NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

TAKE NOTICE that an Annual General Meeting (the "**Meeting**") of the Shareholders of MERCADO MINERALS LTD. (the "**Company**") will be held in the boardroom of Cassels Brock & Blackwell LLP, Suite 3100 – 666 Burrard Street, Vancouver, BC V6C 2X8 on **Thursday, August 27, 2026**, at 10:00 a.m. (Vancouver time), for the following purposes:

1. To receive the audited financial statements of the Company for the fiscal period ending February 28, 2026, together with the accompanying report of the auditors thereon;
2. To appoint Baker Tilly WM LLP, Chartered Professional Accountants as the Company's auditor for the ensuing fiscal year at a remuneration to be fixed by the directors;
3. To fix the number of directors to hold office for the ensuing year for the Company at three (3);
4. To elect three (3) directors to hold office for the ensuing year;
5. To consider and, if thought advisable, to pass, with or without variation, an ordinary resolution approving the adoption of the Company's new stock option plan, as more particularly set out in the accompanying management information circular of the Company dated July 20, 2026; and
6. To transact such further or other business as may properly come before the meeting or any adjournment or adjournments thereof.

Accompanying this Notice is a management information circular (the "**Information Circular**") dated July 20, 2026, a form of proxy or voting instruction form and a reply card for use by shareholders who wish to receive the Company's interim and/or annual financial statements. The accompanying Information Circular provides information relating to the matters to be addressed at the meeting and is incorporated into this Notice.

Only shareholders of record at the close of business on July 20, 2026, will be entitled to receive notice of and vote at the Meeting. Shareholders are entitled to vote at the Meeting either in person or by proxy. Each common share of the Company (the "**Common Shares**") is entitled to one vote.

Registered shareholders who are unable to attend the Meeting in person and who wish to ensure that their Common Shares will be voted at the Meeting are requested to complete, date and sign the enclosed form of proxy, or another suitable form of proxy and deliver it in accordance with the instructions set out in the form of proxy and in the Information Circular.

Non-registered shareholders who plan to attend the Meeting must follow the instructions set out in the form of proxy or voting instruction form to ensure that their Common Shares will be voted at the Meeting. If you hold your Common Shares in a brokerage account you are not a registered shareholder.

DATED at Vancouver, British Columbia, this 20th day of July, 2026.

BY ORDER OF THE BOARD

"Daniel Rodriguez"

Chief Executive Officer

INFORMATION CIRCULAR

FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD ON AUGUST 27, 2026

This information is given as of July 20, 2026 unless otherwise noted.

This management information circular (the "Information Circular") is furnished in connection with the solicitation of proxies by the management of Mercado Minerals Ltd. (the "Company") for use at the Annual General Meeting (the "Meeting") of the shareholders of the Company (the "Shareholders"), to be held on Thursday, August 27, 2026, at Suite 3100 – 666 Burrard Street, Vancouver, BC V6C 2X8 at 10:00 a.m. (Vancouver time) for the purposes set forth in the accompanying notice of Meeting (the "Notice") and at any adjournment thereof.

In this Information Circular, references to "the Company", "we" and "our" refer to Mercado Minerals Ltd. "Common Shares" means common shares without par value in the authorized share structure of the Company. "Beneficial Shareholder" or "Non-Registered Holder" means Shareholders who do not hold Common Shares in their own name and "Intermediaries" refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

PERSONS MAKING THE SOLICITATION

Except as noted below, the Company has distributed or made available for distribution, copies of the Notice, the Information Circular and form of proxy or voting instruction form ("**VIF**") (if applicable) (the "**Meeting Materials**") to clearing agencies, securities dealers, banks and trust companies or their nominees (collectively, the "**Intermediaries**") for distribution to Beneficial Shareholders (as defined above) whose Common Shares are held by or in custody of such Intermediaries. Such Intermediaries are required to forward such documents to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. The Company is sending proxy-related materials directly to NOBOs (as defined below) under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), through the services of its transfer agent and registrar, Endeavor Trust Corporation. The solicitation of proxies from Beneficial Shareholders will be carried out by the Intermediaries or by the Company if the names and addresses of the Beneficial Shareholders are provided by Intermediaries. The Company will pay the permitted fees and costs of Intermediaries incurred in connection with the distribution of the Meeting Materials.

The Company is not relying on the notice-and-access provisions of securities laws for delivery of the Meeting Materials to registered Shareholders or Beneficial Shareholders.

The Company has posted the Meeting Materials, its audited financial statements and management's discussion and analysis for the year ended February 28, 2026, under its profile at www.sedarplus.ca and on its website at https://mercadominerals.com.

APPOINTMENT OF PROXIES

The persons named in the enclosed form of proxy are directors and/or officers of the Company. **A Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act for such Shareholder and on his, her or its behalf at the Meeting other than the persons designated in**

the enclosed form of proxy. Such right may be exercised by inserting in the blank space provided for that purpose the name of the desired person or by completing another proper form of proxy and, in either case, delivering the completed and executed form of proxy to the Company's transfer agent and registrar, Endeavor Trust Corporation, Proxy Department, 702 – 777 Hornby Street, Vancouver, BC V6Z 1S4, not later than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or any adjournment thereof, or delivering it to the chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting. A form of proxy must be executed by the registered Shareholder or his, her or its attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized.

VOTING BY PROXYHOLDERS

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

(a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,

(b) any amendment to or variation of any matter identified therein, and

(c) any other matter that properly comes before the Meeting.

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

REGISTERED SHAREHOLDERS

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit their proxies may do so by completing, dating and signing the enclosed form of proxy and returning it to Endeavor Trust Corporation, Proxy Department, 702 – 777 Hornby Street, Vancouver, BC V6Z 1S4; by fax at 604-559-8908, by email at proxy@endeavortrust.com, online at www.eproxy.ca, by mail, fax or by following the procedure for telephone or internet voting provided in the accompanying form of proxy at least 48 hours (excluding Saturdays, Sundays and holidays) prior to the Meeting, or any adjournment(s) or postponement(s) thereof, or with the chairman of the Meeting prior to the commencement of the Meeting, or any adjournment(s) or postponement(s) thereof.

REVOCATION OF PROXIES

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

(a) executing a form of proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered Shareholder or the registered Shareholder's authorized attorney in writing, or, if the registered Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the form of proxy bearing a later date to Endeavor Trust Corporation, Proxy Department, 702 – 777 Hornby Street, Vancouver, BC V6Z 1S4 or at the address of the registered office of the Company at Suite 615 – 625 Howe Street, Vancouver, British Columbia V6C 2T6 at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or

(b) personally attending the Meeting and voting the registered Shareholder's Common Shares.

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

EXERCISE OF DISCRETION BY PROXIES

The persons named in the accompanying form of proxy will vote the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholders appointing them. The Common Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and, if the Shareholder specifies a choice with respect to any matter to be acted on, the Common Shares will be voted accordingly. **In the absence of such direction, where the management nominees are appointed as proxyholder, such Common Shares will be voted in favour of the passing of the matters set out in the Notice. The form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting or any adjournment thereof.** At the time of the printing of this Information Circular, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice. **However, if any other matters which at present are not known to the management of the Company should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.**

ADVICE TO BENEFICIAL SHAREHOLDERS

Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Many Shareholders of the Company may be "non-registered" Shareholders because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Common Shares, or non-objecting beneficial owners ("**NOBOs**") whose names has been provided to the Company's registrar and transfer agent, can be recognized and acted upon at the Meeting. The information set forth in this section is therefore of significant importance to a substantial number of Beneficial Shareholders. If Common Shares are listed in an account statement provided to a Shareholder by an Intermediary, then in almost all cases those Common Shares will not be registered in such Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the name of the Shareholder's Intermediary or an agent of that Intermediary. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co., as nominee for CDS Clearing and Depository Services Inc., which acts as a depository for many Canadian Intermediaries. Common Shares held by Intermediaries or their nominees can only be voted for or against resolutions upon the instructions of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting Common Shares for their clients.

Applicable regulatory policy requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its Intermediary is identical to the form of proxy provided by the Company to the Intermediaries. However, its purpose is limited to instructing the Intermediary on how to vote on behalf of the Beneficial Shareholder. The majority of Intermediaries now delegate responsibility for obtaining instructions from their clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails the VIFs or proxy forms to the Beneficial Shareholders and asks the Beneficial Shareholders to return the VIFs or proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A Beneficial Shareholder receiving a proxy or VIF from Broadridge cannot use that proxy to vote Common Shares directly at the Meeting. The proxy must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of their Intermediary, a Beneficial Shareholder may attend the Meeting as proxyholder for the Intermediary and vote their Common Shares in that capacity.

Should a NOBO wish to attend and vote at the Meeting in person, the NOBO must insert his or her name (or the name of the person that the NOBO wants to attend and vote on the NOBO's behalf) in the space provided on the VIF and return it to the Company or its transfer agent. If the Company receives a written request that the NOBO or its nominee be appointed as proxyholder, if management is holding a proxy with respect to Common Shares beneficially owned by such NOBO, the Company will arrange, without expense to the NOBO, to appoint the NOBO or its nominee as proxyholder in respect of those Common Shares. Under NI 54-101, unless corporate law does not allow it, if the NOBO or its nominee is appointed as proxyholder by the Company in this manner, the NOBO or its nominee, as applicable, must be given the authority to attend, vote and otherwise act for and on behalf of management in respect of all matters that come before the Meeting and any adjournment or postponement of the Meeting. If the Company receives such instructions at least one business day before the deadline for submission of proxies, it is required to deposit the proxy within that deadline, in order to appoint the NOBO or its nominee as proxyholder. **If a NOBO requests that the NOBO or its nominee be appointed as proxyholder, the NOBO or its appointed nominee, as applicable, will need to attend the Meeting in person in order for the NOBOs vote to be counted.**

NOBOs that wish to change their vote must in sufficient time in advance of the Meeting contact their Intermediary to arrange to change their vote. NOBOs should carefully follow the instructions of their Intermediaries, including those regarding when and where to complete the VIF's that are to be returned to their Intermediaries.

Should an objecting beneficial owner (an "**OBO**") wish to attend and vote at the Meeting in person, the OBO should insert his or her name (or the name of the person the OBO wants to attend and vote on the OBO's behalf) in the space provided for that purpose on the request for the VIF and return it to the OBO's Intermediary or send the Intermediary another written request that the OBO or its nominee be appointed as proxyholder. The Intermediary is required under NI 54-101 to arrange, without expense to the OBO, to appoint the OBO or its nominee as proxyholder in respect of the OBO's Common Shares. Under NI 54-101, unless corporate law does not allow it, if the Intermediary makes an appointment in this manner, the OBO or its nominee, as applicable, must be given authority to attend, vote and otherwise act for and on behalf of the Intermediary (who is the registered Shareholder) in respect of all matters that come before the Meeting and any adjournment or postponement of the Meeting. An Intermediary who receives such instructions at least one business day before the deadline for submission of proxies is required to deposit the proxy within that deadline, in order to appoint the OBO or its nominee as proxyholder. Management of the Company does not intend to pay for intermediaries to forward to OBOs under NI 54-101 the proxy-related materials and Form 54-101F7 – Request for Voting Instructions Made by Intermediary, and, in the case of an OBO, the OBO will not receive the materials unless the OBO's intermediary assumes the cost of delivery. **If an OBO requests that an Intermediary appoint the OBO or its nominee as proxyholder, the OBO or its appointed nominee, as applicable, will need to attend the Meeting in person in order for the OBOs vote to be counted.**

OBOs should carefully follow the instructions of their Intermediary, including those regarding when and where the completed request for voting instructions is to be delivered. Only registered Shareholders have the right to revoke a proxy. OBOs who wish to change their vote must in sufficient time in advance of the Meeting, arrange for their respective Intermediaries to change their vote and if necessary revoke their proxy in accordance with the revocation procedures set out above.

Shareholders with questions respecting the voting of Common Shares held through an Intermediary should contact that Intermediary for assistance.

All references to Shareholders in this Information Circular and the accompanying form of proxy and Notice are to Shareholders of record unless specifically stated otherwise.

NOTE TO NON-OBJECTING BENEFICIAL OWNERS

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

RECORD DATE, VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized share structure of the Company consists of an unlimited number of Common Shares without par value. As of July 20, 2026, 75,951,751 Common Shares were issued and outstanding.

The Company has fixed the close of business on July 20, 2026 as the record date (the "**Record Date**") for the purposes of determining Shareholders entitled to receive the Notice and vote at the Meeting. Each Shareholder entitled to receive notice of and to vote at the Meeting is entitled to one vote for each Common Share registered in his, her, their or its name at the close of business on July 20, 2026. At a general meeting of the Company, on a show of hands, every Shareholder present in person shall have one vote and, on a poll, every Shareholder shall have one vote for each Common Share of which he, she or it is the holder. The Company has no other classes of voting securities.

To the knowledge of the directors and senior officers of the Company, no person or company beneficially owns, directly or indirectly or exercises control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares.

The above information was provided by the management of the Company and the Company's registrar and transfer agent as of the Record Date.

VOTES NECESSARY TO PASS RESOLUTIONS

Under the Company's Articles, the quorum for the transaction of business at a meeting of Shareholders is two Shareholders entitled to vote at the meeting whether in person or by proxy who hold, in the aggregate, at least 5% of the issued Common Shares entitled to be voted at the Meeting. In order to approve a motion proposed at the Meeting, a majority of not less than one-half of the votes cast will be required (an "**Ordinary Resolution**") unless the motion requires a special resolution, in which case a majority of not less than two-thirds of the votes cast will be required. In the event a motion proposed at the Meeting requires disinterested Shareholder approval, Common Shares held by Shareholders of the Company who are also "insiders", as such term is defined under applicable securities laws, will be excluded from the count of votes cast on such motion. A majority of two-thirds of the votes of those Shareholders who are present and vote either in person or by proxy at the Meeting is required to pass a special resolution. There will be no special resolutions proposed at the Meeting.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as disclosed elsewhere in this Information Circular, none of the current directors or executive officers, no proposed nominee for election as a director, none of the persons who have been directors or executive officers since the commencement of the last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, save and except for those matters pertaining to the election of directors and the Company's Option Plan (as defined below).

STATEMENT OF EXECUTIVE COMPENSATION

General

For the purpose of this Information Circular:

"**Company**" means Mercado Minerals Ltd.;

"Compensation Securities" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company, or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries;

"**External Management Company**" includes a subsidiary, affiliate or associate of the external management company;

"**Named Executive Officer**" or "**NEO**" means each of the following individuals:

a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer ("**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 chief financial officer;

c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than $150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for that financial year; and

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;

During the financial year ended February 28, 2026, the Company had three Named Executive Officers: (i) Daniel Rodriguez, Chief Executive Officer; (ii) Dennis Cojuco, Former Chief Financial Officer and Corporate Secretary; and (iii) Mathew Lee, Chief Financial Officer.

All dollar amounts referenced herein are Canadian Dollars unless otherwise specified.

Compensation Discussion and Analysis

The Company's executive compensation is intended to be consistent with the Company's business plans, strategies and goals, including the preservation of working capital. The Company's executive compensation program is intended to provide appropriate compensation that permits the Company to attract and retain highly qualified and experienced senior executives and to encourage superior performance by the Company. The Company's compensation policies are intended to motivate individuals to achieve and to award compensation based on corporate and individual results.

The Company's board of directors (the "**Board**") determines and approves the compensation of the Company's directors and NEOs and in doing so considers the risks associated with the Company's compensation policies and practices. The Board intends for executive compensation to be consistent with the Company's business plans, strategies and goals, including the preservation of working capital as the Company seeks to devote funds to exploration activities. The Company has adopted the Director Approved Plan (as defined below) to assist the Company in attracting, retaining and motivating directors, officer, employees, consultants and contractors of the Company and of its affiliates and to closely align the personal interests of such service providers with the interests of the Company and its Shareholders.

Other than as disclosed herein, the Company has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Company or its subsidiaries for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultants or experts during the most recently completed financial year.

Director and NEO 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 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 for each of the two most recently completed financial years, other than stock options and other compensation securities:

Name and position	Year	Salary, consulting fee, retainer or commission ($)	Bonus ($)	Committee or meeting fees ($)	Value of perquisites ($)	Value of all other compen-sation ($)	Total compen-sation ($)
Daniel Rodriguez(1) *CEO and Director*	2026 2025	144,000 32,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	144,000 32,000
Dennis Cojuco(2) *Former CFO, Corporate Secretary and Director*	2026 2025	40,000 10,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	40,000 10,000
Mathew Lee(3) *CFO*	2026 2025	24,000 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	24,000 Nil
Michale Dake(4) *Former CEO and Director*	2026 2025	Nil 38,500	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil 38,500
Sean McGrath(5) *Former CFO, Corporate Secretary and Director*	2026 2025	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
John Fraser *VP Business Development and Director*	2026 2025	96,000 24,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	96,000 24,000
Barry Devlin *Director*	2026 2025	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
David Grandy(6) *Former Director*	2026 2025	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Colin MacDougall(7) *Former Director*	2026 2025	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil

Notes:

(1) Daniel Rodriguez was appointed as a director of the Company on June 26, 2024 and as CEO of the Company on November 12, 2024.

(2) Dennis Cojuco was appointed as a director, CFO and Corporate Secretary of the Company on January 15, 2025 and subsequently resigned from all positions on October 31, 2025.

(3) Mathew Lee was appointed as CFO of the Company on November 1, 2025.

(4) Michael Dake resigned as a director of the Company on January 16, 2025 and as CEO on November 12, 2024.

(5) Sean McGrath resigned as a director, CFO and Corporate Secretary of the Company on January 15, 2025.

(6) David Grandy resigned as a director of the Company on June 26, 2024.

(7) Colin MacDougall resigned as a director of the Company on November 14, 2024.

Stock Options and Other Compensation Securities

The following table sets forth all compensation securities granted or issued to each Named Executive Officer and director by the Company in the financial year ended February 28, 2026 for services provided or to be provided, directly or indirectly, to the Company:

Name and position	Type of compensation security	Number of compensation securities (#)	Date of issue or grant	Issue, conversion or exercise price ($)	Closing price of underlying security on date of grant ($)	Closing price of underlying security at year end ($)	Expiry Date
Daniel Rodriguez(1) *CEO and Director*	Stock Options	450,000	December 4, 2025	$0.38	$0.375	$0.32	December 4, 2030
Mathew Lee *CFO*	Stock Options	400,000	December 4, 2025	$0.38	$0.375	$0.32	December 4, 2030
John Fraser(2) *VP Business Development and Director*	Stock Options	450,000	December 4, 2025	$0.38	$0.375	$0.32	December 4, 2030
Barry Devlin(3) *Director*	Stock Options	400,000	December 4, 2025	$0.38	$0.375	$0.32	December 4, 2030

1. In addition to the foregoing, Mr. Rodriguez holds 500,000 stock options granted on January 15, 2025, with an exercise price of $0.10 and an expiry of date of January 15, 2030, all of which vested immediately upon grant.
2. In addition to the above, Mr. Fraser holds 500,000 stock options granted on January 15, 2025, with an exercise price of $0.10 and an expiry of date of January 15, 2030, all of which vested immediately upon grant.
3. In addition to the above, Mr. Devlin holds 250,000 stock options granted on January 15, 2025, with an exercise price of $0.10 and an expiry of date of January 15, 2030, all of which vested immediately upon grant.

Exercise of Options and Compensation Securities by Directors and NEOs

During the financial year ended February 28, 2026, Dennis Cojuco, former CFO, Corporate Secretary and director, exercised 300,000 stock options (each, an “Option”). No directors exercised other compensation securities during the financial year.

Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security ($)	Date of exercise	Closing price of security or underlying security on date of exercise ($)	Difference between exercise price and closing price on date of exercise ($)	Total value on exercise date ($)
Dennis Cojuco(1) *Former CFO, Corporate Secretary and Director*	Stock Options	300,000	$0.10	January 30, 2026	$0.385	$0.285	$85,500

Notes:

(1) Dennis Cojuco was appointed as a director, CFO and Corporate Secretary of the Company on January 15, 2025 and subsequently resigned from all positions on October 31, 2025.

Stock Option Plans and Other Incentive Plans

The only stock option plan or incentive plan maintained by the Company is its stock option plan (the "**Option Plan**"), the material terms of which are described below at "Particulars of Matters to be Acted Upon".

The Option Plan was approved by the Board on January 15, 2025.

Employment, Consulting and Management Agreements

The Company has not entered into any agreement with an External Management Company that employs or retains one or more of the NEOs or directors and the Company has not entered into any understanding, arrangement or agreement with any External Management Company to provide executive management services to the Company, directly or indirectly, in respect of which any compensation was paid by the Company.

Oversight and Description of Director and NEO Compensation

The Company entered into a management consulting agreement with the CEO of the Company whereby the CEO agreed to provide management services to the Company. The agreement provides for the payment of $20,000 per month for services provided. In the event of termination of the agreement without cause or a change of control of the Company, the Company must pay severance equal to one year of management fees.

The Company entered into an independent consultant agreement with the CFO of the Company for the provision of financial consulting services to the Company. The agreement provides for the payment of $6,000 per month plus the goods and services tax. The CFO will be entitled to a severance payment of 3 months of consulting fees in the event of early termination of the agreement without cause.

The Company entered into a consulting agreement with the VP of Business Development of the Company whereby the VP of Business Development agreed to provide management services to the Company. The agreement provides for the payment of $12,000 per month for services provided. In the event of termination of the agreement without cause or a change of control of the Company, the Company must pay severance equal to one year of management fees.

The Company, at its present stage, does not have any formal objectives, criteria and analysis for determining the compensation of its NEOs and primarily relies on the discussions and determinations of the Board. When determining individual compensation levels for the Company's NEOs, a variety of factors will be considered. The Company does not tie total compensation nor a significant element of total compensation to any performance criteria or goals.

The Company's executive compensation consists of the following elements:

Base Salary / Consulting Fees: Base compensation is approved by the Board based on the skill, qualifications, experience level, level of responsibility involved in the position, the existing stage of development of the Company, the Company's resources, industry practice and regulatory guidelines regarding executive compensation levels.

Annual Incentive Compensation (Bonus): The Company does not currently have a formal bonus program. The Board may award discretionary bonuses from time to time based on individual performance and the Company's financial position.

Options: The Options under the Option Plan are used to provide equity-based incentive compensation. Options are granted in consideration of the level of responsibility of the executive as well as his or her impact on the longer-term operating performance of the Company. In determining the number of Options to be granted, the Board takes into account the number of Options previously granted to each executive officer and the exercise price of any outstanding Options.

The Company's executive compensation is intended to be consistent with the Company's business plans, strategies and goals. The Company's executive compensation program is intended to provide appropriate compensation that permits the Company to attract and retain highly qualified and experienced senior executives and to encourage superior performance by the Company. The Company's compensation policies are intended to motivate individuals to achieve and to award compensation based on corporate and individual results. The Company does not use peer groups to determine compensation.

The Company does not have any arrangements, standard or otherwise, pursuant to which directors are compensated by the Company for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultants or experts.

Pension Disclosure

The Company does not provide any form of pension to any of its directors or NEOs.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information regarding the number of Common Shares to be issued upon the exercise of outstanding Options and the weighted-average exercise price of the outstanding Options in connection with the Option Plan of the Company as at February 28, 2026**.**

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	N/A	N/A	N/A
Equity compensation plans not approved by security holders(1)	27,559,600	$0.31	1,130,175
Total	27,559,600	$0.31	1,130,175

Notes:

(1) Represents the Director Approved Plan of the Company, which reserves a number of Common Shares equal to 10% of the then outstanding Common Shares from time to time for issue pursuant to equity incentives contemplated by the Director Approved Plan.

(2) Comprised of 7,065,000 Options issued and outstanding under the Director Approved Plan as of February 28, 2026.

(3) Reflects weighted-average exercise price of outstanding Options.

(4) Based on there being 75,914,251 Common Shares outstanding as of February 28, 2026.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

At no time during the last completed financial year was any current director, executive officer or employee or any former director, executive officer or employee of the Company, or any proposed nominee for election as a director of the Company:

(a) indebted to the Company; or

(b) indebted to another entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company, other than routine indebtedness.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Company, no informed person or nominee for election as a director of the Company, nor any associate or affiliate of an informed person or proposed director, has or had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or will materially affect the Company or any of its subsidiaries. The term "informed person" as defined in National Instrument 51-102 *Continuous Disclosure Obligations* means a director or executive officer of the Company, or 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 carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company, other than voting securities held by the person or company as underwriter in the course of a distribution.

AUDIT COMMITTEE

Pursuant to the provisions of section 224 of the *Business Corporations Act* (British Columbia), the Company is required to have an audit committee comprised of at least three directors, the majority of whom must not be officers or employees of the Company.

The Company must also, pursuant to the provisions of National Instrument 52-110 - *Audit Committees* ("**NI 52-110**"), have a written charter, which sets out the duties and responsibilities of its audit committee. In providing the following disclosure, the Company is relying on the exemption provided under NI 52-110, which allows for the short form disclosure of the audit committee procedures of venture issuers in accordance with Form 52-110F2 – *Disclosure by Venture Issuers*.

Audit Committee's Charter

The Company has adopted an audit committee charter in the form attached hereto as Schedule "A" to this Information Circular.

Composition of the Audit Committee

NI 52-110 provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company, which could, in the view of the Company's Board, reasonably interfere with the exercise of the member's independent judgment.

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. The following sets out the members of the Audit Committee and their education and experience that is relevant to the performance of his responsibilities as an Audit Committee member.

The primary function of the audit committee of the Board (the "**Audit Committee**") is to assist the Board in fulfilling its financial reporting and controls responsibilities to the Shareholders of the Company. In accordance with NI 52-110, information with respect to the Audit Committee is contained below.

The Audit Committee is composed of Messrs. Daniel Rodriguez, John Fraser and Barry Devlin. Mr. Devlin is an "independent" director, and all Audit Committee members are financially literate, within the meaning of NI 52-110.

Relevant Education and Experience

All of the Audit Committee members are businessmen with experience in financial matters, each has an understanding of accounting principles used to prepare financial statements and varied experience as to general application of such accounting principles, internal controls and procedures necessary for financial reporting, which has been garnered from working in their individual fields of endeavor.

In addition to each member's general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member is as follows:

Daniel Rodriguez

Mr. Rodriguez has over 16 years of experience in the capital markets and financial services industry. He is the Chief Executive Officer, Director and Founder of Mercado Minerals Ltd. and also serves as Chief Executive Officer of EGR Exploration Ltd. Previously, Mr. Rodriguez served as Head of Corporate Development and Investor Relations at Warrior Gold Inc. (now Kirkland Lake Discoveries Corp.), where he was responsible for advancing the company's strategic initiatives. Earlier in his career, he held management positions in banking and worked as an investment advisor with boutique brokerages, specializing in the junior mining sector. Mr. Rodriguez holds a Bachelor of Arts degree from the University of Toronto.

John Fraser

Mr. Fraser has over 25 years of experience in the capital markets industry. He began his career as an investment advisor and equity trader with national and boutique brokerage firms before transitioning to the public company sector. Mr. Fraser has held management, director and business development roles with several publicly traded mining and technology companies. He is a Founder, Director and Vice President of Business Development of Mercado Minerals Ltd.

Barry Devlin

Mr. Devlin has over 45 years of experience as an exploration geologist in the mining industry. He has held senior executive positions with Fortitude Gold Corporation, Gold Resource Corporation and, Endeavour Silver Corporation, and senior positions with Hecla Mining Company, and has extensive experience in the discovery, acquisition and development of mineral deposits throughout North and South America. Mr. Devlin has an understanding of accounting principles and wide experience in financial matters and reporting. Mr. Devlin holds a Bachelor of Science (Honours) and a Master of Science in Geology from the University of British Columbia and is a Registered Professional Geologist (P.Geo.) in British Columbia.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Audit Committee has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

Reliance on Certain Exemptions

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

The Company is relying on the exemptions provided for "venture issuers" in section 6.1 of NI 52-110 with respect to Part 3 – *Composition of the Audit Committee* and Part 5 – *Reporting Obligations*.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Company's Audit Committee Charter attached as Schedule "A" to this Information Circular.

External Auditor Service Fees (By Category)

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

Financial Year Ending	Audit Fees[1]	Audit Related Fees[2]	Tax Fees[3]	All Other Fees[4]
2026	$40,000	-	$2,500	-
2025	$28,500	-	$2,500	-

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

CORPORATE GOVERNANCE

The Board of Directors

The Board is responsible for the general supervision of the management of the Company's business and affairs with the objective of enhancing Shareholder value. The Board discharges its responsibilities directly and through its committees, which currently comprise the Audit Committee only.

The Board facilitates exercise of independent supervision over management through its independent members recognizing that the Company is currently in its early stages. The Board also exercises independent supervision through meetings of the Board at which members of management or non-independent directors are not in attendance.

The Board of the Company consists of three directors. The Board has concluded that one of its directors, Mr. Devlin is "independent" for purposes of Board membership, as defined in NI 58-101. By virtue of their management position, Messrs. Rodriguez and Fraser are not considered "independent".

Orientation and Continuing Education

The directors have previous positive experience with public companies and are therefore familiar with the role and responsibilities of being a public company director.

While the Company does not have a formal continuing education program, the directors individually are responsible for updating their skills required to meet their obligations as directors.

Ethical Business Conduct

The Board has not adopted specific guidelines. To ensure that an ethical business culture is maintained and promoted, directors are encouraged to exercise their independent judgment. If a director has a material interest in any transaction or agreement that the Company proposes to enter into, such director is expected to disclose such interest to the Board in compliance with all applicable laws, rules and policies which govern conflicts of interest in connection with such transaction or agreement. Further, any director who has a material interest in any transaction or agreement will be excluded from the portion of a Board meeting concerning such matters and will be further precluded from voting on such matters.

Management actively does the following in its administration and conduct of the Company's business to conduct its business in an ethical manner:

1. The promotion of integrity and deterrence of wrongdoing.

2. The promotion of honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest.

3. The promotion of avoidance or absence of conflicts of interest.

4. The promotion of full, fair, accurate, timely and understandable disclosure in public communications made by the Company.

5. The promotion of compliance with applicable governmental laws, rules and regulations.

6. Providing guidance to the Company's directors, officers and employees to help them recognize and deal with ethical issues.

7. Helping foster a culture of integrity, honesty and accountability throughout the Company.

Nomination of Directors

The Board is responsible for the identification and assessment of potential directors. While no formal nomination procedure is in place to identify new candidates, the Board reviews the experience and performance of nominees for the election to the Board, and in particular, any appointments to the Audit Committee. The Board also assesses whether any potential conflicts, independence or time commitment concerns regarding a candidate may present.

Compensation

The Board as a whole is responsible for reviewing the adequacy and form of compensation paid to the Company's executives and key employees, and ensuring that such compensation realistically reflects the responsibilities and risks of such positions. In fulfilling these responsibilities, the Board evaluates the performance of the Company's CEO and other senior management in light of corporate goals and objectives, and makes recommendations with respect to compensation levels based on such evaluation.

For further information regarding the how the Company determines compensation for its directors and executive officers, see "Statement of Executive Compensation" above.

Other Board Committees

The Board has no standing committees other than the Audit Committee.

Board Assessments

The Board, the Audit Committee and its individual directors are assessed as to their effectiveness and contribution. All directors and/or committee members are free to make suggestions for improvement of the practice of the Board and/or the Audit Committee at any time and are encouraged to do so.

Directorships

Certain of our directors are also directors of other reporting companies, as follows:

Director	***Other Reporting Issuer(s)***	***Exchange***
Daniel Rodriguez	EGR Exploration Ltd.	TSX Venture Exchange
John Fraser	Nexus Gold Corp. Azincourt Energy Corp.	TSX Venture Exchange TSX Venture Exchange
Barry Devlin	None	N/A

MANAGEMENT CONTRACTS

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

PARTICULARS OF MATTERS TO BE ACTED UPON

A. Financial Statements

The audited financial statements of the Company for the year ended February 28, 2026, the report of the auditor and related management discussion and analysis will be placed before the Shareholders at the Meeting, but no vote thereon is required. These documents are available upon request or they can be found under the Company's profile on SEDAR+ at www.sedarplus.ca or from the office of the Company's counsel, which is located at Suite 3100, Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8 Canada.

No approval or other action needs to be taken at the Meeting in respect of these documents.

B. Appointment of Auditor

Management proposes to nominate Baker Tilly WM LLP, Chartered Professional Accountants, as the Company's auditors for the ensuing year. Baker Tilly WM LLP was first appointed auditor of the Company on February 28, 2023.

The Company's management recommends that the Shareholders vote in favour of the re-appointment of Baker Tilly WM LLP, Chartered Professional Accountants, as the Company's auditor for the ensuing year and grant management the authority to determine the remuneration to be paid to the auditor Accordingly, unless such authority is withheld, the persons named in the accompanying proxy intend to vote FOR the re-appointment of Baker Tilly WM LLP as auditors of the Company for the financial year ending February 28, 2027 and FOR authorizing the directors to fix the auditors' remuneration.

C. Fixing the Number of Directors

Management proposes, and the persons named in the accompanying form of proxy intend to vote in favour of, fixing the number of directors for the ensuing year at three (3). Although the Company's management is nominating three (3) individuals to stand for election, the names of further nominees for directors may come from the floor at the Meeting.

The Company's management recommends that the Shareholders vote in favour of the resolution setting the number of directors at three (3). In the absence of instructions to the contrary, the proxyholders intend to vote the Common Shares represented by each proxy, properly executed, FOR fixing the number of directors at three (3) for the ensuing year.

D. Election of Directors

The directors of the Company are elected annually and hold office until the next annual general meeting of the Shareholders or until their successors are elected or appointed. Management proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are elected or appointed. In the absence of instructions to the contrary, proxies given pursuant to the solicitation by Management will be voted for the nominees listed in this Information Circular. **Management does not contemplate that any of the nominees will be unable to serve as a director.**

The following table sets out the names of the persons to be nominated for election as directors, the positions and offices which they presently hold with the Company, their respective principal occupations or employments during the past five years if such nominee is not presently an elected director and the number of Common Shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Information Circular:

Name, Province/State and Country of Residence and Other Positions, if any, held with the Company[(1)]	Date First Became a Director	Principal Occupation, Business or Employment	Number and Percentage of Common Shares Held[(2)]
DANIEL RODRIGUEZ[(3)] British Columbia, Canada *Chief Executive Officer and Director*	June 26, 2024	Chief Executive Officer of the Company and Chief Executive Officer of EGR Exploration Ltd. since June 2022.	2,014,001 2.65%
JOHN FRASER[(3)] British Columbia, Canada *VP, Business Development and Director*	May 31, 2024	Vice President, Business Development of the Company. Finance and Capital Markets Consultant since 2015.	Nil
BARRY DEVLIN[(3)] Colorado, United States *Director*	January 16, 2025	Professional Geologist (Retired).	430,000 0.56%

Notes:

(1) Information as to the residency and principal occupation has been provided by the respective directors.

(2) Number of Common Shares of the Company beneficially owned, or controlled or directed, directly or indirectly by each proposed director. Information as to voting Common Shares owned or controlled, not being within the knowledge of the Company, has been furnished by the respective nominees individually. Percentages based on75,951,751 Common Shares issued and outstanding as of the date of this Information Circular.

(3) Member of Audit Committee.

The Company does not have an executive committee of its Board.

No proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as disclosed below, no proposed director is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:

(a) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

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

For the purposes hereof, the term "order" means:

(a) a cease trade order;

(b) an order similar to a cease trade order; or

(c) an order that denied the relevant company access to any exemption under securities legislation,

that was in effect for a period of more than 30 consecutive days.

No proposed director:

(a) is, as at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while such person was acting in such 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

(b) has, within 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or has a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

No proposed director has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in deciding whether to vote for a proposed director.

E. Approval of Stock Option Plan

The Board approved the adoption of the Option Plan. The purpose of the Option Plan is to provide an incentive to directors, employees and consultants 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

A copy of the Option Plan is attached as Schedule "B" to this Information Circular dated July 20, 2026. The text of the Option Plan is available for review at the Company's SEDAR+ profile at www.sedarplus.ca. The following is a summary of certain provisions of the Option Plan and is subject to, and qualified in its entirety by, the full text of the Option Plan.

1. The Option Plan is administered by the Board, which will have full and final authority with respect to the granting of all Options thereunder.
2. The maximum number of Common Shares that may be issued upon the exercise of Options granted under the Option Plan shall not exceed ten percent (10%) of the issued and outstanding Common Shares of the Company at the time of grant, the exercise price of which, as determined by the Board in its sole discretion, shall not be less than the closing price of the Common Shares traded through the facilities of the Exchange prior to date of the option grant, or, if the Common Shares are no longer listed for trading on the Exchange, then such other exchange or quotation system on which the shares are listed or quoted for trading.
3. The Board shall not grant Options to any one person in any twelve (12) month period which will, when exercised, exceed five percent (5%) of the issued and outstanding Common Shares or to any one consultant which will, when exercised, exceed two percent (2%) of the issued and outstanding Common Shares.
4. Upon expiry of an Option, or in the event an option is otherwise terminated for any reason, the number of shares in respect of the expired or terminated option shall again be available for the purposes of the Option Plan. All Options granted under the Option Plan may not have an expiry date exceeding five (5) years from the date on which the Board grants and announces the granting of the Option.
5. Unless an option agreement specifies otherwise, if an Optionee (as defined in the Option Plan) ceases to be an Eligible Person (as defined in the Option Plan) for any reason other than death or termination for cause, each Option held by the Optionee will cease to be exercisable 180 days after the date of termination.

6. If the outstanding Common Shares of the Company are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Company or another corporation or entity through a reorganization, amalgamation, arrangement, merger, re-capitalization, re-classification, stock dividend, subdivision, consolidation or similar transaction, or in case of any transfer of all or substantially all of the assets or undertaking of the Company to another entity (any of which being, a "**Reorganization**"), any adjustments relating to the Common Shares subject to Options or issued on exercise of Options and the exercise price per Common Share shall be adjusted by the Board, in its sole and absolute discretion, provided that a participant in the Option Plan shall be thereafter entitled to receive the amount of securities or property (including cash) to which such participant would have been entitled to receive as a result of such Reorganization if, on the effective date thereof, he or she had been the holder of the number of Common Shares to which he was entitled upon exercise of his or her Option(s).
7. Subject to any required approvals under applicable securities legislation or stock exchange rules, the Company may amend or modify the Option Plan or the terms of any Option as the Board deems necessary or advisable provided that no such amendment shall adversely affect any accrued and vested rights of an Optionee or alter or impair any Option previously granted to that optionee, without the consent of the Optionee (provided such a change would materially prejudice the Optionee's rights under the Stock Option Plan).

The policies of the Exchange require that the Option Plan receive Shareholder approval prior to its implementation. In order for the resolution to be effective, it must be approved by an Ordinary Resolution in respect thereof by Shareholders present in person or by proxy at the Meeting.

The Option Plan Resolution

At the Meeting, Shareholders will be asked to pass the following Ordinary Resolution to approve the Option Plan (the "**Option Plan Resolution**"), substantially in the following form:

"**BE IT RESOLVED THAT:**

1. the Company's stock option plan, in substantially the form provided to shareholders of the Company, with such additions and deletions as may be approved by the directors of the Company or as may be required by any regulatory authority (the "**Option Plan**"), is hereby authorized, confirmed and approved, and the Company has the ability to grant stock options under the Option Plan;

2. all issued and outstanding stock options of the Company previously granted shall be continued under and governed by the Option Plan; and

3. the directors of the Company be authorized to perform all such other acts and things as may be necessary or desirable to effect the adoption of the Option Plan; and that the directors of the Company be authorized to implement or abandon these resolutions in whole or in part, at any time and from time to time in their sole discretion, all without further approval, ratification or confirmation by shareholders."

Management recommends that Shareholders approve the Option Plan Resolution. If the Option Plan Resolution is approved by Shareholders, the Board will have the authority, in its sole discretion, to implement or revoke the Option Plan Resolution and otherwise implement or abandon the Option Plan.

In the absence of instructions to the contrary, the proxyholders intend to vote the Common Shares represented by each proxy, properly executed, FOR the Option Plan Resolution.

OTHER MATTERS

The Company will consider and transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof. Management knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the Common Shares represented by the proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting by proxy.

ADDITIONAL INFORMATION

Additional information regarding the Company and its business activities is available on the SEDAR+ website located at www.sedarplus.ca under "Company Profiles – Mercado Minerals Ltd.". The Company's consolidated financial statements and management discussion and analysis ("**MD&A**") for the financial year ended February 28, 2026 are available for review under the Company's profile on SEDAR+. Shareholders may contact the Company to request copies of the financial statements and MD&A by mail to Suite 615 – 625 Howe Street, Vancouver, BC V6C 2T6.

BOARD APPROVAL

The contents of this Information Circular have been approved and its mailing authorized by the directors of the Company.

DATED at Vancouver, British Columbia, the 20th day of July, 2026.

ON BEHALF OF THE BOARD OF
MERCADO MINERALS LTD.

"Daniel Rodriguez"

Chief Executive Officer

SCHEDULE “A”

AUDIT COMMITTEE CHARTER

Commencing on next page.

MERCADO MINERALS LTD.

AUDIT COMMITTEE CHARTER

ARTICLE 1
PURPOSE

1.1 The Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Mercado Minerals Ltd. (the "**Company**") shall assist the Board in fulfilling its financial oversight responsibilities. The overall purpose of the Committee is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Company and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. In performing its duties, the Committee will maintain effective working relationships with the Board, management, and the external auditors and monitor the independence of those auditors. To perform his or her role effectively, each member of the Committee will obtain an understanding of the responsibilities of the Committee membership as well as the Company's business, its operations and related risks.

ARTICLE 2
COMPOSITION, PROCEDURE, AND ORGANIZATION

2.1 The Committee shall be appointed by the Board annually pursuant to provisions of the *Business Corporations Act* (British Columbia) and the articles of the Company. The Committee shall consist of at least three members of the Board, the majority of whom are not officers or employees of the Company or of an affiliate of the Company.

2.2 All members of the Committee shall be financially literate as defined in NI 52-110 – *Audit Committees* or any successor policy.

2.3 The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.

2.4 Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number. The Committee may appoint any individual, who need not be a member, to act as the secretary at any meeting.

2.5 The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other. 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 unanimous written consent of the Committee members.

2.6 The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.

2.7 Meetings of the Committee shall be conducted as follows:

(a) the Committee shall meet at least four times annually at such times and at such locations as maybe requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;

(b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and

(c) management representatives may be invited to attend all meetings except private sessions with the external auditors.

2.8 The external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

2.9 Any matter to be determined by the Committee will be decided by a majority of the votes cast at a meeting of the Committee called for such purpose. Each member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. Any action of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee (including in counterpart) and any such action will be as effective as if it had been decided by a majority of the votes cast at a meeting of the Committee called for such purpose.

ARTICLE 3
ROLES AND RESPONSIBILITIES

3.1 The overall duties and responsibilities of the Committee shall be as follows:

(a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and interim consolidated financial statements and related financial disclosure;

(b) to establish and maintain a direct line of communication with the Company's external auditors and assess their performance;

(c) to ensure the Company's compliance with legal and regulatory requirements;

(d) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls;

(e) to report regularly to the Board on the fulfilment of its duties and responsibilities; and

(f) to perform the additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

3.2 The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:

(a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors. The Committee shall have exclusive responsibility for the foregoing and the independent auditor shall report directly to the Committee;

(b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;

(c) review the audit plan of the external auditors prior to the commencement of the audit;

(d) to review with the external auditors, upon completion of their audit:

(i) contents of their report;

(ii) scope and quality of the audit work performed;

(iii) adequacy of the Company's financial and auditing personnel;

(iv) co-operation received from the Company's personnel during the audit;

(v) internal resources used;

(vi) internal quality control procedures;

(vii) significant transactions outside of the normal business of the Company;

(viii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and

(ix) the non-audit services provided by the external auditors;

(e) resolve disagreements, if any, between management and the external auditors regarding financial reporting. It accomplishes this by querying management and the external auditors. The Committee provides the Board with such recommendations and reports with respect to the financial statements of the Company as it deems advisable;

(f) take reasonable steps to confirm the independence of the external auditors, including but not limited to pre-approving non-audit related services provided by the external auditors to the Company or the Company's subsidiaries, if any, with a view to ensuring independence of the auditors, and in accordance with any applicable regulatory requirement;

(g) ensure the independent auditor submits a formal written statement delineating all relationships between the independent auditor and the Company and pre-approve, in accordance with the requirements of NI 52-110 and any other applicable laws and regulations, all non-audit services to be provided to the Company or any subsidiary by the independent auditor;

(h) obtain from the external auditor confirmation that the external auditor is a 'participating audit' firm for the purpose of National Instrument 52-108 – *Auditor Oversight* and are in compliance with governing regulations;

(i) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and

(j) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.

3.3 The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:

(a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to insurance, accounting, information services and systems and financial controls, management reporting and risk management;

(b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;

(c) consult annually and otherwise as required with the Company's CEO and CFO respecting the adequacy of internal controls and review any breaches or deficiencies;

(d) review with management and with the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgments of management that may be material to financial reporting;

(e) review with management to ensure to its satisfaction that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements and will periodically assess the adequacy of those procedures;

(f) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and

(g) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the external auditors have been implemented.

3.4 The Committee is also charged with the ongoing oversight of matters pertaining to:

(a) capital structure and funding including finance and cash flow planning;

(b) capital management planning and initiatives;

(c) property and corporate acquisitions and divestitures including proposals which may have a material impact on the Company's capital position;

(d) the Company's annual budget;

(e) the Company's insurance program;

(f) directors' and officers' liability insurance and indemnity agreements; and

(g) matters the Board may refer to the Committee from time to time in connection with the Company's capital position.

3.5 The Committee is also charged with the responsibility to:

(a) review and approve the Company's annual and interim financial statements and related management discussion and analysis ("**MD&A**"), including the impact of unusual items and changes in accounting principles and estimates. Review the quarterly financial statements, , annual information form (if any) future-oriented financial information or pro-forma information and other financial disclosure in continuous disclosure documents. Review with management the Company's compliance with applicable laws and regulations respecting financial matters;

(b) review and approve the financial sections of any of the following disclosed documents prepared by the Company:

(i) the annual report to shareholders;

(ii) the annual information form;

(iii) annual MD&A;

(iv) prospectuses;

(v) news releases discussing financial results of the Company; and

(vi) other public reports of a financial nature requiring approval by the Board, and report to the Board with respect thereto;

(c) review regulatory filings and decisions as they relate to the Company's consolidated financial statements;

(d) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;

(e) review and report on the integrity of the Company's consolidated financial statements;

(f) review the minutes of any audit committee meeting of subsidiary companies;

(g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;

(h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information;

(i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board following each annual general meeting of shareholders;

(j) investigate fraud, illegal acts or conflicts of interest; and

(k) review and assess the adequacy of this Charter on an annual basis and recommend any proposed changes to the Board.

3.6 Without limiting the generality of anything in this Charter, the Committee has the authority:

(a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,

(b) to set and pay the compensation for any advisors employed by the Committee, and

(c) to communicate directly with the Auditor.

3.7 The Committee is responsible for the implementation of procedures for addressing complaints regarding questionable accounting or auditing matters. Complaints regarding the accuracy or integrity of the Company's accounting, internal accounting controls, financial reporting, auditing matters or ethics may be submitted to the Audit Committee. Complaints may be made anonymously and, if not made anonymously, the identity of the person submitting the complaint will be kept confidential. Upon receipt of a complaint, a member of the Audit Committee will conduct an initial investigation. If the results of that initial investigation indicate there may be any merit to the complaint, the matter will be brought before the Audit Committee for a determination for further investigation and action. Records of complaints made and the resulting action or determination with respect to the complaints shall be documented and kept in the records of the Audit Committee for a period of three years.

ARTICLE 4
EFFECTIVE DATE

4.1 This Charter was implemented by the Board on July 20, 2026.

SCHEDULE "B"

STOCK OPTION PLAN

Commencing on next page.

MERCADO MINERALS LTD.

STOCK OPTION PLAN

Approved by the Board of Directors effective on January 15, 2025

STOCK OPTION PLAN

1. PURPOSE OF THE PLAN

The purpose of the Plan is to provide Eligible Persons with an opportunity to purchase Shares and to benefit from the appreciation in the value of the Shares. The Plan will provide an increased incentive for those individuals to contribute to the future growth, success and prosperity of the Company, thus enhancing the value of the Shares for the benefit of all of the Company's shareholders and increasing the ability of the Company and any Affiliate to attract and retain skilled and motivated individuals.

2. INTERPRETATION

2.1. Definitions

In the Plan, the following terms shall have the following meanings:

"**Associate**" means an associate as defined in the *Securities Act* (British Columbia);

"**Affiliate**" has the meaning set out in the Corporations Act;

"**Blackout Period**" means an interval of time (i) when any trading guidelines of the Company, as amended from time to time, restrict Participants from trading in any securities of the Company because they may be in possession of confidential information; or (ii) when the Company has determined that one or more Participants may not trade any securities of the Company because they may be in possession of confidential information;

"**Board**" means the board of directors of the Company and any committee of the board of directors to which any or all authority, rights, powers and discretion with respect to the Plan has been delegated;

"**Business Day**" means a day that is not a Saturday, Sunday or a statutory or public holiday and any other day on which the banks are not regularly open for business in the jurisdiction where the Company has its head office;

"**Cause**" means any act, omission or course of conduct recognized as cause under applicable law, including, without limitation, embezzlement, theft, fraud, wilful failure to follow any lawful directive of the Company and wilful misconduct detrimental to the interests of the Company;

"**Company**" means Mercado Minerals Ltd. and its successors;

"**Consultant**" means a person, company, partnership or other entity, other than an Employee, Officer or Director, that is engaged to provide on an ongoing basis, consulting, technical, management or other services (other than services in relation to a distribution) to the Company or an Affiliate of the Company under a written contract with the Company or an Affiliate of the Company, and otherwise meets the definition of "consultant" contained in NI 45-106 and, and includes, for an individual consultant, a company, partnership or other entity of which the individual consultant is an employee, shareholder or partner;

"**Corporations Act**" means the *British Columbia Business Corporations Act*, as amended or replaced from time to time;

"**Director**" means a director of the Company or an Affiliate of the Company;

"**Disability**" means any disability with respect to a Participant which the Board, in its sole and unfettered discretion, considers likely to permanently prevent the Participant from:

(a) being employed or engaged by the Company, an Affiliate of the Company or another employer, in a position the same as or substantially similar to that in which the Participant was last employed or engaged by the Company or an Affiliate of the Company;

(b) acting as a director or officer of the Company or an Affiliate of the Company or another company; or

(c) engaging in any substantial gainful activity by reason of any medically determinable mental or physical impairment that can be expected to result in death or that has lasted or can be expected to last a continual period of not less than 12 months;

"**Disinterested Shareholders**" means the shareholders of the Company, including holders of any non-voting and subordinate voting shares of the Company, but excluding:

(a) Insiders to whom Options may be issued under the Plan; and

(b) Associates of those Insiders;

"**Eligible Person**" means a *bona fide* Director, Officer, Employee, Consultant, and any "permitted assign" within the meaning of NI 45-106;

"**Employee**" means an employee (whether full-time or part-time) of the Company or an Affiliate of the Company, or a Management Company Employee;

"**Exchange**" means the Canadian Securities Exchange or, if the Shares are not listed and posted for trading on the Canadian Securities Exchange, the most senior stock exchange in Canada on which the Shares are listed and posted for trading;

"**Expiry Date**" means the date set by the Board under Section 3.1 of the Plan, as the last date on which an Option may be exercised by the Participant;

"**Grant Date**" means the date specified in an Option Agreement as the date on which an Option is granted;

"**Insider**" means:

(a) an insider as defined in the Securities Act, other than a person who is an insider solely by virtue of being a director or senior officer of an Affiliate; and

(b) an Associate of any person who is an insider under section (a);

"**Management Company Employee**" means an individual employed by a person providing management services to the Company which are required for the ongoing successful operation of the business enterprise of the Company;

"**NI 45-106**" means Canadian National Instrument 45-106 – *Prospectus and Registration Exemptions*;

"**Officer**" means an executive officer (as that term is defined in NI 45-106) of the Company or an Affiliate of the Company;

"**Option**" means an option to purchase Shares granted pursuant to the Plan;

"**Option Agreement**" means an agreement whereby the Company grants an Option to a Participant;

"**Option Price**" means the per Share exercise price specified in an Option Agreement to be paid to acquire Option Shares, adjusted from time to time in accordance with the provisions of Section 5;

"**Option Shares**" means the aggregate number of Shares which a Participant may purchase under an Option;

"**Participant**" means an Eligible Person granted an Option pursuant to the Plan and his or her heirs, executors and administrators and, subject to the policies of the Exchange, a Participant may also be a company wholly-owned by an individual eligible for an Option grant pursuant to the Plan;

"**Plan**" means this Mercado Minerals Ltd. Stock Option Plan, as amended from time to time in accordance with the provisions hereof;

"**Securities Act**" means the *Securities Act* (British Columbia), as amended or replaced from time to time;

"**Shares**" means the common shares in the capital of the Company as constituted on the date of the Plan provided that, in the event of any adjustment pursuant to Section 5, "Shares" shall thereafter mean the shares or other property resulting from the events giving rise to the adjustment;

"**Unissued Option Shares**" means the number of Shares, at a particular time, which have been allotted for issuance upon the exercise of an Option but which have not been issued, as adjusted from time to time in accordance with the provisions of Section 5, such adjustments to be cumulative; and

"**Vested**" means that an Option has become exercisable in respect of a number of Option Shares by the Participant pursuant to the terms of the Option Agreement and the Plan.

2.2. Number and Gender

The Plan shall be read with all changes in number and gender required by the context.

2.3. Sections

A reference to a Section includes all subsections and paragraphs in that Section, unless the context otherwise requires.

2.4. Currency

Unless the context otherwise requires or the Board determines otherwise, all references to currency shall be to the lawful money of Canada.

3. GRANT OF OPTIONS AND ADMINISTRATION OF THE PLAN

3.1. Option Terms

The Board may from time to time authorize the grant of Options to Eligible Persons on the terms and subject to the conditions set out herein and any additional terms and conditions as are set out in the Option Agreement, all as determined by the Board in its sole and unfettered discretion. Notwithstanding the foregoing, if the Shares are, at the time of grant, listed and posted for trading on the Exchange:

(a) the Option Price under each Option shall be not less than the closing price of the Company's Shares on the Grant Date or such other minimum price as may be required by the Exchange;

(b) the Expiry Date for each Option shall be set by the Board at the time of issue of the Option and shall not be more than five years after the Grant Date, subject to extension in connection with a Blackout Period, as provided in Section 4.5; and

(c) Options shall not be assignable or transferable by the Participant, except to the extent necessary to enable Options that have Vested at the time of death of a Participant to be exercised by the legal personal representatives or beneficiary(ies) of the Participant as contemplated in Section 4.4(a).

For greater certainty, the Board shall not be permitted to amend the Option Price, and Options may not be re-priced, except as set out in Section 5 of the Plan.

3.2. Limits on Shares Issuable on Exercise of Options

Subject to Section 5.1,

(a) the maximum number of Shares that may be issuable pursuant to Options granted under the Plan shall be a number equal to 10% of the number of issued and outstanding Shares;

(b) unless approved by a majority of the Disinterested Shareholders,

(i) the aggregate number of Shares issuable pursuant to Options granted to Insiders pursuant to the Plan and all of the Company's other previously established and outstanding or proposed share compensation arrangements and grants may not exceed 10% of the issued and outstanding Shares on a non-diluted basis at any time;

(ii) the aggregate number of Shares issued to Insiders pursuant to the Plan and all of the Company's other previously established and outstanding or proposed share compensation arrangements and grants within any 12 month period must be less than10% of the issued and outstanding Shares on a non-diluted basis; and

(iii) the aggregate number of Shares issuable to any one Participant pursuant to the Plan and all of the Company's other previously established and outstanding or proposed share compensation arrangements and grants within any 12 month period may not exceed 5% of the issued and outstanding Shares on a non-diluted basis; and

(c) the aggregate number of Shares issuable pursuant to Options granted to any one Consultant pursuant to the Plan and all of the Company's other previously established and outstanding or proposed share compensation arrangements and grants within any 12 month period may not exceed 2% of the issued and outstanding Shares on a non-diluted basis.

3.3. Option Agreements

Each Option will be evidenced by the execution of an Option Agreement. Each Participant shall have the option to purchase from the Company the Option Shares at the time and in the manner set out in the Plan and in the Option Agreement applicable to that Participant. In the case of Options granted to Employees, Consultants or Management Company Employees, each Option Agreement will contain a representation of the Company and the Participant that the Participant is a *bona fide* Employee, Consultant or Management Company Employee, as the case may be. The execution of an Option Agreement shall constitute conclusive evidence that the grant of Options to the Participant has been completed in compliance with the Plan.

3.4. Authority of the Board

Subject only to the express provisions of the Plan, the Board shall have, and hereby is specifically granted, the sole and unfettered authority to:

(a) grant Options to Eligible Persons;

(b) determine the terms, limitations, restrictions and conditions respecting Options;

(c) interpret the Plan and adopt, amend and rescind such administrative guidelines and other rules and regulations relating to the Plan, as it may from time to time deem advisable;

(d) authorize any officer or director to execute and deliver any Option Agreement, notice, commitment or document and to do any other act as contemplated by the Plan for and on behalf of the Company;

(e) make all other determinations and perform all other actions as the Board deem necessary or advisable to implement and administer the Plan; and

(f) subject to applicable law, delegate to the compensation committee or any other committee of the Board, on such terms as the Board in its discretion determines, all or any part of the authority of the Board hereunder to administer and implement the Plan.

3.5. <u>Discretion of the Board</u>

The determinations of the Board under the Plan (including, without limitation, determinations of who may receive grants of Options and the terms, limitations, restrictions and conditions respecting Options) need not be uniform and may be made by the Board selectively among Eligible Persons who receive, or are eligible to receive, grants of Options under the Plan, whether or not such Eligible Persons are similarly situated as to office, length of service, salary or any other factor. The Board may, in its discretion, authorize the grant of additional Options to a Participant before an existing Option has terminated.

3.6. <u>Interpretation of the Plan</u>

Except as set out in Section 5.4, the interpretation and construction of any provision of the Plan by the Board shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Company and the Company shall pay all costs in respect thereof. All guidelines, rules, regulations, decisions and interpretations of the Board respecting the Plan, any Option Agreement or the Options shall be binding and conclusive on the Company and on all Participants and their respective legal personal representatives.

3.7. <u>Overriding Restrictions on Issue and Exercise</u>

Notwithstanding anything else in this Plan or the terms of any Option, no Option may be offered, issued or exercised if to do so:

(a) would contravene the constating documents of the Company, the Securities Act, the Corporations Act or any policy of the Exchange; or

(b) would contravene the local laws or customs of a Participant’s country of residence or in the opinion of the Board would require actions to comply with those local laws or customs which are impractical.

4. **EXERCISE OF OPTIONS**

4.1. When Options May be Exercised

Subject to this Section 4, an Option may be exercised to purchase any number of Option Shares up to the number of Unissued Option Shares that have Vested at any time after the Grant Date up to 5 p.m. in the location where the Company has its head office on the Expiry Date, provided the Expiry Date is a Business Day and if the Expiry Date is not a Business Day, then the Expiry Date shall be deemed to fall on the next day that is a Business Day, and shall not be exercisable thereafter.

4.2. Manner of Exercise

The Options shall be exercisable by delivering, prior to the Expiry Date, to the Company at its head office, a written notice specifying the number of Option Shares in respect of which the Options are exercised together with payment in full of the Option Price for each such Option Share. All Option Shares subscribed for upon exercise of the Options shall be paid in full at the time of subscription. No fractional Shares may be purchased or issued hereunder.

4.3. Vesting of Options

All Options granted to a Participant under the Plan will become vested on the Grant Date, or at such other time as may be established by the Board at the time of the grant in compliance with requirements of the Exchange.

4.4. Termination of Employment or Affiliation

If a Participant ceases to be an Eligible Person, the Participant's Options shall be exercisable as follows:

(a) Death, Disability or Retirement. If the Participant ceases to be an Eligible Person due to his or her death, Disability or retirement in accordance with the Company's retirement policy in force from time to time, or, in the case of a Participant that is a company, the death, Disability or retirement of the person who provides management or consulting services to the Company or to an Affiliate of the Company, the Options then held by the Participant shall be exercisable to acquire Unissued Option Shares that have Vested at the time of death, Disability or retirement at any time up to but not after the earlier of:

(i) 365 days after the date of death, Disability or retirement; and

(ii) the Expiry Date.

(b) Termination for Cause. If the Participant ceases to be an Eligible Person as a result of termination for Cause, any outstanding Options held by such Participant on the date of such termination, whether in respect of Option Shares that are Vested or not, shall be cancelled as of the date of delivery of written notice of termination (and specifically without regard to the date on which any period of reasonable notice, if any, would expire).

(c) Early Retirement, Voluntary Resignation or Termination Other than For Cause. If the Participant ceases to be an Eligible Person due to the Participant's retirement or, in the case of a Participant that is a company, the retirement of the person who provides management or consulting services to the Company or to an Affiliate of the Company, at the request of his or her employer earlier than the normal retirement date under the Company's retirement policy then in force, or due to the Participant's voluntary resignation or due to the termination of the Participant's employment by the Company for reasons other than Cause, the Options then held by the Participant shall be exercisable, subject to section (d), to acquire Unissued Option Shares that have Vested at the time of retirement, resignation or termination for reasons other than Cause, at any time up to but not after the earlier of:

(i) the Expiry Date;

(ii) one hundred and eighty (180) days after the Participant ceases active employment or engagement with the Company or an Affiliate of the Company; and

(iii) one hundred and eighty (180) days after the date of delivery of written notice of retirement, resignation or termination (and specifically without regard to the date any period of reasonable notice, if any, would expire),

provided that the Board shall have the discretion to increase the one hundred and eighty (180) day period referred to in clause (ii) or (iii), above, as applicable, at any time for any period of time up to the Expiry Date.

(d) For greater certainty, unless the Board determines otherwise, an Option that had not become Vested in respect of any Unissued Option Shares at the time that the relevant events referred to in Sections 4.4(a) or 4.4(c) occurred, shall not be or become exercisable in respect of such Unissued Option Shares and shall be cancelled.

4.5. Blackout Periods

(a) No Option may be exercised during a Blackout Period.

(b) If the Expiry Date of an Option, or the deadline for exercising any Option set out in Section 4.4(a) or Section 4.4(c) falls within a Blackout Period or within two Business Days after the expiry of a Blackout Period, such Expiry Date or deadline shall be deemed to be extended by ten Business Days after the last day of the Blackout Period.

4.6. Effect of a Take-Over Bid

Notwithstanding Section 4.3, if:

(a) a *bona fide* takeover offer (an "**Offer**") is made to the shareholders of the Company to acquire their Shares and the Board becomes aware that more than 50% of the issued Shares have or will become vested in the offeror and related and associated parties, then the Board shall notify each Participant in writing that all Options issued to the Participant have become Vested and may be exercised by the Participant with effect from the date of such notice and shall be exercisable by a date specified in the notice. Upon receipt of such notice, the Participant shall be entitled to exercise all or any of the Options, and any Participant who exercises any such Options shall tender the Shares that have been issued as a result to the Offer. If for any reason if Shares are taken up and paid for by the offeror under the Offer as and when required, then the Shares that have been issued in pursuance of this paragraph (a) shall be returned by the relevant Participant to the Company and reinstated as authorized but Shares, the Option with respect to such returned Shares shall be reinstated as if it had not been exercised and the terms for the vesting of the Options shall be reinstated, and the Company shall immediately refund the exercise price paid for the issuance of any Shares upon the exercise of any Option under this paragraph (a) to the Option holder, without interest;

(b) the Board concludes that there has been such a change in the control of issued Shares of the Company that the replacement of the majority of the Board is imminent or the Board becomes aware that any person or corporation who is not already so entitled has become entitled to more than 50% of the issued Shares, then the Board shall notify each Participant in writing that all Options issued to the Participant have become Vested and may be exercised by the Participant with effect from the date of the notice and shall be exercisable by a date specified in the notice. Upon receipt of such a notice, the Participant shall be entitled to exercise all or any of the Options.

4.7. <u>Acceleration of Expiry Date</u>

If at any time when an Option granted under the Plan remains unexercised with respect to any Unissued Option Shares an Offer is made by an offeror, the Board may, upon notifying each Participant of full particulars of the Offer, declare that all Options granted under the Plan have become Vested and accelerate the Expiry Date for the exercise of all unexercised Options granted under the Plan so that all Options will either be exercised or expire prior to the date upon which Shares must be tendered pursuant to the Offer.

4.8. <u>Exclusion from Severance Allowance, Retirement Allowance or Termination Settlement</u>

If the Participant retires, resigns or is terminated from employment or engagement with the Company or an Affiliate, the loss or limitation, if any, pursuant to the Option Agreement with respect to the right to purchase Option Shares which were not Vested at that time or which, if Vested, were cancelled, shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Participant.

4.9. Shares Not Acquired

Any Unissued Option Shares not acquired by a Participant under an Option which have expired or have been cancelled may be made the subject of a further Option grant pursuant to the provisions of the Plan.

4.10. Right to Participate in New Issues

To the extent that shareholders of the Company are entitled to participate in new issues of Shares, a Participant, with respect to Vested Options held by such Participant, shall not be entitled to participate in respect of such Vested Options, unless such Participant first exercises the Vested Options in accordance with the terms of the Plan prior to the record date of such offering, whereby the Participant will be entitled to participation by virtue of the Shares held by such Participant.

4.11. Quotation or Listing

(a) The Company will not seek the official quotation or listing of any Options.

(b) The Company will apply to the Exchange for official quotation or listing of Shares issued on the exercise of Options.

5. ADJUSTMENT OF OPTION PRICE AND NUMBER OF OPTION SHARES

5.1. Share Reorganization

If the Company issues Shares to all or substantially all holders of Shares by way of a stock dividend or other distribution, or subdivides all outstanding Shares into a greater number of Shares, or combines or consolidates all outstanding Shares into a lesser number of Shares (each of such events being a "**Share Reorganization**"), then effective immediately after the effective date for such Share Reorganization for each Option:

(a) the Option Price will be adjusted to a price per Option Share which is the product of:

(i) the Option Price in effect immediately before the effective date for the Share Reorganization; and

(ii) a fraction the numerator of which is the total number of Shares outstanding on the effective date of the Share Reorganization before giving effect to the Share Reorganization, and the denominator of which is the total number of Shares that are or would be outstanding on the effective date of the Share Reorganization after giving effect to the Share Reorganization; and

(b) the number of Unissued Option Shares will be adjusted by multiplying (i) the number of Unissued Option Shares immediately before the effective date of the Share Reorganization by (ii) a fraction which is the reciprocal of the fraction described in section 5.1(a)(ii). Subject to any provisions with respect to rounding of entitlements as sanctioned by the meeting, if any, of shareholders approving a

Share Reorganization, in all other respects the terms for the exercise of Options shall remain unchanged notwithstanding the reorganization.

5.2. Special Distribution

Subject to the prior approval of the Exchange if the Company is listed on the Exchange at the relevant time, if the Company issues by way of a dividend or otherwise distributes to all or substantially all holders of Shares:

(a) shares of the Company, other than Shares;

(b) evidences of indebtedness;

(c) any cash or other assets, excluding cash dividends (other than cash dividends which the Board has determined to be outside the normal course); or

(d) rights, options or warrants,

then to the extent that such dividend or distribution does not constitute a Share Reorganization (any of such non-excluded events being a "**Special Distribution**"), and effective immediately after the record date at which holders of Shares are determined for purposes of the Special Distribution, for each Option the Option Price will be reduced, and the number of Unissued Option Shares will be correspondingly increased, by such amount, if any, as is determined by the Board in its sole and unfettered discretion to be appropriate in order to properly reflect any diminution in value of the Shares as a result of such Special Distribution.

5.3. Corporate Reorganization

Whenever there is:

(a) a reclassification of outstanding Shares, a change of Shares into other shares or securities, or any other capital reorganization of the Company, other than as described in sections 5.1 or 5.2;

(b) a consolidation, merger or amalgamation of the Company with or into another Company resulting in a reclassification of outstanding Shares into other shares or securities or a change of Shares into other shares or securities; or

(c) a transaction whereby all or substantially all of the Company's undertaking and assets become the property of another Company,

(any such event being a "**Corporate Reorganization**")

the Participant will have an option to purchase (at the times, for the consideration and subject to the terms and conditions set out in the Plan and the Option Agreement) and will accept on the exercise of such option, in lieu of the Unissued Option Shares which the Participant would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that the Participant would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, the Participant had been the holder of all Unissued Option Shares or, if appropriate, as otherwise determined by the Board.

5.4. Determination of Option Price and Number of Unissued Option Shares

If any questions arise at any time with respect to the Option Price or number of Unissued Option Shares deliverable upon exercise of an Option following a Share Reorganization, Special Distribution or Corporate Reorganization, such questions shall be conclusively determined by the Board in its sole and unfettered discretion, and in arriving at a decision, the Board may consult such professional advisors as it deems necessary.

5.5. Compliance with Regulatory Authorities

Notwithstanding Sections 5.1, 5.2 or 5.3, in the event of any reorganization (including, without limitation, consolidation, sub-division, reduction or return of the issued capital of the Company) on or prior to the Expiry Date, the rights of the Participant will be changed to the extent necessary at the time of such reorganization, in such manner as determined by the Board, to ensure compliance with the policies of the Exchange that apply to a reorganization of capital at the time of such reorganization. For greater certainty, any adjustment to the Option Price or the number of Unissued Option Shares purchasable under the Plan pursuant to the operation of any one of Sections 5.1, 5.2 or 5.3 is subject to the approval of the Exchange, if applicable, and any other governmental authority having jurisdiction.

6. MISCELLANEOUS

6.1. No Right to Employment

Neither the Plan nor any of the provisions hereof shall confer upon any Participant any right with respect to employment, engagement or appointment or continued employment, engagement or appointment with the Company or any Affiliate or interfere in any way with the right of the Company or any Affiliate to terminate such employment, engagement or appointment.

6.2. Related Rights and Other Benefit Plans

No Participant shall have any of the rights of a shareholder of the Company with respect to any Option Shares (including, without limitation, voting rights or any right to receive dividends, warrants or rights under any rights offering) until the Participant has made full payment to the Company upon exercise of the Option and such Option Shares have been issued to such Participant. Participation in the Plan shall not affect an Eligible Person's eligibility to participate in any other benefit plan or incentive plan of the Company. The grant of any Option pursuant to the Plan shall not obligate the Company to make any benefit available to an Eligible Person under any other plan of the Company unless otherwise specifically provided for in such plan.

6.3. Necessary Approvals

If required by the Exchange, the Plan shall be subject to the approval of the shareholders of the Company at each annual general meeting of the Company. The obligation of the Company to sell and deliver Option Shares in accordance with the Plan is subject to the approval of the Exchange, if applicable, and any other regulatory body having authority over the Company, the Plan or the shareholders of the Company. If any Option Shares cannot be issued to any Participant for any reason, including, without limitation, the failure to obtain such approval, then the obligation of the Company to issue such Option Shares shall terminate and the Company shall immediately refund to the Participant any Option Price paid by the Participant to the Company.

6.4. Income Taxes

As a condition of and prior to participation in the Plan, each Participant authorizes the Company to withhold from any amount otherwise payable to the Participant any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of the Participant's participation in the Plan or issuance of Option Shares. The Company may, prior to and as a condition of issuing any Option Shares, require the Participant to pay to the Company in cash or such other consideration as the Board, in its discretion, may accept, such amount as the Company is obliged to remit in accordance with applicable tax laws and the requirements of any taxing authority having jurisdiction in respect of any such issuance of Option Shares. The Company shall also have the right in its sole discretion to satisfy any such liability for withholding or other required deduction amounts to require the Participant to complete a sale in respect of such number of Option Shares that have been issued and would otherwise be delivered to the Participant under the Plan, and any amount payable from such sale will first be paid to the Company to satisfy any liability for withholding. The Company may require a Participant, as a condition of participation in the Plan, to pay or reimburse the Company for any cost incurred by the Company as a result of the participation by the Participant in the Plan.

6.5. Amendments to the Plan

(a) The Board may from time to time, subject to applicable law and to the prior approval, if required, of the Exchange or any other regulatory body having authority over the Company, the Plan or the shareholders of the Company, suspend, terminate or discontinue the Plan at any time.

(b) The Board may amend or revise the terms of the Plan or of any Option granted under the Plan and the Option Agreement relating thereto at any time without the consent of the Participants provided that such amendment shall:

(i) not adversely alter or impair any Option previously granted except as permitted by the adjustment provisions of Section 5;

(ii) be subject to any regulatory approvals including, where required, the approval of the Exchange; and

(iii) be subject to shareholder approval where required by law or the requirements of the Exchange, provided that shareholder approval shall not be required for the following amendments and the Board may make any changes which may include but are not limited to:

A. amendments of a typographical, grammatical, clerical or administrative nature or which are required to comply with regulatory requirements;

B. a change to the vesting provisions of the Plan or any Option;

C. a change to the termination provisions of any Option that does not entail an extension beyond the original Expiry Date (as such date may be extended by virtue of Section 4.5); and

D. a change to the Eligible Persons of the Plan.

(c) Notwithstanding this Section 6.5, the Board shall not be permitted to amend the Option Price except as set out in Section 5. If the Plan is terminated, the provisions of the Plan and any administrative guidelines and other rules and regulations adopted by the Board and in force on the date of termination will continue in effect as long as any Option or any rights pursuant thereto remain outstanding and, notwithstanding the termination of the Plan, the Board shall remain able to make such amendments to the Plan or the Options as they would have been entitled to make if the Plan were still in effect.

(d) Without obtaining the prior approval of the shareholders of the Company and of the Exchange or any other regulatory body having authority over the Company, the Board will not be entitled to:

(i) increase the maximum percentage of Shares issuable by the Company pursuant to the Plan;

(ii) extend the Expiry Date;

(iii) make a change to the class of eligible participants which would have the potential of broadening or increasing participation by Insiders;

(iv) provide any form of financial assistance to Participants for the purchase of Option Shares; or

(v) add a deferred or restricted share unit or any other provision which results in a Participant receiving Shares when no cash consideration is received by the Company.

(e) Without obtaining the prior approval of the Disinterested Shareholders and of the Exchange or any other regulatory body having authority over the Company, the Board will not be entitled to amend the terms of Options held by an Insider (including, for greater certainty, to effectively reduce the Option Price).

6.6. Form of Notice

Any notice to be given to the Company pursuant to the provisions of the Plan shall be addressed to the Company to the attention of its President at the Company's head office, and any notice to be given to a Participant shall be delivered personally or addressed to the Participant at the address set out in the Option Agreement, or at such other address as such Participant may hereafter designate in writing to the Company. Any such notice shall be deemed duly given when made in writing and delivered to the Company or the Participant, as the case may be, or if mailed, then on the fifth business day following the date of mailing such notice in a properly sealed envelope addressed as aforesaid, registered or certified mail, postage prepaid.

6.7. No Representation or Warranty

The Company makes no representation or warranty as to the future market value of the Shares or with respect to any income tax matters affecting the Participant resulting from the grant or exercise of an Option and/or transactions in the Option Shares. Neither the Company, nor any of its directors, officers or employees are liable for anything done or omitted to be done by such person or any other person with respect to the price, time, quantity or other conditions and circumstances of the purchase or sale of Option Shares hereunder, with respect to any fluctuations in the market price of Shares or in any other manner related to the Plan.

6.8. Compliance with Applicable Law

If any provision of the Plan or any Option Agreement contravenes any law applicable or any order, policy, by-law or regulation of the Exchange or any other regulatory body having authority over the Company, the Plan or the shareholders of the Company, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

6.9. No Assignment

No Option shall be assignable or transferable by the Participant and any purported assignment or transfer of an Option shall be void and shall render the Option void, provided that in the event of death of the Participant, a Participant's legal personal representative may exercise the Option in accordance with Section 4.4.

6.10. Other Incentive Schemes

The Company is not restricted to using the Plan as the only method of providing incentive rewards to Eligible Persons. The Company may approve other incentive schemes. Participation in the Plan does not affect, and is not affected by, participation in any other incentive or other scheme of the Company unless the terms of that incentive or scheme provide otherwise.

6.11. Conflict

In the event of any conflict between the provisions of the Plan and an Option Agreement, the provisions of the Plan shall govern.

6.12. Governing Law

The laws of the Province of British Columbia shall govern the Plan and each Option Agreement issued pursuant to the Plan.

6.13. Time of Essence

Time is of the essence of the Plan and of each Option Agreement. No extension of time will be deemed to be, or to operate as, a waiver that time is to be of the essence.

6.14. Entire Agreement

The Plan and the Option Agreement sets out the entire agreement between the Company and the Participants relative to the subject matter hereof and supersedes all prior agreements, undertakings and understandings, whether oral or written.