursuant to the policies of the TSXV;
- (d) the maximum number of Common Shares of the Company that are issuable pursuant to all Securities Based Compensation granted or issued in any 12 month period to any one Consultant or Consultant Company must not exceed 2% of the Common Shares of the Company, calculated as at the date any Securities Based Compensation is granted or issued to the Consultant or Consultant Company, unless the Company has received disinterested shareholder approval pursuant to the policies of the TSXV;
- (e) the maximum number of Common Shares of the Company that are issuable pursuant to all Options granted or issued in any 12-month period to all Investor Relations Service Providers (as such term is defined in the policies of the TSXV) in aggregate must not exceed 2% of the Common Shares of the Company, calculated as at the date any Option is granted or issued to any such Investor Relations Service Provider;
- (f) Options granted to any Investor Relations Service Provider must vest in stages over no less than 12 months with no more than one-quarter of the Options vesting in any three-month period, and both

the Company and the optionee represents that the optionee is a bona fide employee, Consultant, Consultant Company, or management employee of the Company, as the case may be;

- (g) the approval of the disinterested shareholders of the Company shall be obtained for any amendment to or reduction in the exercise price of an Option or extension of the term of an Option if the optionee is an insider of the Company at the time of the proposed amendment; and
- (h) for Options granted to employees, Consultants, Consultant Companies, or management employees of the Company, both the Company and the optionee represents that the optionee is a bona fide employee, Consultant, Consultant Company, or management employee of the Company, as the case may be.

Under the Option Plan, the Board must set the option price at not less than the last closing price of our Common Shares on the TSXV on the trading day immediately before the date of grant, less the discount permitted under the TSXV's policies. The maximum term of any option is ten years from the date of grant. We do not intend to provide financial assistance to holders of stock options to help them purchase our Common Shares under the Option Plan. Any amendment to the Plan is subject to the approval of the TSXV and may also require shareholder approval.

RSU Plan

The Board adopted the RSU Plan providing for the issuance of RSUs to directors, officers, employees, and a company wholly owned by such individuals, and consultants and consultant companies, but excluding investor relations service providers.

Capitalized terms used in this section which are not otherwise defined shall have the meaning given to them in the RSU Plan.

Material Terms of the RSU Plan

The Board administers the RSU Plan based upon recommendation from the Compensation Committee. The RSU Plan provides that we may grant RSUs pursuant to the RSU Plan in accordance with the policies of the TSXV, to Eligible Persons excluding Investor Relations Service Providers in consideration of their services to the Company. The Board may determine the number of RSUs granted to such Eligible Persons, and the terms of vesting thereof, provided that the RSUs shall not vest earlier than 12 months from the date of grant, and the term of the RSUs may not exceed ten years from the date of grant. Holders of RSUs are not entitled to participate in dividends of the Company in respect of the RSUs. Any RSUs that have not vested within the term for such RSUs expire and are cancelled. In the event that a holder of any RSUs is terminated as a director, officer, employee or consultant, other than death, disability, termination without cause, or eligible retirement, then any such unvested RSUs shall expire and be cancelled. The Board may suspend or terminate the RSU Plan at any time, provided that such suspension or termination shall not affect any RSUs that became effective pursuant to the RSU Plan, prior to such suspension or termination.

Settlement of RSUs in Common Shares shall be made by delivery of one share for each such vested RSU being settled, unless at the sole *discretion* of the Board, settlement is made by payment of the cash value of the market price (as defined under the policies of the TSXV) for the Common Shares as at the date of vesting in lieu of delivery of one share for each such RSU for any or all such RSUs.

The maximum number of Common Shares that may be reserved for issue at any time in connection with the grant of RSUs under the RSU Plan will not exceed 5,892,087 Common Shares at any point in time (being 10% of the issued and outstanding number of Common Shares as at the date on which the Board approved the RSU Plan). For greater certainty, at no time would the number of Common Shares that may be reserved for issue under the RSU Plan exceed the fixed number of 5,892,087 Common Shares. In

addition, and notwithstanding any other terms of the RSU Plan, so long as the Common Shares are listed on the TSXV:

(a) the maximum number of Common Shares which may be reserved for issue pursuant to the RSU Plan to all Insiders shall not, at any point in time, exceed a total aggregate of 5,892,087 Common Shares (being 10% of the issued and outstanding number of Common Shares as at the date on which the Board approved the RSU Plan) less the number of Common Shares issuable at any point in time to all Insiders under all other Security Based Compensation Plans, unless the Company has received disinterested shareholder approval;

(b) the maximum number of Common Shares which may be reserved for issue pursuant to the RSU Plan to all Insiders within a 12 month period shall not exceed 5,892,087 Common Shares (being 10% of the issued and outstanding number of Common Shares as at the date on which the Board approved the RSU Plan) less the number of Common Shares issuable to all Insiders in any such 12 month period under all other Security Based Compensation Plans, calculated as at the date of grant or issuance to any Insider, unless the Company has received disinterested shareholder approval;

(c) the maximum number of Common Shares which may be reserved for issue pursuant to the RSU Plan to any one Person within a 12 month period shall not exceed 2,946,043 Common Shares (being 5% of the issued and outstanding Common Shares as at the date on which the Board approved the RSU Plan) less the number of Common Shares issuable in any such 12 month period to such Person under all other Security Based Compensation Plans, calculated as at the date of grant or issuance to any Person, unless the Company has received disinterested shareholder approval;

(d) the maximum number of Common Shares which may be reserved for issue pursuant to the RSU Plan to any one Consultant or Consultant Company in any 12 month period shall not exceed 1,178,401 Common Shares (being 2% of the issued and outstanding Common Shares as at the date on which the Board approved the RSU Plan) less the number of Common Shares issuable in any such 12 month period to such Consultant under all other Security Based Compensation Plans, calculated as at the date of grant or issuance, unless the Company has received disinterested shareholder approval; and

(e) Investor Relations Service Providers may not receive any Security Based Compensation under the RSU Plan.

Employment, Consulting and Management Agreements

Pursuant to an agreement with Colin Padget, the Company pays for management and operations responsibilities at an annual compensation of \$260,000. The agreement is for an indefinite term until terminated. If the agreement is terminated upon Change of Control (as defined below), or for Good Reason (as defined below), the Company is required to pay \$520,000 immediately upon such termination.

Pursuant to an agreement with Samuel Yik, the Company pays for management and operations responsibilities at an annual compensation of \$120,000. The agreement is for an indefinite term until terminated. If the agreement is terminated upon Change of Control (as defined below), or for Good Reason (as defined below), the Company is required to pay \$240,000 immediately upon such termination.

Pursuant to an agreement with Nicholas Stajduhar, the Company pays for management and operations responsibilities at an annual compensation of \$150,000. The agreement is for an indefinite term until terminated. If the agreement is terminated upon Change of Control, or for Good Reason, the Company is required to pay \$300,000 immediately upon such termination.

Pursuant to an agreement with Roy Bonnell, the Company pays for management and operations responsibilities at an annual compensation of \$72,000. The agreement is for an indefinite term until

terminated. If the agreement is terminated upon Change of Control, or for Good Reason, the Company is required to pay \$144,000 immediately upon such termination.

"**Change of Control**" shall be deemed to have occur:

(1) upon any merger, amalgamation, recapitalization, take-over, plan of arrangement or similar transaction involving the Company (or, if the share capital of the Company is affected, any subsidiary of the Company in which all of its or materially all of its assets are held ("**Subsidiary**"). or any sale, lease or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Company or any Subsidiary of the Company (each of the foregoing being a "**COC Transaction**" or an "**Acquisition Transaction**") where either:

(a) the shareholders of the Company immediately prior to such Acquisition Transaction would not immediately after such Acquisition Transaction beneficially own more than 70% of: (i) the then outstanding Common Shares surviving or resulting from such merger, consolidation or recapitalization or acquiring such assets of the Company (or any Subsidiary of the Company, as the case may be) (the "**Surviving Corporation**") (or of its ultimate Surviving Corporation, if any); and (ii) the combined voting power of the then outstanding voting securities of the Surviving Corporation (or its ultimate Surviving Corporation, if any); or

(b) the incumbent directors at the time of the initial approval of such Acquisition Transaction would not immediately after such Acquisition Transaction constitute a majority of the Board of the Surviving Corporation (or its ultimate Surviving Corporation, if any); or

(2) when the shareholders or directors of the Company approve any plan or proposal for the liquidation or dissolution of the Company or any Subsidiary of the Company.

"**Good Reason**" means the occurrence of any of the following events or actions, without the consultant's prior written consent, and provided the consultant has provided the Company, within two months of becoming aware of the facts and circumstances underlying the event, with written notice thereof stating with specificity the facts and circumstances underlying the event and providing Company with one month to cure the event after receipt of such notice:

(1) any reduction in the base consulting fee;

(2) any significant diminution in the scope of the services from the consultant including, without limitation, effective limitation of normal discharge of the consultant's duties; or

(3) a fundamental breach by the Company of its obligations under the management consulting agreement.

Oversight and Description of Director and NEO Compensation

The Compensation Committee determines and recommends to the Board the overall compensation strategy and policies for directors, officers (including NEOs), and employees of the Company. The Compensation Committee is responsible for reviewing and making recommendations to the Board with respect to remuneration to be paid to directors on an annual basis. The Compensation Committee, on an annual basis, also reviews and makes recommendations to the Board with respect to the corporate goals and objectives relevant to the compensation of the CEO and recommending to the Board the compensation level of the CEO based on the annual performance of the CEO in light of those goals and objectives. Additionally, the Compensation Committee is responsible for reviewing and making recommendations to the Board, on an annual basis, with respect to the compensation programs of all other senior executive officers of the Company (including each NEO), as recommended by the CEO.

Philosophy and Objectives

The compensation program for the senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including:

- to align executive compensation with shareholders' interests;
- to attract and retain highly qualified management;
- to focus performance by linking incentive compensation to the achievement of business objectives and financial results; and
- to encourage retention of key executives for leadership succession.

The Company's executive compensation program comprises three elements: base salary, bonus incentives, and equity participation. The compensation program is designed to pay for performance, but total compensation or any significant element of total compensation is not tied to any specific performance criteria or goals.

The Company reviews industry compensation information and compares its level of overall compensation with those of comparable sized mineral exploration companies. Generally, we target base management fees at levels approximating those holding similar positions in comparably sized companies in the industry and hopes to achieve competitive compensation levels through the fixed and variable components.

The Company's total compensation mix places a significant portion of the executive's compensation at risk and relies heavily on the award of stock options. The design takes into account individual and corporate performance. Compensation practices, including the mix of base management fees, short-term incentives, and long-term incentives, are regularly assessed to ensure they are competitive, take account of the external market trends and support the Company's long-term growth strategies. Due to the early stage of the Company's development programs, the flexibility to quickly increase or decrease appropriate human resources is critical. Accordingly, the Company does not enter into long-term commitments with its officers.

Base Compensation

In the view of the Board, paying base salaries or management fees which are competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified, and effective executives. Base compensation is compensation for discharging job responsibilities and reflects the level of skills and capabilities demonstrated by the executive. Annual adjustments take into account the market value of the role and the executive's demonstration of capability during the year.

Bonus Incentive Compensation

The Company's objective is to achieve certain strategic objectives and milestones. The Board will consider executive bonus compensation dependent upon the executive meeting those strategic objectives and milestones, the executive's individual performance and sufficient cash resources being available for the granting of bonuses. The Board approves executive bonus compensation dependent upon comparable compensation levels based on recommendations of the Board as a whole, and such recommendations are generally based on survey data provided by independent consultants.

Equity Participation

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Option Plan. Stock options are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses, and competitive factors. The amounts and terms of options granted are determined by the Board.

Option-Based Awards

Stock options are granted to provide an incentive to the directors, officers, employees and consultants of the Company to achieve the long-term objectives of the Company; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Company; and to attract and retain persons of experience and ability by providing them with the opportunity to acquire and increase proprietary interest in the Company. The Board approves awards of stock options based upon the recommendation of the Compensation Committee. Previous grants of incentive stock options are taken into account when considering new grants.

Implementation and amendments to the existing stock option plan are the responsibility of the Board, subject to compliance with applicable TSXV and regulatory requirements.

As part of this review, the Board noted the following factors which discourage the Company's executive officers from taking unnecessary or excessive risks:

- there is limited opportunity for the small management team to undertake unnecessary or excessive risk to maximize compensation at the expense of the Company;
- there are limited opportunities for executive officers to artificially inflate financial and operating performance of the Company to increase the value of equity awards to such persons;
- all of the directors are regularly apprised of the Company's financial position throughout the year;
- with respect to Colin Padget (President, CEO and a Director since October 31, 2022); Justin Bourassa (CFO and Corporate Secretary from February 26, 2021, to January 5, 2024); and Samuel Yik (CFO and Corporate Secretary effective January 5, 2024), there is an effective balance between cash and equity, near-term and long-term focus, corporate and individual performance, and financial and non-financial performance;
- with respect to Colin Padget (President, CEO and a Director since October 31, 2022); Justin Bourassa (CFO and Corporate Secretary from February 26, 2021, to January 5, 2024); and Samuel Yik (CFO and Corporate Secretary effective January 5, 2024), the Company's approach to performance evaluation and compensation provides greater rewards to executive officers achieving both short-term and long-term objectives; and
- incentive plan awards granted are not awarded upon the accomplishment of a task.

Based on this review, the Board believes that the Company's current compensation policies and practices do not encourage executive officers to take unnecessary or excessive risk.

Under the Company's current compensation policies and practices, NEOs and directors are not prevented from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Pension Benefits

The Company does not have a pension benefit arrangement under which the Company has made payments to the directors and/or NEOs of the Company during its fiscal year ended August 31, 2024, or intends to make payments to the Company's directors or NEOs upon their retirement (other than the payments set out above and those made, if any, pursuant to the Canada Pension Plan or any government plan similar to it).

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Company's only equity compensation plans are its Option Plan and RSU Plan, which were most recently approved by shareholders at the most recent annual general meeting of shareholders of the Company held on February 29, 2024. The following table sets out equity compensation plan information as at the end of the financial year ended August 31, 2024:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)⁽¹⁾
Equity compensation plans approved by securityholders	7,142,000 ⁽²⁾	\$0.89	246,963 ⁽³⁾
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	7,142,000 ⁽²⁾	\$0.89	246,963 ⁽³⁾

(1) Based on the issued and outstanding Common Shares as at August 31, 2024.

(2) Representing: (a) 4,492,000 options outstanding under the Option Plan as at August 31, 2024 with a weighted average exercise price of \$0.89; and (b) 2,650,000 RSUs outstanding under the RSU Plan as at August 31, 2024.

(3) Pursuant to the Option Plan, the aggregate number of Common Shares reserved for issuance under the Option Plan and Common Shares reserved for issuance under any other equity compensation plan of the Company may not exceed 10% of the issued and outstanding Common Shares as at the date of a grant.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of our directors or executive officers, proposed nominees for election as directors, or associates of any of them, is or has been indebted to us or to our subsidiaries at any time since the beginning of the most recently completed financial year and no indebtedness remains outstanding as at the date of this Circular.

AUDIT COMMITTEE

The Company is including the disclosure required by Form 52-110F2 of National Instrument 52-110 *Audit Committees* ("**NI 52-110**") under this heading. As at its most recently completed financial year end of August 31, 2024, the Company was a "venture issuer" under NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110.

Audit Committee Charter

The Audit Committee Charter, the text of which is attached as Schedule "A" to this Circular, was adopted by our Audit Committee and the Board.

Composition of the Audit Committee

As of the date of this Circular, our Audit Committee is composed of the following members:

Name	Independent ⁽¹⁾	Financially Literate ⁽¹⁾
Roy Bonnell ⁽²⁾	Yes	Yes. Mr. Bonnell has over 25 years of experience in venture capital investment, finance and mergers and acquisitions. He is President of Jemseg Capital Inc., which is a private consulting company providing consulting services for venture capital investment, finance and mergers and acquisitions since 2015. He was a Director of Thesis Gold Inc. from October 2020 to December 2023 and was President and Chief Executive Officer of Thesis Gold Inc. from October 2020 to January 2021, which is a mining exploration company listed on the TSX Venture Exchange. He has also been the Vice-President Business and Corporate Development of Anomera Inc. since February 2020. He was Chief Executive Officer of Defiance Silver Corp. (August to December 2017). From 2007-2015, Mr. Bonnell served as President and CEO of Argex Titanium Inc., overseeing its rapid expansion from a mining exploration company to an emerging specialty chemical producer. Argex grew to be the Second-Best Performing Mining stock on the Venture's 2013 Top 50 list. From 2005-2009, he was Managing Director & Founder of Atwater Financial Group, an independent financial and strategic advisory service. He also has years of experience at investment dealers and merchant banks including Dundee Securities Limited, Hampton Securities Limited, Benvest Associates Inc, and Two Roads Investments Inc.
Kevin Vienneau	Yes	Yes. Mr. Vienneau is a mining engineer with over 25 years experience in mining exploration, production and development on a variety of gold and base metal projects mainly in the Bathurst mining camp. Previous work experience also includes Noranda's world-famous Brunswick #12 mine, Brunswick lead smelter, Stratabound Minerals Corp and Castle Resources. Kevin holds a Bachelor of Engineering from Dalhousie University and is heavily involved in permitting, negotiating with key stakeholders for projects, land and mineral acquisitions as well as acquisitions through bankruptcy. He has played key roles in bringing projects into production as well as post-production environmental reclamation.
Nicholas Stajduhar	No	Yes. Mr. Stajduhar is a financial industry professional with over 15 years of experience in public and private capital markets and holds licenses from the Canadian Securities Institute (CSC and CPH).

(1) As such term is defined in NI 52-110.

(2) If elected at the Meeting, the Board intends to appoint Barry Macdonald as Chair of the Audit Committee.

Relevant Education and Experience

The educational background or experience of the Audit Committee members has enabled each to perform his responsibilities as an Audit Committee member and has provided the member with an understanding of the accounting principles we use to prepare our financial statements, the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves as well as 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 our financial statements, or experience actively supervising one or more individuals engaged in such activities and an understanding of internal controls and procedures for financial reporting.

Each member of the Audit Committee has a general understanding of the accounting principles we use to prepare our financial statements and will seek clarification from our auditor, where required. Each of the members of the Audit Committee also has direct experience in understanding accounting principles for private and reporting companies and experience in supervising one or more individuals engaged in the accounting for estimates, accruals and reserves and experience in preparing, auditing, analyzing, or evaluating financial statements similar to our financial statements.

See above and under the heading "*Election of Directors*" in this Circular for details of the relevant education and experience of the Audit Committee members.

Audit Committee Oversight

At no time since August 31, 2024, has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

Reliance on Certain Exemptions

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

Pre-Approval Policies and Procedures

All non-audit services to be provided to the Corporation by an external auditor and the fees with respect thereto must be pre-approved by the Board.

External Auditor Service Fees (By Category)

The Audit Committee has, to ensure auditor independence, reviewed the nature and amount of the non-audited services provided to us by MS Partners LLP. The aggregate fees incurred by Company for audit and non-audit services in the last two financial years are set out in the following table:

Nature of Services	Fees Paid to or Accrued in Year Ended August 31, 2024 (\$)	Fees Paid to or Accrued in Year Ended August 31, 2023 (\$)
Audit Fees ⁽¹⁾	\$19,000	\$16,000
Audit-Related Fees ⁽²⁾	\$4,000	Nil
Tax Fees ⁽³⁾	\$1,000	\$1,000

Nature of Services	Fees Paid to or Accrued in Year Ended August 31, 2024 (\$)	Fees Paid to or Accrued in Year Ended August 31, 2023 (\$)
All Other Fees ⁽⁴⁾	Nil	Nil
Total	\$24,000	\$17,000

- (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.

CORPORATE GOVERNANCE

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") requires issuers to disclose their governance practices in accordance with the instrument. The Company is a "venture issuer" within the meaning of NI 58-101. A discussion of the Company's governance practices within the context of NI 58-101 is set out below.

Board of Directors

The Board facilitates its independent supervision over management through regular meetings of the Board, both with and without members of our management (including members of management who are also directors) being in attendance.

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

The independent members of the Board are Roy Bonnell, Kevin Vienneau, and Christopher Taylor.

The non-independent directors of the Company are Colin Padget, the Company's current President and CEO, and Nicholas Stajduhar, who received more than \$75,000 from the Company in 2023 and 2022, and such remuneration was paid for services outside of his capacity as a board or committee member.

The mandate of the Board is to manage or supervise the management of our business and affairs and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of our affairs directly and through the sub-committees of the Board.

Directorships

Certain of our directors are also directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

Name of Director	Other Reporting Issuer (or equivalent in a foreign jurisdiction)	Name of Exchange or Market (if applicable)
Christopher Taylor	Kodiak Copper Corp.	TSXV
	Railtown Capital Corp.	TSXV
Nicholas Stajduhar	Thesis Gold Inc.	TSXV

Orientation and Continuing Education

The Board is responsible for providing orientation for all new recruits to the Board. Each new director brings a different skill set and professional background, and with this information, the Board determines what orientation to the nature and operations of our business will be necessary and relevant to each new director, and then implements such orientation. In addition, information (such as recent financial statements and other material documents) is provided to new Board members to ensure that new directors are familiarized with the Company's business and the role of the Board, its committees, and its directors. New directors also receive a copy of the Company's corporate governance policies to familiarize themselves with the Company's rules and procedures.

We provide continuing education for our directors as the need arises and encourage open discussion at all meetings, which encourages learning by our directors. The Board's continuing education also includes discussions with the Company's legal counsel to remain up to date with developments in relevant corporate and securities law matters.

Ethical Business Conduct

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

Nomination of Directors

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

The Nominating and Corporate Governance Committee is responsible for identifying and recommending candidates qualified to become directors. In identifying and recommending candidates, the Corporate Governance Committee takes into consideration such factors as it deems appropriate, including judgment, skill, diversity, experience with businesses and other organizations of comparable size and the need for particular expertise on the Board.

Compensation

Members of the Board are not compensated for acting as directors, save for being granted incentive stock options pursuant to the policies of TSXV and the Company's Option Plan. The Compensation Committee makes recommendations to the Board, and the Board as a whole determines the stock option grants for each director. The Compensation Committee reviews and makes recommendations to the Board with respect to

the corporate goals and objectives relevant to the compensation of the CEO and recommending to the Board the compensation level of the CEO based on the annual performance of the CEO in light of those goals and objectives.

Board Committees

The Board has three standing committees, being: (i) the Audit Committee; and (ii) the Compensation Committee; and (iii) the Governance Committee. On February 18, 2025, the Board dissolved its Compensation and Corporate Governance Committee to form a Compensation Committee and Nominating and Corporate Governance Committee as separate committees.

A description of the responsibilities of the Audit Committee and its members are provided in this Circular under the heading “*Audit Committee*” above, and a description of the other committees and each committee’s respective members are provided below.

Compensation Committee

The Compensation Committee is responsible for assisting the Board in approving and monitoring guidelines and practices with respect to the Company’s compensation programs and practices, by exercising the responsibilities and duties set forth in the Charter of the Compensation Committee, including but not limited to: (i) discharging the Board’s responsibilities relating to the compensation of the Company’s executive officers; (ii) the administration of the Company’s stock option plan, RSU Plan, or such other equity based compensation plan(s) or similar arrangements, as may be approved by the Board and shareholders of the Company from time to time; and (iii) assisting the Board with respect to management succession and development. The current members of the Compensation Committee are, Roy Bonnell (Chair), Nicholas Stajduhar, and Kevin Vienneau. If elected, the Board intends to reconstitute the Compensation Committee to the following members: Kevin Vienneau (Chair), Nicholas Stajduhar, and Christopher Taylor.

Nominating and Corporate Governance Committee

The Nominating and Corporate Committee is responsible for assisting the Board in fulfilling its responsibilities by: (i) identifying individuals qualified to become members of the Board and recommending to the Board nominees for election as directors at meetings of shareholders of the Company, to fill any vacancies on the Board as they arise from time to time and increase or decrease the size of the Board from time to time; (ii) establishing, reviewing, and monitoring compliance with corporate governance policies, (iii) adopting a corporate code of business conduct and ethics applicable to all directors, officers and employees, and (iv) monitoring compliance with and periodically reviewing such corporate code of business conduct and ethics. The current members of the Nominating and Corporate Governance Committee are Roy Bonnell (Chair), Nicholas Stajduhar, and Kevin Vienneau. If elected, the Board intends to reconstitute the Compensation Committee to the following members: Barry Macdonald (Chair), Nicholas Stajduhar, and Kevin Vienneau.

Other Board Committee

Other than the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee, the Board has no other standing committees.

Assessments

The Board annually reviews its own performance and effectiveness as well as reviews the Audit Committee Charter and recommends revisions as necessary. The Nominating and Corporate Governance Committee oversees the evaluation of the Board, committees of the Board, and the contribution of individual directors. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The

contributions of individual directors are also informally monitored by the other Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

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 its committees.

The Board believes its corporate governance practices are appropriate and effective for the Company, given our size and operations. Our corporate governance practices allow us to operate efficiently with checks and balances that control and monitor management and corporate functions without excessive administrative burden.

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 end 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.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person (as defined below) of the Company, proposed nominee for election as a director of the Company, or associate or affiliate of any of these persons, has any material interest, direct or indirect, in any transaction since the beginning of our last financial year or in any proposed transaction, which has materially affected or will materially affect the Company, other than as disclosed under the heading "*Particulars of Matters to be Acted On*".

An "**informed person**" means:

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

MANAGEMENT CONTRACTS

Management functions of the Company and its subsidiaries are generally performed by directors and senior officers of the Company and not, to any substantial degree, by any other person.

SCHEDULE "A"

AUDIT COMMITTEE CHARTER

**of the Board of Directors of FOUNDERS METALS INC.
(the "Corporation")**

The audit committee of the Corporation (the "**Committee**") is a committee of the board of directors of the Corporation (the "**Board**"). The role of the Committee is to:

- provide oversight of the Corporation's financial management and of the design and implementation of an effective system of internal financial controls as well as to review and report to the Board on the integrity of the financial statements of the Corporation, its subsidiaries and associated companies;
- helping directors meet their responsibilities, facilitating better communication between directors and the external auditor;
- enhancing the independence of the external auditor;
- increasing the credibility and objectivity of financial reports and strengthening the role of the directors by facilitating in-depth discussion among directors, management and the external auditor;

Management is responsible for establishing and maintaining those controls, procedures and processes and the Committee is appointed by the Board to review and monitor them. The Corporation's external auditor is ultimately accountable to the Board and the Committee as representatives of the Corporation's shareholders.

I. DUTIES AND RESPONSIBILITIES

External Auditor

1. To recommend to the Board, for shareholder approval, an external auditor to examine the Corporation's accounts, controls and financial statements on the basis that the external auditor is accountable to the Board and the Committee as representatives of the shareholders of the Corporation.
2. To oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting.
3. To evaluate the audit services provided by the external auditor, pre-approve all audit fees and recommend to the Board, if necessary, the replacement of the external auditor.
4. To pre-approve any non-audit services to be provided to the Corporation by the external auditor and the fees for those services.
5. To obtain and review, at least annually, a written report by the external auditor setting out the auditor's internal quality-control procedures, any material issues raised by the auditor's internal quality-control reviews and the steps taken to resolve those issues.
6. To review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation. The Committee has adopted the following guidelines regarding the hiring of any partner, employee, reviewing tax professional or other person providing audit assurance to the external auditor of the Corporation on any aspect of its certification of the Corporation's financial statements:

- (a) no member of the audit team that is auditing a business of the Corporation can be hired into that business or into a position to which that business reports for a period of three years after the audit;
 - (b) no former partner or employee of the external auditor may be made an officer of the Corporation or any of its subsidiaries for three years following the end of the individual's association with the external auditor;
 - (c) the Chief Financial Officer of the Corporation (the "CFO") must approve all office hires from the external auditor; and
 - (d) the CFO must report annually to the Committee on any hires within these guidelines during the preceding year.
7. To ensure that the head audit partner assigned by the external auditor to the Corporation, as well as the audit partner charged with reviewing the audit of the Corporation, are changed at least every five years.
8. To review, at least annually, the relationships between the Corporation and the external auditor in order to establish the independence of the external auditor.

Financial Information and Reporting

9. To review the Corporation's annual audited financial statements with the Chief Executive Officer of the Corporation (the "CEO") and CFO and then with the full Board. The Committee will review the interim financial statements with the CEO and CFO.
10. To review and discuss with management and the external auditor, as appropriate:
- (a) the annual audited financial statements and the interim financial statements, including the accompanying management discussion and analysis; and
 - (b) earnings guidance and other releases containing information taken from the Corporation's financial statements prior to their release.
11. To review the quality and not just the acceptability of the Corporation's financial reporting and accounting standards and principle and any proposed material changes to them or their application.
12. To review with the CFO any earnings guidance to be issued by the Corporation and any news release containing financial information taken from the Corporation's financial statements prior to the release of the financial statements to the public. In addition, the CFO must review with the Committee the substance of any presentations to analysts or rating agencies that contain a change in strategy or outlook.

Oversight

13. To review the internal audit staff functions, including:
- (a) the purpose, authority and organizational reporting lines;
 - (b) the annual audit plan, budget and staffing; and
 - (c) the appointment and compensation of the controller, if any.
14. To review, with the CFO and others, as appropriate, the Corporation's internal system of audit controls and the results of internal audits.
15. To review and monitor the Corporation's major financial risks and risk management policies and the steps taken by management to mitigate those risks.

16. To meet at least annually with management (including the CFO), the internal audit staff, and the external auditor in separate executive session and review issues and matters of concern respecting audits and financial reporting.
17. In connection with its review of the annual audited financial statements and interim financial statements, the Committee will also review the process for the CEO and CFO certifications (if required by law or regulation) with respect to the financial statements and the Corporation's disclosure and internal controls, including any material deficiencies or changes in those controls.

II. MEMBERSHIP

The Committee shall consist of three or more members of the Board, the majority of which have been determined to be independent as required under applicable securities rules or applicable stock exchange rules.

Any member may be removed from office or replaced at any time by the Board and shall cease to be a member upon ceasing to be a director. Each member of the Committee shall hold office until the close of the next annual meeting of shareholders of the Corporation or until the member ceases to be a director, resigns or is replaced, whichever first occurs.

The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.

All members of the Committee must be "**financially literate**" (i.e., have the ability to read and understand a set of financial statements such as balance sheet, an income statement and a cash flow statement).

III. PROCEDURES

1. The Board shall appoint one of the directors elected to the Committee as the Chairperson of the Committee (the "**Chairperson**"). In the absence of the appointed Chairperson from any meeting of the Committee, the members shall elect a Chairperson from those in attendance to act as Chairperson of the meeting.
2. The Chairperson will appoint a secretary (the "**Secretary**") who will keep minutes of all meetings. The Secretary does not have to be a member of the Committee or a director and can be changed by simple notice from the Chairperson.
3. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by resolution in writing signed by all the members of the Committee. A majority of the members of the Committee shall constitute a quorum, provided that if the number of members of the Committee is an even number, one-half of the number of members plus one shall constitute a quorum.
4. The Committee will meet as many times as is necessary to carry out its responsibilities. Any member of the Committee or the external auditor may call meetings.
5. The time and place of the meetings of the Committee, the calling of meetings and the procedure in all respects of such meetings shall be determined by the Committee, unless otherwise provided for in the Articles of the Corporation or otherwise determined by resolution of the Board.
6. The Committee shall have the resources and authority necessary to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms (including termination) of special counsel, advisors or other experts or consultants as it deems appropriate.
7. The Committee has the authority to communicate directly with the internal and external auditors.

IV. REPORTS

The Committee shall produce the following reports and provide them to the Board:

1. an annual performance evaluation of the Committee, which evaluation must compare the performance of the Committee with the requirements of this Charter. The performance evaluation should also recommend to the Board any improvements to this Charter deemed necessary or desirable by the Committee. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the Chairperson or any other member of the Committee designated by the Committee to make this report; and
2. a summary of the actions taken at each Committee meeting, which shall be presented to the Board at the next Board meeting.

SCHEDULE "B"

STOCK OPTION PLAN
(Amended 2024)

1. PURPOSE

The purpose of this Stock Option Incentive Plan is to provide an incentive to Eligible Persons to acquire a proprietary interest in the Company, to continue their participation in the affairs of the Company and to increase their efforts on behalf of the Company.

2. DEFINITIONS

In this Plan, the following words have the following meanings:

- (a) "Board" means the Board of Directors of the Company;
- (b) "Common Shares" means the Common Shares of the Company;
- (c) "Company" means FOUNDERS METALS INC.;
- (d) "Consultant" means, in relation to the Company, an individual (other than a Director, Officer or Employee of the Company or of any of its subsidiaries) or Consultant 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 Issuer or any of its subsidiaries and the individual or the Consultant Company, as the case may be; and
 - (iii) in the reasonable opinion of the Issuer, spends or will spend a significant amount of time and attention on the affairs and business of the Company or any of its subsidiaries.
- (e) "Consultant Company" has the meaning set out in the policies of the TSX Venture Exchange;
- (f) "Effective Date" means the day following the date upon which the Plan has been approved by the last to approve of the shareholders of the Company, the Board, the Exchange and any other regulatory authority having jurisdiction over the Company's securities;
- (g) "Eligible Person" means any employee, director, or officer of the Company or any affiliate of the Company, or company that is wholly owned by one of them, or any Consultant or Consultant Company of the Company or any affiliate of the Company, that is eligible to receive Security Based Compensation pursuant to the policies of the Exchange;
- (h) "Exchange" means the TSX Venture Exchange and any other stock exchange or stock quotation system on which the Common Shares trade;

- (i) "Fair Market Value" means, as of any date, the value of the Common Shares, determined as follows:
 - (i) if the Common Shares are listed on the TSX Venture Exchange, the Fair Market Value shall be the last closing sales price for such shares as quoted on such Exchange for the market trading day immediately prior to the date of grant of the Option, less any discount permitted by the TSX Venture Exchange;
 - (ii) if the Common Shares are listed on an Exchange other than the TSX Venture Exchange, the fair market value shall be the closing sales price of such shares (or the closing bid, if no sales were reported) as quoted on such Exchange for the market trading day immediately prior to the time of determination less any discount permitted by such Exchange; and
 - (iii) if the Common Shares are not listed on an Exchange, the Fair Market Value shall be determined in good faith by the Board;
- (j) "Investor Relations Activities" has the meaning set out in the policies of the TSX Venture Exchange;
- (k) "Investor Relations Service Provider" includes 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;
- (l) "Option" means the option granted to an Optionee under this Plan and the Option Agreement;
- (m) "Option Agreement" means such option agreement or agreements as is approved from time to time by the Board and as is not inconsistent with the terms of this Plan;
- (n) "Option Date" means the date of grant of an Option to an Optionee;
- (o) "Option Price" is the price at which the Optionee is entitled pursuant to the Plan and the Option Agreement to acquire Option Shares;
- (p) "Option Shares" means, subject to the provisions of Article 8 of this Plan, the Common Shares which the Optionee is entitled to acquire pursuant to this Plan and the applicable Option Agreement;
- (q) "Optionee" means a person to whom an Option has been granted;
- (r) "Plan" means this Stock Option Incentive Plan;

- (s) "Security Based Compensation" includes any Deferred Share Unit, Performance Share Unit, Restricted Share Unit, Securities for Services, Stock Appreciation Right, Stock Option, Stock Purchase Plan, any security purchased from treasury by a participant in any plan for such compensation.
- (t) "Vested" means that an Option has become exercisable in respect of a number of Option Shares by the Optionee pursuant to the terms of the Option Agreement.

3. ADMINISTRATION

The Plan shall be administered by the Board, and subject to the rules of the Exchange from time to time and except as provided for herein, the Board shall have full authority to:

- (a) determine and designate from time to time those Eligible Persons to whom Options are to be granted and the number of Option Shares to be optioned to each such Eligible Person;
- (b) determine the time or times when, and the manner in which, each Option shall be exercisable and the duration of the exercise period;
- (c) determine from time to time the Option Price, provided such determination is not inconsistent with this Plan; and
- (d) interpret the Plan and to make such rules and regulations and establish such procedures as it deems appropriate for the administration of the Plan, taking into consideration the recommendations of management.

4. OPTIONEES

Optionees must be Eligible Persons who, by the nature of their jobs or their participation in the affairs of the Company, in the opinion of the Board, are in a position to contribute to the success of the Company.

5. EFFECTIVENESS AND TERMINATION OF PLAN

The Plan shall be effective as of the Effective Date and shall terminate on the earlier of:

- (a) the date which is ten years from the Effective Date; and
- (b) such earlier date as the Board may determine.

Any Option outstanding under the Plan at the time of termination of the Plan shall remain in effect in accordance with the terms and conditions of the Plan and the Option Agreement.

6. THE OPTION SHARES

The aggregate number of Option Shares reserved for issuance under the Plan and Common Shares reserved for issuance under any other share compensation arrangement granted or made available by the Company from time to time may not exceed in aggregate 10% of the Company's Common Shares issued and outstanding as at the date of grant or issuance of Options under this Plan.

7. GRANTS, TERMS AND CONDITIONS OF OPTIONS

Options may be granted by the Board at any time and from time to time prior to the termination of the Plan. Options granted pursuant to the Plan shall be contained in an Option Agreement and, except as hereinafter provided, shall be subject to the following terms and conditions:

(a) Option Price

The Option Price shall be determined by the Board, provided that such price shall not be lower than the Fair Market Value of the Option Shares on the date of grant of the Option.

(b) Duration and Exercise of Options

Except as otherwise provided elsewhere in this Plan, the Options shall be exercisable for a period, or in percentage installments over a period, to be determined in each instance by the Board, not exceeding ten years from the Option Date, provided that so long as the Company is classified as a "Tier 2" issuer by the TSX Venture Exchange, the Options shall be exercisable for a period not exceeding five years from the Option Date. The Options must be exercised in accordance with this Plan and the Option Agreement. Except as contemplated in (c) below, no Option may be exercised by an Optionee who was an Eligible Person at the time of grant of such Option unless the Optionee shall have been an Eligible Person continuously since the Option Date. Absence on leave, with the approval of the Company, shall not be considered an interruption of employment for the purpose of the Plan.

(c) Termination

All rights to exercise Options shall terminate upon the earliest of:

- (i) the expiration date of the Option;
- (ii) the 90th day after the Optionee ceases to be an Eligible Person for any reason other than death, disability or cause;
- (iii) the 30th day after the Optionee who is engaged in Investor Relations Activities for the Company ceases to be employed to provide Investor Relations Activities;
- (iv) the date on which the Optionee ceases to be an Eligible Person by reason or termination of the Optionee as an employee or consultant of the Company for cause (which, in the case of a consultant, includes any breach of an agreement between the Company and the consultant);

(v) the first anniversary of the date on which the Optionee ceases to be an Eligible Person by reason of termination of the Optionee on account of disability; or

(vi) the first anniversary of the date of death of the Optionee.

(d) Re-issuance of Options

Options which are cancelled or expire prior to exercise may be re-issued under the Plan.

(e) Transferability of Option

Options are non-transferable and non-assignable.

(f) Vesting of Option Shares

The Directors may determine and impose terms upon which each Option shall become Vested in respect of Option Shares, with the exception that vesting provisions on Investor Relations Option Shares shall not be accelerated without prior Exchange acceptance.

(g) Other Terms and Conditions

The Option Agreement may contain such other provisions as the Board deems appropriate, provided such provisions are not inconsistent with the Plan and the requirements of the TSX Venture Exchange.

In addition, for as long as the Common Shares of the Company are listed on the TSX Venture Exchange and the Company is classified as either a "Tier 1" or "Tier 2" issuer by the TSX Venture Exchange, any grant or issuance by the Company of Options to acquire Common Shares of the Company shall be subject to the following restrictions:

(i) the maximum number of Common Shares of the Company that are issuable pursuant to all Securities Based Compensation granted or issued to insiders (as a group) must not exceed 10% of the Common Shares of the Company at any point in time, unless the Company has obtained disinterested shareholder approval pursuant to the policies of the Exchange;

(ii) the maximum number of Common Shares of the Company that are issuable pursuant to all Securities Based Compensation granted or issued in any 12 month period to insiders (as a group) must not exceed 10% of the Common Shares of the Company, calculated as at the date any Securities Based Compensation is granted or issued to any insider, unless the Company has obtained disinterested shareholder approval pursuant to the policies of the Exchange;

(iii) the maximum number of Common Shares of the Company that are issuable pursuant to all Securities Based Compensation granted or issued in any 12 month period to any one Eligible Person must not exceed 5% of the Common Shares of the Company, calculated as at the date any Securities Based Compensation is

granted or issued to the Eligible Person, unless the Company has obtained disinterested shareholder approval pursuant to the policies of the Exchange;

- (iv) the maximum number of Common Shares of the Company that are issuable pursuant to all Securities Based Compensation granted or issued in any 12 month period to any one Consultant must not exceed 2% of the Common Shares of the Company, calculated as at the date any Securities Based Compensation is granted or issued to the Consultant, unless the Company has obtained disinterested shareholder approval pursuant to the policies of the Exchange;
- (v) the maximum number of Common Shares of the Company that are issuable pursuant to all Options granted or issued in any 12-month period to all Investor Relations Service Providers in aggregate must not exceed 2% of the Common Shares of the Company, calculated as at the date any Option is granted or issued to any such Investor Relations Service Provider;
- (vi) Options issued to any Investor Relations Service Provider must vest in stages over no less than 12 months with no more than one-quarter of the Options vesting in any three-month period, and both the Company and the Optionee represents that the Optionee is a *bona fide* employee, consultant or management company employee, as the case may be;
- (vii) the approval of the disinterested shareholders of the Company shall be obtained for any amendment to or reduction in the exercise price of the Option or extension of the term of the Option if the Optionee is an insider of the Company at the time of the proposed amendment. For the purposes of this subsection, the term "insider" has the meaning assigned in the securities legislation applicable to the Company; and
- (viii) for Options granted to the employees, consultants or management company employees of the Company, both the Company and the Optionee represents that the Optionee is a *bona fide* employee, consultant or management company employee, as the case may be.

8. ADJUSTMENT OF AND CHANGES IN THE OPTION SHARES

- (a) If the Common Shares are at any time to be listed or quoted on any stock exchange or stock quotation system other than the TSX Venture Exchange, to the extent that there are any Options which are outstanding and unexercised at the time of such application for listing, the Option Price, the aggregate number of Option Shares, the exercise period, and any other relevant terms of such Options, and the Option Agreements in relation thereto, shall be amended in accordance with the requirements of any applicable securities regulation or law or any applicable governmental or regulatory body (including the Exchange). Subject to the requirements of the Exchange, any such amendment shall be effective upon receipt of

Board approval of it, subject to approval of disinterested shareholders of the Company, and approval of any of the Optionees is not required to give effect to such amendment.

- (b) If the Common Shares, as presently constituted, are changed into or exchanged for a different number or kind of shares or other securities of the Company or of another Company (whether by reason of merger, consolidation, amalgamation, recapitalization, reclassification, split, reverse split, combination of shares, or otherwise) or if the number of such Common Shares are increased through the payment of a stock dividend, then there shall be substituted for or added to each Option Share subject to or which may become subject to an Option under this Plan, the number and kind of shares or other securities into which each outstanding Option Share is so changed, or for which each such Option Share is exchanged, or to which each such Option Share is entitled, as the case may be. Outstanding Options under the Option Agreements shall also be appropriately amended as to price and other terms as may be necessary to reflect the foregoing events. In the event that there is any other change in the number or kind of the outstanding Common Shares or of any shares or other securities into which such Option Shares are changed, or for which they have been exchanged, then, if the Board shall, in its sole discretion, determine that such change equitably requires an adjustment in any Option theretofore granted or which may be granted under the Plan, such adjustment shall be made in accordance with such determination. Notwithstanding the foregoing, any adjustment or amendment to an Option Agreement outstanding Options under this Plan other than as a consequence of a consolidation or split of Common Shares shall be subject to prior acceptance of the Exchange.
- (c) Fractional shares resulting from any adjustment in Options pursuant to this Section 8 will be cancelled. Notice of any adjustment shall be given by the Company to each holder of an Option which has been so adjusted and such adjustment (whether or not such notice is given) shall be effective and binding for all purposes of the Plan.

9. PAYMENT

Subject as hereinafter provided, the full purchase price for each of the Option Shares shall be paid by certified cheque in favour of the Company upon exercise thereof. An Optionee shall have none of the rights of a shareholder in respect of the Option Shares until the shares are issued to such Optionee.

10. SECURITIES LAW REQUIREMENTS

No Option shall be exercisable in whole or in part, nor shall the Company be obligated to issue any Option Shares pursuant to the exercise of any such Option, if such exercise and issuance would, in the opinion of counsel for the Company, constitute a breach of any applicable laws from time to time, or the rules from time to time of the Exchange. Each Option shall be subject to the further requirement that if at any time the Board determines that the listing or qualification of the Option Shares under any securities legislation or other applicable law, or the consent or approval of any governmental or other regulatory body (including the Exchange), is necessary as a condition of, or in connection with, the issue of the Option Shares hereunder, such Option may not be exercised in whole or in part unless such listing, qualification, consent or approval has been effected or obtained free of any conditions not acceptable to the Board.

11. AMENDMENT OF THE PLAN

Subject to prior approval of the Exchange, the Board may amend, suspend or terminate the Plan or any portion thereof at any time, but an amendment may not be made without the approval of the shareholders of the Company unless such amendment is a correction of a typographical error or clarifies existing provisions of this Plan that do not have the effect of altering the scope, nature and intent of such provisions.

12. POWER TO TERMINATE OR AMEND PLAN

Subject to the approval of any stock exchange on which the Company's securities are listed, the Board may terminate, suspend or amend the terms of the Plan; provided, that any such amendment is subject to shareholder approval or disinterested shareholder approval of the Company, as the case may be, pursuant to the policies of the Exchange.

13. SHAREHOLDER APPROVAL

For greater certainty, without limitation, amendments to any of the following provisions of this Plan are subject to approval of the shareholders of the Company:

- (a) persons eligible to be granted or issued Options under this Plan;
- (b) the maximum percentage of Common Shares that are issuable under this Plan;
- (c) the limits under this Plan on the amount of Options that may be granted or issued to any one person or any category of persons;
- (d) the method for determining the exercise price of Options;
- (e) the maximum term of Options;
- (f) the expiry and termination provisions applicable to Options, including the addition of a blackout period;
- (g) the addition of a Net Exercise (as defined under the policies of the Exchange); and
- (h) any method or formula for calculating prices, values or amounts under this Plan that may result in a benefit to an Optionee.

Notwithstanding the foregoing, the following amendments to this Plan will not be subject to approval of the shareholders of the Company: (i) amendments to fix typographical errors; and (ii) amendment to clarify existing provisions of this Plan that do not have the effect of altering the scope, nature and intent of such provisions.

Subject to the policies of the Exchange, without limitation, the following will require approval of disinterested shareholders of the Company:

- (a) any amendments to this Plan that could result in exceeding any of the limits set forth in Section 7(g) of this Plan;
- (b) any amendment to an Option held by an insider of the Company that would have the effect of decreasing the exercise price of the Option;
- (c) any grant of an Option prior to shareholder approval of this Plan; and

- (d) any amendment to the Plan or an Option that results in a benefit to an insider of the Company, which includes the cancellation of an Option and grant of a new Option to the same person within one year.

FOUNDERS METALS INC.
STOCK OPTION PLAN
OPTION AGREEMENT

This Option Agreement is entered into between **FOUNDERS METALS INC.** (the "**Corporation**") and the Optionholder named below pursuant to the Corporation's Option Plan (the "**Plan**"), a copy of which is attached hereto, and confirms that:

1. On _____ (the "**Grant Date**");
2. _____ (the "**Optionholder**");
3. Was granted a non-assignable option to purchase _____ Common Shares (the "**Optioned Shares**") of the Corporation;
4. At a price (the "**Exercise Price**") of \$_____ per Optioned Shares; and
5. For a term expiring at 5:00 p.m., Vancouver time, on _____ (the "**Expiry Date**").

All on the terms and subject to the conditions set out in the Plan. By signing this agreement, the Optionholder acknowledges that he or she has read and understands the Plan.

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE _____.

Without prior written approval of the TSX Venture Exchange and in compliance with all applicable securities legislation, the Option Shares represented by this Option Agreement 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 _____.

IN WITNESS WHEREOF the Corporation and the Optionholder have executed this Option Agreement as of _____, 20____.

FOUNDERS METALS INC.

By: _____

By: _____

Name of Optionholder

Signature of Optionholder

FOUNDERS METALS INC.

STOCK OPTION PLAN

NOTICE OF EXERCISE

FOUNDERS METALS INC.

c/o Suite 1050, 1075 West Georgia Street
Vancouver, British Columbia, V6E 3C9

Attention: Corporate Secretary

Reference is made to the Option Agreement made as of _____, 20____, between **FOUNDERS METALS INC.** (the "**Corporation**") and the Optionholder. The Optionholder hereby exercises the Option to purchase Common Shares (the "Optioned Shares") of the Corporation as follows:

Number of Optioned Shares for which Option
being exercised: _____

Exercise Price per Optioned Share: \$_____

Total Exercise Price (in the form of a cheque
(which need not be certified) or bank draft
tendered with this Notice of Exercise): \$_____

Name of Optionholder as it is to appear on
share certificate: _____

Address of Optionholder as it is to appear on
the register of Common Shares of the
Corporation and to which a certificate
representing the Common Shares being
purchased is to be delivered: _____

Date _____, 20_____.

Name of Optionholder

Signature of Optionholder