**CHILEAN METALS INC.**
202 – 82 Richmond Street East
Toronto, Ontario M5C 1P1

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**NOTICE IS GIVEN THAT** the annual general meeting (the "**Meeting**") of the shareholders of Chilean Metals Inc. (the "**Company**") will be held at 202 – 82 Richmond Street East, Toronto, Ontario M5C 1P1 on Tuesday, December 1, 2026 at 11:00 a.m. (EST) for the following purposes:

1. to receive the Company's audited financial statements for the financial year ended December 31, 2025, and the auditor's report and MD&A thereon;

2. to fix the number of directors for the ensuing year at five (5);

3. to elect directors for the ensuing year;

4. to appoint Horizon Assurance LLP, Chartered Professional Accountants, as the Company's auditor for the ensuing fiscal year and to authorize the directors to set the auditor's remuneration;

5. to consider and if though fit, pass an ordinary resolution to re-approve the Company's "up to 10% Roling Stock Option Plan"; and

6. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

The specific details of the foregoing matters to be put before the Meeting are set forth in the information circular (the "**Circular**") accompanying this notice. A form of proxy and a request for financial statements return card are also included.

The Company has opted to use the notice and access rules developed by the Canadian Securities Administrators to reduce the volume of paper in the materials distributed for the Meeting. Instead of receiving the Circular with the form of proxy or voting instruction form, shareholders will receive a notice and access notification ("**Notice and Access Notification**") with instructions for accessing the remaining Meeting materials online. The Circular and other relevant materials are available via the internet at https://chileanmetals.com/ or under the Company's profile on the SEDAR+ website at www.sedarplus.ca.

The Company encourages shareholders to vote in advance of the Meeting using the form of proxy or voting instruction form mailed to them with the Notice and Access Notification. Registered shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting. Beneficial shareholders who have not duly appointed themselves as proxyholder will be able to attend the Meeting as guests, but guests will not be able to vote at the Meeting.

The board of directors of the Company (the "**Board**") has by resolution fixed the close of business on October 14, 2026 as the record date, being the date for the determination of the holders of common shares of the Company entitled to notice of and to vote at the Meeting and any adjournment(s) thereof.

Proxies to be used at the Meeting must be deposited with the Company, c/o the Company's transfer agent, Endeavor Trust Corporation ("**Endeavor**") at 702 – 777 Hornby Street, Vancouver, BC V6Z 1S4, by hand or by fax in North America at 604-559-8908 or via scan or e-mail to proxy@endeavortrust.com, no later than 48 hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting or any adjournment(s) thereof, unless the chair of the Meeting elects to exercise his or her discretion to accept proxies received subsequently.

Non-registered shareholders who receive a Notice and Access Notification through their broker or other intermediary are requested to follow the instructions for voting provided by their broker or intermediary, which may include the completion and delivery of a voting instruction form.

Shareholders with questions about notice and access can call Endeavor toll free at 1-888-787-0888.

DATED at Toronto, Ontario, this 14th day of October, 2026.

**BY ORDER OF THE BOARD OF DIRECTORS**

Per: (signed) "*Conor Lynch*"

Name: Conor Lynch

Title: CEO & Director

***If you are a non-registered shareholder of the Company and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or by the other intermediary. Failure to do so may result in your shares not being eligible to be voted by proxy at the Meeting.***

**CHILEAN METALS INC.**
202 – 82 Richmond Street East
Toronto, Ontario
M5C 1P1

**INFORMATION CIRCULAR**
as of October 14, 2026 (unless otherwise noted)

## MANAGEMENT SOLICITATION OF PROXIES

**This Information Circular is furnished to you in connection with the solicitation of proxies by management of Chilean Metals Inc. ("we", "us" or the "Company") for use at the Annual General Meeting (the "Meeting") of shareholders of the Company to be held on Tuesday, December 1, 2026 at 11:00am (Eastern standard time) at 202 – 82 Richmond Street East, Toronto, Ontario M5C 1P1 and at any adjournment of the Meeting.** The Company will conduct its solicitation by mail and our officers, directors and employees may, without receiving special compensation, contact shareholders by telephone, electronic means or other personal contact. We will not specifically engage employees or soliciting agents to solicit proxies. We do not reimburse shareholders, nominees or agents (including brokers holding shares on behalf of clients) for their costs of obtaining authorization from their principals to sign forms of proxy. We will pay the expenses of this solicitation.

## NOTICE AND ACCESS

The Company is using the notice and access process under National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* for the delivery of the Meeting Materials to Shareholders. Accordingly, the Meeting Materials can be accessed by going to the Company's website at https://chileanmetals.com/ for a period of one year from the date of the Meeting, or by visiting the Company's SEDAR+ profile at www.sedarplus.ca. Shareholders will receive a notice package from the Company that includes: (i) the relevant form of proxy or voting instruction form; and (ii) basic information about the Meeting and the matters to be voted on (a "Notice and Access Notification"), including instructions on how to obtain a paper copy of the Meeting Materials and a plain language explanation of how the notice and access system operates and how the Meeting Materials can be accessed online. Registered Shareholders and those beneficial Shareholders with existing instructions on their account to receive printed materials will receive a printed copy of the Meeting Materials with the notice package.

Shareholders who wish to receive paper copies of the Meeting Materials may request them by contacting the Company's transfer agent, Endeavor Trust Corporation, by email to proxy@endeavortrust.com or by calling toll-free at 1-888-787-0888. To receive paper copies well in advance of the proxy deposit deadline, the request should be received no later than Tuesday November 10, 2026.

## APPOINTMENT OF PROXY HOLDER

The persons named as **proxy holders** in the enclosed form of proxy are the Company's directors or officers. **As a shareholder, you have the right to appoint a person (who need not be a shareholder) in place of the persons named in the form of proxy to attend and act on your behalf at the Meeting. To exercise this right, you must either insert the name of your representative in the blank space provided in the form of proxy and strike out the other names or complete and**

**deliver another appropriate form of proxy.**

A proxy will not be valid unless it is dated and signed by you or your attorney duly authorized in writing or, if you are a corporation, by an authorized director, officer, or attorney of the corporation.

## VOTING BY PROXY

**The persons named in the accompanying form of proxy will vote or withhold from voting the shares represented by the proxy in accordance with your instructions, provided your instructions are clear. If you have specified a choice on any matter to be acted on at the Meeting, your shares will be voted or withheld from voting accordingly. If you do not specify a choice or where you specify both choices for any matter to be acted on, your shares will be voted in favour of all matters.**

**The enclosed form of proxy gives the persons named as proxy holders discretionary authority regarding amendments or variations to matters identified in the Notice of Meeting and any other matter that may properly come before the Meeting. As of the date of this Information Circular, our management is not aware of any such amendment, variation or other matter proposed or likely to come before the Meeting. However, if any amendment, variation or other matter properly comes before the Meeting, the persons named in the form of proxy intend to vote on such other business in accordance with their judgement.**

You may indicate the manner in which the persons named in the enclosed proxy are to vote on any matter by marking an "X" in the appropriate space. If you wish to give the persons named in the proxy a discretionary authority on any matter described in the proxy, then you should leave the space blank. **In that case, the proxy holders nominated by management will vote the shares represented by your proxy in accordance with their judgment.**

## RETURN OF PROXY

You must deliver the completed form of proxy to the office of the Company's registrar and transfer agent, Endeavor Trust Corporation, 702 – 777 Hornby Street, Vancouver, BC V6Z 1S4, via fax at 604-559-8908 or via scan or e-mail to proxy@endeavortrust.com or to the Company's head office at the address listed on the cover page of this Information Circular, not less than 48 hours (excluding Saturdays, Sundays, and holidays) before the scheduled time of the Meeting or any adjournment.

## NON-REGISTERED SHAREHOLDERS

**Only registered Shareholders of the Company or the persons they appoint as their proxies are permitted to vote at the Meeting.** Registered Shareholders are holders of shares whose names appear on the share register of the Company and are not held in the name of a brokerage firm, bank or trust company through which they purchased shares. Whether or not you are able to attend the Meeting, Shareholders are requested to vote their proxy in accordance with the instructions on the proxy. Most Shareholders are "non-registered" Shareholders ("**Non-Registered Shareholders**") because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares. The shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Shareholder deals with in respect of their shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in

the name of a clearing agency (such as The Canadian Depository for Securities Limited or The Depository Trust & Clearing Corporation) of which the Intermediary is a participant.

There are two kinds of beneficial owners: those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for Objecting Beneficial Owners) and those who do not object (called "**NOBOs**" for Non-Objecting Beneficial Owners).

The Company is not sending the Notice and Access Notification directly to NOBOs in connection with the Meeting but rather has distributed copies of the Notice and Access Notification to the Intermediaries for distribution to NOBOs. With respect to OBOs, in accordance with applicable securities law requirements, the Company has distributed copies of the Notice and Access Notification to the clearing agencies and Intermediaries for distribution to OBOs. **The Company does not intend to pay for Intermediaries to deliver the Meeting materials and Form 54-101F7 Request for Voting Instructions Made by Intermediary to OBOs. Accordingly, OBOs will not receive those materials unless their Intermediary assumes the costs of delivery.**

Intermediaries are required to forward the Meeting materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting materials will either:

(a) be given a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a "**voting instruction form**") which the Intermediary must follow; or

(b) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and **deposit it with the Company, c/o Endeavor Trust Corporation, 702 – 777 Hornby Street, Vancouver, BC V6Z 1S4.**

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of their shares which they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the form of proxy and insert their own name or such other person's name in the blank space provided. **Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.**

A Non-Registered Shareholder may revoke a voting instruction form or a waiver of the right to receive Meeting materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting materials and to vote which is not received by the Intermediary at least seven days prior to the Meeting.

## REVOCATION OF PROXY

If you are a registered shareholder who has returned a proxy, you may revoke your proxy at any time before it is exercised. In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by either:

(a) signing a proxy bearing a later date; or

(b) signing a written notice of revocation in the same manner as the form of proxy is required to be signed as set out in the notes to the proxy.

The later proxy or the notice of revocation must be delivered to the office of the Company's registrar and transfer agent or to the Company's head office at any time up to and including the last business day before the scheduled time of the Meeting or any adjournment, or to the Chairman of the Meeting on the day of the Meeting or any adjournment.

If you are a non-registered shareholder who wishes to revoke a VIF or to revoke a waiver of your right to receive Meeting materials and to give voting instructions, you must give written instructions to your Nominee at least seven days before the Meeting.

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

None of the directors or executive officers of the Company, nor any person who has held such a position since the beginning of the last completed financial year of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the adoption of the Company's stock option plan and the approval of the creation of a new control person, approval of which will be sought at the Meeting. Directors and executive officers of the Company may participate in the Company's stock option plan, and accordingly have an interest in its approval.

## VOTING SHARES AND PRINCIPAL SHAREHOLDERS

The Company is authorized to issue an unlimited number of common shares without par value, of which 21,336,349 common shares are issued and outstanding as of October 14, 2026 . There is only one class of voting shares.

Persons who are registered shareholders at the close of business on October 14, 2026 will be entitled to receive notice of, attend, and vote at the Meeting. On a show of hands, every shareholder and proxy holder will have one vote and, on a poll, every shareholder present in person or represented by proxy will have one vote for each share. In order to approve a motion proposed at the Meeting, a majority of more than 50% of the votes cast will be required to pass an ordinary resolution, and a majority of at least two thirds of the votes cast will be required to pass a special resolution.

To the knowledge of our directors and executive officers, the only person that beneficially owns, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of all voting rights as of October 14, 2026 is Power Metallic Mines Inc. ("**Power Metallic**"). Power Metallic holds 10,862,849 common shares of the Company, representing 50.9% of the issued and outstanding common shares of the Company. Power Metallic is a widely-held public company, listed on the TSX Venture Exchange ("**TSXV**"). Two of Power Metallic's directors, Terry Lynch and Peter Kent, are also directors of the Company.

## ELECTION OF DIRECTORS

Directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until that person sooner ceases to be a director. The shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company at five (5) for the next year, subject to any increases permitted by the Company's Articles.

The Company has Advance Notice Provisions in its Articles which provide for advance notice to the Company in circumstances where nominations of persons for election to the Board are made by shareholders of the Company other than pursuant to (i) a requisition of a meeting made pursuant to the provisions of the *Business Corporations Act* (British Columbia) ("**BCBCA**") or (ii) a shareholder proposal made pursuant to the provisions of the BCBCA.

Among other things, the Advance Notice Provisions fix a deadline by which holders of Common Shares must submit director nominations to the Company prior to any annual general or special meeting of shareholders and sets forth the minimum information that a shareholder must include in the notice to the Company for the notice to be in proper written form. The Company has not received notice of a nomination in compliance with the Advance Notice Provisions and, as such, any nominations other than nominations by or at the direction of the Board or an authorized officer of the Company will be disregarded at the Meeting.

Unless you provide other instructions, the enclosed proxy will be voted for the nominees listed below. Management does not expect that any of the nominees will be unable to serve as a director. If before the Meeting any vacancies occur in the slate of nominees listed below, the person named in the proxy will exercise his or her discretionary authority to vote the shares represented by the proxy for the election of any other person or persons as directors.

Management proposes to nominate the persons named in the table below for election as director. The information concerning the proposed nominees has been furnished by each of them:

| **Name, Province or State and Country of Residence and Present Office Held** | **Periods served as Director** | **Number of Shares Beneficially Owned, Directly or Indirectly, or over which Control or Direction is Exercised[(1)]** | **Principal Occupation and, if Not Previously Elected, Principal Occupation during the past Five Years** |
|---|---|---|---|
| **Terry Lynch**<br>Nassau, The Bahamas<br>Non-Executive Chair and Director | September 23, 2024 | 512,281 | President / CEO of Power Metallic Mines Inc. since 2012 |
| **Conor Lynch**<br>Nassau, The Bahamas<br>Chief Executive Officer and Director | January 27, 2025 | 435,773 | CEO of Chilean Metals Inc. since January 2025; Business Executive |
| **Peter Kent**<br>Oakville, Ontario<br>Director[(2)] | January 27, 2025 | 82,846 | Retired Lawyer |

| Name, Province or State and Country of Residence and Present Office Held | Periods served as Director | Number of Shares Beneficially Owned, Directly or Indirectly, or over which Control or Direction is Exercised[(1)] | Principal Occupation and, if Not Previously Elected, Principal Occupation during the past Five Years |
|---|---|---|---|
| **Henrik Mikkelsen**<br>Switzerland<br>Director[(2)] | May 10, 2025 | 6,000 | Chief Investment Officer of Iridis AG, an investment advisory, corporate finance consulting and asset development firm since 2015 |
| **Joseph Campbell, P. Geo**<br>Ottawa, Ontario<br>Director[(2)] | August 19, 2025 | Nil | President of GeoVector Management Inc., a management and mineral exploration consulting company. |

**Notes**:

(1) As at October 14, 2026. Includes common shares beneficially owned directly or indirectly, over which control or discretion is exercised, as at the date of this Information Circular. This information was obtained directly from the nominees.

(2) Member of the Audit Committee.

No proposed director of the Company, other than Henrik Mikkelsen, is or has been, within the past 10 years, a director, chief executive officer or chief financial officer of any company that, while the person was acting in that capacity:

(a) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) 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 director, chief executive officer or chief financial officer.

For the purposes of the above, "order" means (a) a cease trade order; (b) an order similar to a cease trade order; or (c) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

Henrik Mikkelsen was a director of CellCube Energy Storage Systems Inc., when it was issued a cease trade order by the Ontario Securities Commission on November 1, 2019. Following the cease trade order, the company has been delisted from the Canadian Securities Exchange.

No proposed director of the Company has, within the past 10 years, become 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 the assets of the proposed director.

To the knowledge of the Company, no nominee for director of the Company has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would

likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director, other than Conor Lynch as it relates to a settlement agreement with a regulatory body as described below.

Conor Lynch was a founder and CEO of WealthPress Holdings LLC ("**WealthPress**"), a company that provides education for trading and investment, when the company and the individual founders of the company entered into a settlement agreement with the Federal Trade Commission ("**FTC**") regarding a civil complaint that the court approved on March 28, 2023. The FTC complaint against WealthPress was part of a broader action by the FTC to target companies making "earnings" claims to consumers as approximately 1,100 other companies in similar industries were sent notices by the FTC around the same period. The complaint against WealthPress alleged that the company used unsubstantiated or misleading "earnings" claims to entice consumers to purchase products. Mr. Lynch was not directly accused of making these claims, but was a defendant in connection with his managerial role in the company. WealthPress and Mr. Lynch settled the complaint with no admission of liability or finding of fact against the company and the company was ordered to refund $1.2 million to customers and pay a $500,000 civil liability. The claims by the FTC did not include any breaches of securities laws or regulations and no securities regulatory authority was involved in the complaint against WealthPress.

No proposed director of the Company is or has been, within the past 10 years, a director or executive officer of any company that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, become 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.

## EXECUTIVE COMPENSATION

The Company is a venture issuer and is disclosing its executive compensation in accordance with Form 51-102F6V.

The following persons are considered the "**Named Executive Officers**" or "**NEOs**" for the purposes of this disclosure:

(a) the Company's chief executive officer ("**CEO**");

(b) the Company's chief financial officer ("**CFO**");

(c) each of the Company's most highly compensated executive officers, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually more than $150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for the December 31, 2025 year end; and

(d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact the individual was neither an executive officer, nor acting in a similar capacity at December 31, 2025 .

### Director and Named Executive Officer Compensation, excluding Compensation Securities

The following table provides a summary of compensation paid or accrued, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company or its subsidiaries of the

Company to each Named Executive Office and director of the Company during the Company's most recent financial years ended December 31, 2024 and December 31, 2025.

| Table of compensation excluding compensation securities | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Name and position** | **Year** | **Salary, consulting fee, retainer or commission ($)** | **Bonus ($)** | **Committee or meeting fees ($)** | **Value of perquisites[(1)] ($)** | **Value of all other compensation ($)** | **Total compensation ($)** |
| **Terry Lynch,** Non-Executive Chair and Director | 2025 | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2024 | Nil | Nil | Nil | Nil | Nil | Nil |
| **Conor Lynch,** CEO and Director | 2025[(2)] | 155,966 | Nil | Nil | Nil | Nil | 155,966 |
| **Henrik Mikkelsen,** Director | 2025[(3)] | Nil | Nil | Nil | Nil | Nil | Nil |
| **Joseph Campbell,** Director | 2025[(4)] | Nil | Nil | Nil | Nil | Nil | Nil |
| **Peter Kent,** Director | 2025[(5)] | Nil | Nil | Nil | Nil | Nil | Nil |
| **Robert Suttie,** CFO | 2025[(6)] | Nil | Nil | Nil | Nil | Nil | Nil |

**Notes**:

(1) The value of perquisites and benefits, if any, was less than $15,000.

(2) Conor Lynch was appointed CEO and Director on January 27, 2025. He was paid a monthly fee for acting as CEO from July 2025 onwards, so fees disclosed represent six months. In future periods in FYE 2026, the monthly fee will be reduced to reflect the split of work that Mr. Lynch performs for the Company and the Company's controlling entity Power Metallic.

(3) Henrik Mikkelsen was appointed a Director on May 10, 2025.

(4) Joseph Campbell was appointed a Director on August 19, 2025.

(5) Peter Kent was appointed a Director on January 27, 2025.

(6) Robert Suttie was appointed as CFO on January 27, 2025.

**Stock Options and Other Compensation Securities**

During the financial year ended December 31, 2025, on February 3, 2025, on the closing of the Company's plan of arrangement with Power Metallic, certain stock options were issued in the Company as a result of the plan of arrangement, and the adjustment of stock options that were previously outstanding in Power Metallic at the time of the plan of arrangement. All of the options disclosed in the below table represent previous Power Metallic options as adjusted into options of the Company by the plan of arrangement and as previously granted to such persons as optionees of Power Metallic.

| Compensation Securities | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Name and position** | **Type of compensation security** | **Number of compensation securities, number of underlying securities, and percentage of class[1]** | **Date of issue or grant** | **Issue, conversion or exercise price ($)** | **Closing price of security or underlying security on date of grant[2] ($)** | **Closing price of security or underlying security at year end[3] ($)** | **Expiry date** |
| **Terry Lynch,** Director and Non-executive Chair | Stock option | 80,000 | February 3, 2025 | 0.31 | N/A | N/A | February 25, 2026 |
| | | 50,000 | | 0.25 | | | June 15, 2028 |
| | | 60,000 (27.1%) | | 0.66 | | | July 26, 2029 |
| **Peter Kent,** Director | Stock option | 52,500 | February 3, 2025 | 0.31 | N/A | N/A | February 25, 2026 |
| | | 7,500 | | 0.20 | | | November 28, 2027 |
| | | 10,000 | | 0.25 | | | June 15, 2028 |
| | | 20,000 (12.8%) | | 0.66 | | | July 26, 2029 |
| **Joseph Campbell,** Director | Stock option[4] | 12,500 | February 3, 2025 | 0.66 | N/A | N/A | August 16, 2026 |
| | | 25,000 (5.3%) | | 1.04 | | | January 14, 2028 |
| **Robert Suttie,** CFO | Stock option | 5,000 | February 3, 2025 | 0.20 | N/A | N/A | November 28, 2027 |
| | | 30,000 (5.0%) | | 0.66 | | | September 9, 2029 |

**Notes**:

(1) Each stock option is exercisable into one common share. The percentage (of the class of options) is calculated based on 701,000 stock options of the Company outstanding as of December 31, 2025.

(2) The Company was not listed on a stock exchange on the date of issuance of the stock options on February 3, 2025 as result of the plan of arrangement with Power Metallic. See note 7 of the Company's audited financial statements for the year ended December 31, 2025 for more information.

(3) The Company was not listed on a stock exchange as at December 31, 2025. See note 7 of the Company's audited financial statements for the year ended December 31, 2025 for more information.

(4) These represent stock options held by GeoVector Management Inc., a company of which Joseph Campbell is President.

## Exercise of Compensation Securities by Directors and NEOs

There were no compensation securities exercised by directors or NEOs during the financial year ended December 31, 2025.

## Employment, Consulting and Management agreements

There were no management agreements in place during the financial year ended December 31, 2025.

## Oversight and Description of Director and Named Executive Officer Compensation

*Director compensation*

The Company was incorporated on September 23, 2024. No director compensation was paid for the financial years ended December 31, 2025 or December 31, 2024.

The Company has a stock option plan for the granting of incentive stock options to the officers, employees and Directors. The purpose of granting options is to assist the Company in compensating, attracting, retaining and motivating the Directors of the Company and to closely align the personal interests of such persons to that of the shareholders. The Company has not yet granted any stock options, except those that were issued as result of the Company's plan of arrangement with Power Metallic and the adjustment of Power Metallic options.

*Named Executive Officer Compensation*

The Board is responsible for ensuring that the Company's compensation strategy is aligned with performance and shareholder interests. The main objectives the Company hopes to achieve through its compensation policies are to attract and retain executives critical to the Company's success, who will be key in helping the Company achieve its corporate objectives and increase shareholder value.

Due to the small size of the Company and the current level of the Company's activity, the Board of Directors is able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular Board meetings during which financial and other information of the Company are reviewed. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

Executive compensation is comprised of short-term fee compensation and long-term ownership through the Company's stock option plan. This structure ensures that a significant portion of executive compensation (stock options) is both long-term and "at risk" and, accordingly, is directly linked to the achievement of business results and the creation of long term shareholder value.

During the financial year ended December 31, 2025, CEO compensation consisted of $155,966 and CFO compensation consisted of $nil.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Company has an up to 10% rolling incentive Stock Option Plan (the "**Plan**") under which stock options are granted. Stock options will be determined by the Company's directors and are only granted in compliance with applicable laws and regulatory policy. The policies of the TSXV limit the granting of stock options to employees, officers, directors and consultants of the Company and provide limits on the length of term, number and exercise price of such options. The TSXV also requires annual approval of stock option plans by shareholders.

The following table sets out equity compensation plan information as at the end of the financial year ended December 31, 2025.

| Plan Category | Number of securities to be issued upon exercise of outstanding options[1] (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))[2] (c) |
|---|---|---|---|
| Equity compensation plans **approved** by securityholders[3] | 701,000 | 0.48 | 1,409,385 |
| Equity compensation plans **not approved** by securityholders | N/A | N/A | N/A |

**Notes**:
(1) Assuming outstanding options are fully vested.
(2) Excluding the number of shares issuable on exercise of the outstanding options shown in the second column.
(3) The Company last obtained shareholder approval of the Plan on August 19, 2025.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of our directors or executive officers, proposed nominees for election as directors, or associates of any of them, is or has been indebted to the Company or our subsidiaries at any time since the beginning of the most recently completed financial year and no indebtedness remains outstanding as at the date of this Information Circular.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Company, no proposed nominee for election as a director of the Company, and no associate or affiliate of any of these persons, has any material interest, direct or indirect, in any transaction since the commencement of our last financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or any of our subsidiaries, other than as disclosed under the heading "Particulars of Matters to be Acted On".

An "informed person" means:

(a) a director or executive officer of the Company;

(b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;

(c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Company other than voting securities held by the person or company as underwriter in the course of a distribution; and

(d) the Company if it has purchased, redeemed or otherwise acquired any of its securities, so long as it holds any of its securities.

## AUDIT COMMITTEE

Under this heading, the Company is including the disclosure required by Form 52-110F2 of National Instrument 52-110 *Audit Committees* ("**NI 52-110**").

### Audit Committee Charter

The full text of the Company's Audit Committee Charter is attached as Schedule "A".

### Composition of the Audit Committee

As of the date of this Information Circular, the following are the members of the Audit Committee:

| Name of Member | Independent[(1)] | Financially Literate[(1)] |
|---|---|---|
| Henrik Mikkelsen | Independent | Yes[(1)] |
| Peter Kent | Not Independent[(2)] | Yes[(1)] |
| Joseph Campbell | Independent | Yes[(1)] |

Notes:
(1) As that term is defined in NI 52-110.
(2) Peter Kent is not considered independent because he is a director of Power Metallic and Power Metallic is a controlling shareholder of the Company.

### Relevant Education and Experience of Audit Committee Members

The education and experience of each member of the Audit Committee relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

1. an understanding of the accounting principles used by the Company to prepare its financial statements;

2. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;

3. 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 one or more persons engaged in such activities; and

4. an understanding of internal controls and procedures for financial reporting, are as follows:

**Henrik Mikkelsen** – Henrik Mikkelsen is the owner and CIO of Iridis AG, an investment advisory, corporate finance consulting and asset development firm that specializes in the energy and resource industries. He has more than 30 years of experience in investment banking and commodity trading, running strategies for clients and himself.

**Peter Kent** – Formerly with the TecSyn Group of Companies where he was Vice President General Counsel and Corporate Secretary. Mr. Kent brings over 30 years of business experience regarding

complex business and legal affairs. In addition to his time at Tecsyn, Peter also was a corporate commercial lawyer at Bassel Sullivan a Toronto-based boutique law firm.

**Joseph Campbell** – Mr. Campbell is the President of GeoVector Management Inc., a management and mineral exploration consulting company. Mr. Campbell has over 40 years of experience in exploration and mining holding previous roles such as Exploration Manager, Mine Manager, Chief Mine Geologist, and Project Manager at various major mining companies such as Noranda and Western Mining Corporation. He co-founded a gold exploration company, Terrax Minerals Inc. (now Gold Terra Resource Corp. (TSXV: YGT)) in 2007 where he served as President, Executive Chairman, and COO. He is currently a director of Edgemont Gold Corp. (CSE: EDM).

***Audit Committee Oversight***

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

***Reliance on Exemptions in NI 52-110 regarding De Minimis Non-audit Services or on a Regulatory Order Generally***

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 (which exempts all non-audit services provided by the Company's auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Company, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit), the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*) or an exemption from NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of NI 52-110.

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

The Audit Committee must pre-approve all non-audit services to be provided to the Company by the Company's external auditor. Aside from the above, the Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

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

The following table discloses the fees billed to the Company by its external auditor during the last two financial years:

| Financial Year Ending | Audit Fees ($) | Audit-Related Fees ($) | Tax Fees | All Other Fees |
|---|---|---|---|---|
| December 31, 2025 | 25,000 | 3,000 | Nil | Nil |
| December 31, 2024[(1)] | Nil | Nil | Nil | Nil |

**Notes**:

(1) Power Metallic paid the expenses for the Company's Golden Ivan and Chilean Properties carve-out financial statements for the FYE December 31, 2024.

***Reliance on Exemptions in NI 52-110 regarding Audit Committee Composition & Reporting Obligations***

Since the Company is a venture issuer, it relies on the exemption contained in section 6.1 of NI 52-110 from the requirements of Part 3 Composition of the Audit Committee (as described in 'Composition of the Audit Committee' above) and Part 5 Reporting Obligations of NI 52-110 (which requires certain prescribed disclosure about the Audit Committee in this Information Circular).

## APPOINTMENT OF AUDITOR

Our Audit Committee recommends the re-appointment of Horizon Assurance LLP, Chartered Professional Accountants, of Markham, Ontario, as our auditor to hold office until the Company's next annual general meeting. Horizon Assurance LLP, Chartered Professional Accountants was first appointed as auditor in February 2025. The Audit Committee proposes that the Board of Directors be authorized to fix the remuneration to be paid to the auditor.

**Unless otherwise instructed, the proxies solicited by management will be voted for the appointment of Horizon Assurance LLP, Chartered Professional Accountants, of Markham, Ontario, as the Company's auditor.**

## CORPORATE GOVERNANCE

National Instrument 58-101 *Disclosure of Corporate Governance Practices* of the Canadian securities administrators requires the Company to annually disclose certain information regarding its corporate governance practices. Under this heading, the Company is providing the disclosure required by Form 58-101F2.

**Board of Directors**

The mandate of the Board, as prescribed by the BCBCA, is to manage or supervise management of our business and affairs and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of our affairs directly.

The Board has responsibility for the stewardship of the Company including responsibility for strategic planning, identification of the principal risks of the Company's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Company's internal control and management information systems.

The Board sets long term goals and objectives for the Company and formulates the plans and strategies necessary to achieve those objectives and to supervise senior management in their implementation. The Board delegates the responsibility for managing the day-to-day affairs of the Company to senior management but retains a supervisory role in respect of, and ultimate responsibility for, all matters relating to the Company and its business. The Board is responsible for protecting shareholders' interests and ensuring that the incentives of the shareholders and of management are aligned.

As part of its ongoing review of business operations, the Board reviews, as frequently as required, the principal risks inherent in the Company's business including financial risks, through periodic reports from management of such risks, and assesses the systems established to manage those

risks. Directly and through the Audit Committee, the Board also assesses the integrity of internal control over financial reporting and management information systems.

In addition to those matters that must, by law, be approved by the Board, the Board is required to approve any material dispositions, acquisitions and investments outside the ordinary course of business, long-term strategy, and organizational development plans. Management of the Company is authorized to act without board approval, on all ordinary course matters relating to the Company's business.

The Board also monitors the Company's compliance with timely disclosure obligations and reviews material disclosure documents prior to distribution. The Board is responsible for selecting the President and appointing senior management and for monitoring their performance.

The Board considers that Joseph Campbell and Henrik Mikkelsen are "independent" in that each is 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 with the best interests of the Company, other than interests and relationships arising from shareholding. Conor Lynch is not independent as he is the CEO. Terry Lynch and Peter Kent are non-management directors and not involved in the day-to-day management of the Company; however, as directors of Power Metallic, a controlling shareholder of the Company, they are considered to be non-independent under NI 52-110.

**Directorships**

Certain of the directors (or director nominees) are presently a director of one or more other reporting issuers (or equivalent) in a Canadian or foreign jurisdiction, as follows:

| Name of Director (or Director Nominee) | Other reporting issuer (or equivalent in a foreign jurisdiction) |
|---|---|
| Terry Lynch | Power Metallic Mines Inc. (TSXV: PNPN); American Atomics Inc. (CSE: NUKE) |
| Peter Kent | Power Metallic Mines Inc. (TSXV: PNPN) |
| Conor Lynch | N/A |
| Henrik Mikkelsen | American Atomics Inc. (CSE: NUKE) |
| Joseph Campbell | Edgemont Gold Corp. (CSE: EDGM) |

**Orientation and Continuing Education**

The Board is responsible for providing orientation for all new recruits to the Board. Each new director brings a different skill set and professional background, and with this information, the Board is able to determine what orientation to the nature and operations of the Company's business will be necessary and relevant to each new director. The Company provides continuing education for its directors as the need arises and encourages open discussion at all meetings, which format encourages learning by the directors.

**Ethical Business Conduct**

The Board relies on the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law to ensure the Board operates independently of management and in the best interests of the Company. The Board has found that these, combined with the conflict of interest provisions of the BCBCA, as well as the relevant securities regulatory instruments, ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

**Nomination of Directors**

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders. The Board takes into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board does not have a nominating committee. The board is responsible for recruiting new members to the Board and planning for the succession of Board members.

**Compensation**

The Board is responsible for determining all forms of compensation, including long-term incentive in the form of stock options, to be granted to the CEO and the directors, and for reviewing the CEO's recommendations respecting compensation of the other officers of the Company, to ensure such arrangements reflect the responsibilities and risks associated with each position. Please see above under "Executive Compensation" for further information.

**Other Board Committees**

The Board has no other committees other than the Audit Committee.

**Assessments**

The Board annually reviews its own performance and effectiveness as well as reviews the Audit Committee Charter and recommends revisions as necessary. Neither the Company nor the Board has adopted formal procedures to regularly assess the Board, the Audit committee or the individual directors as to their effectiveness and contribution. Effectiveness is subjectively measured by comparing actual corporate results in prevailing industry and market climate conditions with stated objectives. The contributions of individual directors are informally monitored by the other Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board.

The Board believes its corporate governance practices are appropriate and effective for the Company, given its size and operations. The Company's corporate governance practice allows the Company to operate efficiently, with checks and balances that control and monitor management and corporate functions without excessive administrative burden.

## MANAGEMENT CONTRACTS

The management functions of the Company are not to any substantial degree performed by any person other than the executive officers and directors of the Company.

The Company has a contract with Marrelli Support Services Inc. to provide accounting and CFO services. Rob Suttie, who is the Company's CFO, is employed by Marrelli Support Services Inc.

## PARTICULARS OF MATTERS TO BE ACTED ON

### Shareholder Approval of Stock Option Plan

TSXV policy requires that all companies listed on the TSXV adopt a stock option plan if a company wishes to grant stock options and that all stock option plans that reserve a maximum of 10% of the issued and outstanding share capital of the Company at the time of grant (called a "rolling plan"), must be approved and ratified by shareholders on an annual basis in accordance with Policy 4.4 of the TSXV ("**Policy 4.4**"). The Company last received shareholder approval for the Company's Stock Option Plan (the "**Plan**") on August 19, 2025.

At the Meeting, shareholders will be asked to ratify and approve the Plan. Under TSXV Policy 4.4 – *Securities Based Compensation*, the Plan is considered a "rolling up to 10%" plan. The Company is seeking shareholder approval of the Company's Plan in accordance with and subject to the rules and policies of the TSXV.

The purpose of the Plan is to provide incentives to employees, directors, officers, and consultants who provide services to the Company and to influence the cash compensation the Company would otherwise have to pay.

The Plan complies with the current policies of the TSXV. Under the Plan, a maximum of 10% of the issued and outstanding common shares of the Company are proposed to be reserved at any time for issuance on the exercise of stock options. Since the number of common shares reserved for issuance under the Plan increases with the issue of additional common shares of the Company, the Plan is considered to be a "Rolling up to 10% Plan".

### Terms of the Plan

Shareholders may also obtain copies of the Plan from the Company prior to the meeting on written request. The following is a summary of the material terms of Plan.

The Plan provides that the Company's Board of Directors may from time to time, in its discretion, and in accordance with the TSXV's requirements, grant to directors, officers and consultants to the Company, non-transferable options to purchase common shares. The Plan provides that the number of common shares reserved for issuance (under the grant of stock options or any other security based compensation) must not exceed 10% of the common shares of the Company at any the time and grants to insiders must not exceed 10% of the common shares in any 12 month period, calculated at the date of grant, unless, in both cases, the Company has received disinterested shareholder approval, in accordance with TSXV requirements. Individual stock option grants must comply with the terms of the Plan and the policies of the TSXV as they relate to the minimum exercise price (which must be no lower than "Discounted Market Price" as defined in TSXV Policies), hold periods, vesting and filing requirements.

The Plan provides that:

(a) options will be non-assignable and non-transferable except that they will be exercisable by the personal representative of the option holder in the event of the option holder's death, if exercised within one year of the optionee's death;

(b) options may be exercisable for a maximum of 10 years from the date of grant;

(c) options to acquire no more than 5% of the issued common shares of the Company (or any other security-based compensation arrangement of the Company) may be granted to any one individual in any 12 month period;

(d) options to acquire no more than 2% of the issued common shares of the Company (or any other security-based compensation arrangement of the Company) may be granted to any one consultant in any 12 month period;

(e) options to acquire no more than an aggregate of 2% of the issued common shares of the Company may be granted to persons retained to conduct Investor Relations Activities (as defined in Exchange Policy 1.1), in any 12 month period and options to persons retained to conduct Investor Relations Activities must be vested in stages over a period of not less than 12 months with no more than ¼ of the stock options vesting in any three-month period;

(f) disinterested shareholder approval must be obtained for any reduction in the exercise price or extending the term of an option if the optionee is an insider of the Company at the time of the proposed amendment;

(g) for stock options granted to Employees, Consultants or Management Company Employees (as defined in TSXV Policy 4.4), the Company represents that the optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be; and

(h) for stock options granted to any optionee who is a Director, Employee, Consultant or Management Company Employee, the option must expire within a reasonable period (which must be no longer than 12 months) following the date the option holder ceases to be a Director, Employee, Consultant or Management Company Employee.

Subject to the terms of the Plan and any option agreement, stock options granted under the Plan may also be purchased by a participant by way of a "cashless exercise method", whereby the Company may have an arrangement with a brokerage firm pursuant to which the brokerage firm will loan money to a participant to purchase common shares underlying the stock options. The brokerage firm then sells a sufficient number of common shares to cover the exercise price of the stock options in order to repay the loan made to the participant. The brokerage firm receives an equivalent number of common shares from the exercise of the stock options and the participant then receives the balance of common shares or the cash proceeds from the balance of such common shares.

Shareholders will be asked to pass the following, ordinary resolution, approving the Plan:

**"IT IS RESOLVED, AS AN ORDINARY RESOLUTION, THAT:**

1. The Company adopt and confirm its existing stock option plan (the **"Plan"**), including the reserving for issuance under the Plan at any time of a maximum of 10% of the issued common shares of the Company;

2. The Company is authorized to grant stock options under the Plan, in accordance with its terms;

3. The Company is authorized to prepare such disclosure documents and make such submissions and filings as the Company may be required to make with the TSXV to obtain TSXV acceptance of the Plan; and

4. Authority is granted to the Board of Directors of the Company to make such amendments to the Plan as are required by the TSXV to obtain TSXV acceptance of the Plan."

**Recommendation of the Company's Directors**

The directors have reviewed and considered all facts respecting the approval of the Plan. The Company's directors unanimously recommend that the shareholders vote in favour of ratifying and approving the Plan.

An ordinary resolution requires the approval of a simple majority (50% + one vote) of the votes cast at the Meeting, in person or by proxy. **It is the intention of the persons named in the accompanying Proxy, if not expressly directed to the contrary in such Proxy, to vote such proxies FOR the ordinary resolution authorizing the approval of the Plan.**

## ADDITIONAL INFORMATION

Additional information about the Company is located on SEDAR+ at www.sedarplus.ca. Financial information is provided in the Company's audited financial statements and Management's Discussion and Analysis for its most recently completed financial year ended December 31, 2025. Shareholders may contact the Company to request copies of the financial statements and Management's Discussion and Analysis by writing to the Chief Financial Officer, Mr. Rob Suttie at the address below or by e-mail at rsuttie@marrellisupport.ca.

**CHILEAN METALS INC.**
202 – 82 Richmond Street East
Toronto, Ontario M5C 1P1

## OTHER MATERIAL FACTS

Management 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 shares represented by the Proxy solicited hereby will be voted on such matter in accordance with the best judgment of the persons voting by proxy.

DATED at Toronto, Ontario, on the 14th day of October, 2026.

BY ORDER OF THE BOARD

**CHILEAN METALS INC.**

(signed) "*Conor Lynch*"

Conor Lynch, CEO and Director

**SCHEDULE "A"**
**AUDIT COMMITTEE CHARTER**

**Purpose**

The Audit Committee's mandate is to ensure that appropriate due diligence is directed towards the control, accountability and reporting functions of the Company, including its interim and annual financial statements.

Within this mandate, the Audit Committee's role is to:

(a) support the Board of Directors in meeting its responsibilities to shareholders;
(b) enhance the independence of the external auditor;
(c) facilitate effective communications between management and the external auditor and provide a link between the external auditor and the Board of Directors;
(d) increase the credibility and objectivity of the Company's financial reports and public disclosure.

The Audit Committee will make recommendations to the Board of Directors regarding items relating to financial and regulatory reporting and the system of internal controls following the execution of the Committee's responsibilities as described in this Charter.

The Audit Committee will undertake the specific duties and responsibilities listed below and any other duties the Board of Directors may prescribe.

**Membership**

The members of the Audit Committee will be appointed annually by and will serve at the discretion of the Board of Directors.

The Audit Committee must be comprised of at least three members. A majority of the members may not be employees, control persons or officers of the Company or any of its associates or affiliates (as those terms are defined in the TSX Venture Exchange Corporate Finance Manual).

The members of the Audit Committee must be, or become within a reasonable time, financially literate. "**Financially literate**" means the member 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 Company's financial statements.

**Authority**

In addition to all authority required to carry out the duties and responsibilities included in this Charter, the Audit Committee has the authority to:

(a) engage, and set and pay the compensation for, independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities;

(b) communicate directly with management and any internal auditor, and with the external auditor without management involvement; and

(c) approve interim financial statements and related management's discussion and analysis ("**MD&A**") on behalf of the Board of Directors.

**Duties and Responsibilities**

The duties and responsibilities of the Audit Committee include:

(a) recommending to the Board of Directors any external auditor to be nominated by the Board of Directors and the compensation of the external auditor;

(b) overseeing the work of the external auditor, including resolving disputes between management and the external auditor regarding financial reporting;

(c) pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor;

(d) reviewing the Company's interim and annual financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses the information and reporting to the Board of Directors on the annual financial statements and auditor's report on those statements before they are published;

(e) ensuring adequate procedures are in place for review of all public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in paragraph (d) and periodically assess the adequacy of the procedures

(f) establishing procedures for:

(i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and

(ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;

(g) pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor;

(h) reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;

(i) The Audit Committee will report, at least annually, to the Board regarding the Committee's examinations and recommendations.

**Delegation**

The Audit Committee may delegate its authority and responsibility to pre-approve non-audit services to one or more of its independent members. If a member pre-approves non-audit services under this

delegation, the member must present the pre-approval to the Committee at its next scheduled meeting.

**Meetings**

The quorum for a meeting of the Audit Committee is a majority of the members of the Committee who are not officers or employees of the Company or of an affiliate of the Company.

The members of the Audit Committee must elect a chair from among their number and may determine their own procedures.

The Audit Committee may establish its own schedule that it will provide to the Board of Directors in advance.

The external auditor is entitled to receive reasonable notice of every meeting of the Audit Committee and to attend and be heard thereat.

A member of the Audit Committee or the external auditor may call a meeting of the Audit Committee.

The Audit Committee will meet separately with the President & CEO and separately with the Chief Financial Officer of the Company at least annually to review the financial affairs of the Company.

The Audit Committee will meet with the external auditor of the Company at least once each year, at such time(s) as it deems appropriate, to review the external auditor's examination and report.

The chair of the Audit Committee must convene a meeting of the Audit Committee at the request of the external auditor, to consider any matter that the auditor believes should be brought to the attention of the Board of Directors or the shareholders.

**Reports**

The Audit Committee will record its recommendations to the Board in written form which will be incorporated as a part of the minutes of the Board of Directors' meeting at which those recommendations are presented.

**Minutes**

The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board of Directors.