

**PORTOFINO RESOURCES INC.**

**NOTICE AND MANAGEMENT PROXY CIRCULAR  
FOR THE  
ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**TO BE HELD AT**

9:00 am (Pacific time)  
**Wednesday, June 14, 2023**

Suite 520 – 470 Granville Street  
Vancouver, BC  
V6C 1V5  
Canada

**PORTOFINO RESOURCES INC.**

Suite 520 – 470 Granville Street  
Vancouver, BC, V6C 1V5

Toll-Free: 1-855-683-1991 ■ Tel: 604-683-1991 ■ Fax: 604-683-8544

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS  
TO BE HELD ON WEDNESDAY, JUNE 14, 2023**

**NOTICE IS HEREBY GIVEN** that an annual general meeting (the “**Meeting**”) of the shareholders of Portofino Resources Inc. (the “**Company**”) will be held at Suite 520 – 470 Granville Street, Vancouver, BC, V6C 1V5 on **Wednesday, June 14, 2023, at 9:00 am** (Pacific time) for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company for the financial year ended May 31, 2022, together with the auditor’s report thereon.
2. To appoint the auditors of the Company for the ensuing year; to authorize the directors of the Company to fix the remuneration to be paid to the auditor; and to authorize the directors of the Company, in their discretion, to change auditors during the year, subject to compliance with the requirements of the applicable securities law.
3. To fix the number of directors of the Company for the ensuing year at four (4).
4. To elect directors of the Company to hold office for the ensuing year.
5. To consider and, if deemed appropriate, with or without variation, an ordinary resolution reconfirming the Company’s Stock Option Plan (the “**Stock Option Plan**”), as more particularly described in the Information Circular.
6. To transact such other business as may properly come before the Meeting or any adjournment thereof.

The accompanying management information circulate (the “**Information Circular**”) provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice.

The board of directors of the Company has fixed the close of business on the 27<sup>th</sup> day of April 2023, as the record date for determination of shareholders entitled to notice of this Meeting or any adjournment(s) thereof and the right to vote thereat.

In order to mitigate potential risks of COVID-19 to the health and safety of our Shareholders, employees, and other stakeholders, we encourage you to vote by proxy in advance of the Meeting, rather than attending in person. The Company has established a conference call number 1-866-305-1460 and Passcode is 7680289 for those shareholders who wish to follow the proceedings.

**Votes MUST be cast in-person or by proxy**  
**NO votes will be accepted by telephone, please follow the instructions in the Proxy that accompanies the meeting materials**

If you are a registered shareholder of the Company and are unable to attend the Meeting in person, please complete, date and execute the accompanying form of proxy and deposit it with TSX Trust Company, 301 - 100 Adelaide Street West, Toronto ON M5H 1S3 by mail, fax or by hand (fax: 416-595-9593), or as otherwise instructed in the form of proxy, not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the Meeting. The chair of the Meeting has the discretion to accept proxies received less than 48 hours prior to the Meeting.

If you are a non-registered shareholder of the Company and received these materials either directly from the Company or through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan, or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your security on your behalf (the “**Intermediary**”), please complete and return the materials in accordance with the instructions provided to you by the Company or your Intermediary.

DATED at Vancouver, British Columbia, this 4<sup>th</sup> day of May 2023.

**PORTOFINO RESOURCES INC.**

*“David Tafel”*

DAVID TAFEL, Chief Executive Officer

# **PORTOFINO RESOURCES INC.**

Suite 520 – 470 Granville Street, Vancouver, B.C., V6C 1V5  
Toll-Free: 1-855-683-1991 | Tel: 604-683-1991 | Fax: 604-683-8544

## **INFORMATION CIRCULAR**

Dated: May 04, 2023

### **MANAGEMENT SOLICITATION OF PROXIES**

This Information Circular is furnished in connection with the solicitation of proxies by the management of Portofino Resources Inc. (the “**Company**”) for use at the annual general meeting of the shareholders of the Company to be held at Suite 520 – 470 Granville Street, Vancouver, B.C., V6C 1V5 at 9:00 am (Pacific time) on Wednesday, the 14<sup>th</sup> day of June, 2023 (the “**Meeting**”), and at any adjournment thereof, for the purposes set forth in the accompanying Notice of Annual General and Special Meeting (the “**Notice of Meeting**”). Unless specified otherwise, the information contained in this Information Circular is current as at May 4, 2023.

#### **Delivery of Proxy Materials**

The Company has elected to use the notice and access method of delivering meeting materials to both registered and beneficial shareholders. Registered shareholders will still be mailed a form of proxy, and beneficial shareholders will still be mailed a voting instruction form, allowing them to vote at the Meeting. Shareholders will also receive in the mail a notice with information about the Meeting and instructions on how they can access electronic copies of the meeting materials rather than receiving printed copies. The meeting materials will be available on SEDAR ([www.sedar.com](http://www.sedar.com)) and the Company’s website ([www.portofinoresources.com/corporate/agm](http://www.portofinoresources.com/corporate/agm)).

Shareholders may access electronic copies of the meeting materials online at the Company’s website or SEDAR on or after May 12, 2023, which is the date that the Company intends to commence mailing notice packages to the shareholders of record.

The Company does not intend to use “stratification” (i.e. sending a paper information circular and/or annual financial statements and MD&A to certain shareholders); however the Company will comply with standing instructions or other requests for paper information circular and/or annual financial statements and MD&A received from beneficial holders.

The Company intends to mail directly to its non-objecting beneficial owners (“**NOBOs**”) in compliance with National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”). The Company does not intend to pay for Intermediaries (as defined in the section ‘*Notice to Beneficial Holders*’ below) to forward meeting materials to the objecting beneficial owners (“**OBOs**”) pursuant to NI 54-101. Therefore, OBOs will not receive materials unless their Intermediary assumes the cost of delivery.

#### **How to Obtain Paper Copies of the Proxy Materials**

Shareholders may request that the Company mail to them a paper copy of this Information Circular and/or the Company’s Fiscal 2022 Annual Financial Statements and MD&A, at no cost to them, at any time up to one year from the date the documents were filed on SEDAR.

Requests to receive a paper copy of this Information Circular and/or the Company's Fiscal 2022 Annual Financial Statements and MD&A may be made by telephone by calling 1-855-683-1991. Requests to receive a paper copy of this Information Circular must be received by the Company by the close of business on May 26, 2023, in order to ensure that shareholders receive the mailed documents with sufficient time to allow them to complete and return their proxy or voting instruction form before the Proxy cut-off date and time.

**Please note that if you request a paper copy of this Information Circular and/or the Company's Fiscal 2022 Annual Financial Statements and MD&A, you will not receive a new proxy or voting instruction form so you should retain the form mailed to you in order to vote.**

## PROXIES

### Appointment of Proxies

The persons named in the form of proxy or voting instruction form (both referred to herein as the "Proxy") are nominees of the Company's management. **A shareholder wishing to appoint a person (who need not be a shareholder) to attend and act for him or her on his or her behalf at the Meeting, other than the persons designated as proxy holders in the enclosed Proxy, may do so by striking out the printed names and inserting the name of such other person in the blank space provided in the Proxy or by completing another proper form of proxy.** The completed Proxy or other proper form of proxy must be delivered or faxed to TSX Trust Company, or as otherwise instructed in the Proxy, not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting. The Chairman of the Meeting has the discretion to accept proxies on the day of the Meeting.

### Revocation of Proxies

A shareholder who has given a Proxy may revoke it at any time before it is exercised by an instrument in writing (a) executed by the shareholder or by his or her attorney authorized in writing, or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation; and (b) delivered or faxed to TSX Trust Company at 301 - 100 Adelaide Street West, Toronto ON M5H 1S3 (fax: 416-595-9593), or to the registered office of the Company at Suite 2600 - 1066 West Hastings Street Vancouver, BC V6E 3X1 (fax: 604-682-7131), at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, or to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, before any vote in respect of which the Proxy is to be used shall have been taken, or in any other manner provided by law. Attendance at the Meeting and participation in a poll by a shareholder will automatically revoke the Proxy.

### Voting of Proxies and Exercise of Discretion by Proxyholders

The shares represented by the Proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly. **IF A CHOICE IS NOT SO SPECIFIED, IT IS INTENDED THAT THE PERSON DESIGNATED BY MANAGEMENT IN THE ACCOMPANYING PROXY WILL VOTE THE SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED ON THE PROXY.**

The Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to any matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company knows of no such amendments, variations, or other matters to come before this Meeting.

### **Solicitation of Proxies**

Solicitations of proxies will be made by mail and may be supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Company. The Company may reimburse shareholders' nominees or agents (including brokerage houses holding shares on behalf of clients) for the cost incurred in obtaining their authorization to execute forms of proxy. The cost of solicitation will be borne by the Company.

### **Notice to Beneficial Owners**

Most beneficial owners of the Company's shares are NOT listed on the Company's register of shareholders. Beneficial owners will not be listed if they hold their shares through an intermediary, such as a brokerage firm, bank, trust company, RRSP, RRIF, TFSA, or other firm, financial institution or company. In this discussion, such owners are referred to as "you" or as a "Beneficial Owner", and the firm, financial institution or company through which you hold your shares are referred to as "Intermediaries". This discussion does not apply to owners of shares of the Company who hold their shares directly instead of through an Intermediary and who are therefore listed directly on the Company's register of shareholders.

The Company can only recognize votes and take instructions from shareholders who are listed on its register of shareholders.

The Company intends to mail directly to non-objecting beneficial owners ("NOBOs"). Therefore, if you are a NOBO, in order to vote at the Meeting, you will either need to instruct the Company on how to vote your shares or instruct the Company to authorize you or someone you appoint to attend and vote at the Meeting. To do so, you will need to complete the Proxy sent to you by the Company, sign it and return it as instructed in the Proxy. If you want to attend and vote at the Meeting yourself, then you will need to strike out the names of the Management nominees just before the blank space on the Proxy and insert your own name in the blank space. You can also appoint someone else to attend the Meeting and vote on your behalf by inserting that person's name in the blank space instead of your own on the Proxy.

Intermediaries may assume the cost of delivery and mail to objecting beneficial owners ("OBOs"). The Company will provide Meeting materials to the Intermediaries as requested. Therefore, if you are an OBO, in order to vote at the Meeting, you will either need to instruct your Intermediary on how to vote your shares or instruct the Intermediary to authorize you or someone you appoint to attend and vote at the Meeting. To do so, you will need to complete the Proxy sent to you by or on behalf of your Intermediary, sign it and return it to your Intermediary or to another party directed by your Intermediary. If you want to attend and vote at the Meeting yourself, then you will need to strike out the names of the Management nominees just before the blank space on the Proxy, and insert your own name in the blank space, or as otherwise instructed by your Intermediary. You can also appoint someone else to attend the Meeting and vote on your behalf by inserting that person's name in the blank space instead of your own on the Proxy, or as otherwise instructed by your Intermediary.

Again, if you wish to give voting instructions to persons listed on the Proxy to vote on your behalf at the Meeting or if you wish to attend the Meeting and vote in person or have someone else attend and vote on your behalf, you must complete the Proxy and return it in accordance with the instructions and time limits provided. This will enable persons listed on the Proxy either to vote your shares as you have directed, or to give formal notice to the Company that you or someone you have appointed has the authority to attend and vote at the Meeting.

### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

None of the directors of the Company (the “**Directors**”) or executive officers of the Company (the “**Executive Officers**”), nor any person who has held such a position since the beginning of the last completed financial year of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors.

### **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

The Company is authorized to issue unlimited common shares without par value, of which the Company has outstanding 148,042,843 common shares as at April 27, 2023, each common share carrying the right to one vote. The Directors have fixed April 27, 2023, as the record date for determination of shareholders entitled to notice of this Meeting or any adjournment(s) thereof. Shareholders of record at the close of business on April 27, 2023, are entitled to vote at the Meeting or adjournments thereof.

To the knowledge of the Directors and Executive Officers of the Company, there are no shareholders who beneficially own, directly, or indirectly, or exercise control or direction over, voting shares of the Company carrying more than 10% of the voting rights attached to all of the issued and outstanding voting shares of the Company.

### **APPOINTMENT OF AUDITORS**

Shareholders will be asked to vote for the re-appointment of the Company’s auditors, Manning Elliott LLP, Chartered Accountants, at a remuneration to be fixed by the Directors. Manning Elliott LLP, Chartered Accountants, was appointed as Auditor of the Company effective March 12, 2014. On the representations of the said accountants, neither that firm nor any of its partners has any direct financial interest or any material indirect financial interest in the Company or any of its subsidiaries or has had any connection during the past three years with the Company or any of its subsidiaries in the capacity of promoter, underwriter, voting trustee, director, officer or employee. Shareholders will be asked to approve the following resolution:

*“**RESOLVED, AS AN ORDINARY RESOLUTION**, that Manning Elliott LLP, Chartered Accountants, be appointed as auditor of the Company, at a remuneration to be fixed by the Board of Directors, provided that the Board of Directors in their discretion may seek proposals from other qualified accounting firms for the position of auditor of the Company for the ensuing year, and, should one or more favourable proposals be received, the Directors may replace Manning Elliott LLP, Chartered Accountants, as the Company’s auditor at any time during the ensuing year with a qualified accounting firm at a remuneration to be fixed by the Board of Directors, subject to compliance by the Company with the requirements of applicable securities laws.”*

**Unless otherwise instructed, the management proxyholders appointed pursuant to the accompanying form of proxy will vote “FOR” the approval of the aforementioned resolution.**

### **ELECTION OF DIRECTORS**

Management proposes to nominate the persons named in the following table for election as Directors of the Company. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting or until his successor is duly elected or appointed unless his office is earlier vacated.

At the Meeting, the Shareholders will be asked to vote on a resolution fixing the number of directors of the Company at four (4) and elect as directors the following Management nominees: David Tafel, Stephen Wilkinson, Brian Crawford and Kenneth Cawkell.

**Unless otherwise instructed, the management proxyholders appointed pursuant to the accompanying form of proxy will vote “FOR” the approval of the aforementioned resolution.**

The following table sets out the names of the nominees for election as directors, the province or state in which each is ordinarily resident, a brief biography of each, all offices of the Company now held by each of them, their principal occupations, the period of time for which each has been a director of the Company, and the number of voting shares of the Company beneficially owned by each of them, directly or indirectly, or over which control or direction is exercised, as at the date hereof.

Name, Residence, Position with the Company and Year First Became a Director <sup>(1)</sup>	Principal Occupation or Employment <sup>(1)</sup>	Voting Shares Owned or Controlled, Directly and Indirectly <sup>(1)</sup>
<b>David Tafel</b> <sup>(2)(3)</sup> British Columbia, Canada Director, CEO <i>Director since August 24, 2016</i>	President of Pacific Capital Advisors Inc. (February 2002 to Present); CEO (November 2008 to present) and Director (June 2008 to present) of Centurion Minerals Ltd.; CEO (October 2016 to present) and Director (August 2016 to present) of Portofino Resources Inc.; Director of Gold Mining Mountain Corp. (August 2019 to present); Director of Westmount Minerals Corp. (November 2020 to present); Director of 1364565 B.C. Ltd. (August 2022 to present);	2,516,562 Common Shares
<b>Stephen Wilkinson</b> <sup>(2)(4)</sup> British Columbia, Canada Director <i>Director since August 24, 2016</i>	President and CEO of Gold'n Futures Mineral Corp. (March 2021 to present); President and CEO of Blue Star Gold Corp. (June 2014 to April 2020); Director of Westmount Minerals Corp. (February 2022 to present)	143,750 Common Shares
<b>Brian Crawford</b> <sup>(2)(4)</sup> Ontario, Canada Director <i>Director since July 14, 2020</i>	Businessman who, from 2002 to present is President of Brant Capital Partners Inc. (January 2002 to present); director and officer of various public companies including. Director and CFO of CBLT Inc. (January 2012 to present); Director and CFO of Tempus Capital Inc. (February 2011 to present); CFO of Searchlight Resources Inc. (May 2018 to present); Director of Portofino Resources Inc. (July 2020 to present); Director of Westmount Minerals Corp. (December 2020 – present); CFO of Silver Bullet Mines Corp. (September 2020 to present); Director and CFO of Carmanah Minerals Corp. (January 2023 to present) and CFO of Jaxon Mining Inc. (April 2023 to present).	50,000 Common Shares
<b>Kenneth Cawkell</b> <sup>(2)(4)</sup> British Columbia, Canada	Mr. Cawkell has been involved in technology industries within public, private and venture capital markets as a professional advisor and as a principal and investor for over 35 years, principally as the co-founder Cawkell Brodie LLP, a Vancouver-based law firm. He has been	1,165,375 Common Shares



Name, Residence, Position with the Company and Year First Became a Director <sup>(1)</sup>	Principal Occupation or Employment <sup>(1)</sup>	Voting Shares Owned or Controlled, Directly and Indirectly <sup>(1)</sup>
	involved with a number of mining exploration companies over his career as both a director and officer. He is a founder and CEO of Neurodyn Life Sciences Inc., a private biotech company focused on developing natural based products to promote brain health and healthy ageing. Mr. Cawkell is also a founder, director and officer of Alpha Cognition Inc., a Vancouver-based biopharmaceutical company with a portfolio of innovative product candidates targeting Alzheimer's and other neurodegenerative diseases.	

- (1) The information as to province or state of residence, principal occupation and common shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Company, has been furnished by the respective directors individually, or the Company has relied on public information provided on SEDI. Figure does not include options or warrants to purchase unissued shares of the Company.
- (2) Audit Committee member, or proposed member.
- (3) A director that is not independent pursuant to definitions set out in *National Policy 58-101 Disclosure of Corporate Governance Practices* and *National Instrument 52-110 Audit Committees*.
- (4) A director, or proposed director, that is independent pursuant to definitions set out in *National Policy 58-101 Disclosure of Corporate Governance Practices* and *National Instrument 52-110 Audit Committees*.

**Unless instructions are given to abstain from voting with respect to the election of directors, the persons named in the enclosed Proxy intend to vote FOR the election of the nominees named in the table above. Management of the Company has no reason to believe that any of such persons will be unable to serve as a director, but if that should occur for any reason prior to the election, the persons named in the enclosed Proxy reserve the right to vote for another nominee of their choice.**

Other than as disclosed below, as at the date of this Information Circular, other than as follows, no proposed director was, or has been within 10 years before the date of this Circular,

- (a) a director or executive officer of a company that, while that person was acting in that capacity
- (i) was the subject of a cease trade or similar order, or an order that denied the issuer access to any exemptions under applicable Securities Laws, for a period of more than 30 consecutive days;
  - (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being 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; or
  - (iii) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within 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.

On December 5, 2017, Centurion Minerals Ltd. ("Centurion"), a company of which Mr. Tafel was a director, President & CEO, and Messrs. Cawkell and Wilkinson were directors was issued a cease trade order by the BCSC for failure to file its audited financial statements for the year ended July 31, 2017. Centurion dismissed its auditor and engaged a new auditor effective February 13, 2018, and proceeded to file its audited financials on March 1, 2018, and on March 13, 2018, the interim financials for the first quarter ended October 31, 2017, were filed. The Cease Trade Order was revoked by the BCSC on May 3, 2018.

Mr. Crawford was a director and the CEO of CBLT Inc. ("**CBLT**") on October 4, 2019, when the Ontario Securities Commission ("**OSC**") issued a Cease Trade Order against CBLT for failure to file its audited annual financial statements and management's discussion and analysis for the year ended May 31, 2019, and certification of the foregoing filings. The required documents were subsequently filed and a revocation order from the OSC was issued on February 21, 2020.

Mr. Crawford became a director and officer of Interactive Capital Partners Corporation ("**ICPC**") on July 3, 2014, when ICPC was already the subject of a cease trade order issued on May 8, May 9, and May 17, 2012, by the OSC, BCSC, and Alberta Securities Commissions ("**ASC**") respectively as a result of its failure to meet its timely disclosure filing obligations. The cease trade orders were revoked by the OSC and BCSC on April 4, 2016 and by the ASC on April 6, 2016.

Mr. Crawford became a director of Star Navigation Systems Group Inc. ("**StarNav**") on December 11, 2019, when StarNav was the subject of a cease trade order issued on November 1, 2019, by the OSC as a result of its failure to meet its timely disclosure filing obligations. The cease trade order was partially revoked by the OSC on March 6, 2020. Mr. Crawford resigned from the board of directors of StarNav on April 30, 2020.

Mr. Crawford was an officer of Colibri Resource Corporation ("**CBI**") on May 11, 2022 when such Corporation was issued a cease trade order by the New Brunswick Financial and Consumer Services Commission as a result of late filing its annual financial statements and MD&A for the fiscal year ended December 31, 2021. The cease trade order was revoked on August 2, 2022.

Mr. Crawford was an officer of Silver Bullet Mines Corp. ("**SBMI**") on November 8, 2022 when such Corporation was issued a cease trade order by the Ontario Securities Commission as a result of late filing its annual audited financial statements and MD&A for the year ended June 30, 2022. The cease trade order was revoked by the Ontario Securities Commission on November 10, 2022.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Director and Named Executive Officer Compensation**

The following table sets forth certain information regarding the compensation for the fiscal year ended May 31, 2022 of each of the directors and (i) the Chief Executive Officer of the Company in such year (ii) the Chief Financial Officer of the Company in such year and (iii) the 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 fiscal year, whose total compensation was, individually, more than \$150,000 for fiscal 2022 (calculated in accordance with the prescribed form), or who would have been such an executive officer but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of the fiscal year (the "Named Executive Officers" or "NEOs").

During fiscal 2022, the Company had two Named Executive Officers, Mr. David Tafel the CEO and Mr. Jeremy Wright (CPA, CMA) the CFO and Secretary of the Company.

Table of compensation excluding compensation securities							
Name and position (1)	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
<b>David Tafel</b> (2) <i>President, CEO and Director</i>	2022	200,000	n/a	n/a	n/a	n/a	200,000
	2021	135,000	n/a	n/a	n/a	n/a	135,000
<b>Jeremy Wright</b> <i>CFO, Secretary</i>	2022	110,000	n/a	n/a	n/a	n/a	110,000
	2021	60,000	n/a	n/a	n/a	n/s	60,000
<b>Stephen Wilkinson</b> <i>Director</i>	2022	1,200	n/a	n/a	n/a	n/a	1,200
	2021	15,200	n/a	n/a	n/a	n/a	15,200
<b>Brian Crawford</b> <i>Director</i>	2022	n/a	n/a	n/a	n/a	n/a	n/a
	2021	n/a	n/a	n/a	n/a	n/a	n/a

(1) Mr. Tafel was appointed to the Board on August 24, 2016, and as CEO on October 4, 2016; Mr. Wright was appointed as CFO on October 4, 2016 and as Secretary on March 31, 2020; Mr. Crawford was appointed as director on July 14, 2020.

(2) Mr. Tafel received fees in his capacity as President and CEO of the Company and \$Nil in his capacity as a director.

### Stock Options and Other Compensation Securities

The following table sets out incentive option-based awards granted or issued to each Director and Named Executive Officer during the financial year ended May 31, 2022. During the financial year ended May 31, 2022, the Company did not award any compensation securities other than options.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
<b>David Tafel</b> <i>President, CEO and Director</i>	Stock Options	200,000	01/06/2022	\$0.12	\$0.12	\$0.095	01/05/2027
<b>Jeremy Wright</b> <i>CFO and Secretary</i>	Stock Options	175,000	01/06/2022	\$0.12	\$0.12	\$0.095	01/05/2027
<b>Stephen Wilkinson</b> <i>Director</i>	Stock Options	150,000	01/06/2022	\$0.12	\$0.12	\$0.095	01/05/2027
<b>Brian Crawford</b> <i>Director</i>	Stock Options	150,000	01/06/2022	\$0.12	\$0.12	\$0.095	01/05/2027

### Stock Option Plan and Equity Incentive Plan

The Company has in place a “rolling” Stock Option Plan which was approved by the Board on March 31, 2020 (the “**Stock Option Plan**”), pursuant to which the Directors of the Company are authorized to grant up to 10% of the issued and outstanding shares of the Company as it may be from time to time.

In addition, the Company has adopted an equity incentive plan (the “**Equity Incentive Plan**”, together with the Stock Option Plan, the “**Plans**”), which was approved by the Board on July 18, 2022 and approved by the shareholders of the Company at its annual general meeting held on September 7, 2022, pursuant to which the Directors of the Company are authorized to grant an aggregate of 3,500,000 share appreciation rights, deferred share units, restricted share units or performance shares units (collectively, the “**Awards**”).

The Plans are administered by the Board of Directors, or a committee thereof, who have the authority to grant options or Awards to directors, officers, employees, and consultants. At the time an option or Award is granted, the Board will determine the exercise price or grant price, which shall not be less than the closing price of the common shares traded on the TSX Venture Exchange (“**TSX-V**”) on the day immediately preceding the date of the grant, and any vesting criteria or other restrictions with respect to the exercise of the options or Awards. Subject to the restrictions contained in the Plans, the Directors or a committee thereof may also impose such other terms and conditions as it shall deem necessary or advisable at the time of the grant. Options and Awards are granted primarily to provide an incentive to achieve the Company’s goals by aligning the interests of such officers with those of shareholders, attracting and retaining personnel, and acting as a longer-term incentive to such personnel to encourage commitment to the Company and its objectives. All securities under option or Award are Common Shares.

### Employment, Consulting and Management Agreements

#### *Service Contracts*

On October 4, 2016, the Company entered into service contracts with its CFO and CEO. The service contracts with the CFO and CEO have no fixed term and are based on an ongoing monthly fee. The arrangement between the Company and its senior management includes non-disclosure covenants requiring the CEO and CFO to keep the Company’s confidential information confidential and prohibiting its use

other than on behalf and for the benefit of the Company, both during employment and for an indefinite period thereafter.

In the event of termination by the Company, the CFO is entitled to receive a payment equal to one times his monthly retainer for each year he has been contracted by the Company, including a prorated amount for partial years (\$5,000 per year). The CEO is entitled to 120 days notice of termination, or payment in lieu thereof (\$49,315).

The Company's non-management Directors are entitled to receive compensation for acting as directors, or for providing extra services to the Company, in the form of stock options, bonuses or other compensation as the Board of Directors of the Company may determine from time to time. On May 3, 2023 the Company entered into Memorandums of Understanding ("MOUs") with Mr. Crawford and Mr. Wilkinson. Directors of the Company are also entitled to reimbursement for any expenses incurred by them on behalf of the Company.

Certain Directors of the Company are partners or principals of other businesses which have provided professional services to the Company during the last completed financial year, and for which the Company has made certain payments.

The agreements with the CEO and non-management Directors provide for severance payments in the event of a change of control. For the purposes of the service contracts and MOUs, a "Change of Control" shall be deemed to have occurred when:

- (a) a person, other than the current control person of the Company, if any, either alone or acting jointly or in concert with any person, beneficially owns, or exercises control or direction over, thirty percent (30%) or more of the outstanding voting securities of the Company; or
- (b) a majority of the directors elected at any annual or special general meeting of shareholders of the Company are not individuals nominated by the Company's then-incumbent Board;

"person" includes an individual, corporation, partnership, party, trust, fund, association and any other organized group of persons and the personal or other legal representative of a person to whom the context can apply according to law.

In the event of a Change of Control, the Company shall continue to engage the individual in the same capacity and with the same authority, responsibilities and status as he had as of the date immediately prior to the Change of Control. Within 180 days of a Change of Control, the individual may terminate the agreement upon notice to the Company. The Company shall pay the individual, within 5 days of such termination notice, a severance payment as follows: (a) Mr. Crawford and Mr. Wilkinson each receive an amount equal to \$100,000 plus any bonuses approved by the Board of Directors of the Company that remain unpaid; (b) Mr. Tafel receives an amount equal to two year's salary plus any bonuses approved by the Board of Directors of the Company that remain unpaid (\$300,000); and (c) Mr. Wright the CFO is entitled to receive an amount equal to a minimum of eighteen times his monthly retainer (\$90,000 minimum).

Pursuant to the terms of the Company's Stock Option Plan, in the event of termination other than by death or disability, all options to purchase common shares then held by the director or officer will terminate on the 90<sup>th</sup> day following termination, except for termination other than for cause, resignation, Regulatory order, ceasing to meet the requirements to hold office set out in corporate legislation, or being removed as a director by special resolution of the shareholders; then in such event the options shall terminate

immediately; provided however, the termination of options may be determined by the Board or a committee thereof and be expressly contained in the Option Certificate. In the event of the death or permanent disability of an option holder, options terminate on the earlier of 365 days after the date of death or the original expiry date of the option.

Other than disclosed above, the Company has no plans or arrangements in respect of remuneration received or that may be received by the CEO, CFO, or any other director or officer of the Company in the Company's most recently completed fiscal year or current fiscal year in respect of compensating such officers in the event of termination of employment as a result of resignation, retirement, a change of control of the Company, or a change in an individual's responsibilities.

#### *Indemnity Agreements and Directors' and Officers' Liability Insurance*

The Company indemnifies its directors and officers against any and all claims or losses reasonably incurred in the performance of their service to the Company, to the extent permitted by law, and has entered an Indemnity Agreement with each of its directors and the current CEO and CFO. The Company does not hold insurance coverage for directors' and officers' liability.

#### **Compensation Oversight**

The Board of Directors as a whole considers and determines all compensation matters for the CEO, CFO and Directors. From time to time, the Board evaluates the compensation of the executives and ensures that they are compensated fairly in a manner consistent with the compensation strategy of the Company, internal equity considerations, and the competitive environment.

The Company is not intending to make any significant changes to its compensation policies and practices in the current financial year.

Currently, the Company's executive compensation package consists of a consulting fee and long-term incentive in the form of stock options and Awards. While the Company has no formal executive bonus plan the executives may receive bonuses from time to time. In determining compensation, the Board considers in addition to the financial resources of the Company, industry, local and national standards. Compensation is not tied to specific performance criteria or goals. While the Company is generally aware of industry compensation standards, the Company does not benchmark with a specific group of comparable companies.

#### *Salaries*

Salaries for NEOs are set out in each executive's service contracts, as amended from time to time. Such salaries are reviewed on a regular basis by the Board. The initial annual salaries of the Company's current executive officers were negotiated at the time of their entering a formal agreement based on the Company's evaluation of the responsibilities inherent in the position held and the individual's experience and past performance, as well as by reference to the competitive marketplace for management expertise.

#### *Stock Options and Awards*

Options and Awards are granted, from time to time, pursuant to the Company's Stock Option Plan and Equity Incentive Plan, as a means of aligning the interests of such officers with those of shareholders, attracting and retaining personnel, and acting as a longer-term incentive to such personnel to encourage commitment to the Company and its objectives.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

### EQUITY COMPENSATION PLAN INFORMATION (AS AT MAY 31, 2022)

Following is a summary of shares subject to options outstanding under the Company's Stock Option Plan and shares remaining available for grant as at May 31, 2022. No Awards are outstanding under the Equity Incentive Plan as at May 31, 2022.

Plan Category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options (b)	Number of securities remaining available for future issuance (excluding securities reflected in column (a) <sup>(1)</sup> (c)
Equity compensation plans approved by securityholders	5,125,000	\$0.13	5,838,284
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	5,125,000	\$0.13	5,838,284

<sup>(1)</sup> The total number of securities which may be issued under the Company's Stock Option Plan, described below, is at any time, 10% of the Company's outstanding common shares at such time. At April 27, 2023 the Company had 148,042,843 shares issued and outstanding and was entitled to issue an additional 6,237,284 options.

### STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 *Corporate Governance Guidelines* and National Instrument 58-101 *Disclosure of Corporate Governance Practices* set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. Each reporting issuer must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. The following is the Company's required annual disclosure of its corporate governance practices.

#### **Board of Directors**

Of the current Board of Directors of the Company, Stephen Wilkinson and Brian Crawford are independent directors. David Tafel is not an independent director by virtue of his position as CEO of the Company.

#### **Directorships**

The following directors of the Company are also directors in the following reporting issuers:

David G. Tafel	Centurion Minerals Ltd. (TSX-V) Gold Mountain Mining Corp. (TSX) Westmount Minerals Corp. (CSE) 1364565 B.C. Ltd.
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Stephen J. Wilkinson	Westmount Minerals Corp. (CSE) Gold'n Futures Mineral Corp. (CSE)
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Brian Crawford	CBLT Inc. (TSX-V) Tempus Capital Inc. (CSE) Westmount Minerals Corp. (CSE) Carmanah Minerals Corp. (CSE)
Kenneth Cawkell	Well Health Technologies Corp. (TSX) Alpha Canada Cognition Inc. (TSX-V) Westmount Minerals Corp. (CSE) Centurion Minerals Ltd. (TSX-V)

### **Orientation and Continuing Education**

Management of the Company takes steps to ensure that its directors and officers are continually updated as to the latest corporate and securities policies which may affect the directors, officers, committee members and the Company as a whole. The Company continually reviews the latest securities rules and policies and is on the mailing list of the TSX-V to receive updates to any of those policies. Any such changes or new requirements are then brought to the attention of the Company's Board either by way of Director or Committee meetings or circulated in a memorandum.

### **Ethical Business Conduct**

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.

Pursuant to 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 officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Company or an affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.



## **Nomination of Directors**

The Company's management is continually in contact with individuals involved in the mining industry and public sector resource issuers. From these sources the Company has made numerous contacts and in the event that the Company were in a position to nominate any new directors, such individuals would be brought to the attention of the Directors of the Company. The Company conducts due diligence, reference and background checks on any suitable candidate and if selected to be appointed as a Director. The Board, as a whole, is involved in the selection process and the Board is then involved to review any proposed compensation.

## **Compensation**

Compensation matters are considered by the full Board of Directors. See *Statement of Executive Compensation* above for information regarding the Company's compensation of its Directors and CEO.

## **Other Board Committees**

The Company currently has no committees other than the Audit Committee. The Audit Committee Charter and additional disclosure related to the Audit Committee is attached hereto in Appendix 1.

## **Assessments**

Being a venture issuer with limited administration resources, the Directors of the Company work closely with management, and each other, and as a consequence are in a position to assess the performance of the Board, its committees and individual directors on an ongoing basis.

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

None of the Directors or Executive Officers of the Company or associates or affiliates of such persons is or has been indebted to the Company or its subsidiaries at any time since the beginning of the last completed financial year of the Company.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Except as otherwise set out in this Information Circular and other than transactions carried out in the ordinary course of business of the Company, no insider or proposed nominee for election as a director of the Company, and no associate or affiliate of the foregoing persons, has or had any material interest, direct or indirect, in any transaction since the commencement of the Company's last completed financial year, or in any proposed transaction which in either such case has materially affected or will materially affect the Company.

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

### **Approval of Stock Option Plan**

On February 19, 2016, the Directors of the Company approved the Stock Option Plan. Pursuant to the Stock Option Plan, Directors are authorized to grant up to 10% of the issued and outstanding shares of the Company as it may be from time to time. As at the date of this Information Circular, the Company is entitled to issue 14,804,284 options subject to the Stock Option Plan, there are a total of 8,567,000 options outstanding, and a further 6,237,284 options available for issuance.

Subject to the Policies of the TSX-V, a “rolling” stock option plan must be approved and ratified annually by the Shareholders at the Meeting of the Shareholders of the Company. The Plan was last approved by Shareholders at the Company’s last AGM held on September 7, 2022.

A copy of the Stock Option Plan is available for review at the offices of the Company at Suite 520 - 470 Granville Street, Vancouver, British Columbia V6C 1V5.

At the Meeting, Shareholders will be asked to approve the following resolution:

**“BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:**

1. the Stock Option Plan be and is hereby approved, ratified and confirmed;
2. the Board be and is hereby authorized to grant options under and subject to the terms and conditions of the Stock Option Plan, which may be exercised to purchase up to 10% of the issued and outstanding common shares of the Company;
3. the Board is hereby authorized to make any changes to the Stock Option Plan: (a) as may be required by the TSX-V; or (b) that are consistent with the requirements of the TSX-V as may be determined from time to time by the Board; and
4. any one director or officer of the Company be and is hereby authorized, for and on behalf of the Company, to execute and deliver all documents and do all things as such person may determine to be necessary or advisable to give effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.”

**Unless otherwise instructed, the management proxyholders appointed pursuant to the accompanying form of proxy will vote “FOR” the approval of the aforementioned resolution.**

**OTHER MATTERS**

The management of the Company is not aware of any matter to come before the Meeting other than as set forth in the Notice of Meeting and this Information Circular. If any other matter properly comes before the Meeting, it is the intention of the persons named in the Proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

**ADDITIONAL INFORMATION**

Additional information relating to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Company to request copies of the Company’s information circular, financial statements and MD&A, and any other public documents of the Company referred to herein, free of charge, by contacting David Tafel at #520 – 470 Granville Street, Vancouver, B.C., V6C 1V5 or by telephone at 1-855-683-1991. Financial information is provided in the Company’s comparative financial statements and MD&A for its most recently completed financial year.

DATED this 4<sup>th</sup> day of May, 2023.

ON BEHALF OF THE BOARD OF DIRECTORS  
PORTOFINO RESOURCES INC.

“David G. Tafel”  
David G. Tafel  
CEO

**APPENDIX 1**  
**FORM 52-110F2 - DISCLOSURE BY VENTURE ISSUERS**

**1. The Audit Committee Charter**

The Company's Audit Committee Charter is set forth below in Appendix 1.1.

**2. Composition of the Audit Committee and Relevant Education and Experience**

The Audit Committee currently consists of: David Tafel, Stephen Wilkinson and Brian Crawford. Mr. Tafel is not "independent", Mr. Crawford and Mr. Wilkinson are "independent", and all members are "financially literate" as such terms are defined in National Instrument 52-110 - Audit Committees ("NI 52-110").

**3. Relevant Education and Experience**

The education and experience of each Audit Committee member are described below and in this Information Circular under the section entitled "*Election of Directors*".

*David Tafel*

Mr. Tafel holds a BA in Economics and completed multiple intermediate and advanced accounting courses as part of his university curriculum. He has over 35 years of corporate structuring, strategic planning, financing, and management experience. He has served as a director and officer of a number of public companies involved in the mining industry, and roles have included audit committee member and chairman.

*Stephen Wilkinson*

Mr. Wilkinson was the Vancouver-based mining analyst for RBC Dominion Securities Inc. in the mid to late 1990's. From 1999 to 2002, he was President, CEO and a director of Northern Orion Explorations Ltd and newly appointed CEO of Gold'n Futures Mineral Corp. He has extensive international experience in the mining and finance industries having served as an officer and director of several private and public companies. Mr. Wilkinson has a Bachelor of Science from the University of Western Ontario (Geology, 1976), a Master of Science from Carleton University in Ottawa (Geology, 1983) and an MBA degree from Clarkson University in New York (1995).

*Brian Crawford*

Mr. Crawford holds a B. Com. from the University of Toronto and has extensive experience as a senior financial executive with public and private companies and as a partner in a national firm of chartered professional accountants. Brian currently serves as a Director, Corporate Secretary, and/or Chief Financial Officer of several TSX-V and CSE listed companies including Colibri Resource Corporation, Searchlight Resources Inc., CBLT Inc., Tempus Capital Inc., Westmount Minerals Corp and Carmanah Minerals Corp.

*Kenneth Cawkell*

Mr. Cawkell has been involved in technology industries within public, private and venture capital markets as a professional advisor and as a principal and investor for over 35 years, principally as the co-founder Cawkell Brodie LLP, a Vancouver-based law firm. He has been involved with a number of mining exploration companies over his career as both a director and officer. He is the founder and CEO of Neurodyn Life Sciences Inc., a private biotech company focused on developing natural based products to promote brain health and healthy ageing. Mr. Cawkell is also a founder, director and officer of Alpha Cognition Inc., a Vancouver-based biopharmaceutical company with a portfolio of innovative product candidates targeting Alzheimer's and other neurodegenerative diseases.

**4. Audit Committee Oversight**

See Appendix 1.1 Roles and Responsibilities. Since the commencement of the Company's most recently completed financial year, no recommendation of the audit committee to nominate or compensate an external auditor was not adopted by the Board of Directors.

**5. Reliance on Certain Exemptions**

Since the commencement of the Company's most recently completed financial year, it has not relied on the exemptions in section 2.4 (*De Minimum Non-audit Services*), subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), subsection 6.1.1(5) (*Events Outside Control of Member*), subsection 6.1.1(6) (*Death, Incapacity or Resignation*) of NI 52-110 or an exemption granted under Part 8 (*Exemptions*) of NI 52-110.

**6. Pre-Approval Policies and Procedures**

The Audit Committee approves any requests for audit and non-audit services and fees rendered to the Company and its subsidiaries by the external auditor.

**7. External Auditor Service Fees (By Category)**

The fees paid to the Company's external auditor in each of the last two fiscal years are as follows:

<i>Year Ended May 31</i>	<i>Audit Fees</i>	<i>Audit-Related Fees</i>	<i>Tax Fees<sup>(1)</sup></i>	<i>All Other Fees</i>
2022	\$28,500	Nil	\$1,950	Nil
2021	\$23,500	Nil	Nil	Nil

**8. Exemption**

The Company is a "venture issuer" as defined in NI 52-110 and is relying on the exemption contained in section 6.1 of NI 52-110, which exempts it from the requirements of Part 3 (*Composition of Audit Committees*) and Part 5 (*Reporting Obligations*) of NI 52-110.

## APPENDIX 1.1

### PORTOFINO RESOURCES INC. CHARTER OF THE AUDIT COMMITTEE

#### A. PURPOSE

The overall purpose of the Audit Committee (the "Committee") is to ensure that the Issuer's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Company and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information.

#### B. COMPOSITION, PROCEDURES AND ORGANIZATION

1. The Committee shall consist of at least three members of the Board of Directors (the "Board"), the majority of whom cannot be Officers, Employees or Control Persons of the Issuer.
2. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
3. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
4. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
5. The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
6. Meetings of the Committee shall be conducted as follows:
  - a. the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
  - b. the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and
  - c. management representatives may be invited to attend all meetings except private sessions with the external auditors.
7. The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

#### C. ROLES AND RESPONSIBILITIES

1. The overall duties and responsibilities of the Committee shall be as follows:
  - a. to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and interim consolidated financial statements and related financial disclosure;
  - b. to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
  - c. to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and

- d. to report regularly to the Board on the fulfilment of its duties and responsibilities.
2. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
- a. to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
  - b. to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
  - c. review the audit plan of the external auditors prior to the commencement of the audit;
  - d. to review with the external auditors, upon completion of their audit:
    - i. contents of their report;
    - ii. scope and quality of the audit work performed;
    - iii. adequacy of the Company's financial and auditing personnel;
    - iv. co-operation received from the Company's personnel during the audit;
    - v. internal resources used;
    - vi. significant transactions outside of the normal business of the Company;
    - vii. significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
    - viii. the non-audit services provided by the external auditors;
  - e. to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and
  - f. to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
3. The duties and responsibilities of the Committee as they relate to the Company's internal auditors are to:
- a. periodically review the internal audit function with respect to the organization, staffing and effectiveness of the internal audit department;
  - b. review and approve the internal audit plan; and
  - c. review significant internal audit findings and recommendations, and management's response thereto
4. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
- a. review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
  - b. review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
  - c. review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
  - d. periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
5. The Committee is also charged with the responsibility to:
- a. Review and approve the Company's interim financial statements and related Management's Discussion &

Analysis (“MD&A”), including the impact of unusual items and changes in accounting principles and estimates;

- b. review and approve the financial sections of:
  - i. the annual report to shareholders;
  - ii. the annual information form;
  - iii. annual MD&A;
  - iv. prospectuses;
  - v. news releases discussing financial results of the Company; and
  - vi. other public reports of a financial nature requiring approval by the Board,and report to the Board with respect thereto;
- c. review regulatory filings and decisions as they relate to the Company's consolidated financial statements;
- d. review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
- e. review and report on the integrity of the Company's consolidated financial statements;
- f. review the minutes of any audit committee meeting of subsidiary companies;
- g. review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;
- h. review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
- i. develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board following each annual general meeting of shareholders.