

**TORQ RESOURCES INC.**

**NOTICE OF ANNUAL GENERAL MEETING  
OF SHAREHOLDERS  
TO BE HELD ON AUGUST 18, 2022**

**AND**

**INFORMATION CIRCULAR**

**DATED JULY 6, 2022**

**YOUR VOTE IS IMPORTANT. PLEASE VOTE YOUR PROXY TODAY.**

**TORQ RESOURCES INC.**

**Suite 1630 – 1177 West Hastings Street  
Vancouver, British Columbia V6E 2K3  
Telephone No.: (778) 729-0500 Fax No.: (778) 729-0650**

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**TAKE NOTICE** that the annual general meeting (the “**Meeting**”) of shareholders of **Torq Resources Inc.** (the “**Company**”) will be held at Suite 1630, 1177 West Hastings Street, Vancouver, British Columbia, on August 18, 2022, at 10:00 a.m. (Pacific Time).

**Meeting Attendance by Teleconference**

Due to ongoing concerns related to the COVID-19 pandemic, rather than attend the Meeting, the Company strongly encourages shareholders to submit their votes by proxy in advance of the Meeting by sending in the completed form of Proxy included with the Notice of Availability mailed to all shareholders, before **10:00 a.m. (Pacific Time) on Tuesday, August 16, 2022** (the “**Proxy Deadline**”).

Shareholders who wish to attend the Meeting in person **must call the Company at (778) 729-0500 or email to [info@torqresources.com](mailto:info@torqresources.com)** to inform of their intention to attend in person at least 48 hours prior to the Meeting for further instructions on in-person attendance procedures.

**Purposes of the Meeting:**

1. To receive and consider the annual audited financial statements of the Company for its fiscal years ended December 31, 2021 and 2020, together with the auditor’s report thereon and management’s discussion and analysis which are available for download at [www.sedar.com](http://www.sedar.com) (see also the Information Circular prepared for the Meeting (the “**Circular**”), *Financial Statements*);
2. To elect directors of the Company for the ensuing year (see the Circular, *Election of Directors*);
3. To appoint the auditor of the Company for the ensuing year (see the Circular, *Appointment of Auditor*); and
4. To consider and, if thought fit, to approve the Company’s Share Option Plan, as amended, for continuation until the next annual general meeting of shareholders, as described in the Circular (see the Circular, *Particulars of Matters to be Acted Upon – Continuation of Share Option Plan, as amended*).

No other matters are contemplated, however any permitted amendment to or variation of any matter identified in this Notice may properly be considered at the Meeting. The Meeting may also consider the transaction of such other business as may properly come before the Meeting or any adjournment thereof although none is expected.

**Shareholders who choose not to attend the Meeting in person and who wish to ensure their shares are voted at the Meeting are asked to complete, date and sign the enclosed Proxy, or another suitable form of proxy, and deliver it in accordance with the instructions set out in the accompanying Proxy and in the 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 their shares will be voted at the Meeting. If you hold your shares in a brokerage account you are a non-registered shareholder.**

*Notice-and-Access Provisions*

The Company is following notice-and-access provisions of National Instrument 51-102-*Continuous Disclosure Obligations* and of National Instrument 54-101-*Communication with Beneficial Owners of Securities of a Reporting Issuer* (together the “**Notice-and-Access Provisions**”) for this Meeting, which are a set of rules developed by the Canadian Securities Administrators, with the aim to reduce the volume of printed materials mailed to Shareholders. The Company is instead allowed to post the Circular and any additional proxy materials online and Shareholders will receive only the form of Notice of Availability and the Proxy (together the “**notice package**”). A Shareholder may choose to request a paper copy of the Circular. The Company will not use ‘stratification’ in relation to Notice-and-Access Provisions, which occurs when an issuer using Notice-and-Access Provisions provides a paper copy of the Circular to some shareholders with the notice package. In relation to the Meeting, all Shareholders will receive the notice package as required under Notice-and-Access Provisions, which will not include a paper copy of the Circular.

A copy of the Circular is posted for viewing on the Company’s internet website at <https://www.torqresources.com/investors/investor-package/>. Any Shareholder who wishes to receive a paper copy of the Circular, should contact the Company at Suite 1630, 1177 West Hastings Street, Vancouver, British Columbia, V6E 2K3, Toll-Free 1-800-863-8655 or Tel: 778-729-0500, or by fax: 778-729-0650. A Shareholder may also use the toll-free number noted above to obtain additional information about the Notice-and-Access Provisions.

Under Notice-and-Access Provisions, Meeting proxy materials must be available for viewing up to 1 year from the date of the Meeting. A paper copy of the Circular may be requested at any time during this period. To allow time for a Shareholder to receive and review a paper copy of the Circular and then submit their proxy vote by the Proxy Deadline, a Shareholder should ensure their request for a paper copy is received by the Company by **Tuesday, August 2, 2022**.

The Circular contains details of matters to be considered at the Meeting, and a copy is posted for viewing on the Company’s website at <https://www.torqresources.com/investors/investor-package/>. **Please review the Circular before voting.**

**DATED** at Vancouver, British Columbia, as at July 6, 2022.

**BY ORDER OF THE BOARD**

*Signed “Shawn Wallace”*

**Shawn Wallace**  
**Chief Executive Officer and Chair of the Board**

## TORQ RESOURCES INC.

Suite 1630 – 1177 West Hastings Street  
Vancouver, British Columbia V6E 2K3  
Telephone No.: (778) 729-0500 Fax No.: (778) 729-0650  
Email: [info@torqresources.com](mailto:info@torqresources.com)

### INFORMATION CIRCULAR as at July 6, 2022 (except as otherwise indicated)

**This Information Circular is furnished in connection with the solicitation of proxies by the management of Torq Resources Inc. for use at the annual general meeting (the “Meeting”) of its holders (“Shareholders”) of Common Shares (defined below) to be held on August 18, 2022 at the time and place and for the purposes set forth in the Notice of Meeting prepared for the Meeting.**

In this Information Circular (“Circular”), references to “the Company”, “we”, “our” and “Torq” refer to **Torq Resources Inc.** “Common Shares” means common shares without par value in the capital of the Company. “Registered Shareholders” means shareholders whose Common Shares are registered in their own name. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders. All dollar amounts in this Circular are expressed in Canadian dollars unless otherwise indicated.

## GENERAL PROXY INFORMATION

### Solicitation of Proxies

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

### Notice-and-Access

Notice-and-Access means provisions (“Notice-and-Access Provisions”) concerning the delivery of proxy-related materials to Shareholders found in section 9.1.1. of National Instrument 51-102 – *Continuous Disclosure Obligations* (“NI 51-102”), in the case of Registered Shareholders, and section 2.7.1 of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), in the case of Beneficial (“Non-Registered”) Shareholders, which allow an issuer to deliver an information circular forming part of proxy-related materials to Shareholders via certain specified electronic means provided that the conditions of NI 51-102 and NI 54-101 are met.

Notice-and-Access Provisions are a mechanism which allows reporting issuers other than investment funds to choose to deliver proxy-related materials to registered holders and beneficial owners of securities by posting such materials on a non-SEDAR website (usually the reporting issuer’s website and sometimes the transfer agent’s website) rather than delivering such materials by mail. Notice-and-Access Provisions can

be used to deliver materials for both special and general meetings. Reporting issuers may still choose to continue to deliver such materials by mail, and beneficial owners are entitled to request delivery of a paper copy of the information circular at the reporting issuer's expense.

Use of Notice-and-Access Provisions reduces paper waste and mailing costs to the issuer. To utilize Notice-and-Access Provisions to deliver proxy-related materials by posting an issuer's information circular (and if applicable, other materials) electronically on a website that is not SEDAR, the Company must send a notice to Shareholders, including Non-Registered Shareholders, indicating that the proxy-related materials have been posted on a website and explain how a Shareholder can access them or obtain from the Company, a paper copy of the information circular. This Circular has been posted in full on the Company's website at <https://www.torqresources.com/investors/investor-package/> and is also available for viewing under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

In order to use Notice-and-Access Provisions, a reporting issuer must set the record date for notice of the meeting to be on a date that is at least 40 days prior to the meeting in order to ensure there is sufficient time for the Circular to be posted on the applicable website and other materials to be delivered to Shareholders. The requirements of that notice, which require the Company to provide basic information about the Meeting and the matters to be voted on, explain how a Shareholder can obtain a paper copy of the Circular and any related financial statements and Management's Discussion and Analysis ("MD&A"), and explain the Notice-and-Access Provisions process, have been built into the form of Notice of Availability of Proxy Materials, which has been mailed to Shareholders, along with the applicable voting document (a form of proxy in the case of Registered Shareholders or a voting instruction form in the case of Non-Registered Holders) (collectively, the "notice package").

The Company will not rely upon the use of 'stratification'. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of its information circular with the notice package to be provided to Shareholders as described above. In relation to the Meeting, all Shareholders will receive the required documentation under the Notice-and-Access Provisions and all documents required to vote in respect of all matters to be voted on at the Meeting. No Shareholder will receive a paper copy of the information circular from the Company or any intermediary unless such Shareholder specifically requests the same.

**The Circular is available for review at <https://www.torqresources.com/investors/investor-package/>, being the website address to the Company's AGM page. Any Shareholder who wishes to obtain a paper copy of the Circular, should contact the Company at Suite 1630, 1177 West Hastings Street, Vancouver, British Columbia, V6E 2K3, or call Toll-Free: 1-800-863-8655 or Tel: 778-729-0500, or by request by fax: 778-729-0650. A Shareholder may also use the toll-free number noted above to obtain additional information about Notice-and-Access Provisions. To ensure that a paper copy of the Circular can be delivered to a requesting Shareholder in time for them to review the Circular and return a proxy or voting instruction form prior to the Proxy Deadline, it is strongly suggested such Shareholder's request is received by the Company no later than **August 2, 2022**.**

In accordance with the requirements of NI 54-101, the Company distributes copies of the notice package to the Depository and Intermediaries for onward distribution to Beneficial Shareholders. The Company does not send the notice package directly to Beneficial (Non-Registered) Shareholders. Intermediaries are required to forward the notice package to all Beneficial Shareholders for whom they hold Common Shares unless such Beneficial Shareholders have waived the right to receive them.

### **Appointment of Proxyholders**

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

### **Voting by Proxyholder**

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

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

**In respect of a matter for which a choice is not specified in the Proxy, the management appointee acting as a proxyholder will vote in favour of each matter identified in the Proxy and, if applicable, for the nominees of management for directors and auditors as identified in the Proxy.**

### **Registered Shareholders**

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders who wish to submit a proxy may choose one of the following voting options:

- (a) complete, date and sign the Proxy and return it to Computershare, by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to the 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery at 3<sup>rd</sup> Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9; or
- (b) use a touch-tone phone to transmit voting choices to the toll free number given in the proxy. Registered Shareholders who choose this option must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll free number and the holder’s 15-digit control number; or
- (c) via the internet at Computershare’s website, [www.investorvote.com](http://www.investorvote.com). Registered Shareholders must follow the instructions provided and refer to the enclosed proxy form for the holder’s 15-digit control number.

In any case, Registered Shareholders must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or the adjournment thereof. Failure to complete or deposit a proxy properly may result in its invalidation. The time limit for the deposit of proxies may be waived by the Company’s board of directors (the “Board”) at the discretion of the Board without notice.

## **Beneficial Shareholders**

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

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

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

There are two kinds of Beneficial Shareholders: Non-Objecting Beneficial Owners ("NOBOs") who do not object to the issuers of the securities they own knowing who they are; or Objecting Beneficial Owners ("OBOs") who object to their name being disclosed to the issuers of securities they own. The notice package with information on how to access proxy solicitation materials related to the Meeting is being mailed to all registered holders and all NOBOs. Broadridge Financial Solutions, Inc. ("Broadridge") will complete the mailing to all NOBO holders. As a result NOBOs can expect to receive a scannable Voting Instruction Form ("VIF") from Broadridge. The VIF is to be completed and returned to Broadridge as set out in the instructions provided on the VIF. Broadridge will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs they receive.

For this Meeting, Broadridge will mail the Meeting proxy materials, in the form of the notice package, to the Beneficial Shareholders. This year the Company will not be taking advantage of the provisions of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* that permit the Company to deliver proxy-related materials directly to its NOBOs and OBOs. As a result, Beneficial Shareholders will receive a VIF from Broadridge, which VIF should be completed by the Beneficial Shareholder and returned to Broadridge in the envelope provided or by a delivery option described on the VIF itself, which contains complete instructions. Broadridge will tabulate the results of the VIFs received from Beneficial Shareholders and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs Broadridge receives.

If you received a VIF, please return your VIF as specified in the request for voting instructions that was sent to you.

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

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

The form of proxy supplied to you by your broker will be similar to the proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge in Canada and in the United States. Broadridge mails a VIF in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company's Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than any of the persons designated in the VIF, to represent your Common Shares at the Meeting and that person may be you. To exercise this right, insert the name of your desired representative (which may be you) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions with respect to voting of the Common Shares to be represented at the Meeting and the appointment of any shareholder's representative. **If you received a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted, or to have an alternate representative duly appointed to attend the Meeting and vote your Common Shares at the Meeting.**

#### **Notice to Shareholders in the United States**

This solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada and the securities laws of the provinces of Canada where the Company is registered as a reporting issuer. The proxy solicitation rules under the *United States Securities Exchange Act of 1934*, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

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

#### **Revocation of Proxies**

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

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Computershare or at the address of the registered office of the Company at 1500 Royal Centre, 1055 West Georgia Street, P. O. Box 11117, Vancouver, British Columbia, V6E 4N7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or

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

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

## FINANCIAL STATEMENTS

The Company filed its annual consolidated financial statements for the years ended December 31, 2021 and 2020, the report of the auditor thereon and the related management's discussion and analysis on SEDAR at [www.sedar.com](http://www.sedar.com) on April 29, 2022 and they will also be tabled for discussion at the Meeting.

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

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

The following documents filed with the securities commissions or similar regulatory authority in each of the Provinces of British Columbia, Alberta and Ontario at [www.sedar.com](http://www.sedar.com) are specifically incorporated by reference into, and form an integral part of, this Circular:

- The audited financial statements of the Company for the financial years ended December 31, 2021 and 2020, the auditor's report thereon and the related management's discussion and analysis are filed under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

Copies of documents incorporated herein by reference may also be obtained by a Shareholder upon request without charge from the Company's Corporate Secretary at Suite 1630, 1177 West Hastings Street, Vancouver, BC, V6E 2K3, Tel: (778) 729-0500, or toll-free: 1-800-863-8655 or Fax: (778) 729-0650.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Board has fixed July 6, 2022 as the record date (the "Record Date") for determining persons entitled to receive notice of the Meeting. Only Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Common Shares are listed for trading on the TSX Venture Exchange (the "TSXV") under the stock symbol "TORQ". The Company is authorized to issue an unlimited number of Common Shares without par value. As of the Record Date, there were 84,690,481 Common Shares issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor is there cumulative or similar voting rights attached to the Common Shares. The Company is also authorized to issue an unlimited number of Preferred Shares without par value. There were no Preferred Shares issued and outstanding as at the Record Date.

To the knowledge of the directors and executive officers of the Company, there were no persons or corporations that beneficially owned, directly or indirectly, or exercised control or direction over, Common

Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company as at July 6, 2022.

### **VOTES NECESSARY TO PASS RESOLUTIONS**

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

### **ELECTION OF DIRECTORS**

The Board has fixed the number of directors to comprise the Board for the ensuing year at six. The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director’s office is vacated earlier in accordance with the provisions of the BCA, each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

#### *Advance Notice Provision*

On June 27, 2013, the Shareholders of the Company approved an alteration to the Company’s Articles for the purpose of adopting advance notice provisions (the “Advance Notice Provision”). The Advance Notice Provision provides for advance notice to the Company in circumstances where nominations of persons for election to the Board are made by Shareholders of the Company other than pursuant to: (i) a requisition of a meeting made pursuant to the provisions of the BCA; or (ii) a shareholder proposal made pursuant to the provisions of the BCA.

The purpose of the Advance Notice Provision is to foster a variety of interests of the Shareholders and the Company by ensuring that all Shareholders, including those participating in a meeting by proxy rather than in person, receive adequate notice of the nominations to be considered at a Shareholder meeting and can thereby exercise their voting rights in an informed manner. Among other things, the Advance Notice Provision fixes a deadline by which holders of Common Shares must submit director nominations to the Company prior to any annual or special meeting of Shareholders and it sets forth the minimum information that a Shareholder must include in the notice to the Company for the notice to be in proper written form.

The Advance Notice Provision also requires all proposed director nominees to deliver a written representation and agreement that such candidate for nomination, if elected as a director of the Company, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such person’s term in office as a director.

The full text of such provision is available in Schedule “A” of the Company’s Information Circular filed on May 31, 2013 under the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com). In respect of the Meeting, the Company did not receive any proposals or director nominations for which compliance with the advance notice provisions was required.

*Director Nominees*

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

<b>Name of Nominee, Current Position with the Company and Province or State and Country of Residence</b>	<b>Principal Occupation, Business or Employment</b>	<b>Period as a Director of the Company</b>	<b>Securities Beneficially Owned or Controlled(1)</b>
Shawn Wallace Director, Chief Executive Officer (“CEO”) and Chair (former Executive Chair) British Columbia, Canada	CEO, Chair and Director of Torq; Chair and Director of Copernico Metals Inc. (“Copernico”)	Since May 12, 2011	5,716,917 Common Shares 600,000 Options 100,667 Warrants
Michael Kosowan Director, Vice President, Capital Markets, (former President and CEO) Ontario, Canada	VP, Capital Markets of Torq; Director of Eminent Gold Corp.	Since March 2, 2017	6,389,434 Common Shares 600,000 Options 268,434 Warrants
Steve Cook <sup>(2)(3)(4)</sup> Lead Independent Director British Columbia, Canada	Principal at SM Cook Legal Services Law Corporation; Director of Fury Gold Mines Limited (“Fury Gold”); Director of Tier One; Director of Copernico; Director of Universal Mineral Services Ltd. (“UMS”)	Since August 12, 2011	1,197,000 Common Shares 187,500 Options 134,000 Warrants
Jeffrey Mason <sup>(2)(3)(4)</sup> Director British Columbia, Canada	Lead Independent Director of Fury Gold; Director of Tier One; Director of Copernico; Chair of the Board and Director of Wildpack Beverage Inc.	Since September 12, 2017	950,500 Common Shares 187,500 Options
Marie-Hélène Turgeon <sup>(3)(4)</sup> Director Panama Oeste, Panama	Director of Copernico; Self-employed ESG Advisor; former Environment Manager of Detour Gold Corporation; former Tailings and Water Manager of Minera Panama SA	Since November 24, 2021	187,500 Options

Name of Nominee, Current Position with the Company and Province or State and Country of Residence	Principal Occupation, Business or Employment	Period as a Director of the Company	Securities Beneficially Owned or Controlled(1)
Ana Carolina Vargas <sup>(2)</sup> Director Ontario, Canada	Managing Partner, Global Symmetry Group; former Director of Toachi Mining Inc.	Since August 27, 2021	134,000 Common Shares 187,500 Options 134,000 Warrants

Notes:

1. The information as to securities beneficially owned or controlled has been confirmed by the respective nominees.
2. Member of the Audit committee.
3. Member of the Nomination and Governance committee.
4. Member of the Compensation committee.

None of the proposed nominees for election as a director of the Company are proposed for election pursuant to an arrangement or understanding between the nominee and any other person, except the directors and senior officers of the Company acting solely in such capacity.

### **Occupation, Business or Employment of Director Nominees**

#### **Shawn Wallace**

Mr. Wallace serves as a Director and Chief Executive Officer and Chair and is one of the founding members of Torq. Mr. Wallace has been involved in all aspects of the mining industry, from mineral exploration and project management, to financing, mergers and acquisitions, and corporate development. Over the past 30 years, Mr. Wallace has been instrumental in building numerous high-quality mineral exploration, development, and production companies including co-founding Cayden Resources Inc., which was acquired by Agnico Eagle Mines for \$205 million. Mr. Wallace was formerly the President, Chief Executive Officer and a Director of Auryn Resources Inc. (now Fury Gold). Mr. Wallace is a co-founder and a former Director of Galiano Gold Inc. (formerly, Asanko Gold Inc.) and is former Co-Chair and a Director of Tier One. Mr. Wallace is currently Chair and a Director of Coppernico (formerly, Sombrero Resources Inc.).

#### **Michael Kosowan**

Mr. Kosowan serves as Vice President, Capital Markets, and a Director of the Company, and until June 21, 2022 was President and Chief Executive Officer of the Company. Mr. Kosowan is an industry expert with over 20 years of experience in the junior mining sector. Prior to joining the Company in 2017, he spent 17 years leading mining investment and financings in the USA and Canada through his work with Sprott Private Wealth and Sprott Global Resources Inc. Mr. Kosowan has also worked as a Project Engineer for a number of top-tier Canadian mining companies such as Placer Dome, Falconbridge and Inco, and as an Exploration Manager for Atapa Minerals in Indonesia and Peru. Mr. Kosowan holds a Master's of Applied Science degree in addition to being a Mining Engineer (P.Eng.). Mr. Kosowan formerly served as a Director of Auryn Resources Inc. (now Fury Gold) and currently serves as a Director of Eminent Gold Corp.

#### **Steve Cook**

Mr. Cook serves as Lead Independent Director of the Company. Mr. Cook is a former tax partner at the law firm of Thorsteinssons LLP, in Vancouver, British Columbia. Mr. Cook received his B.Comm. and LL.B. degrees from the University of British Columbia and was called to the British Columbia Bar in 1982. Mr.

Cook is a specialist in corporate and international tax planning, offshore structures, representation, and civil and criminal tax litigation. Mr. Cook has formerly served on the board of Brett Resources Ltd. prior to it being acquired by Osisko Mining Corp., Cayden Resources Inc. prior to it being acquired by Agnico Eagle Mines, and LaSalle Exploration Corp. Mr. Cook currently serves as a Director of Fury Gold, Tier One and Copernico.

### **Jeffrey Mason**

Mr. Mason serves as a Director of the Company. Mr. Mason is a Chartered Professional Accountant (“CPA”) and holds an Institute of Corporate Directors, Director designation. He has extensive experience in the exploration, development, construction and operation of precious and base metals projects in the Americas, Asia and Africa, including 15 years as a Principal, Board Director, and Chief Financial Officer for the Hunter Dickinson Inc. group of companies. Mr. Mason began his career with Deloitte as a CPA, followed by six years at Barrick Gold Corporation. Overall, Mr. Mason has served as chief executive officer, chief financial officer, corporate secretary and board director for over 20 public companies listed on the TSX, TSXV, NYSE American and NASDAQ. Most recently, Mr. Mason was the Chair of the Board and Interim Chief Executive Officer of Great Panther Mining Limited. Mr. Mason currently serves as the Lead Independent Director of Fury Gold, and a Director of Tier One, Copernico, and Chair of the Board and a Director of Wildpack Beverage Inc.

### **Marie-Hélène Turgeon**

Ms. Turgeon serves as a Director of the Company. Ms. Turgeon is an ESG advisor with 20 years of experience in environmental management, legal compliance and stakeholder engagement, and has extensive experience working in Latin America. She has been supporting mining companies designing sustainable projects, assessing, and managing environmental and social impacts, as well as obtaining and maintaining social licenses to operate. Her experience in Latin America includes the Cobre Panama copper mine and the Cerro Blanco Project in Guatemala. Prior to becoming an independent advisor, Ms. Turgeon spent 12 years in various environmental manager roles, including seven years as the environment manager for Detour Gold, leading the environmental management plans for the Detour Lake Mine. As a long-standing Ontario Mining Association (“OMA”) member she has served as Chair of the OMA Environment Committee, and also as a Director on the board of Women in Mining Canada. She holds a BSc in Geology from McGill University and a Masters of Environment from Sherbrooke University. Ms. Turgeon is also a Director of Copernico.

### **Ana Carolina Vargas**

Ms. Vargas serves as a Director of the Company. Ms. Vargas is a top ranked research analyst and an investment banker with a strong background in the South American natural resource markets. She specializes in project assessment, valuations and strategic alliances. Currently, she is a managing partner at Global Symmetry Group, a platform to access financing infrastructure and natural resource projects, and she formerly held roles with Clarus Securities, Westwind Partners, Manulife Finance and Export Development Canada. She was a Director of Toachi Mining (TSXV: TIM) from 2016 until its merger with ATICO Mining (TSXV:ATY) in 2019. Ms. Vargas earned her MBA from the Rotman School of Management at the University of Toronto and holds her BSc in Engineering from the University of Los Andes in Colombia.

### **Cease Trade Orders, Bankruptcy, Penalties and Sanctions**

Except as set out below, no proposed director is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, CEO or CFO of any company (including the Company in respect of which this Circular is prepared) that:

- a) was subject to an order that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or
- b) was subject to an order that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO; or
- c) while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- d) has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- e) was subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- f) was subject to any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Jeffrey Mason was appointed as a director from March 2015 of the online shoe retailer Shoes.com Technologies Inc. “Shoes.com”, a private British Columbia company, and was appointed interim CFO of Shoes.com from September 2016, following the resignation of the incumbent CFO. A creditor commenced bankruptcy proceedings against Shoes.com in February 2017, upon which Mr. Mason resigned from both roles. A receiver was appointed, and the assets of Shoes.com were sold with the resulting proceeds distributed to the creditors. The Court subsequently ordered the discharge of the receiver in November 2018. Mr. Mason was a director of Red Eagle Mining Corporation (“Red Eagle”), a TSX listed company, from January 1, 2010, until his resignation on June 22, 2018. Subsequent to his resignation, in August 2018 Red Eagle obtained a firm commitment from a third party to refinance existing debt with substantial concessions and co-operation from the secured lenders; however, in October 2018 the third party defaulted on its commitment and as a result, the secured lenders withdrew their forbearances and appointed a receiver-manager over the assets of Red Eagle.

### **APPOINTMENT OF AUDITOR**

Deloitte, Chartered Professional Accountants (“Deloitte”), 939 Granville St., Vancouver, British Columbia, will be nominated at the Meeting for appointment as auditor of the Company for the ensuing year. Pursuant to the Articles of the Company, the Board is authorized to set the auditor’s remuneration. Deloitte has been auditor of the Company since August 12, 2011.

## AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 – *Audit Committees* (“NI 52-110”) of the Canadian Securities Administrators requires the Company, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor. Such disclosure is set forth below.

### The Audit Committee’s Charter

The audit committee has a charter (the “Charter of Audit Committee”), a copy of which is set out in the Company’s information circular for the annual general meeting held on June 29, 2010, and which has been filed on [www.sedar.com](http://www.sedar.com). The current Charter of Audit Committee, as amended and approved by the Board on May 27, 2021, may be viewed at <https://www.torqresources.com/corporate/corporate-governance/>, the Company’s website.

### Audit Committee Oversight

The audit committee has not made any recommendations to the Board to nominate or compensate any auditor other than Deloitte.

### Non-Audit Services

The Company’s auditor, Deloitte, has not provided any material non-audit services.

### Pre-Approval Policies and Procedures

The audit committee has adopted specific policies and procedures for the engagement of non-audit services, which are set out in the Charter of Audit Committee.

### External Auditor Service Fees

The audit committee reviews the nature and amount of any non-audit services provided by Deloitte to the Company to ensure auditor independence. Fees incurred with Deloitte for audit and non-audit services in the last two fiscal years are outlined in the following table:

Nature of Services	Fees Paid and/or Accrued to Deloitte for Year Ended December 31, 2021	Fees Paid and/or Accrued to Deloitte for Year Ended December 31, 2020
Audit Fees <sup>(1)</sup>	\$111,815	\$33,500
Audit-Related Fees <sup>(2)</sup>	Nil	Nil
Tax Fees <sup>(3)</sup>	Nil	Nil
All Other Fees <sup>(4)</sup>	Nil	Nil
Total	\$111,815	\$33,500

Notes:

- (1) “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of the Company’s consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) “Audit-Related Fees” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

- (3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All Other Fees” include all other non-audit services.

## **Exemption**

The Company is a venture issuer and relies on the exemption in section 6.1 of NI 52-110 relating to Part 5 (*Reporting Obligations*). This exemption applies where an issuer does not file an Annual Information Form.

## **CORPORATE GOVERNANCE**

### **Board Mandate**

The Board has a formal mandate as outlined in the Company’s corporate governance material, which can be accessed on the Company’s website <https://www.torqresources.com/corporate/corporate-governance/> (the “Corporate Governance Material”). The Corporate Governance Material contains the Board Guidelines document which mandate the Board to: (i) assume responsibility for the overall stewardship and development of the Company and monitoring of its business decisions, (ii) identify the principal risks and opportunities of the Company’s business and ensure the implementation of appropriate systems to manage these risks, (iii) oversee ethical management and succession planning, including appointing, training and monitoring of senior management and directors, and (iv) oversee the integrity of the Company’s internal financial controls and management information systems. The Corporate Governance Material includes written charters for each committee and it contains a Code of Business Conduct and Ethics, policies dealing with issuance of news releases and disclosure documents, as well as share trading black-out periods. Further, in the Board Guidelines the Board encourages but does not require continuing education for all the Company’s directors. A copy of the Corporate Governance Material is available prior to the Meeting upon request by contacting the Company directly at telephone: (778) 729-0500 or fax: (778) 729-0650 or via email to: [info@Torqresources.com](mailto:info@Torqresources.com).

### **Composition of the Board**

Applicable governance policies require that a listed issuer’s board of directors determine the status of each director as independent or not, based upon each director’s interest in or other relationship with the Company. Applicable governance policies recommend that a board of directors be constituted with a majority of directors who qualify as independent directors (as defined below). A board of directors should also examine its size with a view to determining the impact of the number of directors upon the effectiveness of the board of directors, and the board of directors should implement a system which enables an individual director to engage an outside advisor at the expense of the corporation in appropriate circumstances. The Company’s policies allow for retention of independent advisors for members of the Board when they consider it advisable.

Under the policies, an “independent” director is one who “has no direct or indirect material relationship” with the Company. Generally speaking, a director is independent if he or she is free from any employment, business or other relationship which could, or could reasonably be expected to, materially interfere with the exercise of the director’s independent judgment. A material relationship includes having been (or having a family member who has been) within the last three years, an employee or executive of the Company or employed by the Company’s external auditor. Any individual who (or whose family members or partners) received directly or indirectly, any consulting, advisory, accounting or legal fee or investment banking

compensation from the Company (other than compensation for acting as a director or as a part time chairman or vice-chairman) is deemed to have a material relationship with the Company.

The Board is proposing six nominees for election to the office of director, of whom four of the nominees can be considered “independent”. The “independent” nominees are Steve Cook, Jeffrey Mason, Marie-Hélène Turgeon and Ana Carolina Vargas. These nominees will, if elected, be considered independent by virtue of their not being executive officers of the Company and having received no compensation other than in their role as directors. The non-independent directors (and the reasons for that status) are: Michael Kosowan (Vice President, Capital Markets, and former President and CEO of the Company) and Shawn Wallace (CEO and Chair of the Board, and former Executive Chair of the Company).

### Other Directorships

The directors are currently serving on other boards of reporting companies (or equivalent) as set out below:

Name of Director	Name of Reporting Issuer	Exchange Listed
Shawn Wallace	Coppernico Metal Inc.	N/A
Michael Kosowan	Eminent Gold Corp.	TSXV
Steve Cook	Fury Gold Mines Limited	TSX, NYSE
	Tier One Silver Inc.	TSXV
	Coppernico Metals Inc.	N/A
Jeffrey Mason	Fury Gold Mines Limited	TSX, NYSE
	Tier One Silver Inc.	TSXV
	Coppernico Metals Inc.	N/A
	Wildpack Beverage Inc.	TSXV
Marie-Hélène Turgeon	Coppernico Metals Inc.	N/A
Ana Carolina Vargas	N/A	N/A

The Board has a Nomination and Governance Committee (the “NG Committee”) (see *Nomination and Governance Committee* below) that formalizes the process of ensuring the Company has high calibre directors and proper director succession planning. The NG Committee has considered and recommended re-election of the current Board.

The Board monitors activities of senior management through regular meetings and discussions amongst the Board and between the Board and senior management. The Board is of the view that its communication policy between senior management, members of the Board and shareholders is good. The Board is satisfied with the integrity of the Company’s internal control and financial management information systems.

### Committees of the Board

Applicable regulatory governance policies require that (i) committees of the Board be composed of at least a majority of independent directors, (ii) the Board expressly assumes responsibility, or assigns responsibility to a committee of directors for the development of the Company’s approach to governance issues, (iii) the Board’s audit committee be composed of a majority of independent directors, and the role of the audit committee be specifically defined and must include the responsibility to oversee management’s system of internal controls, (iv) the audit committee has direct access to the Company’s external auditor, and (v) the Board appoint a committee, composed of a majority of independent directors, responsible for proposing new nominees to the Board and for assessing directors on an ongoing basis.

### ***Audit Committee***

The Board's audit committee (the "Audit Committee") currently consists of Jeffrey Mason (Chairperson), Steve Cook and Ana Carolina Vargas, all of whom are independent members of the Audit Committee and are considered to be financially literate. See disclosure under heading "*Occupation, Business or Employment of Director Nominees*" above for relevant education and experience of Audit Committee members.

The primary responsibility of the Audit Committee is that of oversight of the financial reporting process on behalf of the Board. This includes oversight responsibility for financial reporting and continuous disclosure, oversight of external audit activities, oversight of financial risk and financial management control, and oversight responsibility for compliance with tax and securities laws and regulations as well as whistle blowing procedures. The Audit Committee is also responsible for the other matters as set out in the Charter of the Audit Committee and/or such other matters as may be directed by the Board from time to time. The Audit Committee should exercise continuous oversight of developments in these areas.

### ***Compensation Committee***

The Board's compensation committee (the "Compensation Committee") currently consists of Steve Cook (Chair), Jeffrey Mason and Marie-Hélène Turgeon, all of whom are independent.

The Compensation Committee recommends compensation for the directors and executive officers of the Company. See further disclosure under *Statement of Executive Compensation* below. The Compensation Committee Charter is included in the Corporate Governance Material.

Compensation Committee functions include the annual review of compensation paid to the Company's executive officers and directors, the review of the performance of the Company's executive officers and the task of making recommendations on compensation to the Board.

The Compensation Committee also periodically considers the grant of stock options. Options have been granted to the executive officers and directors and certain other service providers taking into account competitive compensation factors and the belief that options help align the interests of executive officers, directors and service providers with the interests of shareholders.

### ***Nomination and Governance Committee***

The NG Committee currently consists of Steve Cook (Chairperson), Jeffrey Mason and Marie-Hélène Turgeon, all of whom are independent. The NG Committee Charter is included in the Corporate Governance Material.

The NG Committee is responsible for developing and recommending to the Board the Company's approach to corporate governance and assists members of the Board in carrying out their duties. The NG Committee also reviews all new and modified rules and policies applicable to governance of listed corporations to assure that the Company remains in full compliance with such requirements as are applicable to the Company.

In exercise of its nominating function the NG Committee evaluates and recommends to the Board the size of the Board and certain persons as nominees for the position of director of the Company. The Company has formal procedures for assessing the effectiveness of Board committees as well as the Board as a whole. This function is carried out annually under the direction of the NG Committee and those assessments are then provided to the Board.

## **Board Decisions**

Good governance policies require the Board of a listed corporation, together with its chief executive officer, to develop position descriptions for the Board and for the chief executive officer, including the definition of limits to management's responsibilities. Any responsibility which is not delegated to senior management or to a Board committee remains with the full Board.

## **Recruitment of New Directors and Assessment of Board Performance**

Good governance policies require that (i) the board of directors of every listed corporation implement a process for assessing the effectiveness of the Board and its committees, and the contribution of individual directors, (ii) every corporation provide an orientation and education program for new directors, and (iii) every board of directors review the adequacy and form of compensation of directors and ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective director. Please also see *Nomination and Governance Committee* above.

The Compensation Committee and the NG Committee were both originally appointed on August 12, 2011.

## **Orientation and Continuing Education**

The Company has traditionally retained experienced mining people as directors and hence the orientation needed is minimized. When new directors are appointed, they are provided with an orientation and education program, which will include: (i) written information about the duties and obligations of directors; (ii) the business and operations of the Company; (iii) documents from recent Board meetings; and (iv) opportunities for meetings and discussion with senior management and other directors. Board meetings generally include presentations by the Company's senior management and project staff in order to give the directors full insight into the Company's operations.

## **Ethical Business Conduct**

The Board has adopted a formal *Code of Business Conduct and Ethics* policy, which is contained in the Corporate Governance Material. The Board also believes that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest are sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

## **Nomination of Directors**

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience. The NG Committee recommended to the Board the appointment of the six director nominees listed above for election this year. See *Nomination and Governance Committee* above.

## **Other Committees**

In addition to the Audit Committee, the NGC Committee, and the Compensation Committee, the Company has established the Health, Safety, Environment and Communities Committee (the "HSEC Committee") and the Technical Committee, which are both management committees with Board participation on the HSEC Committee.

The HSEC Committee is comprised of one director, Ms. Turgeon (Chair), together with Waldo Cuadra, General Manager, Chile, Diego Arancibia, ESG Manager, Chile, and Natasha Frakes, VP of Communications. The Technical Committee is comprised of Michael Henrichsen, Chief Geological Officer (Chair), Waldo Cuadra, Antonio Arribas, Board Advisor, and Javier Rojas, Exploration Manager. The function of the HSEC Committee and the Technical Committee is to monitor and review the technical, community, environmental, health and safety policies, principles, practices and processes, corporate social responsibility practices, and monitor and review current and future regulatory issues relating to sustainable development, environmental, health and safety, and corporate social responsibility matters.

All Board committees are described above.

### **Representation of Women on the Board and in Senior Management**

The Company adopted a formal Board and Senior Management Diversity Policy on May 27, 2021, which outlines the Company's commitment to be diverse for which diversity includes, but is not limited to, business experience, geography, age, gender, ethnicity and aboriginal status. The directors ascribe to the view that diversity helps to broaden perspectives by promoting the inclusion of different viewpoints and ideas, mitigates against groupthink and ensures that the Company has the opportunity to benefit from all available talent. The promotion of a diverse board of directors and senior management makes prudent business sense and makes for better corporate governance. The implementation of the policy is monitored by the NG Committee and the NG Committee measures the effectiveness of the policy through Board evaluation.

The Board presently has two women directors of six (33.3%) and the Company aspires to attain by the Meeting, and thereafter maintain, a Board composition in which at least one member is a woman. The Company presently has three women in senior management positions with Elizabeth Senez (FCA (Institute of Chartered Accountants in England and Wales)) as CFO, Tracy George as Corporate Secretary and Natasha Frakes as Vice President of Communications. The Company has one woman in an Executive Officer position, which is 25% of the total. The Board and the Company have not adopted any targets regarding women in executive officer positions.

### **Assessments**

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and its committees. The NG Committee oversees an annual formal assessment of the effectiveness of the Board and its three main committees namely the Audit Committee, the Compensation Committee and the NG Committee, as well as the HSEC Committee and the Technical Committee.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **General**

The following information is provided as required under Form 51-102F6V – *Statement of Executive Compensation - Venture Issuers* ("Form 51-102F6V") and sets forth compensation for each "Named Executive Officer" ("NEO") and director during the financial year ending December 31, 2021.

- (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as CEO and CFO; including an individual performing functions similar to a CEO or CFO; and

- (b) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraph (a) at the end of the most recently completed financial year whose total compensation was more than \$150,000, for that financial year.

Current officers Shawn Wallace, Chair and CEO, and Elizabeth Senez, CFO, are each a NEO of the Company for purposes of the following disclosure. Mr. Wallace was previously Executive Chair during 2021; on June 21, 2022 he took on the role of Chair and CEO. Michael Kosowan was President and CEO during 2021; on June 21, 2021, he transitioned to the role of Vice President Capital Markets.

Ms. Senez was interim acting CFO during 2021 while Ms. Rowa was on parental leave, and became permanent CFO in September 2021.

### Director and NEO Compensation

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company to NEOs and directors of the Company for the two most recently completed financial years ended December 31, 2021 and December 31, 2020. Options and compensation securities are disclosed under the heading “*Stock Options and Other Compensation Securities*”.

During the financial year ended December 31, 2021, the NEOs of the Company were Shawn Wallace, Executive Chair, Michael Kosowan, President and CEO, Elizabeth Senez, CFO, Stacy Rowa, former CFO, and Waldo Cuadra, General Manager, Chile. Directors of the Company who were not NEOs during both financial years were Ivan Bebek, Steve Cook, Jeffrey Mason, Ana Carolina Vargas, and Marie-Hélène Turgeon.

Table of Compensation, excluding Compensation Securities							
Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of perquisites (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Shawn Wallace <sup>(1)</sup> <i>Executive Chair and Director (now Chair and CEO)</i>	2021	265,000	Nil	Nil	Nil	Nil	265,000
	2020	118,968	Nil	Nil	Nil	Nil	118,968
Michael Kosowan <sup>(2)</sup> <i>CEO and Director (now VP Capital Markets)</i>	2021	180,000	Nil	Nil	Nil	Nil	180,000
	2020	226,071	Nil	Nil	Nil	Nil	226,071
Elizabeth Senez <sup>(3)</sup> <i>CFO</i>	2021	110,000	29,750	Nil	Nil	Nil	139,750
	2020	36,607	Nil	Nil	Nil	Nil	36,607
Stacy Rowa <sup>(4)</sup> <i>Former CFO</i>	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	43,301	Nil	Nil	Nil	Nil	43,301
Waldo Cuadra <sup>(5)</sup> <i>General Manager, Chile</i>	2021	189,000	Nil	Nil	Nil	Nil	189,000
	2020	21,000	Nil	Nil	Nil	Nil	21,000
Ivan Bebek <sup>(6)</sup> <i>Former Director</i>	2021	36,060	Nil	Nil	Nil	Nil	36,060
	2020	8,968	Nil	Nil	Nil	Nil	8,968
Steve Cook <i>Director</i>	2021	15,000	Nil	Nil	Nil	Nil	15,000
	2020	15,000	Nil	Nil	Nil	Nil	15,000

Jeffrey Mason <i>Director</i>	2021 2020	15,000 15,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	15,000 15,000
Ana Carolina Vargas <sup>(7)</sup> <i>Director</i>	2021	5,172	Nil	Nil	Nil	Nil	5,172
Marie-Hélène Turgeon <sup>(8)</sup> <i>Director</i>	2021	1,500	Nil	5,000	Nil	Nil	6,500

Notes:

- (1) On November 24, 2020, Mr. Wallace was appointed Executive Chair, prior to which he was a director of the Company, and on June 21, 2022, Mr. Wallace was appointed CEO. None of his compensation in 2021 or 2020 related to his role as Director.
- (2) Mr. Kosowan was previously President, CEO and Director; on June 21, 2022, he was appointed Vice President, Capital Markets. None of his compensation in 2021 or 2020 related to his role as Director.
- (3) Ms. Senez was appointed as interim acting CFO for a 14-month period effective from July 1, 2020 to cover for Ms. Rowa while on parental leave. On September 1, 2021, Ms. Senez was appointed permanent CFO. Under the terms of her 14-month employment agreement, Ms. Senez received a completion bonus at the contract's conclusion.
- (4) Ms. Rowa was appointed CFO of the Company effective April 1, 2019. Ms. Rowa was on parental leave from July 2020 and during her leave retired as CFO on April 6, 2021.
- (5) Mr. Cuadra was appointed General Manager, Chile on November 23, 2020. Mr. Cuadra is remunerated in Chilean Peso; amounts paid in CLP have been translated into Canadian dollars at the average annual exchange rate of C\$:CLP of C\$1.00 = CLP 606 (for 2021) and C\$1.00 = CLP 558 (for 2020).
- (6) Mr. Bebek retired as a director on November 24, 2021.
- (7) Ms. Vargas was appointed as a director on August 27, 2021
- (8) Ms. Turgeon was appointed as a director on November 24, 2021.

### Stock Options and Other Compensation Securities

The Company has a share option plan (the “Plan”) dated for reference August 12, 2011, which was amended and restated by the Directors on August 14, 2015 and was last approved by the Shareholders for continuation at the Company’s AGM held August 12, 2021. The Plan was amended by Board approval on November 23, 2021 and July 6, 2022, subject to shareholder approval at the Meeting. The amendments add terms to allow the Company to grant options to US taxpayers and to ensure the Plan complies with the requirements of TSXV Policy 4.4, which policy became effective November 2021. See “*Particulars of Matters to be Acted upon*” for details of the Plan.

The following table sets forth details of all granted option-based awards outstanding and includes all options granted to NEOs and directors of the Company during the most recently completed financial year ended December 31, 2021. Other than the options granted in 2021, no other share-based awards were issued during the same financial year. At December 31, 2021, there were 7,745,000 options outstanding. Each option entitles the holder to one common share upon exercise.

Compensation Securities							
Name And Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities, and Percentage of Class (#/%)	Date of Issue or Grant (dd/mm/yy)	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant (\$)	Closing Price of Security or Underlying Security at Year End (\$)	Expiry Date (dd/mm/yy)
Elizabeth Senez <sup>(1)</sup> <i>CFO</i>	Options	200,000 / 2.58%	07/04/21	\$0.77	\$0.77	\$0.82	07/04/26
Waldo Cuadra <sup>(2)</sup> <i>General Manager, Chile</i>	Options	220,000 / 2.84%	07/04/21	\$0.77	\$0.77	\$0.82	07/04/26

Compensation Securities							
Name And Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities, and Percentage of Class (#/%)	Date of Issue or Grant (dd/mm/yy)	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant (\$)	Closing Price of Security or Underlying Security at Year End (\$)	Expiry Date (dd/mm/yy)
Ana Carolina Vargas <sup>(3)</sup> <i>Director</i>	Options	187,500 / 2.42%	03/09/21	\$0.82	\$0.82	\$0.82	03/09/26
Marie-Hélène Turgeon <sup>(3)</sup> <i>Director</i>	Options	187,500 / 2.42%	03/09/21	\$0.82	\$0.82	\$0.82	03/09/26

Notes:

- (1) As at December 31, 2021, Ms. Senez held 350,000 options.
- (2) As at December 31, 2021, Mr. Cuadra held 220,000 options.
- (3) As at December 31, 2021, Ms. Vargas and Ms. Turgeon each held 187,500 options.

As at December 31, 2021, Messrs. Cook and Mason each held 187,500 options, and Messrs. Wallace and Kosowan each held 600,000 options.

Options granted to Directors and NEOs typically vest as follows: 25% shall vest immediately, a further 12.5% vest every three months thereafter to a total of eighteen months from the date of grant.

### External Management Companies

During the fiscal years ended December 31, 2021 and 2020, none of the executive officers or the directors of the Company were providing services to the Company as employees of an external management company.

### *CFO and Other Secondment Arrangements for 2022*

Subsequent to the fiscal year end of December 31, 2021, the Company entered into a new shared services agreement with Universal Mineral Services Ltd. (“UMS”) dated April 1, 2022. UMS is a mining services provider, which had been supplying administrative and technical services to Torq for several years during which period it was owned by two persons who were, or who had served as, officers and/or directors of Torq (Messrs. Shawn Wallace and Ivan Bebek). Under the new agreement the Company acquired a 25% interest in UMS, with three other mineral exploration companies and would continue to share premises, and administrative, geological and other personnel to achieve operational efficiencies. Under the shared services agreement, Ms. Senez (CFO) terminated her direct employment status with the Company and became directly employed by UMS. Ms. Senez (and other staff members) are now seconded to the participating companies by UMS on a part time basis. The 2021 compensation disclosures herein do not reflect these new arrangements as they were not in effect until April 2022.

Pursuant to the above UMS shared services agreement, the Company’s CFO and certain other staff members are seconded to the Company by UMS on an agreed basis, which is less than full-time. The compensation of seconded personnel, including Ms. Senez, is charged by UMS to the participating companies on an annually agreed level of time-spent basis. In addition to the cash compensation, each seconded is entitled to participate indirectly in the Company’s share option plan and to be reimbursed by the Company for professional dues and education expenses.

## **Exercise of Compensation Securities by Directors and NEOs**

There were no compensation securities exercised by any director or NEO of the Company during the financial year ended December 31, 2021.

## **Employment, Consulting and Management Agreements**

### *Shawn Wallace, Chair and CEO (former Executive Chair)*

Mr. Shawn Wallace currently serves as Chair and CEO of the Company. During the year ended December 31, 2021, he served as the Company's Executive Chair, sharing certain executive responsibilities with Michael Kosowan, the former CEO (and current director). Mr. Wallace entered into a new executive agreement on June 21, 2022 following his assumption of the CEO role. As Executive Chair, Mr. Wallace received a base salary, of \$265,000 for 2021. He participates in the Company's share option plan and in the Company's group benefit plan, to the extent the Company makes the plans available to its executives. The Company may terminate Mr. Wallace's employment as CEO for convenience by providing one year's notice of termination plus an additional one months' notice of termination per each completed year of service, up to a maximum 18 months in total. Termination payments may be made in the Company's election either as a lump sum or by periodic payments though the applicable notice period.

In the event that after a change of control Mr. Wallace resigns for good reason, or is terminated without just cause within 24 months, the Company must pay Mr. Wallace:

- (a) severance of two times the base salary and annual bonus plus medical and other benefits for 24 months;
- (b) a prorated bonus based on the terms of any incentive plans; and
- (c) immediate vesting of any unvested securities such as options.

### *Elizabeth Senez, CFO*

Ms. Elizabeth Senez currently serves as CFO of the Company. During 2021, Ms. Senez held fixed-term executive employment directly with the Company under an employment agreement. As noted above, in April 2022 subsequent to the fiscal year end, Ms. Senez terminated her direct employment status with the Company and became directly employed by UMS.

In the event the Company were to terminate Ms. Senez's secondment without just cause, there is no termination payment due unless UMS also terminates Ms. Senez's employment agreement within 6 months. In such a situation, the Company would be required to reimburse UMS for its agreed share of the termination payment, which is based on 12 months ("Notice Period") base secondment compensation. The Company is also required to continue any benefits during the Notice Period or payment in lieu thereof. Any outstanding Company share options shall continue to vest and be exercisable over the Notice Period and the secondees, including Ms. Senez, will only cease to be qualified service providers for the purposes of the Company's share option plan at the end of the applicable Notice Period.

In the event of a change of control of the Company, followed by termination of the secondment, or resignation by Ms. Senez for good reason, within 12 months, the Company will pay a lump sum termination fee. In the case of Ms. Senez the termination fee is calculated as approximately 24 months of secondment payment made by the Company to UMS for the services of Ms. Senez.

Waldo Cuadra, General Manager, Chile

Mr. Cuadra currently serves as General Manager, Chile, of the Company. Under the terms of his employment agreement with a wholly owned subsidiary of the Company, Mr. Cuadra is entitled to gross monthly salary of CLP 9,538,080, adjusted each quarter in line with the Consumer Price Index according to the National Statistics Office of Chile, which is typical under Chilean employment practices.

The Company may terminate Mr. Cuadra's employment without just cause by providing one month's salary per year of employment, as required under Chilean employment law. Mr. Cuadra has been employed by the Company since November 2020.

In the event Mr. Cuadra resigns for good reason, or is terminated without just cause within 12 months after a change of control, the Company shall provide Mr. Cuadra with an amount equal to two times Mr. Cuadra's base salary immediately following the employment termination.

**Oversight and Description of Director and NEO Compensation**

Elements of the Compensation Program

Torq is an expenditures-based junior exploration company with no revenues. Its business activities include investigating and acquiring mineral properties and conducting exploration programs. As a result, the Board must consider not only the financial situation of Torq at the time of determining executive compensation, but also the estimated financial situation of Torq for both mid-term and long-term projections. An element of executive compensation that is available to Torq is the issuance of stock options, which do not require cash disbursement by Torq.

The general function of the Compensation Committee is to assist the Board in carrying out its responsibilities related to executive and director compensation, including reviewing and recommending director compensation, overseeing the Company's base compensation structure and equity-based compensation programs, recommending compensation of the Company's officers, and evaluating the performance of officers generally and in light of the Company's annual goals and objectives.

The Board assumes responsibility for reviewing and monitoring the long-range compensation strategy for senior management of the Company although the Compensation Committee guides it in this role. The Compensation Committee reviews peer market information on executive compensation levels as compiled by the Company's management.

Philosophy and Objectives

The Company's compensation policies and programs are designed to be competitive with similar junior exploration mining companies, to recognize and reward executive performance consistent with the success of the Company's business and to achieve certain objectives, including to:

- (i) attract and retain experienced and talented mining executive officers;
- (ii) inspire excellence in the performance of executive officers; and
- (iii) align shareholder and executive officer interests.

The Company relies solely on the discussions of the Board, without any formal objectives, criteria and analysis, for determining executive compensation. The Company did not engage compensation consultants to determine the NEOs' compensation during the year ended December 31, 2021 or in previous years.

Because the Company is currently a junior venture exploration company and much of the compensation paid to NEOs and directors is in the form of equity compensation, the Compensation Committee has not considered the implications of the risks associated with the Company's compensation policies and practices. When the Company's financial position improves and the size and value of its market capital increases accordingly, the Compensation Committee will consider a risk assessment commensurate with the Company's market position.

The Company's compensation policies do not specifically discuss whether NEOs and directors are allowed to purchase financial instruments designed to hedge or offset a decrease in market value of equity securities of the Company granted as compensation or held, directly or indirectly, by the NEO or director of the Company.

#### Base Salary

In the Board's view, paying base salaries which are competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. Competitive salary information on comparable companies within the industry is compiled from a variety of sources, such as those reports available on SEDAR. Comparable companies included but were not limited to: Bear Creek Mining Corporation, NorthWest Copper Corp. and Maple Gold Mines Ltd. The Company's peer group was determined by identifying other mining issuers listed on the TSXV with comparable market capitalizations.

#### Bonus Incentive Compensation

The Company's objective is to achieve certain strategic objectives and milestones. The Board will consider executive bonus compensation dependent upon the Company meeting those strategic objectives and milestones and sufficient cash resources being available for the grant of bonuses. The Board considers the approval of executive bonuses as recommended by the Compensation Committee. Such recommendations are generally based on information provided by issuers that are similar in size and scope to the Company's operations.

During the fiscal year ended December 31, 2021, a completion bonus was paid to Ms. Senez on the conclusion of her fixed-term employment agreement. Other than this, no bonus incentive compensation was accrued or paid for any member of management.

#### Equity Participation

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its Shareholders. Equity participation is accomplished through the Company's share option plan. Options to purchase Common Shares are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. The number and terms of options granted are determined by the Board.

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

Given the evolving nature of the Company’s business as a mineral exploration and development company, the Board continues to review and redesign the overall compensation plan for senior management so as to continue to address the objectives identified above while accommodating the requirements of the Company’s other financial obligations.

Pension Disclosure

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

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The only equity compensation plan the Company has in place is the share option plan (the “Plan”) dated for reference August 12, 2011, as amended and restated August 14, 2014 and amended by Board approval on November 23, 2021 and July 6, 2022 to include terms to allow the Company to grant options to US taxpayers and to ensure the Plan complies with the requirements of TSXV Policy 4.4, which became effective in November 2021. The Plan was last approved for continuation by the Shareholders on August 10, 2021. The Plan was established to allow the Company to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the Board and its Compensation Committee, and provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company. The number of Common Shares issuable under the Plan, together with all of the Company's other share compensation arrangements, may not exceed 10% of the total number of issued and outstanding Common Shares from time to time. All options expire on a date not later than 10 years after the date of grant of such option. See *Particulars of Matters to be Acted upon* below, which includes the proposed shareholder resolution to ratify and approve the Amended and Restated Plan and to confirm it for continuation.

The following table sets out equity compensation plan information as at the Company’s December 31, 2021 financial year-end.

**Equity Compensation Plan Information**

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)<sup>(1)</sup></b>
Equity compensation plans approved by securityholders	7,745,000	\$0.80	6,541
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>Total</b>	<b>7,745,000</b>	<b>\$0.80</b>	<b>6,541</b>

Note:

(1) Number of Common Shares issued and outstanding as at December 31, 2021 (77,515,414 x 10% = 7,751,541) less outstanding options.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

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

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Company, proposed director of the Company, or associate or affiliate of any informed person or proposed director (collectively "Insiders" see Definitions below), have 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 would materially affect the Company or any of its subsidiaries, except as disclosed under the headings "*Statement of Executive Compensation*" and "*Particulars of Matters to be Acted Upon*".

As described in Note 10 to the Annual Financial Statements and Item 9 to the MD&A for the financial year ended December 31, 2021, as filed under the Company's SEDAR profile at <https://www.sedar.com/>. During 2021 the Company paid UMS, a shared services provider owned during the year by directors Ivan Bebek and Shawn Wallace, a total of \$731,941 for shared premises and the services of shared geological and administrative personnel (2020 amount: \$858,659). Subsequent to 2021, Messrs. Bebek and Wallace sold their shares in UMS for nominal consideration and at the same time resigned as directors of UMS. Mr. Cook, who acquired the UMS shares, is also a director of Torq and on the date of transfer also took over as sole director of UMS. On April 1, 2022, UMS was restructured whereby Mr. Cook surrendered his ownership for \$1, and new equity was issued by UMS equally to the four public companies, for nominal consideration, which share UMS' services.

For additional disclosure concerning payment by the Company to related parties and settlement of outstanding balances, please see Note 10 to the Annual Financial Statements and Note 9 to the MD&A for the fiscal year ended December 31, 2021, as filed under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

Subsequent to the 2021 fiscal year end, the Company closed, in two tranches, a private placement of 7,033,400 Units at a price of C\$0.75 each, for gross proceeds of C\$5.28 million on March 1, 2022 and March 18, 2022. Each Unit consisted of one common share (a "Share") of the Company and one common share purchase warrant (a "Warrant"). Each Warrant entitles the holder thereof to acquire one common share (a "Warrant Share") of the Company at a price of CAD\$1.10 per Warrant Share for a period of three years following the closing date of the first tranche of the Offering, March 1, 2025. The Warrants are subject to an accelerated expiry if, any time after the first twelve months from issuance of the Warrants, the Shares trade at a price equal to or greater than CAD\$1.75 on the TSXV for 20 consecutive trading days, in which event the holder may, at the Company's election, be given notice that the Warrants of the Company will expire 30 business days following the date of such notice (the "Acceleration Term"). The Warrants may be exercised by the holder during the 30-day period between the notice and the expiration of the expiration of the Warrants. Insiders and associates of Insiders participating in this private placement were: Shawn Wallace, Director, as to 100,667 Units; Michael Kosowan, Director, as to 268,434 Units; Steve Cook, Director, as to 134,000 Units; Ana Carolina Vargas, Director, as to 134,000 Units; and Natasha Frakes, VP of Communication, as to 15,000 Units.

## MANAGEMENT CONTRACTS

Although certain administrative services required by the Company are performed through UMS, there are no executive management functions of the Company, which are, to any substantial degree, performed by a

person or company other than the directors or by executive officers, who are either employed by, or formally seconded to, the Company.

### **PARTICULARS OF MATTERS TO BE ACTED UPON**

Other than the mandatory annual matters of electing directors and appointing auditors, the only other business proposed by the Board is a vote to approve continuation of the Plan as described below. Management is not aware of any other matters that might arise from the floor at the Meeting and does not expect any other matters to arise.

#### **Continuation of Share Option Plan, as amended**

##### *Definitions*

A “*disinterested shareholder*” means a shareholder that is not an Insider to whom options may be granted under the Plan and they are not an Associate of any Insider.

An “*Insider*” is a director or an officer of the Company, a director or an officer of a company that is itself an Insider or a subsidiary of an Insider, or a person that has beneficial ownership of, and/or control or direction, either directly or indirectly over, securities of the Company carrying more than 10% of the voting rights attached to all the Company’s outstanding voting securities.

An “*Associate*” means, if used to indicate a relationship with any person,

- (a) a partner, other than a limited partner, of that person,
- (b) a trust or estate in which that person has a substantial beneficial interest or for which that person serves as trustee or in a similar capacity,
- (c) an issuer in respect of which that person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the issuer, or
- (d) a relative, including the spouse, of that person or a relative of that person's spouse, if the relative has the same home as that person

An “*Incentive Stock Option*” or “*ISO*” means an Option intended to satisfy the requirements of section 422 of the Code, and thereby qualify for the deferred tax treatment under section 421(a) of the Code.

“*TSXV*” means TSX Venture Exchange.

##### *Share Option Plan*

The TSXV requires that each company listed on the exchange adopt a stock option plan if the company intends to grant options. The Company has the Plan in place, which was initially approved by the Shareholders on August 12, 2011, which was subsequently amended and restated on August 14, 2015. To allow the Company to grant options to US taxpayers and to make the Plan comply with requirements of TSXV Policy 4.4 enacted in November 2021 the Plan was amended by Board approval on November 23, 2021 and July 6, 2022. The Plan was last approved for continuation by the Shareholders on August 10, 2021. The purpose of the Plan is to allow the Company flexibility to attract and maintain the services of executives, employees and other service providers in competition with other companies in the industry, and to provide incentive to the Company’s directors, executives, employees and other eligible service providers to act in the best interests of the Company.

The Plan is a rolling share option plan pursuant to which options to purchase Common Shares totaling a maximum of 10% of the Common Shares outstanding from time to time may be granted.

To comply with TSXV policies concerning “rolling” option plans, the Plan must be approved annually by the Shareholders to continue the grant of options pursuant to the Plan. At the Meeting shareholders will be asked to pass an ordinary resolution to ratify, confirm and approve the Plan for continuation until the next annual general meeting of the Company.

As at the Record Date there were 84,690,481 Common Shares issued and outstanding. Accordingly, under the Plan the Company has the authority to grant options to purchase up to a total of 8,469,048 Common Shares. At the date of this Circular, options to purchase an aggregate of 7,110,625 Common Shares are granted and outstanding under the Plan, representing approximately 8.40% of the outstanding Common Shares, leaving options remaining available for grant pursuant to the Plan to purchase an aggregate of 1,358,423 Common Shares being a further 1.60% of the outstanding Common Shares.

#### *Material Terms of the Plan*

The following is a summary of the material terms of the Plan:

- (a) Persons who are Service Providers to the Company or its affiliates (as defined below under the heading ‘*Plan Limitations*’), or who are providing services to the Company or its affiliates, are eligible to receive grants of options under the Plan;
- (b) Options granted under the Plan are non-assignable and non-transferable and may be made exercisable for a period of up to 10 years from the effective date, subject to the discretion of the Board;
- (c) For options granted to Service Providers, the Company must ensure that the proposed optionee is a bona fide Service Provider of the Company or its affiliates;
- (d) An option granted to any Service Provider will expire 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the optionee at any time prior to expiry of the option), after the date the optionee ceases to be employed by or provide services to the Company, but only to the extent that such option was vested at the date the optionee ceased to be so employed by or to provide services to the Company;
- (e) If an optionee dies, any vested option held by him or her at the date of death will become exercisable by the optionee’s lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such optionee and the date of expiration of the term otherwise applicable to such option;
- (f) In the case of an optionee being dismissed from employment or service for cause, such optionee’s options, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same;
- (g) The exercise price of each option will be set by the Board on the effective date of the option and will not be less than the Discounted Market Price (as defined in the Plan);
- (h) Vesting of options shall be at the discretion of the Board, and will generally be subject to: (i) the Service Provider remaining employed by or continuing to provide services to the Company or its affiliates, as well as, at the discretion of the Board, achieving certain milestones which may be

defined by the Board from time to time or receiving a satisfactory performance review by the Company or its affiliates during the vesting period; or (ii) the Service Provider remaining as a Director of the Company or its affiliates during the vesting period; and

- (i) The Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Plan with respect to all Plan shares in respect of options which have not yet been granted under the Plan.

### ***Plan Limitations***

The Plan is subject to the following restrictions:

- a) The Company must not grant an option to a director, employee, consultant, or consultant company (the “Service Provider”) in any 12-month period that exceeds 5% of the outstanding Common Shares, unless the Company has obtained approval to do so by a majority of the votes cast by the shareholders of the Company eligible to vote at a shareholders’ meeting, excluding votes attaching to Common Shares beneficially owned by Insiders and their Associates (“Disinterested Shareholder Approval”);
- b) The aggregate number of options granted to a Service Provider conducting Investor Relations Activities in any 12-month period must not exceed 2% of the outstanding Common Shares calculated at the date of grant, without the prior consent of the TSXV;
- c) The Company must not grant an option to a Consultant in any 12-month period that exceeds 2% of the outstanding Common Shares calculated at the date of grant of the option, without the prior consent of the TSXV;
- d) The number of optioned Common Shares issued to Insiders in any 12-month period must not exceed 10% of the outstanding Common Shares (in the event that the Plan is amended to reserve for issuance of more than 10% of the outstanding Common Shares) unless the Company has first obtained Disinterested Shareholder Approval to do so; and
- e) The exercise price of an option previously granted to an Insider must not be reduced, unless the Company has first obtained Disinterested Shareholder Approval to do so;
- f) No ISOs may be granted to any United States employee who owns, at the time of such grant, more than 10% of the Common Shares, unless those ISOs are granted at an exercise price of at least 110% of the fair market value of the Common Shares and such ISOs cannot be exercised more than five years from the date of such grant;
- g) The aggregate maximum number of Common Shares that may be issued pursuant to ISOs is 300,000 Common Shares; and
- h) Holders of Common Shares acquired pursuant to the exercise of an ISO who sell such Common Shares on or before the later of (a) the date that is two years after the date of grant of such ISO, or (b) the date that is one year after the date of exercise of such ISO, must immediately notify the Company in writing of such disposition and may be subject to income tax withholding by the Company on compensation income.

### ***November 2021 Amendments to the Plan***

To accommodate U.S. Optionees the Plan was amended to add:

- in Article 1.2, the additional purpose of compliance of the Plan with Section 422 of the U.S. Internal Revenue Code;
- the definition for “Code” referring to the U.S. Internal Revenue Code is added as Article 1.3(f);
- the definition of “Employee” is expanded in Article 1.3(p)(iv) to include a US optionee;
- the definition of “Incentive Stock Option” is added as Article 1.3(t) to specify tax treatment for a US optionee under the Code;
- the definition of “Non-Qualified Options” is added as Article 1.3(y) to distinguish the type of option granted to a US optionee that does not qualify for deferred compensation treatment pursuant the Code;
- the definition of “Participant” is amended at Article 1.3(ff) to include a US optionee;
- the definitions of “US” at Article 1.3(rr), “US Optionee” at Article 1.3(ss); and the definition of “US Taxpayer” at Article 1.3(tt);
- Article 1.4 is amended to state that words not included in the Plan but defined in the TSX Venture Policies or the Code are meant to have the definition contained in the TSX Venture Policies or the Code;
- Article 2.2 is amended to add a separate maximum number of 300,000 Incentive Stock Options;
- Article 2.4 is amended to distinguish option grants to Canadian optionees under Schedule A, and Article 2.5 is added to apply the Plan, Schedule B form of Option Commitment as it applies to grants to US optionees;
- Article 4.1 is amended to include the choice of Option Commitment form of either the Plan Schedule A (for Canadian optionees) or Schedule B (for US optionees);
- Article 4.6 US Optionees and US Taxpayers is added concerning tax withholding for US optionees, making the distinction between exercise of and Incentive Stock Option and exercise of a Non-Qualified Option, including the maximum exercise of \$100,000 under Incentive Stock Options and the requirement of the Company to provide an exercise report in the form of Schedule C to the Plan;
- Article 4.7 gives the Company the responsibility to report the exercise and to withhold applicable taxes with respect to each US Taxpayer to the extent required by law;
- Schedule B – Incentive Stock Option Commitment Form; and
- Schedule C – U.S. Optionee Reporting Form.

### ***July 2022 Amendments to the Plan***

Pursuant to TSXV Policy requirements, the Board has approved the following amendments to the Plan:

- In Article 1.3 of the Plan “Definitions”, the definition of “Employee” item (p)(i) is amended to include an employee of a subsidiary of the Company;

- Article 2.11 of the Plan “Amendments Requiring Disinterested Shareholder Approval,” is amended to insert a new subsection:

“(b) an extension to the term of an outstanding Option held by an Insider; or”

and to change the former subsection (b) to be subsection (c) concerning any reduction in the Exercise Price of an Option previously granted to an Insider, which subsection (c) remains unchanged;
- In Article 3.12 of the Plan “Adjustment of the Number of Options Shares”, items (c), (d), (e) and (g) are amended to make the adjustments subject to TSXV approval, including adjustments as a result of:
  - a change of the Common Shares as currently constituted, with the exception of a share consolidation or a share split;
  - a change of the Common Shares as a result of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof);
  - in the event of a corporate consolidation, merger or amalgamation, or a sale of the Company’s property and such adjustments will be effective, subject to TSXV approval at the time of the event giving rise to the adjustments; and
  - with respect to all questions arising concerning the Exercise Price or number of Optioned Shares deliverable upon exercise of Options as adjusted pursuant to s. 3.12, such determination will be subject to prior TSXV approval.

At the Meeting the shareholders will be asked to approve the Plan, as amended above, for continuation.

### ***Shareholder Approval***

At the Meeting, Shareholders will be asked to consider and vote on the ordinary resolution to ratify, confirm and approve, the Plan as amended by Board approval November 23, 2021 and July 6, 2022, for continuation, with or without variation, as follows:

“**RESOLVED** that the Company’s Share Option Plan dated August 12, 2011, as amended and restated August 14, 2015 and as amended by board approval November 23, 2021 and July 6, 2022, be and is hereby approved, ratified and confirmed, and is approved, ratified and confirmed for continuation until the next annual general meeting of the Company.”

To pass this ordinary resolution a simple majority of the votes cast on the resolution at the Meeting of the Company’s shareholders, in person or represented by proxy, is required.

**The Board unanimously recommends shareholders vote FOR the above ordinary resolution to approve the Plan, as amended, for continuation. Proxies received in favour of management will be voted in favour of the above resolution unless the shareholder has specified in the Proxy that his or her Common Shares be voted against such resolution.**

A complete amended and restated copy of the Plan can be downloaded from the Company’s profile at [www.sedar.com](http://www.sedar.com). A copy of the Plan will also be available for inspection at the Meeting. A Shareholder may also obtain a copy of the Plan by contacting the Company’s Corporate Secretary at Suite 1630, 1177 West Hastings Street, Vancouver, BC, V6E 2K3, Tel: (778) 729-0500 or Fax: (778) 729-0650.

### **ADDITIONAL INFORMATION**

Financial information is provided in the audited financial statements of the Company for the years ended December 31, 2021 and 2020, and in the related management discussion and analysis as filed on SEDAR at [www.sedar.com](http://www.sedar.com).

Additional information relating to the Company is filed under its SEDAR profile at [www.sedar.com](http://www.sedar.com) and upon request from the Company's Corporate Secretary at Suite 1630, 1177 West Hastings Street, Vancouver, BC, V6E 2K3, Tel: (778) 729-0500, or Toll Free: 1-800-863-8655 or Fax: (778) 729-0650. Copies of documents will be provided free of charge to security holders of the Company. The Company may require the payment of a reasonable charge from any person or company who is not a security holder of the Company, who requests a copy of any such document.

### **OTHER MATTERS**

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

The contents of this Circular and its distribution to Shareholders have been approved by the Board.

**DATED** at Vancouver, British Columbia, as at July 6, 2022.

**BY ORDER OF THE BOARD**

*Signed "Shawn Wallace"*

**Shawn Wallace**  
**Chief Executive Officer and Chair of the Board**