

**MANAGEMENT INFORMATION CIRCULAR AND
NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS
OF
LEXSTON MINING CORPORATION
TO BE HELD ON SEPTEMBER 15, 2026**

Dated: August 11, 2026

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS
to be held on September 15, 2026 at 10:00 a.m. Pacific Daylight Time
at 780-789 West Pender Street, Vancouver, BC V6C 1H2

NOTICE IS HEREBY GIVEN that the Annual General and Special Meeting (the “**Meeting**”) of the shareholders of Lexston Mining Corporation (“**Lexston**” or the “**Company**”) will be held at 780-789 West Pender Street, Vancouver, BC V6C 1H2 on September 15, 2026 at 10:00 a.m. (Pacific Daylight Time) for the following purposes:

- 1) To receive and consider the financial statements of the Company for the financial year ended May 31, 2025, together with the reports of the auditor thereon;
- 2) To set the number of directors at four (4);
- 3) To elect directors for the ensuing year;
- 4) To appoint WDM Chartered Professional Accountants as auditors of the Company for the ensuing year and to authorize the directors to determine the remuneration to be paid to the auditors;
- 5) To consider and, if deemed appropriate, pass, with or without variation, an ordinary resolution to re-approve the Company’s existing stock option plan dated for reference January 15, 2021 (the “Stock Option Plan”); and
- 6) To transact such other business as may properly be put before the meeting.

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. Also accompanying this Notice are (i) Form of Proxy or Voting Instruction Form, and (ii) Financial Statement Request Form. Any adjournment of the Meeting will be held at a time and place to be specified at the Meeting.

Only shareholders of record at the close of business on **August 11, 2026**, will be entitled to receive notice of and vote at the Meeting. Shareholders are entitled to vote at the Meeting either in person or by proxy and each shareholder of the Company entitled to vote on any matter at the Meeting shall be entitled to one vote for every such common share standing in such shareholder’s name on the record date of the Meeting.

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

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

DATED: August 11, 2026
Vancouver, British Columbia.

BY ORDER OF THE BOARD OF DIRECTORS OF
LEXSTON MINING CORPORATION

/s/ “***Jagdip Bal***”
Chief Executive Officer

MANAGEMENT INFORMATION CIRCULAR

IMPORTANT NOTICE

ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS OF LEXSTON MINING CORPORATION WILL BE HELD AT 780-789 WEST PENDER STREET, VANCOUVER, BC V6C 1H2.

The information contained in this Management Information Circular, unless otherwise indicated, is as of August 11, 2026.

This Management Information Circular is being mailed by the management of LEXSTON MINING CORPORATION (the “Company” or “Lexston”) to shareholders of record at the close of business on August 11, 2026, which is the date that has been fixed by the directors of the Company as the record date (the “Record Date”) to determine the shareholders who are entitled to receive notice of the meeting. The Company is mailing this Information Circular in connection with the solicitation of proxies by and on behalf of the Company for use at its annual general and special meeting (the “**Meeting**”) of the shareholders that is to be held on **September 15, 2026 at 10:00 a.m. (Pacific Daylight Time) at 780-789 West Pender Street, Vancouver, BC V6C 1H2.**

The solicitation of proxies will be primarily by mail. Certain employees or directors of the Company may also solicit proxies by telephone. The cost of solicitation will be borne by the Company.

The Company is not relying on the “Notice and Access” delivery procedures outlined in National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* to distribute copies of proxy-related materials in connection with the Meeting by posting them on a website.

QUORUM

Pursuant to the Articles of the Company, the quorum for the transaction of business at a Meeting of shareholder is one shareholder represented in person or by proxy.

SECTION 1 - VOTING

WHO CAN VOTE?

If you are a registered shareholder of the Company as at **August 11, 2026**, you are entitled to notice of and to attend at the Meeting and cast a vote for each share registered in your name on all resolutions put before the Meeting. If the shares are registered in the name of a corporation, a duly authorized officer of the corporation may attend on its behalf, but documentation indicating such officer’s authority should be presented at the Meeting. If you are a registered shareholder but do not wish to, or cannot, attend the Meeting in person you can appoint someone who will attend the Meeting and act as your proxyholder to vote in accordance with your instructions (see “**Voting By Proxy**” below). If your shares are registered in the name of a “nominee” (usually a bank, trust company, securities dealer, financial institution or other intermediary) you should refer to the section entitled “**Non-Registered Shareholders**” set out below.

It is important that your shares be represented at the Meeting regardless of the number of shares you hold. If you will not be attending the Meeting in person, we invite you to complete, date, sign and return your form of proxy as soon as possible so that your shares will be represented.

VOTING BY PROXY

If you do not attend the Meeting, you can still make your votes count by appointing someone who will be there to act as your proxyholder. You can either tell that person how you want to vote or you can let him or her decide for you. You can do this by completing a form of proxy.

In order to be valid, you must return the completed form of proxy to the Company’s transfer agent, Odyssey Trust Company no later than 10:00 a.m., Pacific Daylight Time, September 11, 2026.

You can vote by proxy using one of the following methods:

1. **To Vote Your Proxy Online** please visit: <https://vote.odysseytrust.com> and click on **LOGIN**. You will require the **CONTROL NUMBER** printed with your address to the right on your proxy form. If you vote by Internet, do not mail this proxy; or
2. **By mail or personal delivery to Odyssey Trust Company, Attn: Proxy Department, Suite 1100, 67 Yonge St., Toronto, ON M5E 1J8; or**
3. **By fax to Odyssey Trust Company, to the attention of the Proxy Department at 1-800-517-4553 (toll free within Canada and the U.S.) or 416-263-9524 (international).**

What is a Proxy?

A form of proxy is a document that authorizes someone to attend the Meeting and cast your votes for you. We have enclosed a form of proxy with this Information Circular. You should use it to appoint a proxyholder, although you can also use any other legal form of proxy.

Appointing a Proxyholder

You can choose any individual to be your proxyholder. It is not necessary for the person whom you choose to be a shareholder. To make such an appointment, simply fill in the person's name in the blank space provided in the enclosed form of proxy. To vote your shares, your proxyholder must attend the Meeting. If you do not fill a name in the blank space in the enclosed form of proxy, the persons named in the form of proxy are appointed to act as your proxyholder (the "**Management Proxyholders**"). Those persons are directors, officers or other authorized representatives of the Company.

Instruction Your Proxy

You may indicate on your form of proxy how you wish your proxyholder to vote your shares. To do this, simply mark the appropriate boxes on the form of proxy. If you do this, your proxyholder must vote your shares in accordance with the instructions you have given.

If you do not give any instructions as to how to vote on a particular issue to be decided at the Meeting, your proxyholder can vote your shares as he or she thinks fit. If you have appointed the persons designated in the form of proxy as your proxyholder they will, unless you give contrary instructions, vote your shares IN FAVOUR of each of the items of business being considered at the Meeting.

For more information about these matters, see Section 3 - The Business of the Meeting. **The enclosed form of proxy gives the persons named on it the authority to use their discretion in voting on amendments or variations to matters identified in the Notice of Meeting.** At the time of printing this Information Circular, the management of the Company is not aware of any other matter to be presented for action at the Meeting. If, however, other matters do properly come before the Meeting, the persons named on the enclosed form of proxy will vote on them in accordance with their best judgment, pursuant to the discretionary authority conferred by the form of proxy with respect to such matters.

Changing Your Mind

If you want to revoke your proxy after you have delivered it, you can do so at any time before it is used. You may do this by (a) attending the Meeting and voting in person; (b) signing a proxy bearing a later date; (c) signing a written statement which indicates, clearly, that you want to revoke your proxy and delivering this signed written statement to the Company at Suite 780, 789 West Pender Street, Vancouver, British Columbia, V6C 1H2 or (d) in any other manner permitted by law.

Your proxy will only be revoked if a revocation is received by 4:00 p.m. in the afternoon (Pacific Daylight Time) on the last business day before the day of the Meeting, or any adjournment thereof, or delivered to the person presiding at the Meeting before it (or any adjournment) commences. If you revoke your proxy and do not replace it with another that is deposited with us before the deadline, you can still vote your shares but to do so you must attend the Meeting in person. **Only registered shareholders may revoke a proxy.**

If your shares are not registered in your own name and you wish to change your vote, you must arrange for your nominee to revoke your proxy on your behalf (see below under “Non-Registered Shareholders”).

REGISTERED SHAREHOLDERS

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by completing, dating and signing the enclosed form of proxy and returning it to the Company’s transfer agent, Odyssey Trust Company in accordance with the instructions provided on the previous page of this Circular. In all cases, the proxy must be received no later than 10:00 a.m., Pacific Daylight Time, September 11, 2026.

NON-REGISTERED SHAREHOLDERS

Only registered holders of common shares or the persons they appoint as their proxyholders are permitted to vote at the Meeting. In many cases, however, common shares beneficially owned by a holder (a “**Non-Registered Holder**”) are registered either:

- a) in the name of an Intermediary (an “**Intermediary**”) that the Non-Registered Holder deals within respect of the shares. Intermediaries include banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; OR
- b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (CDS)) of which the Intermediary is a participant.

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as “**NOBOs**”. Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Company are referred to as “**OBOs**”.

Pursuant to NI 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Company has distributed copies of proxy-related materials in connection with this Meeting (including this Information Circular) indirectly or directly to the NOBOs and to the Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries that receive the proxy-related materials are required to forward the proxy-related materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Intermediaries often use service companies to forward the proxy-related materials to Non-Registered Holders.

The Company will not be paying for Intermediaries to deliver to OBOs (who have not otherwise waived their right to receive proxy-related materials) copies of the proxy-related materials and related documents. Accordingly, an OBO will not receive copies of the proxy-related materials and related documents unless the OBO’s Intermediary assumes the costs of delivery.

Generally, Non-Registered Holders who have not waived the right to receive proxy-related materials (including OBOs who have made the necessary arrangements with their Intermediary for the payment of delivery and receipt of such proxy-related materials) will be sent a voting instruction form which must be completed, signed and returned by the Non-Registered Holder in accordance with the Intermediary’s directions on the voting instruction form. In some cases, such Non-Registered Holders will instead be given a proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of common shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. This form of proxy does not need to be signed by the Non-Registered Holder, but, to be used at the Meeting, needs to be properly completed and deposited with Odyssey Trust Company as described under “**Voting By Proxy**” above.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the common shares that they beneficially own. Should a Non-Registered Holder wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-

Registered Holder should insert the Non-Registered Holder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form.

Non-Registered Holders should carefully follow the instructions of their Intermediaries and their service companies, including instructions regarding when and where the voting instruction form or proxy form is to be delivered.

NOTICE TO SHAREHOLDERS IN THE UNITED STATES

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws. The enforcement by shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia), as amended (the "Act"), certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

SECTION 2 - VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of common shares without par value. As at the close of business on the Record Date being **August 11, 2026, 25,318,304** common shares were issued and outstanding. Each shareholder entitled to receive notice of and to vote at the Meeting is entitled to one vote for each common share registered in his or her name at the close of business on **August 11, 2026**.

Every individual who is present and is entitled to vote as a shareholder or as a representative of one or more corporate shareholders will have one vote, and every shareholder present in person at the Meeting or represented by a proxy and every person who is a representative of one or more corporate shareholders, will have one vote for each Common Share registered in that shareholder's name on the list of shareholders as at the Record Date, which is available for inspection during normal business hours at the Company's transfer agent and will be available at the Meeting.

To the knowledge of the directors and executive officers of the Company, there are no persons that beneficially owned, directly or indirectly, or exercised control or direction over, common shares carrying more than 10% of the voting rights attached to all outstanding common shares of the Company as at August 11, 2026.

SECTION 3 - THE BUSINESS OF THE MEETING

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

FINANCIAL STATEMENTS

The audited financial statements of the Company for the financial year ended May 31, 2025 will be placed before you at the Meeting. These audited financial statements have been previously mailed to the shareholders who had requested to receive a copy of same and are available under the Company's SEDAR+

profile at www.sedarplus.ca.

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

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations* and National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, a person or corporation who in the future wishes to receive annual and interim financial statements from the Company must deliver a written request for such material to the Company. Shareholders who wish to receive annual and interim financial statements are encouraged to complete the appropriate section on the Financial Statement Request Form attached to this Information Circular and send it to the Company.

ELECTION OF DIRECTORS

Number of Directors

Under the Company's Articles and pursuant to the *Business Corporations Act* (British Columbia), the number of directors may be set by ordinary resolution but shall not be fewer than three. The Company currently has **four (4)** directors. All of the current directors are being put forward by management of the Company for election at the Meeting.

The Company's management recommends that the shareholders vote in favour of the resolution setting the number of directors at four (4). Unless you give other instructions, the Management Proxyholders intend to vote FOR the resolution setting the number of directors at four (4).

Nominees for Election

Directors of the Company are elected for a term of one year. The term of office of each of the nominees proposed for election as a director will expire at the Meeting, and each of them, if elected, will serve until the close of the next annual general meeting, unless he or she resigns or otherwise vacates office before that time.

The following table sets out the names of management's nominees for election as directors of the Company; all offices in the Company each nominee now holds; each nominee's principal occupation, business or employment; the period of time during which each nominee has been a director of the Company; and the number of common shares that are beneficially owned, directly or indirectly, or over which control or direction is exercised, by each nominee as at Record Date.

All of the current directors of the Company will be standing for re-election. Each of the nominees has agreed to stand for election and management of the Company is not aware of any intention of any of them not to do so. Management does not contemplate that any of the nominees will be unable to serve as a director but, if that should occur for any reason prior to the Meeting, the persons designated in the enclosed form of proxy reserve the right to vote for other nominees in their discretion.

Name, Position(s) with the Company, Province/State & Country of Residence ^{(1),(2)}	Principal Occupation and, IF NOT at Present an ELECTED Director, Occupation During the Past Five Years ⁽¹⁾	Director since	Number and Percentage of Shares Beneficially Owned ⁽²⁾
JAGDIP BAL ⁽³⁾ <i>CEO & Director</i> British Columbia, Canada	CEO and director of the Company, President of Infinity Alliance Corp.	January 3, 2020	120,540 (0.48 %)
JATINDER J. MANHAS <i>CFO, Corporate Secretary & Director</i> British Columbia, Canada	Self-employed sales manager.	January 22, 2020	0 (0%)
CLINTON SHARPLES ⁽³⁾ <i>Director</i> British Columbia, Canada	CEO of Modu-Loc Fence Rentals and Chairman of Strategic Aviation and Sky Café	Sep. 12, 2022	243,766 ⁽⁴⁾ (0.96%)
RICHARD WALKER ⁽³⁾ <i>Director</i>	Geologist	March 2, 2023	0 (0%)

Name, Position(s) with the Company, Province/State & Country of Residence ^{(1),(2)}	Principal Occupation and, IF NOT at Present an ELECTED Director, Occupation During the Past Five Years ⁽¹⁾	Director since	Number and Percentage of Shares Beneficially Owned ⁽²⁾
Nevada, USA			

NOTES:

- (1) Information as to the residency and principal occupation has been provided by the respective directors.
- (2) Information as to shares beneficially owned, has been furnished by the respective person, has been obtained from insider reports filed by respective person and available through the Internet at the Canadian System for Electronic Disclosure by Insiders (www.sedi.ca).
- (3) Member of the Audit Committee.
- (4) Mr. Sharples holds 163,766 Common Shares directly and 80,000 Common Shares via First Growth Management Inc.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

For purposes of the disclosure in this section, an “order” means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days; and for purposes of item (a)(i) below, specifically includes a management cease trade order which applies to directors or executive officers of a relevant company that was in effect for a period of more than 30 consecutive days whether or not the proposed director was named in the order.

To the knowledge of the Company, except as disclosed below, none of the proposed directors, including any personal holding company of a proposed director:

- (a) is, as at the date of this Information Circular, or has been, within the 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
- (i) was subject to an order that was issued while the proposed director was acting in the capacity as a director, chief executive officer or chief financial officer of the company; or
 - (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer of the company;
- (b) is, as at the date of this Information Circular, or has been, within the 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets;
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority since December 31, 2000, or before December 31, 2000, if the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed director, or
- (e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that

would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

In 2009 Mr. Sharples, a director of the Company, was sanctioned by the British Columbia Securities Commission. He was a director of Thermal Energy Corp., which issued a cease trade order until Thermal Energy Corp. clarified certain corporate disclosure. All directors of Thermal Energy Corp., including Mr. Sharples, were required to complete various TSX Venture workshops as a result.

The Company's management recommends that the shareholders vote in favour of the election of the proposed nominees as directors of the Company for the ensuing year. Unless you give instructions otherwise, the Management Proxyholders intend to vote FOR the nominees named in this Information Circular.

APPOINTMENT OF THE AUDITOR

At the Meeting, WDM Chartered Professional Accountants, located at Suite 420, 1501 West Broadway, Vancouver, B.C. V6J 4Z6 will be recommended by management and the Board of Directors for appointment as auditor of the Company at a remuneration to be fixed by the directors. WDM Chartered Professional Accountants were appointed June 27, 2023.

The Company's management recommends that the shareholders vote in favour of the appointment of WDM Chartered Professional Accountants, as the Company's auditor for the ensuing year and grant the Board of Directors the authority to determine the remuneration to be paid to the auditor. Unless you give instructions otherwise, the Management Proxyholders intend to vote FOR the appointment of WDM Chartered Professional Accountants, to act as the Company's auditor until the close of its next annual general meeting and also intend to vote FOR the proposed resolution to authorize the Board of Directors to fix the remuneration to be paid to the auditor.

APPROVAL OF THE STOCK OPTION PLAN

The Stock Option Plan of the Company was approved by the board of directors of the Company on January 15, 2021, and was re-approved by the shareholders of the Company at the previous annual general and special meeting on June 27, 2025.

The Stock Option Plan was filed on February 23, 2021 and is available on www.sedarplus.ca under the profile of the Company. The Stock Option plan is incorporated by reference into this Information Circular. A copy of the Stock Option Plan may also be obtained from the Company.

The Stock Option Plan reserves for issuance 10% of the issued and outstanding common shares of the Company and is known as an evergreen or rolling stock option plan. Pursuant to Policy 6 *Distributions & Corporate Finance* of the Canadian Securities Exchange, which became effective on April 3, 2023, within three years after institution and within every three years thereafter, the Company must obtain security holder approval for an evergreen plan (also known as a rolling plan) in order to continue to grant options. Therefore, the Company will be seeking shareholder re-approval of the Stock Option Plan.

The Stock Option Plan provides that the board of directors of the Company may from time to time, in its discretion, and in accordance with the requirements of the Canadian Securities Exchange, grant to directors, officers and consultants to the Company, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the Company's issued and outstanding Common Shares, exercisable for a period of up to a maximum of ten years from the date of grant. The number of Common Shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to consultants will not exceed 2% of the issued and outstanding Common Shares per one consultant. Options may be exercised within 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship or consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. The Stock Option Plan incorporates the policies of the Canadian Securities Exchange by reference and all option grants must comply with these policies.

Shareholders will be asked to consider, and if thought fit, pass, an ordinary resolution approving the Stock Option Plan. The text of the proposed resolution is as follows:

"BE IT RESOLVED, AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS AND SUBJECT TO REGULATORY ACCEPTANCE, THAT:

- 1) the Company's stock option plan dated for reference January 15, 2021 (the "**Stock Option Plan**"), is hereby ratified, confirmed, and re-approved;*
- 2) the Company be authorized to grant stock options pursuant and subject to the terms and conditions of the Stock Option Plan, entitling the option holders to purchase up to that number of common shares in the capital of the Company (the "**Common Shares**") that would equal 10% of the issued and outstanding Common Shares as at the time of the grant;*
- 3) the unallocated entitlements under the Stock Option Plan are approved and authorized;*
- 4) the Stock Option Plan must be re-approved by the shareholders no later than three years from the date of this resolution;*
- 5) the directors of the Company without a prior approval of the shareholders are authorized to amend and make changes to the Stock Option Plan, if such amendments or changes are required to meet the regulatory requirements including the requirements of the Canadian Securities Exchange; and*
- 6) any one or more of the directors or senior officers of the Company be and is hereby authorized and directed, for and on behalf of the Company, to execute and deliver all such documents and other writings, including treasury orders, and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to this ordinary resolution, the execution and delivery of any such document or the doing of any such other act or thing being conclusive evidence of such determination."*

The resolution may be passed by a simple majority of the shares voted by shareholders of the Company who vote on the matter in person or by proxy.

For more information about the Stock Option Plan and options issued under it, please see "Securities Authorized for Issuance Under Equity Compensation Plans".

The Board recommends that shareholders vote in favour of the resolution approving the Stock Option Plan.

Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the common shares represented by such form of proxy FOR the approval of the Stock Option Plan.

OTHER BUSINESS

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

SECTION 4 – EXECUTIVE COMPENSATION

GENERAL

For the purpose of this Statement of Executive Compensation:

"Company" means Lexston Mining Corporation;

"compensation securities" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units

granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries; and

“**NEO**” or “**named executive officer**” means each of the following individuals:

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer (“**CEO**”), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer (“**CFO**”), including an individual performing functions similar to a CFO;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year ended **May 31, 2025** whose total compensation was more than \$150,000 for that financial year; and
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year;

“**Plan**” includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons;

“**underlying securities**” means any securities issuable on conversion, exchange or exercise of compensation securities.

Based on the foregoing definitions, during the most recently completed financial year ended **May 31, 2025**, the Company had **two (2)** NEOs, namely CEO Jagdip Bal and CFO Jatinder Manhas.

DIRECTOR AND NEO COMPENSATION

Director and NEO compensation, excluding options and compensation securities

The following information is provided in accordance with Form 51-102F6V - Statement of Executive Compensation - Venture Issuers, for the financial years ended May 31, 2025 and 2024.

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company or its subsidiary, to each NEO and director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or a director of the Company for services provided and for services to be provided, directly or indirectly, to the Company or its subsidiary for the years ended May 31, 2025 and May 31, 2024.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Jagdip Bal <i>CEO & Director</i>	2025	142,469	Nil	Nil	Nil	Nil	142,469
	2024	69,524	Nil	Nil	Nil	Nil	69,524
Jatinder Manhas <i>CFO, Corporate Secretary & Director</i>	2025	20,000	Nil	Nil	Nil	Nil	20,000
	2024	Nil	Nil	Nil	Nil	Nil	Nil
Clinton Sharples <i>Director</i>	2025	20,000	Nil	Nil	Nil	Nil	20,000
	2024	22,500	Nil	Nil	Nil	Nil	22,500
Richard Walker <i>Director</i>	2025	Nil	Nil	Nil	Nil	Nil	Nil
	2024	Nil	Nil	Nil	Nil	18,150	18,150

Stock Options and Other Compensation Securities

Options granted and held by directors and Named Executive Officers on the last day of the most recently completed financial year end as of May 31, 2025 are as set out in the table below:

COMPENSATION SECURITIES							
Name and Position	Number of Stock Options (#)	Number of Underlying Securities and Percentage of Class (#) ⁽²⁾	Date of Issue or Grant	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant ⁽¹⁾ (\$)	Closing Price of Security or Underlying Security At Year End Fiscal 2025 (\$)	Expiry Date
Jagdip Bal President, Chief Executive Officer and Director	Nil	Nil	N/A	N/A	N/A	N/A	N/A
Jatinder Manhas Chief Financial Officer, Corporate Secretary, Director	Nil	Nil	N/A	N/A	N/A	N/A	N/A
Richard Walker Director	Nil	Nil	N/A	N/A	N/A	N/A	N/A

Stock Option Plans and Other Incentive Plans

The Stock Option Plan is the only incentive plan that the Company has. The Stock Option Plan is described under “Approval of the Stock Option Plan” in this Circular.

Employment, Consulting and Management Agreements

During the most recently completed financial year on May 31, 2025, the Company paid approximately \$11,875 (2024 - \$5,800) per month to its CEO and paid \$1,666 per month (2024 - \$Nil) to its CFO. There are no provisions with respect to change of control, severance, termination or constructive dismissal. The Company has allocated \$10,000 per month (total of \$120,000) for the CEO and \$2,000 per month (total of \$24,000) for the CFO for the next 12 months.

Oversight and Description of Director and Named Executive Officer Compensation

Compensation of Directors

Compensation of directors is determined by the recommendation of the Board of Directors and consists of consulting fees and options. Long term incentives (stock options) are granted from time to time, based on an existing complement of long-term incentives, corporate performance and to be competitive with other companies of similar size and scope.

Compensation of Named Executive Officers

The Company's compensation philosophy for Named Executive Officers follows three underlying principles:

- (a) to provide compensation packages that encourage and motivate performance;
- (b) to be competitive with other companies of similar size and scope of operations so as to attract and retain talented executives; and
- (c) to align the interests of its executive officers with the long-term interests of the Company and its shareholders through stock related programs.

When determining compensation policies and individual compensation levels for the Company's executive officers, the Company takes into consideration a variety of factors including management's understanding of the amount of compensation generally paid by similarly situated companies to their executives with similar roles and responsibilities; each executive officer's individual performance during the fiscal year; each executive officer's experience, skills and level of responsibility; the executive's historical compensation and performance within the Company; and existing market standards within the life science industry. Management presents its recommendations to the Board of Directors.

The Board of Directors approves compensation annually and on an as-needed basis, with input from management, on the specific work to be undertaken.

Elements of NEO Compensation

Compensation Mix

In keeping with the Company's philosophy to link executive compensation to corporate performance and to motivate executives to achieve required levels of performance, the Company has adopted a model that includes both base salary and "at-risk" compensation comprised of participation in the Company's long-term incentive plan (stock options), as described below.

Base Salary

Directors may be eligible to receive a day rate for consulting services when requested by the Company to provide services not normally considered to be within the scope of directors' duties. The Board considers that this is appropriate for the Company's current stage of development. Base salaries are reviewed annually to ensure they reflect each respective executive's performance and experience in fulfilling his or her role and to ensure executive retention.

Long Term Incentive Plan (Stock Options)

Long-term incentives are performance-based grants of stock options. The awards are intended to align executive interests with those of shareholders by tying compensation to share performance and to assist in retention through vesting provisions. Grants of stock options are based on:

- (a) the executive's performance;
- (b) the executive's level of responsibility within the Company;
- (c) the number and exercise price of options previously issued to the executive; and
- (d) the overall aggregate total compensation package provided to the executive.

The value of any long-term options allocated is determined using the Black-Scholes model.

Management makes recommendations to the Board concerning the Company’s long-term incentive plan based on the above criteria. Options are typically granted upon the review of executives’ compensation packages. Options may also be granted to executives upon hire or promotion and as special recognition for extraordinary performance.

The Company’s Board of Directors considers previous grants of options and the overall number of options that are outstanding relative to the number of outstanding common shares in determining whether to make any new grants of options and the size and terms of any such grants, as well as the level of effort, time, responsibility, ability, experience, and level of commitment of the director, officer, employee, or consultant in determining the level of incentive stock option compensation.

Benefits and Perquisites

The Company’s NEOs do not receive any benefits or perquisites. For additional details, see “Description of the Long-Term Incentive Plan” below.

Pension Disclosure

The Company does not have a pension plan that provides for payments or benefits to the Named Executive Officers or directors at, following, or in connection with retirement.

Termination and Change of Control Benefits

There are no compensatory plans or arrangements with respect to any Named Executive Officer or director resulting from the resignation, retirement or any other termination of employment of the officer’s employment or from a change of the Name Executive Officer’s or director’s responsibilities following a change in control.

Securities Authorized for Issuance Under Equity Compensation Plans

As of the last financial year ended May 31, 2025, the Company was authorized to issue 736,260 stock options pursuant to the Stock Option Plan.

The following table sets out information with respect to all compensation plans under which equity securities are authorized for issuance as of the financial year ended **May 31, 2025**:

Equity Compensation Plan Information			
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 under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by Securityholders	Nil	N/A	736,260
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	Nil	N/A	736,260

SECTION 5 - AUDIT COMMITTEE

National Instrument 52-110 *Audit Committees* (“**NI 52-110**”) requires the Company, as a venture issuer to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor. The following disclosure is provided in

accordance with Form 52-110F2 *Disclosure by Venture Issuers*.

Audit Committee Charter

The audit committee has a charter which was adopted by the Board, a copy of which is attached to this Information Circular as Schedule “A”, and is specifically incorporated by reference into, and forms an integral part of this Information Circular.

Composition of the Audit Committee

The following are the members of the Audit Committee:

Jagdip Bal ⁽³⁾	Not Independent	Financially literate ⁽²⁾
Clinton Sharples ⁽³⁾	Independent ⁽¹⁾	Financially literate ⁽²⁾
Richard Walker	Independent ⁽¹⁾	Financially literate ⁽²⁾

Notes:

1. A member of an audit committee is independent if the member has no direct or indirect material relationship with the Corporation, which could, in the view of the Corporation’s Board, reasonably interfere with the exercise of a member’s independent judgment.
2. An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.
3. Chairman of the audit committee.

All of the Audit Committee members are senior-level businesspeople with experience in financial matters; each understands accounting principles used by the Company to prepare financial statements and varied experience as to general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavour.

Each member of the Company’s Audit Committee has adequate education and experience relevant to his/hers performance as an audit committee member and, in particular, the requisite education and experience that provides the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements;
- (b) the ability to assess the general application of such principles in connection with the accounting for estimates, accruals and provisions;
- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements or experience actively supervising individuals engaged in such activities; and
- (d) an understanding of internal controls and procedures for financial reporting.

Mr. Bal gained relevant experience while serving as a director and officer for various companies listed on the TSX Venture Exchange and the Canadian Securities Exchange.

Mr. Sharples gained relevant experience through his work. He is a partner in a private equity management company formed in 2005. His primary roles are CEO of Modu-Loc Fence Rentals a Canada’s Best Managed Company, and Chairman of Strategic Aviation and Sky Café. He is responsible for over 1,200 employees and \$80 million in annual revenues.

Mr. Walker is a Certified Professional Geologist, a member of the American Institute of Professional Geologists and a member of the Geological Society of Nevada. He gained relevant experience and financial literacy while running his geological service business.

Audit Committee Oversight

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

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the following exemptions prescribed by NI 52-110:

- (a) the exemption in section 2.4 (De Minimis Non-audit Services),
- (b) the exemption in subsection 6.1.1(4) (Circumstance Affecting the Business or Operations of the Venture Issuer),
- (c) the exemption in subsection 6.1.1(5) (Events Outside Control of Member),
- (d) the exemption in subsection 6.1.1(6) (Death, Incapacity or Resignation), or
- (e) an exemption from this Instrument, in whole or in part, granted under Part 8 (Exemption).

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. The Audit Committee will review the engagement of non-audit services as required.

External Auditor Service Fees (by Category)

In the following table, "Audit Fees" are fees billed by the Company's external auditors for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related Fees" are fees not included in audit fees that are billed by the auditors for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements. "Tax Fees" are billed by the auditors for professional services rendered for tax compliance, tax advice and tax planning. "All Other Fees" are fees billed by the auditors for products and services not included in the foregoing categories. The fees paid by the Company to its auditors in each of the last two financial years, by category, are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
May 31, 2025	\$33,000	Nil	\$3,800	Nil
May 31, 2024	\$32,000	Nil	\$3,600	Nil

Exemption

The Company is a ventures issuer and is relying on the exemption provided in Section 6.1 (Venture Issuers) of NI 52-110 and, as such, the Company is exempt from Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of NI 52-110.

SECTION 6 - CORPORATE GOVERNANCE

Pursuant to National Policy 58-101 *Disclosure of Corporate Governance Practices* and Form 58-101F2 *Corporate Governance Disclosure (Venture Issuers)*, the Company is required to and hereby discloses its corporate governance practices as follows:

Board of Directors

The Board of Directors of the Company facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board.

Clinton Sharples and Richard Walker are "independent" board members in that they are independent and free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company, other than the interests and relationships arising from shareholders.

Jagdip Bal is not independent due to his position as the CEO of the Company. Jatinder Manhas is not independent due to his position as the CFO and Corporate Secretary of the Company.

Directorships in Other Reporting Issuers

None of the current directors and officers of the Company are presently directors or officers of other reporting issuers.

Orientation and Continuing Education

The Company has not developed an official orientation or training program for new directors. As required, new directors will have the opportunity to become familiar with the Company by meeting with other directors and its officers and employees. Orientation activities will be tailored to the particular needs and expertise of each director and the overall needs of the Board.

Ethical Business Conduct

The Company does not currently have a formal code of business conduct or policy in place for its directors, officers, employees and consultants. The Board believes that the Company's size facilitates informal review of and discussions with employees and consultants. The Board monitors ethical conduct of the Company and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decision 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.

Nomination of Directors

The Board has not appointed a nominating committee as the Board fulfills these functions. When the Board identifies the need to fill a position on the Board, the Board requests that current Directors forward potential candidates for consideration.

Compensation

The Board makes decisions regarding compensation.

Market comparisons as well as evaluation of similar positions in different industries in the same geography are the criteria used in determining compensation, the objective being to set compensation levels to attract and retain individuals of high caliber to serve as officers of the Company, to motivate their performance in order to achieve the Company's strategic objectives and to align the interests of executive officers with the long-term interests of the Shareholders, while at the same time preserving cash flows. The Board of Directors will set the compensation so as to be generally competitive with the compensation received by persons with similar qualifications and responsibilities who are engaged by other companies of corresponding size, stage of development, having similar assets, number of employees, market capitalization and profit margin. In setting such levels, the Board of Directors will rely primarily on their own experience and knowledge.

Other Board Committees

At present, the Board has no committees other than the Audit Committee.

Assessments

The Board takes responsibility for monitoring and assessing its effectiveness and the performance of individual directors, its committees, including reviewing the Board's decision-making processes and the quality of information provided by management.

SECTION 7 - OTHER INFORMATION

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Since the beginning of the most recently completed financial year ended **May 31, 2025**, and as at the date of this Information Circular, no director, executive officer or employee or former director, executive officer or employee of the Company, nor any nominee for election as a director of the Company, nor any associate of any such person, was indebted to the Company for other than "routine indebtedness", as that term is defined by applicable securities legislation; nor was any indebtedness to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as set forth in this Information Circular, no person who has been a director or executive officer of the Company at any time since the beginning of the last financial year, ended **May 31, 2025**, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors or the appointment of auditors.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Applicable securities legislation defines "*informed person*" to mean any of the following: (a) a director or executive officer of a reporting issuer; (b) a director or officer of a person or company that is itself an informed person or subsidiary of a reporting issuer; (c) any person or company who beneficially owns, directly or indirectly, voting securities of a reporting issuer or who exercises control or direction over voting securities of a reporting issuer or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the reporting issuer other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) a reporting issuer that has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities. Except as otherwise disclosed herein, no informed persons had (or has) any interest in any transaction with the Company since the commencement of our most recently completed financial year ended **May 31, 2025**, or in any proposed transaction, that has materially affected the Company or is likely to do so.

MANAGEMENT CONTRACTS

The Company has no management agreements or arrangements under which the management functions of the Company are performed other than by the Company's directors and executive officers.

ADDITIONAL INFORMATION

Additional information concerning the Company can be found on SEDAR+ at www.sedarplus.ca under the profile of the Company.

Financial information relating to the Company is provided in the Company's audited financial statements and the management discussion and analysis ("**MD&A**") for the year ended May 31, 2025. Shareholders may download the financial statements and MD&A from SEDAR+ (www.sedarplus.ca) or contact the Company directly to request copies of the financial statements and MD&A by email at admin@lexston.net.

DIRECTOR APPROVAL

The contents of this Information Circular and the sending thereof to the shareholders have been approved by the Directors of the Company.

Dated at Vancouver, British Columbia, August 11, 2026.

BY ORDER OF THE BOARD

LEXSTON MINING CORPORATION

/s/ “***Jagdip Bal***”

Chief Executive Officer

SCHEDULE “A”

LEXSTON MINING CORPORATION

AUDIT COMMITTEE CHARTER

1. PURPOSE

The main purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Lexston Mining Corporation (“Lexston” or the “Company”) is to assist the Board in fulfilling its statutory responsibilities in relation to internal control and financial reporting, and to carry out certain oversight functions on behalf of the Board, including the oversight of:

- (a) the integrity of the Company’s financial statements and other financial information provided by the Company to securities regulators, governmental bodies and the public to ensure that the Company’s financial disclosures are complete, accurate, in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations by the International Financial Reporting Interpretations Committee (“IFRIC”), and fairly present the financial position and risks of the Company;
- (b) assessing the independence, qualifications and performance of the Company’s independent auditor (the “Auditor”), appointing and replacing the Auditor, overseeing the audit and non-audit services provided by the Auditor, and approving the compensation of the Auditor;
- (c) Senior Management (as defined below) responsibility for assessing and reporting on the effectiveness of internal controls;
- (d) financial matters and management of financial risks;
- (e) the prevention and detection of fraudulent activities; and
- (f) investigation of complaints and submissions regarding accounting or auditing matters and unethical or illegal behavior.

The Committee provides an avenue for communication between the Auditor, the Company’s executive officers and other senior managers (“Senior Management”) and the Board and has the authority to communicate directly with the Auditor. The Committee shall have a clear understanding with the Auditor that they must maintain an open and transparent relationship with the Committee. The Auditor is ultimately accountable to the Committee and the Board, as representatives of the Company’s shareholders.

2. COMPOSITION

The Committee shall be comprised of three directors. Each Committee member shall:

- (a) satisfy the laws governing the Company;
- (b) subject to the exemptions provided in Part 6 of National Instrument 52-110 Audit Committees (“NI 52-110”), be “independent” in accordance with Sections 1.4 and 1.5 of NI 52-110, which sections are reproduced in Appendix “A” of this charter; and

(c) be “financially literate” in accordance with the definition set out in Section 1.6 of NI 52-110, which definition is reproduced in Appendix “A” of this charter.

For purposes of subparagraph (b) above, the position of non-executive Chair of the Board is considered to be an executive officer of the Company.

Committee members and the chair of the Committee (the “Committee Chair”) shall be appointed by the Board. The Board may remove a Committee member at any time in its sole discretion by a resolution of the Board.

If a Committee member simultaneously serves on the audit committees of more than three public companies, the Committee shall seek the Board’s determination as to whether such simultaneous service would impair the ability of such member to effectively serve on the Committee and ensure that such determination is disclosed.

3. MEETINGS

The Committee shall meet at least once per financial quarter and as many additional times as the Committee deems necessary to carry out its duties effectively.

The Committee shall meet:

- (a) within 60 days following the end of each of the first three financial quarters to review and discuss the unaudited financial results for the preceding quarter and the related management’s discussion and analysis (“MD&A”); and
- (b) within 120 days following the end of the Company’s fiscal year end to review and discuss the audited financial results for the year and related MD&A.

As part of its job to foster open communication, the Committee shall meet at least once each financial quarter with Senior Management and the Auditor in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately.

A majority of the members of the Committee shall constitute a quorum for any Committee meeting. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by unanimous written consent of the Committee members.

The Committee Chair shall preside at each Committee meeting. In the event the Committee Chair is unable to attend or chair a Committee meeting, the Committee will appoint a chair for that meeting from the other Committee members.

The Corporate Secretary of the Company, or such individual as appointed by the Committee, shall act as secretary for a Committee meeting (the “Committee Secretary”) and, upon receiving a request to convene a Committee meeting from any Committee member, shall arrange for such meeting to be held.

The Committee Chair, in consultation with the other Committee members, shall set the agenda of items to be addressed at each Committee meeting. The Committee Secretary shall ensure that the agenda and any supporting materials for each upcoming Committee meeting are circulated to each Committee member in advance of such meeting.

The Committee may invite such officers, directors and employees of the Company, the Auditor, and other advisors as it may see fit from time to time to attend at one or more Committee meetings and assist in the discussion and consideration of any matter. For purposes of performing their duties, members of the

Committee shall, upon request, have immediate and full access to all corporate information and shall be permitted to discuss such information and any other matters relating to the duties and responsibilities of the Committee with officers, directors and employees of the Company, with the Auditor, and with other advisors subject to appropriate confidentiality agreements being in place.

Unless otherwise provided herein or as directed by the Board, proceedings of the Committee shall be conducted in accordance with the rules applicable to meetings of the Board.

4. DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board and the Articles of the Company, in order to carry out its oversight responsibilities, the Committee shall:

4.1 Financial Reporting Process

- (a) Review with Senior Management and the Auditor any items of concern, any proposed changes in the selection or application of accounting principles and policies and the reasons for the change, any identified risks and uncertainties, and any issues requiring the judgement of Senior Management, to the extent that the foregoing may be material to financial reporting.
- (b) Consider any matter required to be communicated to the Committee by the Auditor under generally accepted auditing standards, applicable law and listing standards, if applicable, including the Auditor's report to the Committee (and the response of Senior Management thereto) on:
 - (i) accounting policies and practices used by the Company;
 - (ii) alternative accounting treatments of financial information that have been discussed with Senior Management, including the ramifications of the use of such alternative treatments and disclosures and the treatment preferred by the Auditor; and
 - (iii) any other material written communications between the Auditor and Senior Management.
- (c) Discuss with the Auditor their views about the quality, not just the acceptability, of accounting principles and policies used by the Company, including estimates and judgements made by Senior Management and their selection of accounting principles.
- (d) Discuss with Senior Management and the Auditor:
 - (i) any accounting adjustments that were noted or proposed (immaterial or otherwise) by the Auditor but were not reflected in the financial statements;
 - (ii) any material correcting adjustments that were identified by the Auditor in accordance with generally accepted accounting principles ("GAAP") or applicable law;
 - (iii) any communication reflecting a difference of opinion between the audit team and the Auditor's national office on material auditing or accounting issues raised by the engagement; and
 - (iv) any "management" or "internal control" letter issued, or proposed to be issued, by the Auditor to the Company.

- (e) Discuss with Senior Management and the Auditor any significant financial reporting issues considered during the fiscal period and the method of resolution, and resolve disagreements between Senior Management and the Auditor regarding financial reporting.
- (f) Review with Senior Management and the Auditor:
- (i) any off-balance sheet financing mechanisms being used by the Company and their effect on the Company's financial statements; and
 - (ii) the effect of regulatory and accounting initiatives on the Company's financial statements, including the potential impact of proposed initiatives.
- (g) Review with Senior Management and the Auditor and legal counsel, if necessary, any litigation, claim or other contingency, including tax assessments, that could have a material effect on the financial position or operating results of the Company, and the manner in which these matters have been disclosed or reflected in the financial statements.
- (h) Review with the Auditor any audit problems or difficulties experienced by the Auditor in performing the audit, including any restrictions or limitations imposed by Senior Management, and the response of Senior Management, and resolve any disagreements between Senior Management and the Auditor regarding these matters.
- (i) Review the results of the Auditor's work, including findings and recommendations, Senior Management's response, and any resulting changes in accounting practices or policies and the impact such changes may have on the financial statements.
- (j) Review and discuss with Senior Management the audited annual financial statements and related MD&A and make recommendations to the Board with respect to approval thereof before their release to the public.
- (k) Review and discuss with Senior Management and the Auditor all interim unaudited financial statements and related interim MD&A.
- (l) Approve interim unaudited financial statements and related interim MD&A prior to their filing and dissemination.
- (m) In connection with Sections 4.1 and 5.1 of National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), obtain confirmation from the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") (and considering the Auditor's comments, if any, thereon) to their knowledge:
- (i) that the audited financial statements, together with any financial information included in the annual MD&A and annual information form, fairly present in all material respects the Company's financial condition, financial performance and cash flows; and
 - (ii) that the interim financial statements, together with any financial information included in the interim MD&A, fairly present in all material respects the Company's financial condition, financial performance and cash flows.
- (n) Review news releases to be issued in connection with the audited annual financial statements and related MD&A and the interim unaudited financial statements and related interim MD&A, before being disseminated to the public, if the Company is required to do so under applicable

securities laws, paying particular attention to any use of “pro-forma” or “adjusted” non-GAAP, information.

(o) Review any news release containing earnings guidance or financial information based upon the Company’s financial statements prior to the release of such statements, if the Company is required to disseminate such news releases under applicable securities laws.

(p) Review the appointment of the CFO and have the CFO report to the Committee on the qualifications of new key financial personnel involved in the financial reporting process.

4.2 Internal Controls

(a) Consider and review with Senior Management and the Auditor the adequacy and effectiveness of internal controls over accounting and financial reporting within the Company and any proposed significant changes in them.

(b) Consider and discuss any Auditor’s comments on the Company’s internal controls, together with Senior Management responses thereto.

(c) Discuss, as appropriate, with Senior Management and the Auditor any major issues as to the adequacy of the Company’s internal controls and any special audit steps in light of material internal control deficiencies.

(d) Review annually the disclosure controls and procedures.

(e) Receive confirmation from the CEO and the CFO of the effectiveness of disclosure controls and procedures, and whether there are any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information or any fraud, whether or not material, that involves Senior Management or other employees who have a significant role in the Company’s internal control over financial reporting. In addition, receive confirmation from the CEO and the CFO that they are prepared to sign the annual and quarterly certificates required by Sections 4.1 and 5.1 of NI 52-109, as amended from time to time.

4.3 The Auditor

Qualifications and Selection

(a) Subject to the requirements of applicable law, be solely responsible to select, retain, compensate, oversee, evaluate and, where appropriate, replace the Auditor. The Committee shall be entitled to adequate funding from the Company for the purpose of compensating the Auditor for authorized services.

(b) Instruct the Auditor that:

(i) they are ultimately accountable to the Board and the Committee, as representatives of shareholders; and

(ii) they must report directly to the Committee.

(c) Ensure that the Auditor have direct and open communication with the Committee and that the Auditor meet with the Committee once each financial quarter without the presence of Senior

Management to discuss any matters that the Committee or the Auditor believe should be discussed privately.

(d) Evaluate the Auditor's qualifications, performance, and independence. As part of that evaluation:

(i) at least annually, request and review a formal report by the Auditor describing: the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues;

(ii) annually review and confirm with Senior Management and the Auditor the independence of the Auditor, including all relationships between the Auditor and the Company, including the amount of fees received by the Auditors for the audit services, the extent of non-audit services and fees therefor, the extent to which the compensation of the audit partners of the Auditor is based upon selling non-audit services, the timing and process for implementing the rotation of the lead audit partner, reviewing partner and other partners providing audit services for the Company, and whether there should be a regular rotation of the audit firm itself; and

(iii) annually review and evaluate senior members of the audit team of the Auditor, including their expertise and qualifications. In making this evaluation, the Committee should consider the opinions of Senior Management.

Conclusions on the independence of the Auditor should be reported by the Committee to the Board.

(e) Approve and review, and verify compliance with, the Company's policies for hiring of employees and former employees of the Auditor and former auditors. Such policies shall include, at minimum, a one-year hiring "cooling off" period.

Other Matters

(a) Meet with the Auditor to review and approve the annual audit plan of the Company's financial statements prior to the annual audit being undertaken by the Auditor, including reviewing the year-to-year co-ordination of the audit plan and the planning, staffing and extent of the scope of the annual audit. This review should include an explanation from the Auditor of the factors considered by the Auditor in determining their audit scope, including major risk factors. The Auditor shall report to the Committee all significant changes to the approved audit plan.

(b) Review and pre-approve all audit and non-audit services and engagement fees and terms in accordance with applicable law, including those provided to the Company's subsidiaries by the Auditor or any other person in its capacity as independent auditor of such subsidiary. Between scheduled Committee meetings, the Committee Chair, on behalf of the Committee, is authorized to pre-approve any audit or non-audit services and engagement fees and terms up to \$50,000. At the next Committee meeting, the Committee Chair shall report to the Committee any such pre-approval given.

(c) Establish and adopt procedures for such matters.

4.4 Compliance

- (a) Monitor compliance by the Company with all payments and remittances required to be made in accordance with applicable law, where the failure to make such payments could render the Company's directors personally liable.
- (b) Receive regular updates from Senior Management regarding compliance with laws and regulations and the process in place to monitor such compliance, excluding, however, legal compliance matters subject to the oversight of the Corporate Governance and Nominating Committee of the Board, if any. Review the findings of any examination by regulatory authorities and any observations by the Auditor relating to such matters.
- (c) Establish and oversee the procedures in the Company's Whistleblower Policy to address:
 - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting or auditing matters or unethical or illegal behaviour; and
 - (ii) confidential, anonymous submissions by employees of concerns regarding questionable accounting and auditing matters or unethical or illegal behaviour.
- (d) Ensure that political and charitable donations conform with policies and budgets approved by the Board.
- (e) Monitor management of hedging, debt and credit, make recommendations to the Board respecting policies for management of such risks, and review the Company's compliance therewith.
- (f) Approve the review and approval process for the expenses submitted for reimbursement by the CEO.
- (g) Oversee Senior Management's mitigation of material risks within the Committee's mandate and as otherwise assigned to it by the Board.

4.5 Financial Oversight

- (a) Assist the Board in its consideration and ongoing oversight of matters pertaining to:
 - (i) capital structure and funding including finance and cash flow planning;
 - (ii) capital management planning and initiatives;
 - (iii) property and corporate acquisitions and divestitures including proposals which may have a material impact on the Company's capital position;
 - (iv) the Company's annual budget;
 - (v) the Company's insurance program;
 - (vi) directors' and officers' liability insurance and indemnity agreements; and
 - (vii) matters the Board may refer to the Committee from time to time in connection with the Company's capital position.

4.6 Other

- (a) Perform such other duties as may be assigned to the Committee by the Board.
- (b) Annually review and assess the adequacy of its charter and recommend any proposed changes to the other committees of the Company.
- (c) Review its own performance annually, and provide the results of such evaluation to the Board for its review.

5. AUTHORITY

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to:

- a) select, retain, terminate, set and approve the fees and other retention terms of special or independent counsel, accountants or other experts, as it deems appropriate; and
- b) obtain appropriate funding to pay, or approve the payment of, such approved fees, without seeking approval of the Board or Senior Management.

6. ACCOUNTABILITY

The Committee Chair shall make periodic reports to the Board, as requested by the Board, on matters that are within the Committee's area of responsibility.

The Committee shall maintain minutes of its meetings with the Company's Corporate Secretary and shall provide an oral report to the Board at the next Board meeting that is held after a Committee meeting.

Appendix "A"

Definitions from National Instrument 52-110 Audit Committees

Section 1.4 Meaning of Independence

- (1) An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.
- (2) For the purposes of subsection (1), a "material relationship" is a relationship which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgement.
- (3) Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:
 - (a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;
 - (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
 - (c) an individual who:
 - (i) is a partner of a firm that is the issuer's internal or external auditor,
 - (ii) is an employee of that firm, or

- (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
 - (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
 - (i) is a partner of a firm that is the issuer's internal or external auditor,
 - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
 - (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer's current executive officers serves or served at that same time on the entity's compensation committee; and
 - (f) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than \$75,000 in direct compensation from the issuer during any 12 month period within the last three years.
- (4) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because
- (a) he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2004; or
 - (b) he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2005.
- (5) For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.
- (6) For the purposes of clause (3)(f), direct compensation does not include:
- (a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and
 - (b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.
- (7) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member
- (a) has previously acted as an interim chief executive officer of the issuer, or
 - (b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.

(8) For the purpose of Section 1.4, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

Section 1.5 Additional Independence Requirements

(1) Despite any determination made under Section 1.4, an individual who

(a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or

(b) is an affiliated entity of the issuer or any of its subsidiary entities, is considered to have a material relationship with the issuer.

(2) For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by

(a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or

(b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.

(3) For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

Section 1.6 Meaning of Financial Literacy

For the purposes of this Instrument, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements.