

XPLORE RESOURCES CORP.

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**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS
TO BE HELD ON FEBRUARY 29, 2024**

NOTICE IS HEREBY GIVEN that the 2024 annual general meeting (the “**Meeting**”) of the shareholders of Xplore Resources Corp. (the “**Company**”) will be held at Suite 1615, 200 Burrard Street, Vancouver, British Columbia, V6C 3L6, on Thursday, February 29, 2024, at 9:00 a.m. (Pacific time) for the following purposes:

1. To receive the audited financial statements of the Company for the year ended June 30, 2023, and the report of the auditor thereon.
2. To set the number of directors for the ensuing year at five.
3. To elect directors for the ensuing year.
4. To appoint the auditor of the Company for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditor.
5. To consider and, if thought fit, pass an ordinary resolution ratifying and confirming the Company’s stock option plan, as more particularly described in the Company’s management information circular dated January 30, 2024, accompanying this Notice of Meeting (the “**Information Circular**”).
6. To transact such other business as may properly come before the Meeting or any adjournments thereof.

This Notice is accompanied by the Information Circular and either a form of proxy for registered shareholders or a voting instruction form for beneficial shareholders. Shareholders are requested to read the Information Circular and, if unable to attend the Meeting in person, complete, date, sign and return the proxy or voting instruction form, as applicable, so that as large a representation as possible may be had at the Meeting.

The Board of Directors of the Company has fixed the close of business on January 23, 2024, as the record date, being the date for the determination of the registered holders of common shares entitled to receive notice of, and to vote at, the Meeting and any adjournment thereof. The Board of Directors has also fixed 9:00 a.m. (Pacific time) on February 27, 2024, or no later than 48 hours before the time of any adjourned Meeting (excluding Saturdays, Sundays and holidays), as the time before which proxies to be used or acted upon at the Meeting or any adjournment thereof shall be deposited with the Company’s registrar and transfer agent, Computershare Investor Services Inc.

DATED at Vancouver, British Columbia, as of the 30th day of January, 2024.

XPLORE RESOURCES CORP.

By: “*Dominic Verdejo*”

Chief Executive Officer

XPLORE RESOURCES CORP.

INFORMATION CIRCULAR

The information contained in this Information Circular, unless otherwise indicated, is as of January 30, 2024.

This Information Circular is in respect of the annual general meeting (the “**Meeting**”) of the shareholders of **Xplore Resources Corp.** (the “**Company**”) to be held on February 29, 2024, at the time and place set out in the accompanying Notice of Meeting. **This Information Circular is furnished in connection with the solicitation of proxies by management of the Company for use at the Meeting and any adjournment of the Meeting.** The Board of Directors of the Company (the “**Board**”) has fixed the close of business on January 23, 2024, as the record date (the “**Record Date**”), being the date for the determination of the registered holders of common shares entitled to receive notice of, and to vote at, the Meeting and any adjournment thereof.

PART 1 – PROXY INSTRUCTIONS

MANAGEMENT SOLICITATION AND APPOINTMENT OF PROXIES

The persons named in the form of proxy are nominees of the Company’s management. **A shareholder has the right to appoint a person (who need not be a shareholder) to act for and on the shareholder’s behalf at the Meeting other than the persons designated as proxyholders in the form of proxy.** To exercise this right, the shareholder must either:

- (a) on the form of proxy, strike out the printed names of the individuals specified as proxyholders and insert the name of the shareholder’s nominee in the blank space provided; or
- (b) complete another proper form of proxy.

To be valid, a proxy must be dated and signed by the shareholder or by the shareholder’s attorney authorized in writing. In the case of a corporation, the proxy must be signed by a duly authorized officer or attorney for the corporation.

The completed proxy, together with the power of attorney or other authority, if any, under which the proxy was signed or a notarially certified copy of the power of attorney or other authority, must be delivered to Computershare Investor Services Inc. (“**Computershare**”), Suite 301 – 100 Adelaide Street West, Toronto, Ontario M5H 4H1; fax within North America: 1-866-249-7775; fax outside North America: 416-263-9524, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment thereof. Computershare also offers voting via the internet. Instructions for internet voting can be found on the enclosed form of proxy or voting instruction form.

REVOCABILITY OF PROXIES

A shareholder who has given a proxy may revoke it at any time before the proxy is exercised:

- (a) by an instrument in writing that is:
 - (i) signed by the shareholder, the shareholder’s attorney authorized in writing or, where the shareholder is a corporation, a duly authorized officer or attorney of the corporation; and
 - (ii) delivered to Computershare at any time up to and including the last business day preceding the day of the Meeting or any adjournment of the Meeting, or delivered to the Chairperson of the Meeting on the day of the Meeting or any adjournment of the Meeting before any vote on a matter in respect of which the proxy is to be used has been taken; or
- (b) in any other manner provided by law.

EXERCISE OF DISCRETION BY PROXYHOLDERS

A shareholder may indicate the manner in which the persons named in the form of proxy are to vote with respect to a matter to be acted upon at the Meeting by marking the appropriate space. **If the instructions as to voting indicated in the proxy are certain, the shares represented by the proxy will be voted or withheld from voting on any ballot that may be called for in accordance with the instructions given in the proxy.**

If the shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the shares represented will be voted or withheld from the vote on that matter accordingly. If no choice is specified in the proxy with respect to a matter to be acted upon, the proxy confers discretionary authority with respect to that matter upon the proxyholder named in the form of proxy. It is intended that the proxyholder named by management in the form of proxy will vote the shares represented by the proxy in favour of each matter identified in the proxy and for the nominees of the Company for directors and auditor.

The form of proxy also confers discretionary authority upon the named proxyholder with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to any other matters which may properly come before the Meeting. As of the date of this Information Circular, management of the Company is not aware of any such amendments or variations, or any other matters that will be presented for action at the Meeting other than those set out herein and referred to in the Notice of Meeting. If, however, other matters that are not now known to management properly come before the Meeting, then the persons named in the form of proxy intend to vote on them in accordance with their best judgment.

SOLICITATION OF PROXIES

It is expected that solicitations of proxies will be made primarily by mail and possibly supplemented by telephone or other personal contact by directors, officers, employees and consultants of the Company without special compensation. The Company will not reimburse shareholders' nominees or agents (including brokers holding shares on behalf of clients) for the costs incurred in obtaining authorization to execute forms of proxy from their principals. The cost of solicitation will be borne by the Company.

ADVICE TO BENEFICIAL SHAREHOLDERS

ONLY REGISTERED SHAREHOLDERS OR DULY APPOINTED PROXYHOLDERS ARE PERMITTED TO VOTE AT THE MEETING. SHAREHOLDERS WHO DO NOT HOLD THEIR SHARES IN THEIR OWN NAME (REFERRED TO AS “**NON-REGISTERED SHAREHOLDERS**”) ARE ADVISED THAT ONLY PROXIES FROM SHAREHOLDERS OF RECORD CAN BE RECOGNIZED AND VOTED AT THE MEETING. Non-Registered Shareholders who complete and return an instrument of proxy or voting instruction form must indicate thereon the person (usually a brokerage house) who holds their shares as a registered shareholder.

If securities are listed in an account statement provided to a shareholder by a broker, then in almost all cases those securities will not be registered in such shareholder's name on the records of the Company and will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such securities are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which company acts as nominee for many Canadian brokerage firms). Securities held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the beneficial shareholder. Without specific instructions, brokers/nominees are prohibited from voting securities for their clients.

If you are a Non-Registered Shareholder and Computershare has sent Meeting materials directly to you, your name and address and information about your shareholdings have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. Such shareholders can expect to receive a scannable voting instruction form (“**VIF**”) with this Meeting material. The VIF is to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone voting and internet voting as described in the VIF. Computershare will tabulate the results of the VIFs received from beneficial shareholders and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive. **A NON-REGISTERED SHAREHOLDER RECEIVING A VIF CANNOT USE THAT VIF TO VOTE SECURITIES DIRECTLY AT THE MEETING. THE VIF MUST BE RETURNED TO COMPUTERSHARE WELL IN ADVANCE OF THE MEETING IN ORDER TO HAVE THE SHARES VOTED.**

Non-Registered Shareholders who have objected to their broker/nominee disclosing ownership information about themselves to the Company are referred to as objecting beneficial owners (“**OBOs**”). In accordance with securities regulatory policy, we will have distributed copies of the required Meeting materials to the brokers/nominees for onward distribution to OBOs. **THE COMPANY DOES NOT INTEND TO PAY FOR A BROKER/NOMINEE TO DELIVER MEETING MATERIALS TO OBOs. THEREFORE, AN OBO WILL NOT RECEIVE THE MATERIALS UNLESS THE OBO’S BROKER/NOMINEE ASSUMES THE COSTS OF DELIVERY.** Brokers/nominees are required to forward the Meeting materials to each OBO unless the OBO has waived the right to receive them. Every broker/nominee has its own mailing procedures and provides its own return instructions, which should be carefully followed by OBOs in order to ensure that their securities are voted at the Meeting. Often the form of proxy supplied to a beneficial shareholder by its broker is identical to the form of proxy provided by the Company to the registered shareholders; however, its purpose is limited to instructing the registered shareholder how to vote on behalf of the beneficial shareholder.

Should a Non-Registered Shareholder receiving a form of proxy or VIF wish to vote at the Meeting, the Non-Registered Shareholder should strike out the names of the management proxyholders named in the form and insert the Non-Registered Shareholder’s name in the blank provided and return the materials to the broker or Computershare as directed and well before the Meeting date.

UNITED STATES SHAREHOLDERS

This solicitation of proxies involves securities of a corporation incorporated in Canada and is being affected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States *Securities Exchange Act of 1934*, as amended, are not applicable to the Company or this solicitation. Shareholders should be aware that disclosure and proxy solicitation requirements under the securities laws of the provinces of Canada differ from the disclosure and proxy solicitation requirements under United States securities laws. The enforcement by shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia), some of its directors and its executive officers are residents of Canada and a significant portion of its assets and the assets of such persons are located outside the United States. Shareholders may not have standing to bring a claim against a foreign corporation or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign corporation and its officers and directors to subject themselves to a judgment by a United States court.

PART 2 - VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company has only one class of shares entitled to be voted at the Meeting, namely, common shares without par value (each a “**Share**”). All issued Shares are entitled to be voted at the Meeting and each has one vote. As of January 23, 2024, there were 27,461,505 Shares issued and outstanding.

Only shareholders of record on January 23, 2024, will be entitled to vote at the Meeting or any adjournment thereof.

To the knowledge of the directors and executive officers of the Company, no person beneficially owns, or exercises control or direction, directly or indirectly, over Shares carrying 10% or more of the voting rights attached to all outstanding Shares of the Company which have the right to vote in all circumstances.

PART 3 – THE BUSINESS OF THE MEETING

FINANCIAL STATEMENTS

The audited financial statements of the Company for the year ended June 30, 2023, will be placed before shareholders at the Meeting. These financial statements and management’s discussion and analysis are also available for review on SEDAR. See Part 8 “OTHER INFORMATION – Additional Information” below.

SETTING NUMBER OF DIRECTORS

Management proposes to nominate the persons named under the heading “Election for Directors” below for election as directors of the Company. Each director elected will hold office until the next annual general meeting or until his

or her successor is duly elected or appointed, unless his or her office is earlier vacated in accordance with the Articles of the Company or he or she becomes disqualified to act as a director.

It is proposed to set the number of directors at five. This requires the approval of the shareholders of the Company by an ordinary resolution, which approval will be sought at the Meeting.

Unless the shareholder directs that his or her Shares be otherwise voted or withheld from voting in connection with the setting of the number of directors, the persons named in the enclosed Proxy will vote FOR the number of directors of the Company to be set at five.

ELECTION FOR DIRECTORS

The Board presently consists of five directors. At the Meeting, it is proposed to maintain the number of directors elected at five, to hold office until the next annual general meeting or until their successors are duly elected or appointed. **Unless the shareholder directs that his or her Shares be otherwise voted or withheld from voting in connection with the election of directors, the persons named in the enclosed Proxy will vote FOR the election of the five nominees whose names are set forth below.** Management does not contemplate that any of the following nominees will be unable to serve as a director but if that should occur for any reason prior to the Meeting, the persons named in the enclosed Proxy shall have the right to vote for another nominee in their discretion.

The following table and notes thereto state the names, provinces and countries of residence of all persons proposed to be nominated for election as directors, the date on which each of them first became a director of the Company, all positions and offices with the Company held by each of them, the principal occupation or employment of each of them, and the number of Shares beneficially owned, or controlled or directed, directly or indirectly, by each of them. The biographical information set out below as to principal occupation of, and number of Shares owned by, each of the nominees, not being within the knowledge of the Company, has been furnished by the nominees.

Name, Province/State and Country of Residence and Position with Company	Present Principal Occupation⁽¹⁾⁽²⁾	Director Since	Shares Owned
Dominic Verdejo⁽³⁾ British Columbia, Canada <i>President, Chief Executive Officer, and Director</i>	President and CEO of the Company since June, 2023; corporate development consultant since 2009; President and CEO of Taura Gold Inc. from December, 2019 to October, 2023; President and CEO of Kanadario Gold Inc. from November, 2017 to November, 2020; President and CEO of Pacton Gold Inc. from February, 2017 to November, 2017; Chairman of the Board of Pacton Gold Inc. from November, 2017 to October, 2018	June 27, 2023	Nil
Wesley C. Hanson⁽³⁾ Ontario, Canada <i>Executive Chairman and Director</i>	CEO and director of Thunder Gold Corp.; Executive Chairman and director of the Company; Consultant	October 6, 2020	1,240,000
Charles Edgeworth Ontario, Canada <i>Director</i>	Managing Director of Union Merchant Capital	October 6, 2020	840,000
Richard Boulay, B.Sc.⁽³⁾ Alberta, Canada <i>Director</i>	Consulting geologist since 1983; director of the Company since June, 2023; director of Gatling Exploration Inc. from August, 2018 to May, 2022; director of Pacton Gold Inc. from January, 2016 to June, 2023; director of Bonterra Resources Inc. from December 2015 to March 2019; director of Moneta Porcupine Mines Inc. from May 2010 to June 2017	June 27, 2023	Nil
Karly Oliver British Columbia, Canada <i>Director</i>	Professional Geoscientist since 2019; GIS Specialist since 2017; consulting geologist since 2012; Vice President, Exploration, of Pacton Gold Inc. from September, 2021 to June, 2023; director of Pacton Gold Inc. from December, 2020 to June, 2023; director of Taura Gold Inc. from July, 2021 to August, 2022	January 19, 2024	Nil

(1) Information as to principal occupation, not being within the knowledge of the Company, has been furnished by the respective directors individually.

- (2) Unless otherwise stated above, any nominee named above not elected at the last annual general meeting has held the principal occupation or employment indicated for at least five years.
- (3) Member of the Audit Committee.

The Company does not have an executive committee. Pursuant to the provisions of the *Business Corporations Act* (British Columbia), the Company is required to have an audit committee whose members are indicated above. See also Part 6 “AUDIT COMMITTEE” below.

Corporate Cease Trade Orders or Bankruptcy

As at the date of this Information Circular, and within the last 10 years before the date of this Information Circular, no proposed director (or any of their personal holding companies) of the Company was a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days while that person was acting in the capacity as director, executive officer or chief financial officer; or
- (b) was the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation in each case for a period of 30 consecutive days, that was issued after the person ceased to be a director, chief executive officer or chief financial officer in the company and which resulted from an event that occurred while that person was acting in the capacity as director, executive officer or chief financial officer; or
- (c) is as at the date of this Information Circular or has been within 10 years before the date of this Information Circular, a director or executive officer of any company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (d) has within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

Conflicts of Interest

The directors of the Company are required by law to act honestly and in good faith with a view to the best interest of the Company and to disclose any interests which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Except as disclosed in this Information Circular, to the Company’s knowledge, there are no known existing or potential conflicts of interest among the Company and its promoters, directors, officers or other members of management as a result of their outside business interests except that certain of the directors, officers, promoters and other members of management now or may in the future serve as directors, officers, promoters and members of management of other public companies, some of which are or may be involved in the exploration and development of natural resources, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of the Company and their duties as a director, officer, promoter or member of management of such other companies.

APPOINTMENT OF THE AUDITOR

At the Meeting, shareholders will be asked to consider, and if deemed advisable, to pass the following resolution with respect to the appointment of auditors for the Company:

“RESOLVED, as an ordinary resolution, THAT Baker Tilly WM LLP, Chartered Professional Accountants, be appointed as the Company’s auditor for the ensuing year, at a remuneration to be fixed by the Board of Directors.”

Unless such authority is withheld, the persons named in the enclosed form of proxy intend to vote FOR the appointment of Baker Tilly WM LLP, Chartered Professional Accountants, to serve as auditor of the Company until the next annual general meeting of the Company’s shareholders and to authorize the Board to fix the remuneration to be paid to the auditor.

ANNUAL RATIFICATION OF STOCK OPTION PLAN

The Company’s existing stock option plan (the “**Option Plan**”) was approved by the board of directors of the Company on August 8, 2022 and adopted by the shareholders of the Company on November 29, 2022. Pursuant to the policies of the TSXV, a “rolling” security based compensation plan (such as the Option Plan) must be approved by shareholders at the time it is implemented and yearly thereafter. The Company is therefore seeking shareholder re-approval for the Option Plan in accordance with the policies of the TSXV.

A summary of the key terms of the Option Plan is set out below, which is qualified in its entirety by the full text of the Option Plan. A copy of the Option Plan is attached the Company’s management information circular dated October 19, 2022, a copy of which is available on the Company’s SEDAR+ profile at www.sedarplus.ca.

Summary of the Plan

The Option Plan provides flexibility to the Company to grant equity incentive awards in the form of stock options (“**Options**”) exercisable to acquire Common Shares (“**Option Shares**”), as described in further detail below.

Eligibility

Any director, executive officer, employee, “consultant” (as defined in the policies of the TSXV) or “management company employee” (as defined in the policies of the TSXV) of the Company or any affiliate of the Company is eligible to participate in the Option Plan (each, a “**Participant**”). Options may be granted to any permitted assigns of a Participant, including: a trustee, custodian, or administrator acting on behalf of, or for the benefit of the Participant; a holding entity of the Participant; or, a RRSP, RRIF or TFSA of the Participant.

Common Shares Subject to the Plan

The aggregate number of Common Shares reserved for issuance under the Option Plan may not exceed in aggregate 10% of the total number of Common Shares issued and outstanding as at the date any Option is granted.

Limitations on Options

Options granted under the Option Plan are non-assignable and non-transferable.

The grant of Options under the Option Plan is also subject to the following additional limitations:

- (a) the aggregate number of Common Shares issuable pursuant to Options granted in any 12 month period to any one consultant under the Option Plan or any other security based compensation plan of the Company shall not exceed 2% of the issued and outstanding Common Shares as at the date any Option is granted to the consultant;
- (b) the aggregate number of Common Shares issuable pursuant to Options granted in any 12 month period to all Participants retained to provide “investor relations activities” (as defined in the policies of the TSXV) under the Option Plan or any other security based compensation plan of the Company shall not exceed 2% of the issued and outstanding Common Shares as at the date any Option is granted to a Participant retained to provide investor relations activities;
- (c) the aggregate number of Common Shares issuable pursuant to Options granted in any 12 month period to any one Participant under the Option Plan or any other security based compensation plan of the Company

shall not exceed 5% of the issued and outstanding Common Shares as at the date any Option is granted to the Participant (unless the Company has obtained disinterested shareholder approval in respect thereof);

- (d) the aggregate number of Common Shares issuable pursuant to Options granted to insiders of the Company under the Option Plan or any other security based compensation plan of the Company shall not:
- (i) at any time, exceed 10% of the issued and outstanding Common Shares; or
 - (ii) within any 12 month period, exceed 10% of the issued and outstanding Common Shares as at the date any Option is granted to any insider of the Company,

unless the Company has obtained disinterested shareholder approval in respect of such grant.

Exercise Price

The exercise price of an Option shall be determined by the board of directors of the Company, provided that such price shall not be lower than the Fair Market Value (as defined below) of the Common Shares on the date of grant of the Option.

For the purposes of this summary of the Option Plan, “**Fair Market Value**” means:

- (a) if the Common Shares are listed on the TSXV, the Fair Market Value shall be the last closing sales price for such shares as quoted on the TSXV for the market trading day immediately prior to the date of grant of the Option, less any discount permitted by the TSXV;
- (b) if the Common Shares are listed on a stock exchange other than the TSXV, 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
- (c) if the Common Shares are not listed on any stock exchange, the Fair Market Value shall be determined in good faith by the board of directors of the Company.

Term

The term of each Option shall be determined in each instance by the board of directors of the Company, provided that it does not exceed ten years from the date of grant.

Vesting

Options issued to Participants performing investor relations activities must vest in stages over 12 months with no more than one-quarter of the Options vesting in any three month period. In addition, no acceleration of the vesting provisions of an Option issued to an Participant performing investor relations activities is allowed without first obtaining the prior written acceptance of the TSXV.

Dividend Entitlements

If the number of Option 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 the Option 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. In the event there are insufficient Option Shares available under the Option Plan to satisfy any entitlement as a result of the payment of a stock dividend as provided for herein, the Company may settle these entitlements through cash or other means at its disposal. Any adjustment, other than in connection with a security consolidation or security split, to Options granted or issued under the Option Plan are subject to the prior acceptance of the TSXV, including adjustments related to a dividend.

Expiry and Termination

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

- (a) the expiration date of the Option;
- (b) if the Participant ceases to be an eligible Participant for any reason other than death, disability or cause, the end of the period of time permitted for exercise of the Option as determined by the board of directors of the Company at the time of grant of the Option (such period not to exceed of 12 months), or if no such period of time is determined by the board of directors at the time of the grant, the 30th day after the Participant ceases to be an eligible Participant;
- (c) if the Participant is providing investor relations activities for the Company, the 30th day after the Participant ceases to be employed to provide investor relations activities;
- (d) if the Participant ceases to be an eligible Participant by reason of termination of the Participant 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), the date of termination;
- (e) if the Participant ceases to be an eligible Participant by reason of termination of the Participant as an employee or Consultant on account of disability, the first anniversary of the date of such termination; or
- (f) if the Participant ceases to be an eligible Participant by reason of death, the first anniversary of the date of such death.

Exercise of Options, Cashless Exercise and Net Exercise

The aggregate exercise price of Options shall be paid to the Company by way of cash, cheque or other means of readily available funds. The board of directors of the Company may, in its sole discretion, permit the exercise of an Option through either:

- (a) a cashless exercise mechanism, whereby the Company has an arrangement with a brokerage firm pursuant to which the brokerage firm:
 - (i) agrees to loan money to a Participant to purchase the Option Shares underlying the Options to be exercised by the Participant;
 - (ii) sells a sufficient number of Option Shares to cover the exercise price of the Options in order to repay the loan made to the Participant; and
 - (iii) receives an equivalent number of Option Shares from the exercise of the Options and the Participant receives the balance of Option Shares pursuant to such exercise, or the cash proceeds from the sale of the balance of such Option Shares (or in such other portion of Option Shares and cash as the broker and the Participant may otherwise agree); or
- (b) a net exercise mechanism, whereby Options, excluding Options held by any Participant providing investor relations services, are exercised without the Participant making any cash payment so the Company does not receive any cash from the exercise of the subject Options, and instead the Participant receives only the number of underlying Option Shares that is the equal to the quotient obtained by dividing:
 - (i) the product of the number of Options being exercised multiplied by the difference between the VWAP (as defined below) of the underlying Option Shares and the exercise price of the subject Options; by
 - (ii) the VWAP of the underlying Option Shares.

For the purposes of this summary of the Option Plan, “**VWAP**” means: the volume weighted average trading price of the Common Shares on the TSXV (or any other stock exchange on which the Common Shares are listed and posted

for trading) calculated by dividing the total value by the total volume of such securities traded for the five trading days immediately preceding the exercise of the subject Option. Where appropriate, the TSXV may exclude internal crosses and certain other special terms trades from the calculation.

Option Plan Resolution

In the event the Company fails to obtain shareholder re-approval for the Option Plan at the Meeting as required by the TSXV, then commencing on the earlier of: (i) the date of the shareholder meeting at which the shareholders do not approve of the Option Plan, or (ii) the date which is 15 months from the date of the last shareholder meeting at which shareholders approved the Option Plan, the Company cannot grant or issue any further Options under the Option Plan until it has obtained the requisite shareholder re-approval for the Option Plan.

At the Meeting, shareholders will be asked to pass a resolution in substantially the following form (the “**Option Plan Resolution**”):

“**IT IS RESOLVED**, as an ordinary resolution that:

1. The Company’s stock option plan (the “**Option Plan**”) as set forth in the information circular dated January 30, 2024, including the reservation for issuance under the Option Plan at any time of a maximum of 10% of the issued and outstanding common shares of the Company, be and is hereby ratified, confirmed and approved, subject to the acceptance of the Option Plan by the TSX Venture Exchange (the “**Exchange**”), and the Company has the ability to grant stock options under the Option Plan;
2. The Board be authorized in its absolute discretion to administer the Option Plan and amend or modify the Option Plan in accordance with its terms and conditions and with the policies of the Exchange; and
3. Any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the Option Plan required by the Exchange or applicable securities regulatory authorities and to complete all transactions in connection with the administration of the Option Plan.”

The Board unanimously recommends that the shareholders vote in favour of ratifying and approving the Option Plan.

Unless the shareholder directs that his or her Shares be otherwise voted or withheld from voting in connection with the approval of the Option Plan, the persons named in the enclosed Proxy will vote FOR the approval of the above resolutions.

PART 4 – EXECUTIVE COMPENSATION

The Company is a venture issuer and is disclosing its executive compensation in accordance with Form 51-102F6V.

The following persons are considered the “**Named Executive Officers**” or “**NEOs**” for the purposes of this disclosure:

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer (“**CEO**”), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer (“**CFO**”), including an individual performing functions similar to a CFO;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for that financial year;

- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table provides a summary of compensation paid or accrued, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each Named Executive Officer and director of the Company during the Company's two most recent financial years ended June 30, 2022 and 2023.

Table of compensation excluding compensation securities							
Name and Position	Year	Salary, consulting fee, retainer or commission ⁽¹⁾ (\$)	Bonus (\$)	Committee or meeting fees ⁽²⁾ (\$)	Value of perquisites ⁽³⁾ (\$)	Value of all other compensation (\$)	Total compensation (\$)
Dominic Verdejo , President, CEO and Director ⁽⁴⁾	2023	Nil	Nil	N/A	N/A	Nil	Nil
Wesley C. Hanson , Former President and Former CEO; Executive Chairman and Director ⁽⁵⁾	2023	Nil	Nil	N/A	N/A	Nil	Nil
	2022	Nil	Nil	N/A	N/A	Nil	Nil
Charles Edgeworth , Former CFO; Director ⁽⁶⁾	2023	Nil	Nil	N/A	N/A	Nil	Nil
	2022	Nil	Nil	N/A	N/A	Nil	Nil
Richard Boulay Director ⁽⁷⁾	2023	Nil	Nil	N/A	N/A	Nil	Nil
Picklu Datta , Former Director ⁽⁸⁾	2023	Nil	Nil	N/A	N/A	Nil	Nil
	2022	Nil	Nil	N/A	N/A	Nil	Nil
David Walters , Former Director ⁽⁹⁾	2023	Nil	Nil	N/A	N/A	Nil	Nil
Sean Waller , Former Director ⁽¹⁰⁾	2023	Nil	Nil	N/A	N/A	Nil	Nil
	2020	Nil	Nil	N/A	N/A	Nil	Nil
James Hyland , Former Director ⁽¹¹⁾	2023	Nil	Nil	N/A	N/A	Nil	Nil
	2022	Nil	Nil	N/A	N/A	Nil	Nil
David Patterson , Former Director ⁽¹²⁾	2023	Nil	Nil	N/A	N/A	Nil	Nil
	2022	Nil	Nil	N/A	N/A	Nil	Nil

(1) Paid or accrued salaries and/or consulting fees.

(2) There is no standard meeting fee or committee fee for attendance at Board meetings or for service on committees.

(3) The value of perquisites and benefits, if any, was less than \$15,000.

(4) Mr. Verdejo was appointed President, CEO and director on June 27, 2023.

(5) Mr. Hanson resigned as President and CEO and was appointed Executive Chair on June 27, 2023.

(6) Mr. Edgeworth resigned as CFO on December 21, 2023.

(7) Mr. Boulay was appointed director on June 27, 2023.

(8) Mr. Datta resigned as director on January 27, 2024.

(9) Mr. Walters acted as director from April 21, 2023, until his passing on July 2, 2023.

(10) Mr. Waller resigned as director on June 27, 2023.

(11) Mr. Hyland acted as director until the Company's last annual general meeting on November 29, 2022.

(12) Mr. Patterson resigned as director on April 21, 2023.

Stock Options and Other Compensation Securities

No compensation securities were granted by the Company to the Named Executive Officers or directors of the Company during the Company's most recent financial year ended June 30, 2023.

None of the compensation securities held by the Named Executive Officers and directors of the Company were exercised during the Company's most recent financial year ended June 30, 2023.

Stock Options Plans and Other Incentive Plans

The Company has in place a “rolling” stock option plan, the details of which are disclosed above under the heading “The Business of the Meeting – Annual Ratification of Stock Option Plan”. The Company does not have any other incentive plans in place.

Employment, Consulting and Management Agreements

None of the Named Executive Officers or directors of the Company entered into any employment, consulting or management agreements with the Company during the financial year ended June 30, 2023, nor were any outstanding as of that date. The Named Executive Officers and directors who received compensation did so under verbal agreements with the Company.

Oversight and Description of Director and Named Executive Officer Compensation

The Board determines director compensation from time to time.

The Board determines executive compensation from time to time. The Company does not have a formal compensation policy. The main objectives the Company hopes to achieve through its compensation are to attract and retain executives critical to the Company’s success, who will be key in helping the Company achieve its corporate objectives and increase shareholder value. The Company looks at industry standards and the economic position of the Company when compensating its executive officers.

PART 5 – SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out equity compensation plan information as at the financial year ended June 30, 2023. Effective October 24, 2023, the Company consolidated its Shares on the basis of 2.5 pre-consolidation Shares for 1 post-consolidation Share. All figures in this table are shown on a post-consolidation basis:

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))⁽¹⁾ (c)
Equity compensation plans approved by security holders	720,000 Shares	\$0.25	848,150 Shares
Equity compensation plans not approved by security holders	None	N/A	N/A

(1) This figure is based on the total number of Shares authorized for issuance under the Option Plan, less the number of stock options outstanding as at the Company’s year ended June 30, 2023.

PART 6 – 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.

AUDIT COMMITTEE CHARTER

The Charter of the Company’s audit committee is included as Schedule “A” to this Information Circular.

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee is currently composed of the following three directors:

Member	Independent⁽¹⁾	Financially Literate⁽¹⁾
Richard Boulay	Yes	Yes

Member	Independent⁽¹⁾	Financially Literate⁽¹⁾
Dominic Verdejo	No	Yes
Wesley C. Hanson	No	Yes

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

RELEVANT EDUCATION AND EXPERIENCE

All of the members of the Audit Committee are financially literate, in that they have the ability to read and understand statements of financial position, statements of comprehensive loss, statements of cash flows, and statements of equity and the notes attached thereto. Additionally, all of the members of the Audit Committee have accounting or related financial experience and are able to analyze and interpret a full set of financial statements, with the level of complexity of a mineral exploration issuer such as the Company, including the notes attached thereto, in accordance with International Financial Reporting Standards. The following table sets out each committee member's relevant experience:

Richard Boulay	Mr. Boulay is a geologist with over 40 years of experience in the exploration and mining industries in Canada and internationally, including 15 years of mining and infrastructure financing experience gained with Bank of Montreal, Royal Bank of Canada and Bank of Tokyo. During Mr. Boulay's project financing career, he arranged the financing of numerous underground and open pit mining projects, hydro and diversion dams, nuclear reactors, pipelines and offshore oil exploration and production platforms. He has extensive experience in the management and financing of public companies in Canada and the United States.
Dominic Verdejo	Mr. Verdejo has over 15 years' experience in the venture capital markets, specializing in the design and implementation of market strategies and corporate development. He has particular expertise in the mineral exploration and development sector and has been involved in the building and financing of many successful public companies. Mr. Verdejo has held director and senior officer positions in several public companies.
Wesley C. Hanson	Mr. Hanson has over 42 years of industry experience covering all aspects of mineral exploration, resource and reserve estimation, project evaluation, development, construction, operation and corporate management. He worked on a number of large capital projects as a consulting geologist with Kilborn - SNC Lavalin before transitioning into senior management roles with Kinross Gold, Western Goldfields and Silver Bear Resources. Mr. Hanson served as President and CEO of Noront Resources from 2009 through 2012. From 2012 through 2022 he provided contract geological services for various junior companies before accepting the role of CEO of Thunder Gold Corp. in 2022. Mr. Hanson graduated from Mount Allison University with a BSc Geology (1982) and is a practicing member of the Association of Professional Geoscientists of Ontario.

AUDIT COMMITTEE OVERSIGHT

At no time since the beginning of the recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

RELIANCE ON CERTAIN EXEMPTIONS

Since the commencement of the Company's financial year ended November 30, 2021, the Company has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the financial year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

PRE-APPROVAL POLICIES AND PROCEDURES

The audit committee is authorized by the Board to review the performance of the Company’s external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company.

EXTERNAL AUDIT SERVICE FEES (BY CATEGORY)

In the following table, “audit fees” are fees billed by the Company’s external auditor for services provided in auditing the Company’s annual financial statements for the subject year. “Audit-related fees” are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company’s financial statements. “Tax fees” are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. “All other fees” are fees billed by the auditor for products and services not included in the foregoing categories.

The fees paid by the Company to its external auditors, Baker Tilly WM LLP, for services rendered to the Company in each of the last two financial years, by category, are as follows:

Financial Year Ending	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
June 30, 2023	\$32,000	Nil	\$2,588	Nil
June 30, 2022	\$14,000	\$507	\$3,770	Nil

EXEMPTION

The Company is relying on the exemption provided by section 6.1 of NI 52-110, which provides that the Company, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

PART 7 – CORPORATE GOVERNANCE

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. National Policy 58-201 *Corporate Governance Guidelines* (“NP 58-201”) provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”) prescribes certain disclosure by the Company of its corporate governance practices. The disclosure required by NI 58-101 is presented below.

BOARD OF DIRECTORS

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

Dominic Verdejo, Wesley C. Hanson and Charles Edgeworth are or were executive officers of the Company and are therefore not considered to be “independent” pursuant to NI 58-101. Richard Boulay and Karly Oliver are independent directors pursuant to NI 58-101.

The Board facilitates its exercise of independent supervision over management by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Board believes that fiduciary duties placed on individual directors by the Company’s governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director’s participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that each director exercises independent judgment in carrying out his responsibilities and acting in the best interests of the Company.

The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia) is to manage or supervise management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company’s affairs directly.

DIRECTORSHIP

The directors of the Company are currently directors of the following other reporting issuers:

Dominic Verdejo	Taura Gold Inc. Lion Rock Resources Inc.
Wesley C. Hanson	Thunder Gold Corp. Canadian Gold Corp. Universal Copper Ltd.
Richard Boulay	Lion Rock Resources Inc.
Charles Edgeworth	None
Karly Oliver	None

ORIENTATION AND CONTINUING EDUCATION

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company's properties, business, technology and industry and on the responsibilities of directors. Board meetings may also include presentations by the Company's management and consultants to give the directors additional insight into the Company's business. Individual directors are responsible for maintaining their own education, skills and knowledge at an appropriate level. Board members are encouraged to attend educational courses or presentations in relation to the Company's projects or the industry within which the Company operates.

ETHICAL BUSINESS CONDUCT

The Board has not, to date, adopted a formal written code of ethical business conduct. The current limited size of the Company's operations, and the small number of officers and consultants allow the Board to monitor, on an ongoing basis, the activities of management and to ensure that the highest standard of ethical conduct is maintained. The Board is aware of the recommendation in NP 58-201 to adopt a written code of business conduct and ethics and will review different standards that may be appropriate for the Company to adopt if warranted.

To date, the Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company. Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. A director must disclose to the Board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The disclosure must be evidenced in writing by being included in the consent resolutions or minutes of the meeting that approve the transaction or in a written disclosure delivered to the Company's records office. Unless the director properly discloses his interest and has the transaction properly approved, he may be liable to account to the Company for any profit he makes as a result of the transaction, unless the court finds that the transaction was fair and reasonable to the Company. Once the appropriate disclosure has been made by the interested director, the transaction must be approved by the directors or by the shareholders by special resolution. An interested director would not be entitled to vote at meetings of directors which evoke any such conflict.

NOMINATION OF DIRECTORS

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees to fill vacancies and for the next annual meeting of the shareholders. 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, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, show support for the Company's mission and strategic objectives and a willingness to serve.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole; however, this policy may be reviewed in the future depending on the circumstances of the Company.

COMPENSATION

The Board periodically reviews the compensation paid to directors, management and other employees based on such factors as time commitment and level of responsibility and the Company's current position as an exploration company with limited operating revenue.

The Board does not have a compensation committee, and these functions are currently performed by the Board as a whole; however, this policy may be reviewed in the future depending on the circumstances of the Company.

OTHER BOARD COMMITTEES

The Board has no committees other than the Audit Committee.

ASSESSMENTS

The Board conducts periodic assessments of its members including individual assessments to determine if the Board and the individual directors are performing efficiently. Based on the Company's size, stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be unnecessary at this time. As the activities of the Company develop, it will consider the establishment of more formal evaluation procedures, including more quantitative measures of performance.

PART 8 – OTHER INFORMATION

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 the Company or any 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 Information Circular.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed herein, since the commencement of the most recently completed financial year, no "informed person" had any material interest, direct or indirect, in any transaction or any proposed transaction, which has materially affected or would materially affect the Company or any of its subsidiaries. "Informed Person" means: (a) a director or executive officer of the Company; (b) a director or 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; or (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 are generally performed by directors and executive officers of the Company and not, to any substantial degree, by any other person to whom the Company has contracted.

OTHER BUSINESS

Management is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the Proxy to vote the Shares represented thereby in accordance with their best judgment on such matter.

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR+ at www.sedarplus.ca. Financial information is provided in the Company's financial statements and management's discussion and analysis for the most recently completed financial year.

The Company will provide to any securityholder upon request, copies of the Company's financial statements and management's discussion & analysis for the most recently completed financial year. Please direct your request to the Company at 200 Burrard Street, Suite 1615, Vancouver, British Columbia, V6C 3L6, to request the Company's financial statements and management's discussion & analysis.

DATED at Vancouver, British Columbia, on the 30th day of January, 2024.

ON BEHALF OF THE BOARD

"Dominic Verdejo"
Chief Executive Officer

SCHEDULE “A”

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF XPLORE RESOURCES CORP.

1. Purpose

1.1. The Audit Committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding of corporate assets; reliability of information; and compliance with policies and laws. Within this mandate, the Audit Committee’s role is to:

- (a) support the Board of Directors in meeting its responsibilities to shareholders;
- (b) enhance the independence of the external auditor;
- (c) facilitate effective communications between management and the external auditor and provide a link between the external auditor and the Board of Directors; and
- (d) increase the credibility and objectivity of the Company’s financial reports and public disclosure.

1.2. The Audit Committee will make recommendations to the Board of Directors regarding items relating to financial and regulatory reporting and the system of internal controls following the execution of the Committee’s responsibilities as described herein.

1.3. The Audit Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board of Directors from time to time prescribe.

2. Membership

2.1. Each member of the Audit Committee must be a director of the Company.

2.2. The Audit Committee will consist of at least three members, the majority of whom are considered “independent” as that term is defined in Multilateral Instrument 52-110.

2.3. The members of the Audit Committee will be appointed annually by and will serve at the discretion of the Board of Directors.

3. Authority

3.1. In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:

- (a) engage, and set and pay the compensation for, independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities;
- (b) communicate directly with management and any internal auditor, and with the external auditor without management involvement; and
- (c) approve interim financial statements and interim MD&A on behalf of the Board of Directors.

4. Duties and Responsibilities

4.1. The duties and responsibilities of the Audit Committee include:

- (a) recommending to the Board of Directors the external auditor to be nominated by the Board of Directors;

- (b) recommending to the Board of Directors the compensation of the external auditor;
- (c) reviewing the external auditor's audit plan, fee schedule and any related services proposals;
- (d) overseeing the work of the external auditor;
- (e) ensuring that the external auditor is in good standing with the Canadian Public Accountability Board and enquiring if there are any sanctions imposed by the CPAB on the external auditor;
- (f) ensuring that the external auditor meets the rotation requirements for partners and staff on the Company's audits;
- (g) reviewing and discussing with management and the external auditor the annual audited financial statements, including discussion of material transactions with related parties, accounting policies, as well as the external auditor's written communications to the Committee and to management;
- (h) reviewing the external auditor's report, audit results and financial statements prior to approval by the Board of Directors;
- (i) reporting on and recommending to the Board of Directors the annual financial statements and the external auditor's report on those financial statements, prior to Board approval and dissemination of financial statements to shareholders and the public;
- (j) reviewing financial statements, MD&A and annual and interim earnings press releases prior to public disclosure of this information;
- (k) ensuring adequate procedures are in place for review of all public disclosure of financial information by the Company, prior to its dissemination to the public;
- (l) overseeing the adequacy of the Company's system of internal accounting controls and internal audit process obtaining from the external auditor summaries and recommendations for improvement of such internal accounting controls;
- (m) ensuring the integrity of disclosure controls and internal controls over financial reporting;
- (n) resolving disputes between management and the external auditor regarding financial reporting;
- (o) establishing procedures to deal with complaints and concerns, from employees and others, regarding questionable accounting, internal accounting controls or auditing practices;
- (p) reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;
- (q) pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor; and
- (r) overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities.

4.2. The Audit Committee will report, at least annually, to the Board regarding the Committee's examinations and recommendations.

5. Meetings

5.1. The quorum for a meeting of the Audit Committee is a majority of the members of the Committee who are not officers or employees of the Company or of an affiliate of the Company.

5.2. The members of the Audit Committee must elect a chair from among their number and may determine their own procedures.

5.3. The Audit Committee may establish its own schedule that it will provide to the Board of Directors in advance.

5.4. The external auditor is entitled to receive reasonable notice of every meeting of the Audit Committee and to attend and be heard thereat.

5.5. A member of the Audit Committee or the external auditor may call a meeting of the Audit Committee.

5.6. The Audit Committee will meet separately with the President and separately with the Chief Financial Officer of the Company at least annually to review the financial affairs of the Company.

5.7. The Audit Committee will meet with the external auditor of the Company at least once each year, at such time(s) as it deems appropriate, to review the external auditor's examination and report.

5.8. The chair of the Audit Committee must convene a meeting of the Audit Committee at the request of the external auditor, to consider any matter that the auditor believes should be brought to the attention of the Board of Directors or the shareholders.

6. Reports

6.1. The Audit Committee will record its recommendations to the Board in written form which will be incorporated as a part of the minutes of the Board of Directors' meeting at which those recommendations are presented.

7. Minutes

7.1 The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board of Director.