

## NOTICE OF ANNUAL GENERAL MEETING - 2023

CENTRAL IRON ORE LIMITED

ACN 072 871 133

Notice is hereby given that the Annual General (the “**Meeting**”) of Central Iron Ore Limited ACN 072 871 133 (the “**Company**”) will be held at Suite 1, Level 2, 49-51 York Street, Sydney, New South Wales, Australia on Thursday, November 30, 2023 commencing at 1:00pm (Eastern Daylight Savings Time).

### AGENDA

#### ORDINARY BUSINESS

##### FINANCIAL STATEMENTS & REPORTS

To receive and consider the Australian statutory report of the directors of the Company and the financial reports of the Company and its controlled entities for the year ended June 30, 2023 together with the Auditor’s report thereon.

#### 1. RE-ELECTION AND ELECTION OF DIRECTORS

To consider and, if thought fit, to pass the following **ordinary resolutions**:

- 1.1 *‘That Richard Homsany, who retires in accordance with clause 6 of the Company’s constitution, and being willing and eligible, be re-elected as a director of the Company in accordance with the requirements of the TSX-V.’*
- 1.2 *‘That Anthony Howland-Rose, who retires in accordance with clause 6 of the Company’s constitution, and being willing and eligible, be elected a director of the Company in accordance with the requirements of the TSX-V.’*
- 1.3 *‘That David Deitz, who retires in accordance with clause 6 of the Company’s constitution, and being willing and eligible, be elected as a director of the Company in accordance with the requirements of the TSX-V.’*

#### 2. APPOINTMENT OF AUDITOR

To consider and, if thought fit, pass the following **ordinary resolution**:

*‘That SCS Audit and Corporate Services Pty Ltd be re-appointed as auditor of the Company in Canada for the 2023-24 financial year at a remuneration to be fixed by the directors.’*

#### 3. RATIFICATION OF STOCK OPTION PLAN AND AMENDMENT THERETO

To consider and, if thought fit, pass the following **ordinary resolutions**:

- (a) ‘that the Company’s existing 10% “rolling” stock option plan, as amended (the “**Plan**”) be ratified, confirmed and approved as required by the TSX Venture Exchange (the “**TSX-V**”);
- (b) that the board of directors of the Company (the “**Board**”) be granted the discretion pursuant to the Plan to grant stock options to directors, senior officers, employees, consultants, management company employees, employees and others providing

services to the Company and its subsidiaries, as the Board sees fit provided, however, that the aggregate number of shares of the Company subject to options under the Plan shall not exceed 10% of the issued and outstanding shares of the Company at the time of grant. Such grants shall be made under the terms of the Plan and within the rules and policies of the TSX-V in effect at the time of granting and the exercise of any options granted pursuant to such authorization is hereby approved; and

- (c) that any one director or officer of the Company, be and he/she is hereby authorized and directed to do all such acts and things and execute and deliver under the corporate seal of the Company or otherwise all such deeds, documents, instruments and assurances as in his/her discretion may be necessary or desirable to give effect to the foregoing resolutions and to complete all transactions in connection with the implementation of the Plan.’

**Voting Prohibition Statement**

A vote on Resolution 3 must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the key management personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a closely related party of such a member.

However, a person (the **Voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (c) the Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (d) the Voter is the chair of the Meeting (“**Chair**”) and the appointment of the Chair as proxy:
- (i) does not specify the way the proxy is to vote on this Resolution; and
- (ii) expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company, or if the Company is part of a consolidated entity, for the entity.

DATED: October 27, 2023

By Order of the Board



David Deitz  
Company Director

## NOTES:

- (a) A member who is entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy.
- (b) The proxy need not be a member of the Company. A member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is stated, each proxy may exercise half of the member's votes.
- (c) If you wish to appoint a proxy and are entitled to do so, then complete and return the enclosed proxy form.
- (d) A proxy will not be valid unless the completed form of proxy is delivered to the Company at Suite 1, Level 2, 49-51 York Street, Sydney, New South Wales, Australia or received by post to the Company at Suite 1, Level 2, 49-51 York Street, Sydney, New South Wales, Australia by 1:00pm Eastern Daylight Savings Time on Tuesday November 28, 2023 or not less than 48 hours before the time for holding the Meeting or any adjournment thereof. Proxies delivered after that time will not be accepted.
- (e) A corporation may elect to appoint a representative in accordance with the *Corporations Act 2001 (Cth)* ("**Corporations Act**") in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the Meeting.
- (f) The enclosed proxy form and Management Information Circular provides further details on appointing proxies and lodging proxy forms.
- (g) Other than in respect of Resolution 3, proxies appointing the Chairman of the Meeting which do not specify the way in which the proxy is to vote on a particular resolution will be recorded as voting in favour of the resolutions (subject to the other provisions of these notes on Proxies and any required voting exclusions including those in the Notice) as this is the Chairman's voting intention.

### **Proxy Restrictions for Resolution 3**

- (h) Shareholders (who are not a member of the key management personnel or a closely related party of that member) appointing a proxy for Resolution 3 should note the following:
  - If you elect to appoint a member of key management personnel or a closely related party of that member, you must direct the proxy how they are to vote. Undirected proxies granted to these persons will not be included in any vote on Resolution 3.

#### ***If you appoint the Chair as your proxy***

- If you elect to appoint the Chair as your proxy, you do not need to direct the Chair how you wish them to exercise your vote on Resolution 3 however if you do not direct the Chair how to vote, you acknowledge that the Chair may exercise his or her discretion in exercising your proxy even though Resolution 3 is connected directly or indirectly with the remuneration of key management personnel for the Company, or if the Company is part of a consolidated entity, for that entity.
- The Chair intends to vote all undirected proxies in favour of Resolution 3.

***If you appoint any other person as your proxy***

- You do not need to direct your proxy how to vote.
- (i) If you have any queries on how to cast your votes then call Ms. Katherine Garvey on local (08) 9213 3000 or international telephone +61 8 9213 3000 during Australian business hours.

## MANAGEMENT INFORMATION CIRCULAR OCTOBER 27, 2023

CENTRAL IRON ORE LIMITED

ACN 072 871 133

FOR THE 2023 ANNUAL GENERAL MEETING OF MEMBERS

### SOLICITATION OF PROXIES

This information circular (“**Information Circular**”) is furnished in connection with the solicitation of proxies by the management (“**Management**”) of Central Iron Ore Limited (“**Central Iron Ore**” or “**the Company**”) for use at the Annual General Meeting of the Company (“**Meeting**”) to be held on Thursday, November 30, 2023 at Suite 1, Level 2, 49-51 York Street, Sydney, New South Wales, Australia at 1:00pm (Eastern Daylight Savings Time) and at any adjournments thereof. Any solicitation will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation by officers and employees of the Company. The cost of solicitation will be borne by the Company.

The contents and the sending of this Information Circular have been approved by the directors of the Company (“**Directors**”).

All dollar amounts are stated in Australian dollars unless specified otherwise. Information contained in this Information Circular is current as at October 27, 2023 unless indicated otherwise.

### APPOINTMENT OF PROXYHOLDER

The individuals named in the accompanying form of proxy are officers of the Company or Directors (“**Management Proxyholders**”). A duly completed form of proxy will constitute the person(s) named in the enclosed form of proxy as the shareholder’s proxyholder. The persons whose names are printed in the enclosed form of proxy for the Meeting are Management Proxyholders.

**A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON OR COMPANY OTHER THAN A MANAGEMENT PROXYHOLDER, TO REPRESENT THE SHAREHOLDER AT THE MEETING BY STRIKING OUT THE NAMES OF THE MANAGEMENT PROXYHOLDERS AND BY INSERTING THE DESIRED PERSON’S NAME IN THE BLANK SPACE PROVIDED OR BY EXECUTING A PROXY IN A FORM SIMILAR TO THE ENCLOSED FORM. A PROXYHOLDER NEED NOT BE A SHAREHOLDER.**

**A proxy will not be valid unless the completed form of proxy is delivered to the Company at Suite 1, Level 2, 49-51 York Street, Sydney, New South Wales, Australia or posted to the Company at Suite 1, Level 2, 49-51 York Street, Sydney, New South Wales, Australia by 1:00pm Eastern Daylight Savings Time, Tuesday, November 28, 2023 or not less than 48 hours before the time for holding the Meeting or any adjournment thereof. Proxies delivered after that time will not be accepted.**

## VOTING BY PROXY

### Direction on how to vote

If you wish to direct the proxy how to vote, *please place a mark in the appropriate boxes that appear on the proxy form.*

The shares represented by a properly executed proxy in favour of Management Proxyholders in the accompanying form of proxy will:

- (a) be voted or withheld from voting in accordance with the instructions of the person appointing the proxyholder on any ballot that may be taken; and
- (b) where a choice with respect to any matter to be acted upon has been specified in the form of proxy, be voted in accordance with the specification made in such proxy.

ON A POLL SUCH SHARES WILL BE VOTED **IN FAVOUR** OF EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED OR WHERE BOTH CHOICES HAVE BEEN SPECIFIED BY THE SHAREHOLDER.

### No Direction on how to vote - General

Subject to the Notes for Resolution 3 below and any voting exclusions, if you do **not** direct your proxy on how to vote as your proxy in respect of the resolution/s, the proxy may cast your vote as the proxy thinks fit or may abstain from voting. By signing this appointment you acknowledge that, subject to the *Corporations Act 2001* (Cth) of Australia (the “**Corporations Act**”) and any voting exclusions, the proxy may exercise your proxy even if he/she has an interest in the outcome of the resolution/s and even if votes cast by him/her other than as proxy holder will be disregarded because of that interest (see Notes for Resolution 3 below). The enclosed form of proxy when properly completed and delivered and not revoked confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Annual General Meeting, and with respect to other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Annual General Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the persons designated in the enclosed form of proxy to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Information Circular, Management knows of no such amendment, variation or other matter which may be presented to the Meeting.

### Notes for Resolution 3

A vote on Resolution 3 must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the key management personnel; or
- (b) a closely related party of such a member.

However, a person (the **Voter**) described above may cast a vote on Resolution 3 as a proxy if the vote is not cast on behalf of a person described above and either:

- (c) the Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on Resolution 3; or
- (d) the Voter is the chair of the Meeting (“**Chair**”) and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on Resolution 3; and

- (ii) expressly authorises the Chair to exercise the proxy even if Resolution 3 is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company, or if the Company is part of a consolidated entity, for the entity.

The term “**key management personnel**” has the meaning given in the Australian accounting standards and broadly means those persons with the authority and responsibility for planning, directing and controlling the activities of the Company, and includes any Director.

The term “**closely related party**” is defined in respect of a member of key management personnel as:

- a spouse or child of the member;
- a child or spouse of the member’s spouse;
- a dependent of the member or the member’s spouse;
- anyone else who is one of the member’s family and may be expected to influence the member, or be influenced by the member, in the member’s dealings with the Company;
- a company the member controls; or
- a person prescribed by regulations that may be made for this purpose.

## **NON-REGISTERED HOLDERS**

Registered holders of the shares in the capital of the Company (“**Common Shares**”) or the persons they validly appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a “**Non-Registered Holder**”) are registered either: (i) in the name of an intermediary (an “**Intermediary**”) (including banks, trust companies, securities dealers or brokers and trustees or administrators of self administered RRSPs, RRIFs, RESPs and similar plans) that the Non-Registered Holder deals with in respect of the Common Shares, or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited) of which the Intermediary is a participant.

### *Distribution to NOBOs*

In accordance with the requirements of the Canadian Securities Administrators and National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), the Company will have caused its agent to distribute copies of the Notice of Meeting and this Information Circular (collectively, the “**Meeting materials**”) as well as a proxy and the audited financial statements and management’s discussion and analysis for the year ended June 30, 2023, directly to those Non-Registered Holders who have provided instructions to an Intermediary that such Non-Registered Holder does not object to the Intermediary disclosing ownership information about the beneficial owner (“**NOBO**”).

*These Meeting materials are being sent to both registered and Non-Registered Holders of Common Shares. If you are a Non-Registered Holder, and the Company or its agent has sent these Meeting materials directly to you, your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.*

*By choosing to send these Meeting materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these Meeting materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for proxy enclosed with mailings to NOBOs.*

The Meeting materials distributed by the Company’s agent to NOBOs include a proxy. Please carefully review the instructions on the proxy for completion and deposit.

### *Distribution to OBOs*

In addition, the Company will have caused its agent to deliver copies of the Meeting materials to the clearing agencies and Intermediaries for onward distribution to those Non-Registered Shareholders who have provided instructions to an Intermediary that the beneficial owner objects to the Intermediary disclosing ownership information about the beneficial owner (“**OBO**”).

Intermediaries are required to forward the Meeting materials to OBOs unless an OBO has waived his or her right to receive them. Intermediaries often use service companies, such as Broadridge Financial Solutions, Inc., to forward the Meeting materials to OBOs. Generally, those OBOs who have not waived the right to receive Meeting materials will either:

1. be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number of Common Shares beneficially owned by the OBO, but which is otherwise uncompleted. This form of proxy need not be signed by the OBO. In this case, the OBO who wishes to submit a proxy should properly complete the form of proxy and deposit it with Equity Financial Trust Company in the manner set out above; or
2. more typically, be given a voting registration form which is not signed by the Intermediary and which, when properly completed and signed by the OBO and returned to the Intermediary or its service company, will constitute authority and instructions (often called a “**Voting Instruction Form**”) which the Intermediary must follow. Typically, the Voting Instruction Form will consist of a one page pre-printed form. The purpose of this procedure is to permit the OBO to direct the voting of the Common Shares he or she beneficially owns.

Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the persons named in the form and insert the Non-Registered Holder’s name in the blank space provided. In either case, Non-Registered Holders should carefully follow the instructions, including those regarding when and where the proxy or voting instruction form is to be delivered.

### **REVOCABILITY OF PROXY**

A shareholder who has given a proxy may revoke it by an instrument in writing executed by the shareholder or by his attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered to the head office of the Company, at Suite 1, Level 2, 49-51 York Street, Sydney, New South Wales, Australia, or posted to Suite 1, Level 2, 49-51 York Street, Sydney, New South Wales 2000, Australia, at any time up to and including the last business day preceding the day of the Meeting, or if adjourned, any reconvening thereof, or to the Chairman of the Meeting on the day of the Meeting or, if adjourned, any reconvening thereof or in any other manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

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

No Director or executive officer of the Company who has held such position since July 1, 2020 or proposed nominee for election as a Director of the Company, or any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter of special business to be acted upon at the Meeting, other than the confirmation of the Company's stock option plan dated December 15, 2006, as amended (the "Plan") in connection with which the Directors and senior officers of the Company may be entitled to receive stock option grants in the future, all in accordance with the terms thereof.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of ordinary Common Shares without par value of which 24,236,938 shares were issued and outstanding on October 27, 2023. Subject to certain exclusions of votes contemplated elsewhere in this Notice, each one Share is entitled to one vote at the Meeting. On a ballot, each one Share is entitled to one vote.

For the purposes of Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) the Directors have determined that the Shares held at the close of business on Tuesday, November 28, 2023 (Eastern Daylight Savings Time in Sydney, New South Wales, Australia) will be taken for the purposes of this Meeting to be held by the persons who held them at that time. Accordingly those persons are entitled to attend and vote (if not excluded) at the Meeting.

For the purposes of section 2.1 of Canadian National Instrument 54-101, the Directors have fixed the record date for notice of the Meeting as October 27, 2023.

To the knowledge of the Directors and executive officers of the Company as at October 27, 2023, the only entities which beneficially own, or controls or directs, directly or indirectly, shares carrying 10% or more of the voting rights attached to all shares of the Company are as follows:

<i>Name</i>	<i>Number of Common Shares Owned or Directed</i>	<i>Percentage of Common Shares</i>
Brooklyn Bay Pty Ltd	8,952,000	36.9%

## PARTICULARS OF MATTERS TO BE ACTED ON AT THE MEETING

There are seven (7) items of business on the agenda for the Meeting.

Note that any reference to “**TSX-V**” in the Notice of Meeting or this Information Circular means the TSX Venture Exchange, Canada and any reference to “**associate**” has that meaning ascribed to that term in Section 12 of the Corporations Act.

### FINANCIAL STATEMENTS & REPORTS

The Corporations Act requires that the report of the Directors, the Auditor’s report and the financial report of the Company and its controlled entities for the year ended June 30, 2023 be laid before the Annual General Meeting. Neither the Corporations Act nor the Company’s constitution, as varied or amended from time to time (the “**Constitution**”) requires a vote of shareholders at the Meeting on such reports or statements. However, shareholders will be given ample opportunity to raise questions with respect to these reports and statements at the Meeting.

Following consideration of reports the Chairman will give shareholders a reasonable opportunity to ask questions about or comment on the Management and audit of the Company.

#### 1. ELECTION/RE-ELECTION OF DIRECTORS

Under the Constitution any Director appointed since the last Annual General Meeting and one third (rounded down if necessary) of the other Directors (other than a Managing Director) are to retire at each Annual General Meeting and, being eligible, may seek re-election as a Director.

Under the Constitution the minimum number of Directors is three. Also, under TSX-V requirements all Directors must stand for re-election at every Annual General Meeting.

Resolution 1 deals with the re-election of Directors under both scenarios. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed.

The board of Directors (the “**Board**”) presently consists of three Directors, and the number of Directors to be elected at the Meeting is three. Management does not contemplate that any of the nominees will be unable to serve as a Director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the enclosed form of proxy to vote the proxy for the election of any other person or persons in place of any nominee(s) unable to serve. Each Director elected will hold office until the close of the first annual meeting of shareholders of the Company following his election unless his office is earlier vacated in accordance with the by-laws of the Company.

The Company is required to have an audit committee. Members of this committee are as set out below.

Management of the Company proposes to nominate each of the following persons for election as a Director. Information concerning such persons, as furnished by the individual nominees, is as follows:

<i>Name, Jurisdiction of Residence and Position</i>	<i>Present Principal Occupation, and Positions held during the last five years</i>	<i>Previous Service as a Director</i>	<i>Number of Shares beneficially owned or, directly or indirectly, Controlled <sup>(1)</sup></i>
<b>Richard Homsany</b> <sup>(2)(3)</sup> Perth, Western Australia, Australia <i>Chairman</i>	Executive Vice President, Australia of Mega Uranium Limited, a TSX listed company which explores for uranium deposits.  Director of Cardinals Lawyers and Consultants, a legal firm.  Chairman of Redstone Resources Ltd., an ASX listed company which explores for copper deposits.  Executive Chairman of Toro Energy Limited, an ASX listed company which explores for uranium deposits.  Non-Executive Chairman of Galan Lithium Limited, an ASX listed company which explores for lithium brine projects.  Non-Executive Director of Brookside Energy Limited, an ASX listed company focussed on the acquisition and development of producing oil and gas assets and the leasing and development of acreage opportunities.  Chairman of Health Insurance Fund of Australia Ltd, a private health insurance company.  Formerly a Partner of DLA Phillips Fox, a legal firm.	Since October 27, 2010	Nil
<b>Anthony William Howland-Rose</b> <sup>(2)(5)</sup> Sydney, New South Wales, Australia <i>Director</i>	Executive Chairman of Gullewa Limited, an ASX listed company which explores for mineral deposits.  Former Chairman of Allegiance Coal Limited, an ASX listed company which explores for coal deposits.  Principal of AW Howland-Rose and Associates, a company which provides consulting services to the exploration industry.  Former Director and Chairman of Allegiance Mining NL, a company which explored and developed nickel deposits.	Since June 3, 2011	Nil
<b>David Deitz</b> <sup>(2)(3)</sup> Sydney, New South Wales, Australia <i>Director</i>	Director of Gullewa Limited, an ASX listed company which explores for mineral deposits.  Former Director of Allegiance Coal Limited, an ASX listed company which explores for coal deposits. Former Director of Allegiance Mining NL, a company which explored and developed nickel deposits.	Since January 15, 2020	479,000 Common Shares  8,952,000 Common Shares <sup>(4)</sup>

Notes:

- Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at October 27, 2023, based upon information furnished to the Company by individual Directors. Unless otherwise indicated, such Common Shares are held directly.
- Members of the Audit Committee.
- Each of Messrs Homsany, Deitz and Howland-Rose, who retire by rotation in accordance with clause 6 of the Constitution, seek re-election as Directors to fulfil the requirements of TSX-V.
- Mr. Deitz is the sole director and secretary of Brooklyn Bay Pty Ltd which holds 8,952,000 Common Shares.
- Chair of Audit Committee.

No proposed Director is to be elected under any arrangement or understanding between the proposed Director and any other person or company, except the Directors and executive officers of the Company acting solely in such capacity.

**Richard Homsany, Director and Chairman**

Mr. Homsany is an experienced corporate lawyer with significant experience in the resources and energy sectors. He is Executive Vice President, Australia of the TSX listed Mega Uranium Ltd, Executive Chairman of the ASX listed Toro Energy Limited and Non-Executive Chairman of ASX listed companies Redstone Resources Ltd and Galan Lithium Limited. He is also the Chairman of private health insurance company Health Insurance Fund of Australia Ltd. He has had extensive experience in corporate law, including advising public resources and energy companies on corporate governance, finance, capital raisings, takeovers, mergers, acquisitions, joint ventures and divestments. He also has significant board and experience with publicly listed resource companies including as chairman. He has also worked for an ASX top 50-listed internationally diversified resources company in operations, risk management and corporate matters. He has a Commerce Degree and Honours Degree in Law from the University of Western Australia and a Graduate Diploma in Finance and Investment from the Financial Services Institute of Australasia (“FINSIA”) and is a Certified Practising Accountant.

**Anthony William Howland-Rose, Director**

Mr. Howland-Rose has over 50 years experience in exploration, discovery, development and corporate activity worldwide in the junior exploration sector. Mr. Howland-Rose served as Exploration Geophysicist with the Commonwealth Bureau of Mineral Resources (now Geoscience Australia). He was with the worldwide geophysical consulting, contracting and instrument manufacturing company, Scintrex Limited based in Toronto, Canada. He has been involved in a dozen mineral discoveries which included Poseidon’s Mt. Windarra, the most recent of which was the Avebury Nickel Project for which he was co-recipient of the Association of Mining & Exploration Companies (AMEC) Prospector of the Year Award in 2007. Mr. Howland-Rose also acted as a Director and Chairman of Allegiance Mining NL and presided over the discovery, drill out, financing and building of the \$180 million Avebury Mine and processing facility. He holds a Bachelor of Science Honours Degree (2.1) in Geology from the Queens University of Belfast, Ireland; Master of Science in Applied Geophysics from London University and a Diploma of Imperial College (London) in Geophysics.

**David Deitz, Director and Chief Executive Officer**

Appointed to the Board this year, Mr Deitz, a financial accountant, has had over 20 years' experience in the mineral exploration industry.

**Graham Ian Hurwitz, Chief Financial Officer**

Mr Hurwitz, a Chartered Accountant, has over 40 years experience in professional accounting. He provided taxation and business advice to a variety of enterprises. He acted as a director of a Sydney Chartered Accounting practice for a period exceeding 35 years and also served as Chief Executive of the practice.

## Corporate Cease Trade Orders and Bankruptcies

To the knowledge of the Company, no proposed Director:

- (a) is, as at the date of the Information Circular, or has been, within 10 years before the date of the Information Circular, a director, chief executive officer (“CEO”) or chief financial officer (“CFO”) of any company (including the Company) that:
  - (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days while the proposed director was acting in the capacity as director, CEO or CFO of such company; or
  - (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO of such company; or
- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director

## 2 APPOINTMENT OF AUDITORS

SCS Audit and Corporate Services Pty Ltd have been the auditors of the Company in since November 27, 2014. As required by TSX-V, the auditors must be re-appointed every year at the Annual General Meeting. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the re-appointment of SCS Audit and Corporate Services Pty Ltd as the auditors of the Company to hold office for the ensuing year at a remuneration to be fixed by the Directors.

### 3 RATIFICATION OF STOCK OPTION PLAN AND AMENDMENT THERETO

The Board adopted the Plan effective December 15, 2006, subject to acceptance by TSX-V and the shareholders of the Company. This occurred on November 20, 2007 and has been ratified at each subsequent annual general meeting.

TSX-V regulations require that the Plan, which is a “rolling” plan, be ratified annually by shareholders if the Company wishes to continue granting options under the Plan. As such, at the Meeting the shareholders will be asked to pass an ordinary resolution in substantially the form set out in item 3 of the Agenda. Approval of the resolution will also allow the Company to deduct, withhold or require an optionee to remit to the Company, the amount to satisfy federal, provincial and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event ongoing as a result of the Plan, including the grant or exercise of any option.

The purpose of the Plan is to allow the Company to grant options to Directors, senior officers, employees, Management, Company employees and consultants of the Company as an opportunity to participate in the success of the Company. Options will be exercisable over periods of up to 5 years as determined by the Board and are required to have an exercise price not less than the market price of the Common Shares prevailing on the day that the option is granted less applicable discounts if any, permitted by the policies of the TSX-V and, if applicable, any other stock exchange on which the Common Shares are listed. Options are not assignable or transferable by the optionee. The maximum number of Common Shares reserved for issuance under the Plan and all the Company’s previously established or proposed share compensation arrangements shall not exceed 10% of the total number of issued and outstanding Common Shares. In addition, the number of Common Shares reserved for issuance to any one individual within a 12 month period shall not exceed 5% of the total number of issued and outstanding shares on a non-diluted basis or 2% if the optionee is engaged in investor relations activities or is a consultant. The Directors, subject to the policies of the TSX-V and, if applicable, other stock exchanges, may determine and impose terms upon which each option shall become vested. Unless otherwise specified by the Board at time of granting an option, all options granted under the Plan shall vest upon grant, except options granted to consultants performing investor relations activities, which options must vest in stages over twelve months with no more than one-quarter of the options vesting in any three month period.

Should the Board decide at any future date to grant further options to Directors in terms of the Plan those Directors may receive, or have the opportunity to receive, a ‘related party benefit’ as defined in the Corporations Act (and in that case any such options must be granted within 15 months of the date of the shareholder approval). However, shareholders should be aware that pursuant to the provisions of section 211 of the Corporations Act a grant of options to a Director in terms of the Plan will not require approval of shareholders if the grant of any options to Directors forms part of remuneration provided to Directors and could be considered reasonable, having regard to both the circumstances of the Company and any Director who may be granted options (including any responsibilities involved in that Directors employment). Under section 210 of the Corporations Act, it is not necessary to obtain shareholder approval to give a financial benefit (including the issue of options) on terms that would be reasonable in the circumstances if the company and the related party were dealing at arm’s length, or on terms that are less favourable to the related party.

If shareholders approve this resolution, they should be aware that approval of the Plan may result in some or all of the current Directors at some time in the future participating in the Plan and be given the opportunity to acquire Common Shares at a discount to the then current market price.

Shareholders are advised that at the date of this Notice of Meeting there are no present intentions to grant any options to any of the current Directors under the Plan.

The Plan provides that if a change of control, as defined therein, occurs, all Common Shares subject to option shall immediately become vested and may thereupon be exercised in whole or in part by the option holder.

The full text of the Plan can be found as Schedule “1” attached hereto and will be available for review at the Meeting. A more detailed summary of the Plan is set forth under “Summary of Stock Option Plan”.

## **EXECUTIVE COMPENSATION**

For the purposes of this Information Circular, a “**Named Executive Officer**” means each of the following individuals:

- (a) a CEO of the Company;
- (b) a CFO of the Company;
- (c) each of the Company’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than CAD\$150,000 as determined in accordance with subsection 1.3(6) of National Instrument Form 51-102F6 (“**Form 51-102F6**”), for the June 30, 2023 financial year; and
- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer, nor acting in a similar capacity at June 30, 2023.

## **Compensation Discussion and Analysis**

The Company does not have a compensation committee and the Board is responsible for determining all forms of compensation, including incentive stock options, granted to the Named Executive Officers and Directors of the Company, and for reviewing recommendations regarding compensation from the independent Directors, to ensure such arrangements reflect the responsibilities and risks associated with each position. The Board is responsible for all matters relating to the compensation of the Directors and Named Executive Officers of the Company with respect to: (i) general compensation goals and guidelines and the criteria by which bonuses and stock compensation awards are determined; (ii) amendments to any equity compensation plans adopted by the Board and changes in the number of Common Shares reserved for issuance thereunder; and (iii) other plans that are proposed for adoption or adopted by the Company for the provision of compensation. The general objectives of the Company’s compensation strategy are to: (a) compensate Management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align Management’s interests with the long-term interests of shareholders; (c) provide a compensation package that is commensurate with other junior mineral exploration companies to enable the Company to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Company is under by virtue of the fact that it is a junior mineral exploration company without a history of earnings.

When determining the compensation of its Named Executive Officers, the Board considers, based on recommendations from the independent Directors: (i) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of Management and the Company's shareholders; and (iv) rewarding performance, both on an individual basis and with respect to operations in general.

The Board ensures that total compensation paid to all Named Executive Officers is fair and reasonable. The Board relies on the experience of its members as executive officers and directors with other junior mining companies in the Australian iron ore industry when assessing compensation levels.

With respect to forms of compensation, historically these have been comprised of cash consulting fees and incentive stock options. The Company has not granted share-based awards, does not have any form of non-equity incentive plan, and does not have any form of pension plan. The Board has the discretion to pay cash bonuses to the Named Executive Officers; however, there is no formal bonus plan or other formal arrangements pursuant to which bonuses may be earned and the Company did not pay any bonuses to its Named Executive Officers in the financial year ended June 30, 2023.

The Company's process for determining executive compensation is done on a case by case basis and involves discussion by the Board of the factors the Board deems relevant to each case based on recommendations from the independent Directors. There are no formally defined objectives, benchmarks criteria or analysis that are used in all cases. Executive compensation is benchmarked against data obtained from recruitment companies' salary surveys for the relevant executive position for companies of similar size in the Australian mining and exploration industry.

The Directors are responsible for ensuring that the application of the compensation policy is appropriately aligned to support its stated objectives and encourage the right management behaviours, while avoiding excessive risk-taking by executive officers.

The Directors have not, as yet, adopted a policy restricting the Company's NEOs or Directors from purchasing instruments including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by NEOs or Directors.

#### *Compensation of Directors, the CEO and CFO*

Mr. Anthony Howland-Rose is an independent Director and is responsible for recommending the compensation for the Directors and Named Executive Officers to the Board.

To make recommendations to the Board concerning compensation payable, the independent Director(s) review compensation paid for Directors, CEOs and CFOs of companies of similar size and stage of development in the mineral exploration/mining industry and determine an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the Directors and Named Executive Officers while taking into account the financial and other resources of the Company. The independent Director(s)' recommendations are also supported by annual reviews of the performance of the CEO and CFO in light of the Company's objectives and other factors that may have impacted the success of the Company in achieving its objectives.

### *Analysis of Elements*

The principal elements of the Named Executive Officers' compensation consists of base salary and long-term incentive awards (stock options). Base salary is used to provide the Named Executive Officers a set amount of money during the year with the expectation that each Named Executive Officer will perform his responsibilities to the best of his ability and in the best interests of the Company. The amount of base salary for a Named Executive Officer is determined through negotiation with each Named Executive Officer and is determined on an individual basis based upon the Company's need to attract and retain the relevant individual. While base salary is intended to fit into the Company's overall compensation objectives by serving to attract and retain talented executive officers, the size of the Company and the nature and stage of its business currently (as a junior mineral exploration company without a history of earnings) also impacts the level of base salary.

The Company considers the granting of incentive stock options to be a significant component of executive compensation as it allows the Company to reward each Named Executive Officer's efforts to increase value for shareholders without requiring the Company to use cash from its treasury. Stock options are generally awarded to Named Executive Officers at the commencement of employment and periodically thereafter. The Plan has been and will be used to provide Common Share purchase options which are granted in consideration of the level of responsibility of the Named Executive Officer as well as his or her impact or contribution to the longer-term operating performance of the Company. In determining the number of options to be granted to the Named Executive Officers, the Board takes into account the number of options, if any, previously granted to each Named Executive Officer, and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the TSX-V, and closely align the interests of the Named Executive Officers with the interests of shareholders. Option based awards are intended to fit into the Company's overall compensation objectives by aligning the interests of the Named Executive Officers with those of the Company, and linking individual Named Executive Officer compensation to the performance of the Company.

The terms and conditions of the Company's stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Plan. See "Summary of Stock Option Plan".

## SUMMARY OF STOCK OPTION PLAN

The Company currently has a “rolling” Plan in place, whereby the number of Common Shares reserved for issuance under the Plan and all the Company’s previously established or proposed share compensation arrangements shall not exceed 10% of the total number of issued and outstanding Common Shares.

The purpose of the Plan is to give Directors, senior officers, employees, Management company employees and consultants of the Company (as defined in the Plan attached hereto in Schedule 1), the opportunity to participate in the success of the Company.

The Board may from time to time authorize the issue of options to eligible persons. The expiry date for each option are set by the Board at the time of issue and shall not be more than five years after the grant date. Options are required to have an exercise price not less than the market price of the Common Shares prevailing on the day that the option is granted less applicable discounts if any, permitted by the policies of the TSX-V and, if applicable, any other stock exchange on which the Common Shares are listed. Options are not assignable or transferable by the optionee.

### *Limits on Shares Issuable on Exercise of Options:*

The number of Common Shares reserved for issuance under the Plan and all of the Company's other previously established or proposed share compensation arrangements:

- (a) in aggregate shall not exceed 10% of the total number of issued and outstanding Common Shares on a non-diluted basis at the time of the grant; and
- (b) to any one optionee within a 12 month period shall not exceed 5% of the total number of issued and outstanding Common Shares on a non-diluted basis.

The number of Common Shares which may be issuable under the Plan and all of the Company's other previously established or proposed share compensation arrangements, within a one-year period:

- (a) in aggregate shall not exceed 10% of the total number of issued and outstanding Common Shares on a non-diluted basis at the time of the grant;
- (b) to any one optionee, shall not exceed 5% of the total number of issued and outstanding Common Shares on the grant date on a non-diluted basis;
- (c) to insiders as a group shall not exceed 10% of the total number of issued and outstanding Common Shares on the grant date on a non-diluted basis;
- (d) to any one consultant shall not exceed 2% in the aggregate of the total number of issued and outstanding Common Shares on the grant date on a non-diluted basis; and
- (e) all eligible persons who undertake investor relations activities shall not exceed 2% in the aggregate of the total number of issued and outstanding Common Shares on the grant date on a non-diluted basis.

The Board is responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising thereunder. Pursuant to the Plan, the Board has the power to:

- (a) allot Common Shares for issuance in connection with the exercise of options;
- (b) grant options thereunder;

- (c) to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations deemed necessary or advisable in respect of the Plan; and
- (d) amend or revise the terms of the Plan or of any option granted under the Plan, provided that no such amendment, revision, suspension, termination or discontinuance shall in any manner adversely affect any option previously granted to an optionee under the Plan without the consent of that optionee. Any amendments to the Plan or options granted thereunder will be subject to the approval of the shareholders.

The Directors, subject to the policies of the exchanges, may determine and impose terms upon which each option shall become vested in respect of option shares. Unless otherwise specified by the Board at time of granting an option, and subject to the other limits on option grants, all options granted under the Plan vest and become exercisable in full upon grant, except options granted to consultants performing investor relations activities, which options must vest in stages over twelve months with no more than one-quarter of the options vesting in any three month period.

Any unissued option shares not acquired by an optionee under an option which has expired may be made the subject of a further option pursuant to the provisions of the Plan.

The Plan provides that if a change of control, as defined therein, occurs, all Common Shares subject to option shall immediately become vested and may thereupon be exercised in whole or in part by the option holder.

### Summary Compensation Table

The following table (presented in accordance with Form 51-102F6- *Statement of Executive Compensation*) sets forth all direct and indirect compensation provided to the Company's Named Executive Officers for the financial years ended June 30 2023, 2022 and 2021. The Named Executive Officers of the Company for the financial year ended June 30, 2023 were David Deitz and Graham Ian Hurwitz.

NEO Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$) <sup>(1)</sup>	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
David Deitz, Director & CEO <sup>(2)</sup>	2021	12,500	-	-	-	-	-	-	12,500
	2022	11,364	-	-	-	-	-	1,136	12,500
	2023	11,312	-	-	-	-	-	1,188	12,500
Graham Ian Hurwitz, CFO	2021	-	-	-	-	-	-	-	-
	2022	-	-	-	-	-	-	-	-
	2023	-	--	--	--	--	--	-	-

<sup>(1)</sup> The amounts shown in this category are the "fair values" as determined at the date of grant using the Black-Scholes option pricing model ("BSOPM"), and are the same values as used by the Company in determining stock-based compensation for accounting purposes. The use of values determined using the BSOPM is accepted by the Canadian Securities Administrators and the Canadian Institute of Chartered Accountants, and under the circumstances the Board has accepted this basis of valuation.

<sup>(2)</sup> Mr Deitz was appointed as a Non-Executive Director on April 4, 2020.

## Incentive Plan Awards

### *Outstanding Share-Based Awards and Option-Based Awards*

The following table sets forth information concerning all awards outstanding under incentive plans of the Company at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the Named Executive Officers:

<i>Name</i>	<i>Option-Based Awards</i>				<i>Share-Based Awards</i>		
	<i>Number of Securities Underlying Unexercised Options (#)</i>	<i>Option Exercise Price (\$)</i>	<i>Option Expiration Date</i>	<i>Value of Unexercised In-The-Money Options <sup>(1)</sup> (\$)</i>	<i>Number of Shares Or Units Of Shares That Have Not Vested (#)</i>	<i>Market or Payout Value Of Share-Based Awards That Have Not Vested (\$)</i>	<i>Market or Payout Value of Share-Based Awards that have not paid out or distributed (\$)</i>
David Deitz, CEO	-	-	-	Nil	-	-	-
Graham Ian Hurwitz, CFO	-	-		Nil	-	-	-

### *Incentive Plan Awards – Value Vested Or Earned During The Year*

The following table sets forth for the Named Executive Officers, the value vested during the financial year ended on June 30, 2023 for options awarded under the Plan, as well as the value earned under non-equity incentive plans for the same period.

<i>Name</i>	<i>Option-based awards - Value vested during the year (\$)</i>	<i>Share-based awards - Value vested during the year (\$)</i>	<i>Non-equity incentive plan compensation - Value earned during the year (\$)</i>
David Deitz - Director & CEO	Nil	Nil	Nil
Graham Ian Hurwitz, CFO	Nil	Nil	Nil

All incentive stock options held by the Named Executive Officers vested upon granting.

### *Narrative Discussion*

The only incentive plan that the Company has is the Plan. The maximum aggregate number of Common Shares that may be reserved for issuance under the Plan is 10% of the issued Common Shares of the Company at the time that an option is granted. See “Summary of Stock Option Plan”.

### *Pension Plan Benefits*

The Company does not have any form of pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement. The Company does not have any form of deferred compensation plan.

### *Termination and Change of Control Benefits*

The Company and its subsidiaries currently have no employment contracts with any Named Executive Officer. The Company and its subsidiaries have no employment contracts, agreements, plans or arrangements that provide for payments to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, change in control of the company or change in a Named Executive Officer's responsibilities.

### **Director Compensation**

#### *Director Compensation Table*

The following table sets forth all amounts of compensation provided to the Directors, who are each not also a Named Executive Officer, for the Company's most recently completed financial year:

<i>Director Name</i> <sup>(1)</sup>	<i>Fees Earned</i> <i>(\$)</i>	<i>Share-Based Awards</i> <i>(\$)</i>	<i>Option-Based Awards</i> <i>(\$)</i>	<i>Non-Equity Incentive Plan Compensation</i> <i>(\$)</i>	<i>Pension Value</i> <i>(\$)</i>	<i>All Other Compensation</i> <i>(\$)</i>	<i>Total</i> <i>(\$)</i>
Richard Homsany <sup>(2)</sup>	-	-	-	-	-	-	-
Anthony William Howland-Rose	12,500	-	-	-	-	1,313	13,813

Notes:

<sup>(1)</sup> Relevant disclosure has been provided in the *Summary Compensation Table* above, for Directors who receive compensation for their services as a Director who are also Named Executive Officers.

<sup>(2)</sup> Includes legal fees paid to Cardinals Lawyers and Consultants, a law firm of which Mr Homsany is the principal and disbursements paid to it and Mr Homsany.

#### *Narrative Discussion*

The Company has no arrangements, standard or otherwise, pursuant to which Directors were compensated by the Company for their services as Directors, for committee participation, for involvement in special assignments or for services as consultant or expert during the most recently completed financial year.

As disclosed elsewhere in this Information Circular, the Company has a Plan for the granting of incentive stock options to the officers, employees and Directors. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating the Directors and to closely align the personal interests of such persons to that of the shareholders.

*Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards*

The following table sets forth information concerning all awards outstanding under incentive plans of the Company at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the Directors who are not Named Executive Officers:

<i>Director Name</i>	<i>Option-Based Awards</i>				<i>Share-Based Awards</i>	
	<i>Number of Securities Underlying Unexercised Options (#)</i>	<i>Option Exercise Price (\$)</i>	<i>Option Expiration Date</i>	<i>Value of Unexercised In-The-Money Options <sup>(1)</sup> (\$)</i>	<i>Number of Shares Or Units Of Shares That Have Not Vested (#)</i>	<i>Market or Payout Value Of Share-Based Awards That Have Not Vested (\$)</i>
Richard Homsany	Nil	Nil	Nil	Nil	Nil	Nil
Anthony William Howland-Rose	Nil	Nil	Nil	Nil	Nil	Nil

*Incentive Plan Awards – Value Vested Or Earned During The Year*

All incentive stock options held by the Directors vested upon granting. No incentive stock options were earned by, or vested to, Directors during the financial year ended June 30, 2023.

**INDEBTEDNESS TO COMPANY OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS**

As at October 27, 2023, there was no indebtedness outstanding of any current or former Director, executive officer or employee of the Company or its subsidiaries which is owing to the Company or its subsidiaries or to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries, entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a Director or executive officer of the Company, no proposed nominee for election as a Director of and no associate of such persons:

- (a) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or its subsidiaries; or
- (b) whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries,

in relation to a securities purchase program or other program.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

### Equity Compensation Plan Information

The following table provides information regarding compensation plans under which securities of the Company are authorized for issuance in effect as of the end of the Company's most recently completed financial year end:

<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)</b>
Equity Compensation Plans Approved By Shareholders	0	0	2,432,693
Equity Compensation Plans Not Approved By Shareholders	0	0	0
Total:	0	0	2,432,693

A description of the significant terms of the Plan is found under the heading "Executive Compensation – Incentive Plan Awards" and "Ratification of Plan."

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as set out herein, none of the Directors or executive officers of the Company, a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company, nor any shareholder beneficially owning, directly or indirectly, Common Shares, or exercising control or direction over Common Shares, or a combination of both, carrying more than 10% of the voting rights attached to the outstanding Common Shares of the Company, nor any proposed Director of the Company nor an associate or affiliate of any of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Company. (Refer to "Related Party Transactions Generally" in the Audited Financial Statements and Australian Annual Report for further details.)

### MANAGEMENT CONTRACTS

No management functions of the Company are performed to any substantial degree by a person other than the Directors or executive officers of the Company.

### AUDIT COMMITTEE

Under National Instrument 52-110 – *Audit Committees* ("NI 52-110"), companies are required to provide disclosure with respect to their audit committee including the text of the audit committee's charter, composition of the audit committee and the fees paid to the external auditor.

## The Audit Committee's Charter

### *Mandate*

The primary function of the audit committee (the “**Committee**”) is to assist the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company’s systems of internal controls regarding finance and accounting and the Company’s auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements.
- Review and appraise the performance of the Company’s external auditors.
- Provide an open avenue of communication among the Company’s auditors, financial and senior Management and the Board.

### *Composition*

The Committee shall be comprised of three Directors as determined by the Board and to the extent possible, the majority of whom should be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company’s Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company’s financial statements.

The members of the Committee shall be elected by the Board at its first meeting following the annual shareholders’ meeting. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

### *Meetings*

The Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

### *Responsibilities and Duties*

To fulfill its responsibilities and duties, the Committee shall:

#### *1. Documents/Reports Review*

- (a) Review and update this Charter annually.
  - i. Review the Company’s financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including

quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

2. External Auditors

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company.
- (b) Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take, or recommend that the full Board take, appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the Board the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (f) At each meeting, consult with the external auditors, without the presence of Management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (h) Review with Management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - i. the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
  - ii. such services were not recognized by the Company at the time of the engagement to be non-audit services; and
  - iii. such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

- (1) this Standard has been replaced by Rule 3526 "*Communication with Audit Committees Concerning Independence*" of the United States Securities and Exchange Commission.

#### *Financial Reporting Processes*

- (a) In consultation with the external auditors, review with Management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and Management.
- (d) Review significant judgments made by Management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with Management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among Management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and Management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.
- (j) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

#### 3. Other

Review any related-party transactions.

## Composition of the Audit Committee

The following are the members of the Committee:

	Independent <sup>(1)</sup>	Financially Literate <sup>(2)</sup>	Relevant Education & Experience
Anthony Howland-Rose <sup>(3)</sup>  <i>Committee Chairman</i>	Yes	Yes	Has served as an Executive Chairman of Gullewa Limited, Chairman of Allegiance Coal Limited, Executive Director and Chairman of Allegiance Mining NL
Richard Homsany <sup>(4)</sup>	No	Yes	Chairman of Health Insurance Fund of Australia Limited and member (formerly chairman) of its Audit & Risk Committee.  Certified Practising Accountant.
David Deitz <sup>(5)</sup>	No	Yes	Has served as an Executive Director of Gullewa Limited  Certified Practising Accountant.

Notes:

<sup>(1)</sup> A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment. The Company is endeavouring to recruit additional knowledgeable Directors who will also fit the definition of "independent".

<sup>(2)</sup> An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

<sup>(3)</sup> Chair of the Audit Committee.

<sup>(4)</sup> Mr. Homsany is not independent as he provides legal services to the Company.

<sup>(5)</sup> David Deitz is not independent because he has been an executive officer of the Company in the past three years.

## Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Board.

## Reliance on Certain Exemptions

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

## Pre-Approval Policies and Procedures

The Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading "External Auditors".

## External Auditor Service Fees (By Category)

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

<i>Financial Year Ending</i>	<i>Audit Fees <sup>(1)</sup></i>	<i>Audit Related Fees <sup>(2)</sup></i>	<i>Tax Fees <sup>(3)</sup></i>	<i>All Other Fees <sup>(4)</sup></i>
June 30, 2022	\$17,600	-	-	-
June 30, 2023	\$23,600	-	-	-

Notes:

1. The aggregate audit fees billed.
2. The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements which are not included under the heading "Audit Fees".
3. Fees billed for preparation of Company's corporate tax return.
4. The aggregate fees billed for products and services other than as set out under the headings "Audit Fees", "Audit Related Fees" and "Tax Fees".

## Exemption in Section 6.1 of NI 52-110

The Company is relying on the exemption in Section 6.1 of NI 52-110 from the requirement of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations): Venture issuers are exempt from the requirements of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of NI 52-110.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

A summary of the responsibilities and activities and the membership of each of the Committees is set out below.

National Policy 58-201- *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however; the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, mandates disclosure of corporate governance practices which disclosure is set out below.

## Independence of Members of Board

The Company's Board consists of four Directors, one of whom is independent based upon the tests for independence set forth in NI 52-110. The basis for this determination is that, since the beginning of the fiscal year ended June 30, 2023, the independent Director did not work for the Company, receive remuneration from the Company other than in his capacity as Director or have material contracts with or material interests in the Company which could interfere with his ability to act with a view to the best interests of the Company. Mr. Homsany is not independent as he provides legal services to the Company. Mr. Deitz is not independent as he is the CEO of the Company.

The Board provides leadership to its independent directors by promoting frank discussion inside and outside of formal Board meetings, by encouraging independent directors to bring forth agenda items, and by providing independent directors with access to senior management, outside advisors and unfettered access to information regarding the Company's activities.

## Management Supervision by Board

The CEO and CFO report upon the operations of the Company separately to the independent Directors at such times throughout the year as is considered necessary or advisable by the independent Directors. Independent supervision of Management is accomplished through choosing Management who demonstrate a high level of integrity and ability and having independent Board members. The independent Directors are encouraged to meet at any time they consider necessary without any members of Management including the non-independent Directors being present. The Company's auditors, legal counsel and employees may be invited to attend.

## Participation of Directors in Other Reporting Issuers

The participation of the Directors in other reporting issuers is described in the following table:

Director	Reporting Issuers in which Involved
Richard Homsany	Executive Vice President, Australia – Mega Uranium Ltd. (TSX) Chairman, Redstone Resources Limited (ASX) Executive Chairman, Toro Energy Limited (ASX) Non-Executive Chairman, Galan Lithium Limited (ASX) Non-Executive Director, Brookside Energy Limited (ASX)
Anthony William Howland-Rose	Executive Chairman, Gullewa Limited (ASX)
David Deitz	Director , Gullewa Limited (ASX)

### *Board Meetings*

The attendance record of each Director for all Board and Committee meetings held during the fiscal year ended June 30, 2023, while the relevant Director was on the Board or Committee, is as follows:

Name	Board Meetings	Audit Committee Meetings
Brett Hodgins <sup>(1)</sup>	5 of 8	0 of 2
Richard Homsany	8 of 8	2 of 2
Anthony Howland-Rose	8 of 8	2 of 2
David Deitz	8 of 8	2 of 2

<sup>(1)</sup> Ceased on 30 November 2022.

## Orientation and Continuing Education

While the Company does not have formal orientation and training programs, new Board members are provided with:

1. information respecting the functioning of the Board the Committee and copies of the Company's corporate governance policies;
2. access to recent, publicly filed documents of the Company, technical reports and the Company's internal financial information;
3. access to Management, technical experts and consultants; and
4. a summary of significant corporate and securities responsibilities.

Board members are encouraged to communicate with Management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with Management's assistance; and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

## **Ethical Business Conduct**

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to shareholders. The Board has instructed its Management and employees to adopt and abide by values consistent with ethical business conduct.

The Board monitors the ethical conduct of the Company and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. The Board has found that the fiduciary duties placed on individual Directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual Director's participation in decisions of the Board in which the Director has an interest have been sufficient to ensure that the Board operates independently of Management and in the best interests of the Company.

Under corporate legislation, a Director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the Board the nature and extent of any interest of the Director in any material contract or material transaction, whether made or proposed, if the Director is a party to the contract or transaction, is a Director or executive officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. For these reasons the Board has not adopted a formal code of conduct or written mandate. The Board carries out those duties and responsibilities as are mandated under relevant legislation and as are required to adhere to principles of good corporate governance. The overriding responsibility of the Board is to supervise the management of the business and affairs of the Company. Members of the Board must act honestly and in good faith with a view to the best interests of the Company and must exercise the care, skill and diligence that a reasonably prudent person would exercise in comparable circumstances. The Board meets at least four times per year, and may meet more often if the business of the Company so necessitates. The Board is responsible for adopting a strategic planning process for the Company, reviewing and approving management's strategic plan, and monitoring performance under the plan. The Board identifies major business risks and ensures that there are processes in place to manage the risks. The Board also reviews and approves, among other things, annual financial statements, major business transactions, financings, capital and operating budgets.

## **Nomination of Directors**

The Board has responsibility for identifying potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the mining industry are consulted for possible candidates.

The Board does not have a written position description for the Chair of the Board and audit committee. The primary role of the Chair of the Board and audit committee is managing the affairs of the Board or audit committee, including ensuring the Board or audit committee is properly organised, functions effectively and meets its obligations and responsibilities.

Although the Board does not have a written position description for the Chair of the Board, the directors have expressed that their expectation is that the Chair of the Board will take a leadership role as described under "Independence of Members of Board". The Board determines whether the Chair of the Board is complying with his role. In addition, although the Board has not formalized the role of the Chair of the Audit Committee the directors have expressed the expectation that the Chair of the Audit Committee is to: (a) provide leadership to the Audit Committee; (b) manage the affairs of the Audit Committee; (c) ensure that the Audit Committee functions effectively in fulfilling its duties to the Board and the Corporation; and (d) make periodic reports to the Board, as requested. The Board determines whether the Chair of the Audit Committee is complying with his role.

## **Compensation of Directors, the CEO and CFO**

Mr. Anthony Howland-Rose is an independent Director and is responsible for recommending the compensation for the Directors and senior Management to the Board.

To determine their recommendations to the Board concerning compensation payable, the independent Director(s) shall review compensation paid for Directors, CEOs and CFOs of companies of similar size and stage of development in the mineral exploration/mining industry and determine an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the Directors and senior Management while taking into account the financial and other resources of the Company. The independent Director(s) annually review the performances of the CEO and CFO in light of the Company's objectives and consider other factors that may have impacted the success of the Company in achieving its objectives.

The Board and CEO have not developed a written position description for the CEO. To date, the Corporation's full Board has been responsible for the review and approval of the corporate objectives that the CEO is responsible for meeting as well as the assessment of the CEO's performance against these objectives. In the future, it is intended that the independent Board members will conduct regular reviews and assessments of the CEO's performance. Management is responsible for the day-to-day operations of the Corporation, reviewing and implementing strategies, budgeting and monitoring performance against budget and identifying opportunities and risks.

### **Board Committees**

The Company only has the Audit Committee at this time. As the Directors are actively involved in the operations of the Company and the size of the Company's operations does not warrant a larger, the Board has determined that additional committees are not necessary at this stage of the Company's development.

### **Assessments**

The Board does not consider that formal assessments would be useful at this stage of the Company's development. The Board conducts informal annual assessments of the Board's effectiveness, the individual Directors and the Committee. To assist in its review, the Board conducts informal surveys of its Directors on their assessment of the functioning of the Board and reports from the Committee respecting its own effectiveness. As part of the assessments, the Board or the Committee may review their respective mandate or charter and conduct reviews of applicable corporate policies.

### **OTHER MATTERS**

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

## **TRANSFER AGENT**

The Company's transfer agent is Computershare Investor Services Inc., located at 510 Burrard Street, Vancouver BC, V6C 3B9, Canada.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Company via Email: [info@gullewa.com](mailto:info@gullewa.com) or at Suite 1, Level 2, 49-51 York Street, Sydney, New South Wales, Australia, 2000 to request copies of the Company's financial statements and MD&A.

Financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year which are filed on the Company's profile at [www.sedar.com](http://www.sedar.com).

DATED this 27<sup>th</sup> day of October, 2023.

**BY ORDER OF THE BOARD OF DIRECTORS  
OF CENTRAL IRON ORE LIMITED**

*"David Deitz"*

David Deitz,  
CEO & Director

## SCHEDULE 1

### CENTRAL IRON ORE LIMITED

(the "Company")

### INCENTIVE STOCK OPTION PLAN

#### 1. PURPOSE OF THE PLAN

The purpose of the Plan is to give directors, senior officers, Employees, Management Company Employees and Consultants (as such terms are defined below) of the Company and its subsidiaries (collectively "**Eligible Persons**"), as additional compensation, the opportunity to participate in the success of the Company by granting to such individuals options, exercisable over periods of up to five years as determined by the board of directors of the Company, to buy shares of the Company at a price not less than the Market Price (as defined below) prevailing on the date the option is granted less applicable discount, if any, permitted by the policies of the Exchanges (as defined below) and approved by the Board or a Committee (as defined below).

#### 2. DEFINITIONS

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

- 2.1 "**Associate**" means an "Associate" as defined in the Exchange Policies.
- 2.2 "**Board**" means the Board of directors of the Company.
- 2.3 "**Change of Control**" means the acquisition by any person or by any person and all Joint Actors, whether directly or indirectly, of voting securities (as defined in the Securities Act) of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a Joint Actor, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board.
- 2.4 "**Committee**" means a committee of the Board established for administering the Plan;
- 2.5 "**Company**" means Central Iron Ore Limited and its successors.
- 2.6 "**Consultant**" means a "**Consultant**" as defined in the TSX Policies.
- 2.7 "**Consultant Company**" means a "**Consultant Company**" as defined in the TSX Policies.
- 2.8 "**Disability**" means any disability with respect to an Optionee which the Board, in its sole and unfettered discretion, considers likely to prevent permanently the Optionee from:
- (a) being employed or engaged by the Company, its subsidiaries or another employer, in a position the same as or similar to that in which he was last employed or engaged by the Company or its subsidiaries; or

- (b) acting as a director or officer of the Company or its subsidiaries.
- 2.9 "**Discounted Market Price**" of Shares means, if the Shares are listed only on the TSX Venture Exchange, the Market Price less the maximum discount permitted under the TSX Policy applicable to Options;
- 2.10 "**Distribution**" means a "**Distribution**" as defined in the TSX Policies.
- 2.11 "**Eligible Persons**" has the meaning given to that term in paragraph 1 hereof.
- 2.12 "**Employee**" means an "**Employee**" as defined in the TSX Policies.
- 2.13 "**Exchanges**" means the TSX Venture Exchange and, if applicable, any other stock exchange on which the Shares are listed.
- 2.14 "**Expiry Date**" means the date set by the Board under section 3.1 of the Plan, as the last date on which an Option may be exercised.
- 2.15 "**Grant Date**" means the date specified in an Option Agreement as the date on which an Option is granted.
- 2.16 "**Insider**" means an "**Insider**" as defined in the TSX Policies, other than a person who is an insider solely by virtue of being a director or senior officer of a subsidiary of the Company.
- 2.17 "**Investor Relations Activities**" means "**Investor Relations Activities**" as defined in the TSX Policies.
- 2.18 "**Joint Actor**" means a person acting "jointly or in concert with" another person as that phrase is interpreted in section 96 of the Securities Act.
- 2.19 "**Management Company Employee**" means a "**Management Company Employee**" as defined in the TSX Policies.
- 2.20 "**Market Price**" of Shares at any Grant Date means the last closing price per Share on the trading day immediately preceding the day on which the Company announces the grant of the option or, if the grant is not announced, on the Grant Date, or if the Shares are not listed on any stock exchange, "Market Price" of Shares means the price per Share on the over-the-counter market determined by dividing the aggregate sale price of the Shares sold by the total number of such Shares so sold on the applicable market for the last day prior to the Grant Date.
- 2.21 "**Option**" means an option to purchase Shares granted pursuant to this Plan.
- 2.22 "**Option Agreement**" means an agreement, in the form attached hereto as Schedule "A", whereby the Company grants to an Optionee an Option.
- 2.23 "**Optionee**" means each of the Eligible Persons granted an Option pursuant to this Plan and their heirs, executors and administrators.
- 2.24 "**Option Price**" means the price per Share specified in an Option Agreement, adjusted from time to time in accordance with the provisions of section 5.

- 2.25** "**Option Shares**" means the aggregate number of Shares which an Optionee may purchase under an Option.
- 2.26** "**Plan**" means this Central Iron Ore Stock Option Plan.
- 2.27** "**Shares**" means the common shares in the capital of the Company as constituted on the Grant Date provided that, in the event of any adjustment pursuant to section 5, "Shares" shall thereafter mean the shares or other property resulting from the events giving rise to the adjustment.
- 2.28** "**Securities Act**" means the Securities Act, R.S.B.C. 1996, c.418, as amended, as at the date hereof.
- 2.29** "**TSX Policies**" means the policies included in the TSX Venture Exchange Corporate Finance Manual and "TSX Policy" means any one of them.
- 2.30** "**Unissued Option Shares**" means the number of Shares, at a particular time, which have been reserved for issuance upon the exercise of an Option but which have not been issued, as adjusted from time to time in accordance with the provisions of section 5, such adjustments to be cumulative.
- 2.31** "**Vested**" means that an Option has become exercisable in respect of a number of Option Shares by the Optionee pursuant to the terms of the Option Agreement.

### **3. GRANT OF OPTIONS**

#### **3.1 Option Terms**

The Board may from time to time authorize the issue of Options to Eligible Persons. The Option Price under each Option shall be not less than the Discounted Market Price on the Grant Date. The Expiry Date for each Option shall be set by the Board at the time of issue of the Option and shall not be more than five years after the Grant Date. Options shall not be assignable (or transferable) by the Optionee.

#### **3.2 Limits on Shares Issuable on Exercise of Options**

The number of Shares reserved for issuance under the Plan and all of the Company's other previously established or proposed share compensation arrangements:

- (a) in aggregate shall not exceed 10% of the total number of issued and outstanding Shares on a non-diluted basis at the time of the grant; and
- (b) to any one Optionee within a 12 month period shall not exceed 5% of the total number of issued and outstanding shares on a non-diluted basis.

The number of Shares which may be issuable under the Plan and all of the Company's other previously established or proposed share compensation arrangements, within a one-year period:

- (a) to any one Optionee, shall not exceed 5% of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis;

- (b) to Insiders as a group shall not exceed 10% of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis;
- (c) to any one Consultant shall not exceed 2% in the aggregate of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis; and
- (d) all Eligible Persons who undertake Investor Relations Activities shall not exceed 2% in the aggregate of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis.

### **3.3 Option Agreements**

Each Option shall be confirmed by the execution of an Option Agreement. Each Optionee shall have the option to purchase from the Company the Option Shares at the time and in the manner set out in the Plan and in the Option Agreement applicable to that Optionee. For stock options to Employees, Consultants, Consultant Companies or Management Company Employees, the Company is representing herein and in the applicable Stock Option Agreement that the Optionee is a bona fide Employee, Consultant, Consultant Company or Management Company Employee, as the case may be, of the Company or its subsidiary. The execution of an Option Agreement shall constitute conclusive evidence that it has been completed in compliance with this Plan.

## **4. EXERCISE OF OPTION**

### **4.1 When Options May be Exercised**

Subject to sections 4.3 and 4.4, an Option may be exercised to purchase any number of Shares up to the number of Vested Unissued Option Shares at any time after the Grant Date up to 4:00 p.m. local time on the Expiry Date and shall not be exercisable thereafter.

### **4.2 Manner of Exercise**

The Option shall be exercisable by delivering to the Company a notice specifying the number of Shares in respect of which the Option is exercised together with payment in full of the Option Price for each such Share. Upon notice and payment there will be a binding contract for the issue of the Shares in respect of which the Option is exercised, upon and subject to the provisions of the Plan. Delivery of the Optionee's cheque payable to the Company in the amount of the Option Price shall constitute payment of the Option Price unless the cheque is not honoured upon presentation in which case the Option shall not have been validly exercised.

### **4.3 Vesting of Option Shares**

The Directors, subject to the policies of the Exchanges, may determine and impose terms upon which each Option shall become Vested in respect of Option Shares. Unless otherwise specified by the Board at time of granting an Option, and subject to the other limits on Option grants set out in section 3.2 hereof, all Options granted under the Plan shall vest and become exercisable in full upon grant, except Options granted to Consultants performing investor relations activities, which Options must vest in stages over twelve months with no more than one-quarter of the Options vesting in any three month period.

#### 4.4 Termination of Employment

If an Optionee ceases to be an Eligible Person, his or her Option shall be exercisable as follows:

(a) Death or Disability

If the Optionee ceases to be an Eligible Person, due to his or her death or Disability or, in the case of an Optionee that is a company, the death or Disability of the person who provides management or consulting services to the Company or to any entity controlled by the Company, the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of:

- (i) 365 days after the date of death or Disability; and
- (ii) the Expiry Date;

(b) Termination For Cause

If the Optionee, or in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person as a result of termination for cause, as that term is interpreted by the courts of the jurisdiction in which the Optionee, or, in the case of a Management Company Employee or a Consultant Company, of the Optionee's employer, is employed or engaged; any outstanding Option held by such Optionee on the date of such termination, whether in respect of Option Shares that are Vested or not, shall be cancelled as of that date.

(c) Early Retirement, Voluntary Resignation or Termination Other than For Cause

If the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person due to his or her retirement at the request of his or her employer earlier than the normal retirement date under the Company's retirement policy then in force, or due to his or her termination by the Company other than for cause, or due to his or her voluntary resignation, the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of the Expiry Date and the date which is 90 days (30 days if the Optionee was engaged in Investor Relations Activities) after the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person.

For greater certainty, an Option that had not become Vested in respect of certain Unissued Option Shares at the time that the relevant event referred to in this paragraph 4.4 occurred, shall not be or become vested or exercisable in respect of such Unissued Option Shares and shall be cancelled.

#### 4.5 Effect of a Take-Over Bid

If a *bona fide* offer (an "**Offer**") for Shares is made to the Optionee or to shareholders of the Company generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of subsection 1(1) of the Securities Act, the Company shall, immediately upon receipt of notice of the Offer, notify each Optionee of

full particulars of the Offer, whereupon (subject to the approval of the Exchanges) all Option Shares subject to such Option will become Vested and the Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Option Shares received upon such exercise, pursuant to the Offer. However, if:

- (a) the Offer is not completed within the time specified therein; or
- (b) all of the Option Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof,

then the Option Shares received upon such exercise, or in the case of clause (b) above, the Option Shares that are not taken up and paid for, may be returned by the Optionee to the Company and reinstated as authorized but unissued Shares and with respect to such returned Option Shares, the Option shall be reinstated as if it had not been exercised and the terms upon which such Option Shares were to become Vested pursuant to paragraph 4.3 shall be reinstated. If any Option Shares are returned to the Company under this paragraph 4.5, the Company shall immediately refund the exercise price to the Optionee for such Option Shares.

#### **4.6 Acceleration of Expiry Date**

If at any time when an Option granted under the Plan remains unexercised with respect to any Unissued Option Shares, an Offer is made by an offeror, the Directors may, upon notifying each Optionee of full particulars of the Offer, declare all Option Shares issuable upon the exercise of Options granted under the Plan, Vested, and declare that the Expiry Date for the exercise of all unexercised Options granted under the Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer. The Directors shall give each Optionee as much notice as possible of the acceleration of the Options under this section, except that not less than 5 business days notice is required and more than 30 days notice is not required.

#### **4.7 Effect of a Change of Control**

If a Change of Control occurs, all Option Shares subject to each outstanding Option will become Vested, whereupon such Option may be exercised in whole or in part by the Optionee, subject to the approval of the Exchanges, if necessary.

#### **4.8 Exclusion From Severance Allowance, Retirement Allowance or Termination Settlement**

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

#### 4.9 Shares Not Acquired

Any Unissued Option Shares not acquired by an Optionee under an Option which has expired may be made the subject of a further Option pursuant to the provisions of the Plan.

### 5. ADJUSTMENT OF OPTION PRICE AND NUMBER OF OPTION SHARES

#### 5.1 Share Reorganization

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

- (a) the Option Price will be adjusted to a price per Share which is the product of:
  - (i) the Option Price in effect immediately before that effective date or record date; and
  - (ii) a fraction, the numerator of which is the total number of Shares outstanding on that effective date or record date before giving effect to the Share Reorganization, and the denominator of which is the total number of Shares that are or would be outstanding immediately after such effective date or record date after giving effect to the Share Reorganization; and
- (b) the number of Unissued Option Shares will be adjusted by multiplying (i) the number of Unissued Option Shares immediately before such effective date or record date by (ii) a fraction which is the reciprocal of the fraction described in subsection (a)(ii).

#### 5.2 Special Distribution

Subject to the prior approval of the Exchanges, whenever the Company issues by way of a dividend or otherwise distributes to all or substantially all holders of Shares;

- (a) shares of the Company, other than the Shares;
- (b) evidences of indebtedness;
- (c) any cash or other assets, excluding cash dividends (other than cash dividends which the Board of Directors of the Company has determined to be outside the normal course); or
- (d) rights, options or warrants;

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

### 5.3 Corporate Organization

Whenever there is:

- (a) a reclassification of outstanding Shares, a change of Shares into other shares or securities, or any other capital reorganization of the Company, other than as described in sections 5.1 or 5.2;
- (b) a consolidation, merger or amalgamation of the Company with or into another corporation resulting in a reclassification of outstanding Shares into other shares or securities or a change of Shares into other shares or securities; or
- (c) a transaction whereby all or substantially all of the Company's undertaking and assets become the property of another corporation;

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

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

If any questions arise at any time with respect to the Option Price or number of Unissued Option Shares deliverable upon exercise of an Option following a Share Reorganization, Special Distribution or Corporate Reorganization, such questions shall be conclusively determined by the Company's auditor, or, if they decline to so act, any other firm of Chartered Accountants in Vancouver, British Columbia, that the Directors may designate and who will have access to all appropriate records and such determination will be binding upon the Company and all Optionees.

### 5.5 Regulatory Approval

Any adjustment to the Option Price or the number of Unissued Option Shares purchasable under the Plan pursuant to the operation of any one of paragraphs 5.1, 5.2 or 5.3 is subject to the approval of the Exchanges and any other governmental authority having jurisdiction.

## **6. MISCELLANEOUS**

### **6.1 Right to Employment**

Neither this Plan nor any of the provisions hereof shall confer upon any Optionee any right with respect to employment or continued employment with the Company or any subsidiary of the Company or interfere in any way with the right of the Company or any subsidiary of the Company to terminate such employment.

### **6.2 Necessary Approvals**

The Plan shall be effective only upon the approval of the shareholders of the Company given by way of an ordinary resolution. Any Options granted under this Plan prior to such approval shall only be exercised upon the receipt of such approval. Disinterested shareholder approval (as required by the Exchanges) will be obtained for any reduction in the exercise price of any Option granted under this Plan if the Optionee is an Insider of the Company at the time of the proposed amendment. The obligation of the Company to sell and deliver Shares in accordance with the Plan is subject to the approval of the Exchanges and any governmental authority having jurisdiction. If any Shares cannot be issued to any Optionee for any reason, including, without limitation, the failure to obtain such approval, then the obligation of the Company to issue such Shares shall terminate and any Option Price paid by an Optionee to the Company shall be immediately refunded to the Optionee by the Company.

### **6.3 Administration of the Plan**

The Directors shall, without limitation, have full and final authority in their discretion, but subject to the express provisions of the Plan, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations deemed necessary or advisable in respect of the Plan. Except as set forth in section 5.4, the interpretation and construction of any provision of the Plan by the Directors shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Company and all costs in respect thereof shall be paid by the Company.

### **6.4 Amendments to the Plan**

The Directors may from time to time, subject to applicable law and to the prior approval, if required, of the Exchanges or any other regulatory body having authority over the Company or the Plan, suspend, terminate or discontinue the Plan at any time, or amend or revise the terms of the Plan or of any Option granted under the Plan and the Option Agreement relating thereto, provided that no such amendment, revision, suspension, termination or discontinuance shall in any manner adversely affect any Option previously granted to an Optionee under the Plan without the consent of that Optionee. Any amendments to the Plan or options granted thereunder will be subject to the approval of the shareholders.

**6.5** Form of Notice

A notice given to the Company shall be in writing, signed by the Optionee and delivered to the head business office of the Company.

**6.6** No Representation or Warranty

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

**6.7** Compliance with Applicable Law

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

**6.8** No Assignment

No Optionee may assign any of his or her rights under the Plan or any option granted thereunder.

**6.9** Rights of Optionees

An Optionee shall have no rights whatsoever as a shareholder of the Company in respect of any of the Unissued Option Shares (including, without limitation, voting rights or any right to receive dividends, warrants or rights under any rights offering).

**6.10** Conflict

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

**6.11** Taxes

The Company shall have the power and the right to deduct or withhold, or require an Optionee to remit to the Company, the required amount to satisfy federal, provincial, state and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of the Plan, including the grant or exercise of any option granted under the Plan. With respect to any required withholding, the Company shall have the irrevocable right to, and the optionee consents to, the Company setting off any amounts required to be withheld, in whole or in part, against amounts otherwise owing by the Company to the optionee (whether arising pursuant to the optionee's relationship as a director, officer, Employee or Consultant of the Company or otherwise), or may make such other arrangements that are satisfactory to the Optionee and the Company. In addition, the Company may elect, in its sole discretion, to satisfy the withholding requirement, in whole or in part, by withholding such number of shares issuable upon exercise of the options as it determines are required to be sold by the Company, as trustee, to satisfy any withholding obligations net of selling costs. The Optionee consents to such sale and grants to the Company an irrevocable power of attorney to effect the sale of such shares issuable upon exercise of the options and acknowledges and agrees that the Company does not accept responsibility for the price obtained on the sale of such shares issuable upon exercise of the options.

**6.12** Governing Law

The Plan and each Option Agreement issued pursuant to the Plan shall be governed by the laws of the province of British Columbia.

**6.13** Time of Essence

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

**6.14** Entire Agreement

This Plan and the Option Agreement sets out the entire agreement between the Company and the Optionees in respect of the subject matter hereof and supersedes all prior agreements, undertakings and understandings, whether oral or written.

