

**MANAGEMENT INFORMATION CIRCULAR PREPARED FOR  
THE ANNUAL, GENERAL AND SPECIAL MEETING OF SHAREHOLDERS OF SILVER SPRUCE  
RESOURCES INC.**



**TO BE HELD TUESDAY MARCH 1, 2022**

**Shareholders who do not hold their shares in their own name, as registered shareholders, should read "Advice to Beneficial Shareholders" within for an explanation of their rights**

**PERSONS MAKING THE SOLICITATION**

This Management Information Circular **containing information as at January 25, 2022 unless otherwise stated** is provided in connection with the solicitation by management of Silver Spruce Resources Inc. (the "Corporation") of proxies for the Annual, General and Special Meeting of the Shareholders of the Corporation (the "Meeting") to be held at Suite 440, 1600 Bedford Highway, Bedford, NS at 2:00 o'clock in the afternoon (Atlantic time). **Due to the COVID-19 pandemic, to mitigate risk to the health and safety of our communities, the Corporation requests that Shareholders not attend the Meeting in person and instead are requested to read the enclosed Circular and Proxy, and then complete and deposit the Proxy together with the power of attorney or other authority, if any, under which it was signed or a notarially certified copy thereof with the Corporation's transfer agent, TSX Trust Company.**

**Management does not contemplate a solicitation of proxies otherwise than by mail. The costs of the proxy solicitation will be borne by the Corporation.**

**REVOCABILITY OF PROXY**

A shareholder has the right to appoint a nominee (who need not be a shareholder) to represent him at the Meeting other than **Michael Kinley or Camilla Cormier**, who are directors and/or officers of the Corporation (the "Management Designees") and are designated in the enclosed proxy form. **To appoint a proxy other than the Management Designees, insert the name of the proposed proxy holder in the blank space provided in the proxy, and delete there from the name of the Management Designees or complete another proper form of proxy.** Such shareholder should notify the nominee of his appointment, obtain his or her consent to act as proxy and should instruct him or her on how the shareholder's shares are to be voted. The nominee should bring personal identification with him to the Meeting. In any case, the form of proxy should be dated and executed by the shareholder or by his attorney. Where a proxy is signed on behalf of a shareholder by his proxy, the attorney must have written authorization to act and the written authorization must be attached to the proxy form.

A form of proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and delivered to the Corporation, at least forty-eight (48) hours, excluding Saturdays and holidays, before the Meeting or any adjournment thereof. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion. The Chairman is under no obligation to accept or reject any particular late proxy.

In addition to revocation in any other manner permitted by law, a shareholder who has given a proxy may revoke it, any time before it is exercised, by instrument in writing executed by the shareholder or by his attorney authorized in writing and deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of such Meeting on the day of the Meeting or any adjournment thereof.

## ADVICE TO BENEFICIAL SHAREHOLDERS

Shareholders who **do not** hold their shares in their own name (referred to herein as "Beneficial Shareholders") are advised that only proxies from registered shareholders (i.e. shareholders of record) can be recognized, and only registered shareholders may vote at the Meeting. Beneficial Shareholders who complete and return a proxy must indicate thereon the name of the person (usually a brokerage house) who holds their shares as a registered shareholder. Every attempt will be made to pass such proxies along to the appropriate registered shareholder in order that the registered shareholder may vote in accordance with the wishes of the Beneficial Shareholder. The form of proxy supplied to Beneficial Shareholders is identical to that provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder how to vote on behalf of the Beneficial Shareholder.

All references to shareholders in this Management Information Circular and the accompanying form of Proxy and Notice of Meeting are to shareholders of record (registered shareholders) unless specifically stated otherwise. Where documents are stated to be available for review or inspection, such items will be shown upon request to registered shareholders who produce proof of their identity.

## PROXY INSTRUCTIONS

The person named in the enclosed form of proxy is a director and officer of the Corporation and has indicated his willingness to represent as proxy the shareholders who appoint him. Each shareholder may instruct his proxy how to vote his shares by completing the blanks on the proxy form.

Shares represented by properly executed proxy forms in favor of the person designated on the enclosed form will be voted or withheld from voting in accordance with the instructions made on the proxy forms. **In the absence of contrary instructions, such shares will be voted in favor of all matters identified in the Notice of Meeting.**

**The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments and variations to matters identified in the Notice of Meeting and with respect to any other matters which may properly come before the Meeting. At the time of printing this Management Information Circular, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.**

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Corporation is authorized to issue an unlimited number of common shares ("Common Shares"). As at the effective date (the "Effective Date") of this Management Information Circular, being **January 25, 2022**, the Corporation has **189,119,500** Common shares issued and outstanding. There are no other shares outstanding, of any class. The Common shares are the only shares entitled to be voted at the Meeting, and holders of Common shares are entitled to one vote for each Common Share held.

The Corporation will prepare a list of shareholders of record at the close of business on **January 25, 2022** (the "Record Date"). A holder of Common shares of the Corporation named on that list will be entitled to vote the shares then registered in such holder's name, except to the extent that (a) the holder has transferred the ownership of any of his shares after the Record Date, and (b) the transferee of those shares produces properly endorsed share certificates, or otherwise establishes that he owns the shares, and demands not later than ten (10) days before the day of the Meeting that his name be included in the list of persons entitled to vote at the Meeting, in which case the transferee will be entitled to vote his shares at the Meeting.

To the knowledge of the directors and senior officers of the Corporation, no shareholder owns, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Corporation.

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

### I. Audited Financial Statements

The Board of Directors has approved the audited financial statements of the Corporation for the fiscal year ending October 31, 2020, and the audited financial statements of the Corporation for the fiscal year ending October 31, 2021. The audited financial statements for the fiscal year ended October 31, 2020, and the audited financial statements for the fiscal year ended October 31, 2021, will be tabled for presentation to the shareholders at the Meeting.

### II. Election of Directors

Unless otherwise directed, it is the intention of the Management Designees to vote proxies in favor of the election to the Board of Directors of the five nominees hereinafter set forth to hold office until the next annual meeting:

**Michael Kinley**  
**Arthur Brown**  
**Greg Davison**  
**Kevin O'Connor**  
**Kevin Thieneman**

Information regarding the persons nominated for election as directors, including the number of voting securities of the Corporation each beneficially owns, directly or indirectly, or over which each exercises control or direction is set forth in the following table.

Name, Municipality of Residence and Position with Corporation	Principal Occupation for Previous Five Years	Year First Elected	Number of Common Shares beneficially owned or controlled as at the Effective Date	Number of Common Shares currently under option
Michael Kinley Halifax, NS  Chief Executive Officer and Director	Mr. Kinley has served as an officer and/or Director of several junior public companies over the past 25 years, and prior to that was a partner with KPMG. He is presently a Director and CFO of Opus Gold Corporation (TSXV:OOR), Canada One Mining Corp. (TSXV:CONE) and EXMceuticals Inc (CSE:EXM).	2021	120,000	750,000
Arthur Brown (1) Vancouver, BC  Director	Arthur Brown has over 30 years of business experience. Initially involved as a sales agent and later as owner operator of business technology and computer systems enterprises, this experience prepared him well his first public company directorship some 25 years ago. Mr. Brown has served as on the board of directors of eight companies in total, ranging from technology to mineral exploration and oil and gas. His experience and knowledge of the resources necessary to make a public company successful has resulted in many successful financings for the various companies he has been involved with.	2015	640,501	750,000

<p>Greg Davison, M. Sc., P. Geo. Montrose, BC</p> <p>VP Exploration and Director</p>	<p>Gregory Davison is a professional consulting exploration geologist, project manager and ore mineralogist with thirty-nine years of practical field, commercial laboratory and management experience from diverse geological settings in more than forty countries. Mr. Davison has VMS expertise from exploration targeting through ore mineralogy and process development. Greg graduated with an MSc in Geological Sciences from Brock University and an Honours B. Sc. in Geology from Dalhousie University, and is a professional geologist (P. Geo.) licensed with the Association of Professional Geoscientists of Ontario and the Association of Professional Engineers &amp; Geoscientists of British Columbia.</p>	<p>2017</p>	<p>3,404,500</p>	<p>1,500,000</p>
<p>Kevin O' Connor (1) Chicago, IL</p> <p>Director</p>	<p>Mr. O'Connor is General Counsel, Asia Pacific for Navistar Inc. and is based out of Chicago Illinois. He was previously legal counsel for Caterpillar Inc, where he worked for 11 years. Prior to moving in-house, he was a litigation attorney in Los Angeles for 5 years. Kevin has also lived and worked in Peoria, IL, Beijing, China and Lisle, IL. His current practice focuses on M&amp;A and joint venture acquisitions and divestitures, and human resource law. Having lived in China for 10 years, Kevin is fluent in Mandarin Chinese (spoken/written). He is a licensed attorney in Illinois (active) and California (inactive).</p>	<p>2018</p>	<p>9,603,483</p>	<p>1,000,000</p>
<p>Kevin Thieneman (1) Hilton Head Island, SC</p> <p>Chairman</p>	<p>Mr. Thieneman was formerly the President of Caterpillar Inc. Forest Products Division, and currently serves as Chairman for LiuGong Americas. LiuGong Machinery is one of China's largest construction and mining equipment manufacturers with sales and operations worldwide. He is a global executive with decades of experience in turnarounds of manufacturing operations and end-to-end businesses; and with extensive on-the-ground experience in China and India. He previously Chaired the U.S.-ASEAN Business Council infrastructure committee while leading delegations to Indonesia and Vietnam. Mr. Thieneman is a graduate of Duke University, Juris Doctorate, with honors. His previous experience includes working as a licensed attorney and Certified Public Accountant in the State of Illinois.</p>	<p>2020</p>	<p>1,290,000</p>	<p>750,000</p>

(1) Member of Audit Committee and Compensation Committee.

### **III. Appointment of Auditors**

Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the appointment of Grant Thornton LLP, of Halifax, NS, as auditors of the Corporation to hold office until the close of the next annual meeting of the Corporation. It is proposed that the remuneration to be paid to the auditor of the Corporation be fixed by the Board of Directors.

Grant Thornton LLP was first appointed auditors of the Corporation on November 29, 2019.

### **IV. Approval of Amended Stock Option Plan**

The Corporation currently has a “fixed” number Stock Option Plan (the “Plan”) under which the number of shares that are issuable is a fixed specific number of shares of the Corporation up to a maximum of 20% of the issued and outstanding shares of the Corporation.

The Corporation has amended the current Plan from a “fixed” Plan to a “rolling” Plan, subject to shareholder and TSX Venture Exchange (the “Exchange”) approval to be administered by the directors of the Corporation to attract and motivate the directors, officers, employees and consultants of the Corporation (collectively “Optionees”). Options granted will be granted in order to provide Optionees with a form of remuneration and an incentive to act in the best interest of the Corporation. If and when shareholder approval is obtained, the implementation of the Plan will be at the sole discretion of the directors of the Corporation.

Management of the Corporation considers it desirable and in the best interests of the Corporation to establish the Plan for the granting of future stock options to directors, officers, employees and other service providers.

#### ***The Plan***

The following information is intended as a brief description of the Plan and is qualified in its entirety by the full text of the Plan which is available for review by any shareholder up until the day preceding the Meeting at the Corporation’s registered and records office and will be available for shareholders at the Meeting:

The Plan provides that stock options may be granted to directors, senior officers, employees, consultants or consultant companies of the Corporation or any of its affiliates.

The Plan provides for the issuance of stock options to acquire up to 10% of the Corporation’s issued and outstanding capital as at the date of grant (the “Plan Ceiling”), subject to standard anti-dilution adjustment. This is a “rolling” plan as the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Corporation’s issued and outstanding share capital increases. All outstanding stock options granted prior to the implementation of the Plan will be included in the Plan, but at no time will more than 10% of the outstanding shares be subject to grant under the Plan. If a stock option expires or otherwise terminates for any reason without having been exercised in full, the number of common shares in respect of that expired or terminated stock option that has not been exercised shall again be available for the purpose of the Plan.

The Plan may be terminated by the Board at any time, but such termination will not alter the terms or conditions of any options granted prior to the date of such termination. Any stock option outstanding when the Plan is terminated will remain in effect until it is exercised, expires or voluntarily cancelled or otherwise terminated in accordance with the provisions of the Plan.

The Plan provides that other terms and conditions, including vesting schedules, may be attached to a particular stock option, such terms and conditions to be referred to in a schedule attached to the particular option agreement.

The Plan provides that it is solely within the discretion of the Board to determine who should receive stock options and in what amounts. The Board may issue a majority of the options to insiders of the Corporation. However, in no case will the issuance of common shares upon the exercise of stock options granted under the Plan result in:

- (a) the number of options granted in a 12 month period to any one consultant exceeding 2% of the issued shares of the Corporation (calculated at the time of grant);

- (b) the aggregate number of options granted in a 12 month period to any one individual exceeding 5% of the outstanding shares of the Corporation (calculated at the time of grant);
- (c) the aggregate number of options granted to Insiders as a group must not exceed 10% of the issued and outstanding shares of the Corporation at any point in time;
- (d) the number of options granted in a 12 month period to employees or consultants undertaking investor relations activities exceeding in the aggregate 2% of the issued shares of the Corporation (calculated at the time of grant);
- (e) the aggregate number of common shares reserved for issuance to any one individual upon the exercise of options granted under the Plan or any previously established and outstanding stock option plans or grants, exceeding 5% of the issued shares of the Corporation (calculated at the time of the grant) in any 12 month period.

Options granted under the Plan will be for a term not to exceed five years from the date of their grant. In the case of an employee or consultant, the option will terminate at the close of business on the date which is the earlier of (a) 30 calendar days after which the optionee ceases to be an employee or consultant engaged in Investor Relations Activities, or (b) such date as the board may determine at the time of grant. In the case of a director, officer, employee or consultant the option will terminate at the close of business on the date which is the earlier of (a) 90 calendar days after which the optionee ceases to be a director, officer, employee or consultant, or (b) such date as the board may determine at the time of grant. In the event of the death of an optionee, the stock option will expire at the close of business on the date which is the earlier of one year from the date of death or (b) such date as the board may determine at the time of grant.

The price at which an optionee may purchase a common share upon the exercise of a stock option will be as set out in the option agreement issued in respect of such option and in any event will not be less than the discounted market price of the Corporation's common shares as of the date of the grant of the stock option. Currently under the policies of the Exchange, the definition of the "discounted market price" of the Corporation's shares is the closing trading price on the day before the granting of the stock option less a maximum discount of 25% for a closing price per share of \$0.50 or less, 20% for a closing price of \$0.51 to \$2.00, and 15% above \$2.00.

A stock option will be non-assignable except that it will be exercisable by the personal representative of the optionee in the event of the optionee's death or incapacity.

### ***Shareholder Approval***

The Plan is a "rolling" Stock Option Plan as described in Exchange Policy 4.4. Under Exchange Policy 4.4, the Corporation is required to obtain the approval of its shareholders to any Stock Option Plan that is a "rolling" plan at the time it is implemented or amended and yearly at the Corporation's Annual Meeting. Accordingly, shareholders will be asked to approve the following resolution:

***"It is resolved that:***

1. *the Corporation's Amended Stock Option Plan (the "Plan") as set forth in the Information Circular dated January 25, 2022 be and it is hereby adopted and approved including reserving for issuance under the Plan at any time of a maximum of 10% of the issued and outstanding shares of the Corporation;*
2. *the Corporation be authorized to grant stock options pursuant and subject to the terms and conditions of the Plan;*
3. *the outstanding stock options which have been granted prior to the implementation of the Plan shall, for the purpose of calculating the number of stock options that may be granted under the Plan, be treated as options granted under the Plan; and*
4. *the directors and officers of the Corporation be authorized and directed to perform all such acts and deeds and things and execute, under seal of the Corporation or otherwise, all such documents, agreements and other writings as may be required to give effect to the true intent of this resolution."*

## OTHER BUSINESS

While there is no other business other than that mentioned in the Notice of Meeting to be presented for action by the shareholders at the Meeting, it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act there under.

### STATEMENT OF EXECUTIVE COMPENSATION

For the purposes of this information circular:

“**CEO**” means each individual who acted as chief executive officer of the Corporation or acted in a similar capacity for any part of the most recently completed financial year;

“**CFO**” means each individual who acted as chief financial officer of the Corporation or acted in a similar capacity for any part of the most recently completed financial year; and

“**Named Executive Officer**” or “**NEO**” means (a) a CEO; (b) a CFO; or (c) the Corporation’s most highly compensated executive officers or the 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 and whose total compensation was, individually, more than \$150,000 as determined in accordance with subsection 1.3(5) of Form 51-102F6V *Statement of Executive Compensation – Venture Issuers*, for that financial year and (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity at the end of the most recently completed financial year.

During the financial year ended October 31, 2021, the Corporation had three Named Executive Officers, namely Michael Kinley, Chief Executive Officer, Brian Penney, former Chief Executive Officer and Camila Cormier, Chief Financial Officer.

#### Oversight and Description of Director and NEO Compensation

The Corporation provides a combination of management, consulting fees, director fees and stock options.

The Corporation does not have a Compensation Committee. When determining compensation policies and individual compensation levels for the Corporation’s executive officers, the board of directors (“Board”) takes into consideration a variety of factors including the overall financial and operating performance of the Corporation, and the Board’s overall assessment of:

- (a) each executive officer’s individual performance and contribution towards meeting corporate objectives;
- (b) each executive officer’s level of responsibility;
- (c) each executive officer’s length of service; and
- (d) industry comparables.

## Management and Consulting Fees

Management and consulting fee levels reflect the fixed component of pay that compensates executives for fulfilling their roles and responsibilities and assists in the attraction and retention of highly qualified executives. Management and consulting fees are reviewed periodically to ensure they reflect each respective executive's performance and experience in fulfilling his or her role and to ensure executive retention. Currently management and consulting fees are set at below industry standards to make more capital available for development of the Corporation's business. Compensation is made up with the provision of stock options. Management and consulting fees will be reviewed and revised as the Corporation grows.

## Stock Options

Performance-based incentives are granted by way of stock options. The awards are intended to align executive interests with those of shareholders by tying compensation to share performance.

In determining the number of stock options to be granted to the executive officers and directors, the Board takes into account the number of stock options, if any, previously granted to each executive officer and director and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the Exchange.

The number of stock options granted to officers and directors is also dependent on each officer's and director's level of responsibility, authority and importance to the Corporation and to the degree to which such officer's or director's long term contribution will be key to its long term success.

In Monitoring or adjusting the option allotments, the Board takes into account its own observations on individual performance, its assessment of individual contribution to shareholder value and previous option grants. The scale of options is generally commensurate to the appropriate level of base compensation for each level of responsibility. The Board will make these determinations subject to and in accordance with the provisions of the Securities Based Compensation Plan.

## **Director and NEO Compensation**

The following table (presented in accordance with National Instrument Form 51-102F6V –*Statement of Executive Compensation – Venture Issuers*) sets forth all annual and long term compensation for services paid to or earned by each NEO and director for the two most recently completed financial years ended October 31, 2021 and October 31, 2020, excluding compensation securities.

<b>Table of compensation excluding compensation securities</b>							
<b>Name and position</b>	<b>Year</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
Michael Kinley CEO and Director	2021 2020	\$35,000 \$Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	\$35,000 \$Nil
Brian Penney Former CEO and Chairman	2021 2020	\$55,000 \$75,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	\$55,000 \$75,000
Camilla Cormier CFO	2021 2020	\$50,575 \$17,605	Nil Nil	Nil Nil	Nil Nil	Nil Nil	\$50,575 \$17,605
Brian Penney Former CFO and Chairman	2021 2020	\$Nil \$36,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	\$Nil \$36,000
Greg Davison VP, Exploration and Director	2021 2020	\$125,625 \$9,500	Nil Nil	Nil Nil	Nil Nil	Nil Nil	\$125,625 \$9,500

## Stock Options and Other Compensation Securities

During the financial year ended October 31, 2021, the following stock options were granted to directors and NEO's of the Corporation.

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
Michael Kinley CEO	Stock Options	750,000 (9.5%)	04/01/21	\$0.05	\$0.065	\$0.04	04/01/26

## Exercise of Compensation Securities by Directors and NEO's

During the financial year ended October 31, 2021, there were no stock options exercised by any director or NEO of the Corporation.

## Stock Option Plans and Other Incentive Plans

The Corporation has in place a 10% "rolling" Stock Option Plan which authorizes the Board to grant options to directors, officers, employees and consultants to acquire up to 10% of the issued and outstanding common shares of the Corporation from time to time. The underlying purpose of the Stock Option Plan is to attract and motivate the directors, officers, employees and consultants of the Corporation and to advance the interests of the Corporation by affording such persons with the opportunity to acquire an equity interest in the Corporation through options granted under the Stock Option Plan.

The Stock Option Plan was accepted for filing by the Exchange subsequent to its initial adoption and has will be subsequently accepted following each yearly re-approval by the shareholders, as required under the policies of the Exchange. For details of the Stock Option Plan, see "Particulars of Matters to be Acted Upon –Approval of Amended Stock Option Plan" above.

The Corporation has no other form of compensation plan under which equity securities of the Corporation are authorized for issuance to employees or non-employees in exchange for consideration in the form of goods and services.

## Employment, Consulting and Management Agreements

The Corporation has a consulting agreement with Michael Kinley, CEO of the Corporation. Under the terms of the consulting agreement Mr. Kinley receives compensation of \$5,000 per month.

The Corporation has a consulting agreement with Camilla Cormier, CFO of the Corporation. Under the terms of the consulting agreement Ms. Cormier receives compensation of \$3,500 per month.

The Corporation has a consulting agreement with Greg Davison, VP, Exploration of the Corporation. Under the terms of the consulting agreement Mr. Davison receives base compensation of \$5,000 per month and geological consulting fees of \$750 per day over and above the base compensation.

### Pension Disclosure

The Corporation does not provide any form of pension to any of its directors and NEO's.

### EQUITY COMPENSATION INFORMATION

The following table sets out particulars of the compensation plans and individual compensation arrangements under which equity securities of the Corporation are authorized for issuance as of October 31, 2021:

	<b>Number of Securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans</b>
<i>Plan Category</i>	<i>(a)</i>	<i>(b)</i>	<i>(c)</i>
Equity compensation plans approved by security holders (Options)	7,916,667	\$0.15	10,995,283
Equity compensation plans not approved by security holders	Nil	N/A	N/A
Total	<b>7,916,667</b>		<b>10,995,283</b>

### AUDIT COMMITTEE

The Corporation is a "venture issuer" as defined in National Instrument 52-110 and is relying on the exemption contained in Section 6.1 of National Instrument 52-110, which exempts the Corporation from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of National Instrument 52-110.

#### The Audit Committee's Charter

##### *Mandate*

The primary function of the audit committee (the "Committee") is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation's systems of internal controls regarding finance and accounting and the Corporation's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Corporation'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 Corporation's financial reporting and internal control system and review the Corporation's financial statements.
- Review and appraise the performance of the Corporation's external auditors.
- Provide an open avenue of communication among the Corporation's auditors, financial and senior management and the Board of Directors.

##### *Composition*

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

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders'

meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

### *Meetings*

The Committee shall meet 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.

### *Responsibilities and Duties*

To fulfill its responsibilities and duties, the Committee shall:

#### Documents/Reports Review

- (a) Review and update this Charter annually.
- (b) Review the Corporation's financial statements, MD & A 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.

#### External Auditors

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Corporation.
- (b) Obtain annually, a formal written statement of the external auditors setting forth all relationships between the external auditors and the Corporation, 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 of Directors take, appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the Board of Directors 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 Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements.
- (g) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (h) 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 Corporation'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 Corporation constitutes not more than five percent of the total amount of revenues paid by the Corporation to its external auditors during the fiscal year in which the non-audit services are provided;
  - (ii) such services were not recognized by the Corporation 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 Corporation 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 of Directors to whom authority to grant such approvals have 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.

### *Financial Reporting Processes*

- (a) In consultation with the external auditors, review with management the integrity of the Corporation's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Corporation'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 financial statements and the view of the external auditors as to the 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 questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.

### Other

Review any related-party transactions.

The Corporation's Audit Committee is comprised of three directors, Arthur Brown, Kevin O' Connor, and Kevin Thieneman. As defined in NI 52-110, Kevin O' Connor and Kevin Thieneman are "independent" members of the Audit Committee. Also as defined in NI 52-110, all of the Audit Committee members are "financially literate".

### ***Relevant Education and Experience***

#### Arthur Brown

Arthur Brown has over 30 years of business experience. Initially involved as a sales agent and later as owner operator of business technology and computer systems enterprises, this experience prepared him well his first public company directorship some 25 years ago. Mr. Brown has served as on the board of directors of eight companies in total, ranging from technology to mineral exploration and oil and gas. His experience and knowledge of the resources necessary to make a public company successful has resulted in many successful financings for the various companies he has been involved with.

#### Kevin O' Connor

Mr. O'Connor is General Counsel, Asia Pacific for Navistar Inc. and is based out of Chicago Illinois. He was previously legal counsel for Caterpillar Inc, where he worked for 11 years. Prior to moving in-house, he was a litigation attorney in Los Angeles for 5 years. Kevin has also lived and worked in Peoria, IL, Beijing, China and Lisle, IL. His current practice focuses on M&A and joint venture acquisitions and divestitures, and human resource law. Having lived in China for 10 years, Kevin is fluent in Mandarin Chinese (spoken/written). He is a licensed attorney in Illinois (active) and California (inactive).

### Kevin Thieneman

Mr. Thieneman was formerly the President of Caterpillar Inc. Forest Products Division, and currently serves as Chairman for LiuGong Americas. LiuGong Machinery is one of China's largest construction and mining equipment manufacturers with sales and operations worldwide. He is a global executive with decades of experience in turnarounds of manufacturing operations and end-to-end businesses; and with extensive on-the-ground experience in China and India. He previously chaired the U.S.-ASEAN Business Council infrastructure committee while leading delegations to Indonesia and Vietnam. Mr. Thieneman is a graduate of Duke University, Juris Doctorate, with honors. His previous experience includes working as a licensed attorney and Certified Public Accountant in the State of Illinois.

### ***Audit Committee Oversight***

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

### ***Pre-Approval Policies and Procedures***

The Audit Committee will pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditor, however the Audit Committee has not adopted specific policies and procedures for such approval.

### ***External Auditor Service Fees (By Category)***

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

<b>Financial year ending</b>	<b>Audit fees</b>	<b>Audit related fees</b>	<b>Tax fees</b>	<b>All other fees</b>
October 31, 2021	\$30,000	Nil	Nil	Nil
October 31, 2020	\$30,000	Nil	Nil	Nil

## **CORPORATE GOVERNANCE**

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101"), the Corporation must disclose its approach to corporate governance which is as follows:

### ***Board of Directors***

The Board of Directors currently consists of five directors, Michael Kinley, Arthur Brown, Kevin O'Connor, Greg Davison and Kevin Thieneman. Arthur Brown, Kevin O'Connor, and Kevin Thieneman are independent directors as defined in NI 58-101 and NI 52-110. Executive officers are deemed to be not independent of the Corporation. Michael Kinley, CEO and Greg Davison, VP, Exploration, are not independent.

It was the Board's general policy to convene formal board meetings periodically on an *ad hoc* basis during the year on an as needed basis to review and discuss the Corporation's business activities, and to consider and if thought fit, to approve matters presented to the Board for approval, and to provide guidance to management. In addition, management informally provides updates to the Board at least once per quarter between formal Board meetings. In general, management consults with the Board when deemed appropriate to keep the Board informed regarding the Corporation's affairs.

The Board facilitates the exercise of independent supervision over management through these various meetings. When necessary, the Board will strike a special committee of independent directors to deal with matters requiring independence. The composition of the Board is such that the independent directors have significant experience in business affairs. As a result, these Board members provide significant and valuable independent supervision over management.

The Board delegates to management responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Corporation's business in the ordinary course, managing the Corporation's cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic and annual operating plans.

## ***Directorships***

<b>Name</b>	<b>Reporting Issuer</b>	<b>Market</b>
Michael Kinley	Opus One Gold Corporation Canada One Mining Corp. EXMceuticals Inc.	TSXV TSXV CSE
Arthur Brown	Kingman Minerals Ltd. AmmPower Corp. Noram Lithium Corp. CDN Maverick Capital Corp.	TSXV CSE TSXV CSE
Greg Davison	Playfair Mining Ltd.	TSXV

## ***Orientation and Continuing Education***

At present, the Corporation does not provide a formal orientation and education program for new directors. Prior to joining the Board, potential Board members are encouraged to meet with management and inform themselves regarding management and the Corporation's affairs. The Corporation currently has no specific policy regarding continuing education for directors, and requests for education are encouraged, and dealt with on an ad hoc basis.

## ***Ethical Business Conduct***

The primary step taken by the Corporation to encourage and promote a culture of ethical business conduct is to conduct appropriate due diligence on proposed directors and ensure that proposed directors are of the highest ethical standards. The Board also has adopted written code of business conduct and corporate governance.

## ***Nomination of Directors***

Once a decision has been made to add or replace a director, the task of identifying new candidates falls to the Board and management. Proposals are put forth by the Board and management and considered and discussed. If a candidate looks promising, the Board and management will conduct due diligence on the candidate, including interviewing the candidate, and if the results are satisfactory, the candidate is invited to join the Board.

## ***Compensation***

Compensation for Board members will be determined by the HR, Compensation and Corporate Governance Committee and in accordance with industry norms and with reference to each individual director's level of involvement with the Corporation.

## ***Other Board Committees***

Presently the Corporation does not have any committees other than an audit and compensation committee.

## ***Assessments***

At present, the Board does not have a formal process for assessing the effectiveness of the Board, its committees and whether individual directors are performing effectively. These matters are dealt with on a case by case basis at the Board level.

## **ADDITIONAL INFORMATION**

Additional Information relating to the Corporation is on SEDAR at [www.sedar.com](http://www.sedar.com).

Shareholders can request copies of the financial statements and MD&A by completing a Request for Financial Statement Form and returning it to the Corporation. The Request for Financial Statements Form required under NI 51-102 was included with proxy materials for this Meeting and is also available on SEDAR at [www.sedar.com](http://www.sedar.com).

The financial information is provided in the Corporation's comparative financial statements and MD&A for its most recently completed financial year.

**CERTIFICATE OF THE CORPORATION**

The foregoing contains no untrue statements of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

**DATED THIS 25th DAY OF JANUARY 2022 ON BEHALF OF THE MANAGEMENT OF SILVER SPRUCE RESOURCES INC.**

**/s/ Michael Kinley  
CEO**

**/s/ Camilla Cormier  
CFO**