



## NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

You are invited to our 2023 annual meeting of shareholders (the “**Meeting**”)

**When:** Wednesday, June 14, 2023 at 10:00 a.m. EST

**Where:** Teleconference (details below) and at 198 Davenport Road, Toronto, Ontario M5R 1J2

The purpose of the Meeting is as follows:

1. **Financial Statements.** Receive and consider the audited financial statements as at and for the fiscal year ended December 31, 2022, together with the report of the auditors thereon;
2. **Elect Directors.** Consider and elect the directors for the ensuing year;
3. **Auditor Appointment.** It is proposed that RSM Canada LLP, Chartered Accountants be appointed as auditor of the Corporation;
4. **Stock Option Plan.** It is proposed that shareholders approve an updated rolling stock option plan; and
5. **Other Business.** Consider other business as may properly come before the Meeting or any postponement(s) or adjournment(s) thereof.

Shareholders and/or their appointees may participate in the Meeting by way of conference call however votes cannot be cast on the conference call. Please register at [https://us02web.zoom.us/meeting/register/tZwoc-GvrDwuHt2zeM\\_kDgwvlasdS6KnqNBw#](https://us02web.zoom.us/meeting/register/tZwoc-GvrDwuHt2zeM_kDgwvlasdS6KnqNBw#/)/ registration to receive conference call details.

### **Notice-and-Access**

Notice is also hereby given that Belo Sun Mining Corp. (the “**Company**”) has decided to use the notice-and-access method of delivery (“**Notice-and-Access**”) of Meeting Materials (as defined below) for the Meeting. Notice-and- Access allows the Company to deliver the Meeting Materials over the internet in accordance with the Notice-and-Access rules adopted by the Ontario Securities Commission under National Instrument 54- 101-*Communication with Beneficial Owners of Securities of a Reporting Issuer*. Under the Notice-and-Access system, Shareholders still receive a proxy or voting instruction form (as applicable) enabling them to vote at the Meeting. However, instead of a paper copy of the Information Circular, the annual and interim financial statements and related management’s discussion and analysis and other information (the “**Meeting Materials**”), Shareholders receive this notification with information on how they may access such materials electronically. The use of this alternative means of delivery is more environmentally friendly, as it will help reduce

paper use and will also reduce the cost of printing and mailing materials to Shareholders. Shareholders are reminded to view the Meeting Materials prior to voting.

### WEBSITES WHERE MEETING MATERIALS ARE POSTED

Materials can be viewed online under the Company's profile at [www.sedar.com](http://www.sedar.com) or on the Company's website at [www.belosun.com](http://www.belosun.com). The Company will not use procedures known as "stratification" in relation to the use of Notice-and-Access provisions. Stratification occurs when a reporting issuer using Notice-and-Access provides a paper copy of the Management Information Circular to some Shareholders with this notice package.

### HOW TO OBTAIN PAPER COPIES OF THE MEETING MATERIALS

Registered holders or beneficial owners may request paper copies of the Meeting Materials be sent to them by postal delivery at no cost to them. Requests may be made up to one year from the date the Meeting Materials are posted on the Company's website. In order to receive a paper copy of the Meeting Materials or if you have questions concerning Notice-and-Access, please call toll free at 1-866-600-5869. Requests should be received by June 5, 2023 in order to receive the Meeting Materials in advance of the meeting date.

You may vote your shares by proxy if you are unable to attend the meeting. Please review the enclosed Circular and date, sign and return the enclosed form of proxy to the Corporation's transfer agent by 10:00 a.m. EST on June 14, 2023.

The directors of the Corporation have fixed the close of business on May 4, 2023 as the record date, being the date for the determination of the registered holders entitled to notice and to vote at the Meeting and any adjournments(s) thereof.

DATED at Toronto, Ontario as of the 8<sup>th</sup> day of May, 2023

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) "Peter Tagliamonte"

President and Chief Executive Officer



## 2023 MANAGEMENT INFORMATION CIRCULAR

### ABOUT THE SHAREHOLDER MEETING

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#### Solicitation of Proxies

You have received this management information circular (the “**Circular**”) because you owned common shares (the “**Common Shares**”) of Belo Sun Mining Corp. (“**Belo Sun**” or the “**Corporation**”) as of May 4, 2023. You are therefore entitled to vote at the 2023 annual and special meeting of shareholders (the “**Shareholders**”) to be held on June 14, 2023 at 10:00 am, and any postponement(s) or adjournment(s) thereof (the “**Meeting**”).

The board of directors of the Corporation has set the record date for the Meeting on May 4, 2023 (the “**Record Date**”).

Management is soliciting your proxy for the Meeting and the Corporation will pay the expenses of management’s solicitation. The Board has fixed 10:00 am (Toronto time) on June 12, 2023, or 48 hours (excluding Saturdays, Sundays or holidays) before any adjournment(s) of the Meeting, as the time by which proxies to be acted upon at the Meeting shall be deposited with the Corporation’s transfer agent.

These materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner and the Corporation or its agent has sent these materials directly to you, your name, address and information about your holdings have been obtained in accordance with the applicable securities regulatory requirements from the intermediary holding Common Shares on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

The Corporation shall make a list of all persons who are registered Shareholders on the Record Date and the number of Common Shares registered in the name of each person on that date. Each Shareholder is entitled to one vote on each matter to be acted on at the Meeting for each Common Share registered in his/her name as it appears on the list.

Unless otherwise stated, the information contained in this Circular is as of the Record Date. All dollar amount references in this Circular, unless otherwise indicated, are expressed in Canadian dollars. United States dollars are referred to as “United States dollars” or “US\$”.

Shareholders and/or their appointees may participate in the Meeting by way of conference call however votes cannot be cast on the conference call. Please register [https://us02web.zoom.us/meeting/register/tZwoc-GvrDwuHt2zeM\\_kDgwvlasdS6KngNBw](https://us02web.zoom.us/join/https://us02web.zoom.us/meeting/register/tZwoc-GvrDwuHt2zeM_kDgwvlasdS6KngNBw) to receive conference call details.

## Voting

### *Appointment and Revocation of Proxies*

The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. **You may appoint some other person or entity to represent you at the Meeting** by inserting such person's name in the blank space provided in that form of proxy or by completing another proper form of proxy and, in either case, depositing the completed proxy at the office of the transfer agent of the Corporation indicated on the enclosed envelope not later than the times set out above. In addition to revocation in any other manner permitted by law, a Shareholder may revoke a proxy given pursuant to this solicitation by depositing an instrument in writing (including another proxy bearing a later date) executed by the Shareholder or by an attorney authorized in writing at 198 Davenport Road, Toronto, Ontario M5R 1J2 at any time up to and including the last business day preceding the day of the Meeting.

### *Voting of Proxies*

#### *Registered Shareholders*

You can vote in person or vote by proxy. Voting by proxy is the easiest way to vote because you can appoint anyone to be your proxyholder to attend the Meeting and vote your shares according to your instructions. This person does not need to be a shareholder. The officers and/or directors named in the proxy form can act as your proxyholder and vote your shares according to your instructions.

If you appoint the Belo Sun nominees as your proxyholder and do not indicate your voting instructions, they will vote your shares for the nominated directors and for the appointment of the auditors.

If you want to appoint someone else as your proxyholder, print that person's name in the blank space provided in the proxy form (or complete another proxy form) and send the form to the Corporation's transfer agent. Make sure this person is aware that you appointed them as your proxyholder and that they must attend the Meeting to vote on your behalf and according to your instructions. If you do not indicate your voting instructions, your proxyholder can vote as he or she sees fit.

As of the date of this Circular, management is not aware of any amendments, variations or other matters to come before the Meeting. If other matters are properly brought before the Meeting, your proxyholder can vote as he or she sees fit.

#### *Non-Registered Shareholders*

Non-Registered Shareholders are those holders who beneficially own common shares in the name of an intermediary with whom the Non-Registered Shareholder deals in respect of the Common Shares, such as, banks, trust companies, securities dealers (all, an **"Intermediary"**) or in the name of a clearing agency (such as CDS&Co). Securities laws require the Corporation to send the meeting materials to the Intermediaries and clearing agencies so they can distribute them to our non-registered shareholders. In accordance with the requirement of *National Instrument 54-101 Communication With Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), the Company is distributing copies of the Notice of the Meeting together with a voting information form (a "**VIF**"): (i) directly to Non-Registered Shareholders who have advised their Intermediary that they do not object to the Intermediary providing their ownership information to issuers whose securities they beneficially own ("**NOBOs**"), and (ii) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Shareholders who have advised their Intermediary that they object to the Intermediary providing their ownership information ("**OBOs**"). The Corporation does not intend to pay for Intermediaries to forward meeting materials to the OBOs pursuant to NI 54-101. Therefore, OBOs will not receive materials unless their Intermediary assumes the cost of delivery.

This Circular, annual financial statements for the 2022 financial year end and management's discussion and analysis thereon ("**MD&A**") are available electronically on the Corporations website.

Non-Registered Shareholders should carefully follow the instructions of their Intermediary including those regarding when and where the form of proxy or VIF is to be delivered.

#### *Adoption of Notice and Access*

In accordance with the notice and access rules adopted by the Ontario Securities Commission under NI 54-101, the Corporation has sent its proxy-related materials directly to registered holders and NOBOs using notice-and-access. Therefore, although Shareholders still receive a Form of Proxy or VIF in paper copy, this Circular, annual consolidated financial statements and related MD&A are not physically delivered. Instead, Shareholders may access these materials on the Corporation's website at [www.belosun.com](http://www.belosun.com) or under the Corporation's profile page on SEDAR at [www.sedar.com](http://www.sedar.com).

Registered Shareholders or Non-Registered Shareholders may request paper copies of the Meeting materials be sent to them by postal delivery at no cost to them. Requests may be made up to one year from the date the Meeting materials are posted on the Corporation's website. In order to receive a paper copy of the Meeting materials or if you have questions concerning Notice-and-Access, please call toll free at 1-866-600-5869. Requests for paper materials should be received by June 5, 2023 in order to receive the Meeting materials in advance of the Meeting.

#### *Voting Securities and Principal Holders*

The authorized capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of preferred shares. Each holder of Common Shares has the right to vote at the Meeting. As of the Record Date, the Corporation has 455,055,248 Common Shares issued and outstanding and no preferred shares issued and outstanding. To the knowledge of the directors and officers of the Corporation, as at the Record Date, no person beneficially owns, directly or indirectly, or exercises control or direction over securities carrying more than 10% of the voting rights attached to the Common Shares, other than:

- Sun Valley Gold LLC, through accounts over which it has discretionary trading authority, reports owning a total of 107,220,274 Common Shares, representing approximately 23.56% of the Common Shares issued and outstanding), of which 69,607,484 Common Shares, representing approximately 15.30% of the Common Shares issued and outstanding, is held by Sun Valley Gold Master Fund, Ltd.

#### *Interest of Certain Persons in Matters to be Acted Upon*

Other than in respect of the election of directors, none of the persons who have been directors or executive officers of the Corporation since the commencement of the Corporation's last completed financial year, no proposed nominee for election as a director of the Company, and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

#### *Interest of Informed Persons in Material Transactions*

No informed person (as such term is defined under applicable securities laws) of the Corporation or Nominee (and each of their associates or affiliates) has had any direct or indirect material interest in any transaction involving the Corporation since January 1, 2022 or in any proposed transaction that has materially affected or would materially affect the Corporation or its subsidiaries.

## BUSINESS OF THE MEETING

### Financial Statements

The financial statements for the financial year ended December 31, 2022, together with the auditor's report thereon will be presented to Shareholders for review at the Meeting and were provided to Shareholders with the Notice of Meeting and this Circular. No vote by the Shareholders is required with respect to this matter.

### Appointment of Auditors

Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote for the appointment of RSM Canada LLP, Chartered Accountants, as auditors of the Corporation until the close of the next annual meeting of shareholders of the Corporation and to authorize the directors to fix their remuneration. RSM Canada LLP, Chartered Accountants, have been the auditors of the Corporation since July 22, 2004.

The following table sets out the audit and audit-related fees billed by the Corporation's auditors for the years ended December 31, 2022 and 2021.

Service	2022	2021
Audit Fees	\$66,000	\$62,500
Audit-Related Fees	-	-
Tax Fees	\$5,500	\$5,000
Other Fees	-	-
<b>Total:</b>	<b>\$71,500</b>	<b>\$67,500</b>

For additional information about the Corporation's auditors and the Audit Committee, please refer to the section "Committees of the Board – Audit Committee".

### Approval of the Stock Option Plan and Unallocated Entitlements

The TSX requires that securities based compensation arrangements be approved by shareholders every three years from the date of implementation. The Stock Option Plan is a rolling 10% stock option plan and is considered to be an "evergreen plan" since the Common Shares covered by options which have been exercised shall be available for subsequent grants under the Stock Option Plan, and the number of options available to grant increases as the number of issued and outstanding Common Shares increase.

Pursuant to section 613 of the TSX Company Manual, unallocated options, rights or other entitlements under a security-based compensation arrangement which does not have a fixed maximum aggregate of securities issuable must be approved by a majority of the issuer's directors and security holders every three (3) years. The Stock Option Plan does not have a fixed number of Common Shares issuable thereunder, but permits the issuance of up to an aggregate of 10% of the outstanding Common Shares from time to time. Shareholders have approved the unallocated options issuable pursuant to the Stock Option Plan at the meeting of Shareholders held on July 23, 2020.

If approval is obtained at the Meeting, the Corporation will not be required to seek further approval of the grant of unallocated options under the Stock Option Plan until the Corporation's 2026 annual and special Shareholders' meeting (provided that such meeting is held on or prior to June 14, 2026). If approval is not obtained at the Meeting, the Corporation must forthwith stop granting options under the Stock Option Plan and options which are outstanding as of the date of the Meeting and are subsequently cancelled, terminated or exercised will not be available for a new grant of options until shareholder approval is obtained; however, all options that have been granted until July 23, 2023, but not yet exercised, will continue unaffected.

At the Meeting, shareholders of the Corporation entitled to vote on the matter will be asked to consider and, if thought advisable, pass an ordinary resolution approving the Stock Option Plan, the full text of which is set out below (the "**Stock Option Plan Resolution**"). A summary of the Stock Option Plan may be found under

the heading “Executive Compensation – Long Term Incentives and Options”, and a full copy of the Stock Option Plan is attached hereto at Schedule “C”. In the event that the Stock Option Plan Resolution is not passed by the requisite number of votes cast at the Meeting, the Corporation will not have an operative stock option plan and therefore the Board will not be able to issue additional options until such time as another stock option plan is created and approved, and may consequently have difficulty attracting and retaining high caliber personnel. However, whether or not the Stock Option Plan Resolution is approved, all options currently outstanding under the Stock Option Plan will remain in effect in accordance with their terms.

The rules of the TSX require that the Stock Option Plan Resolution receives the affirmative vote of a majority of the votes cast at the Meeting.

**Unless otherwise indicated, the persons named in the accompanying proxy intend to vote for the resolution with respect to the approval of the Stock Option Plan as described below under the heading “Executive Compensation – Compensation Discussion and Analysis – Components of Compensation – Long-term Incentives and Options.”**

**BE IT RESOLVED that:**

1. the Stock Option Plan, as summarized in the Circular dated May 8, 2023 and in the form attached as Schedule “C” thereto, be and is approved, ratified and confirmed as the Corporation’s stock option plan;
2. All unallocated options, rights and other entitlements under the Stock Option Plan be and are hereby approved and ratified until June 14, 2026 the date which is three years from the date hereof; and
3. Any one director or officer of the Corporation be and is hereby authorized and directed, for and on behalf of the Corporation, to do all acts and things as such director or officer may deem necessary or advisable to give effect to this resolution.”

**Election of Directors**

The Corporation has nominated six persons (the “**Nominees**”) for election as directors of the Corporation, who will hold office until the next annual meeting of the Corporation or until his or her successor is elected or appointed. At the Meeting, Shareholders will be asked to elect these Nominees as directors of the Corporation. **The persons in the enclosed form of proxy intend to vote for the election of the Nominees. Management does not contemplate that any of the Nominees will be unable to serve as a director.**

As the Corporation has adopted a Majority Voting Policy, the process for voting for election of each director will be by individual voting and not by slate. The Shareholders can vote for or withhold from voting on the election of each director on an individual basis. See “Corporate Governance Practices” for more information on our Majority Voting Policy.

*Director Profiles*

Each of the six nominated directors is profiled below, including his or her background and experience and meeting attendance in 2022, as applicable, share ownership and other public company directorships. All director nominees were each elected as directors by the Shareholders at the last annual meeting. Each director nominee elected to the board will remain on the board until the earlier of the Corporation’s next annual shareholder meeting or until the director resigns.



PETER TAGLIAMONTE

AGE: 60

DIRECTOR SINCE FEBRUARY 2010

ONTARIO, CANADA

Mr. Tagliamonte is a professional mining engineer and also holds an MBA from the Richard Ivey School of Business, at the University of Western Ontario. Mr. Tagliamonte has over 30 years of progressive managerial experience building and operating mines worldwide, notably in Central and South America. He is currently the President and Chief Executive Officer of the Corporation and an Executive Director of Sulliden Mining Capital Inc. He was previously the President and Chief Executive Officer of Sulliden Gold Corporation Ltd. and Central Sun Mining Corp., and Chief Operating Officer of Desert Sun Mining, where he contributed to the development of the Jacobina Mine in Brazil into a 4,200-tonne-per-day mining operation. In 2005, he received the Mining Journal's "Mine Manager of the Year" award in recognition for his work in the mining sector.

**Shareholdings:** 14,658,393 Common Shares (3.2 %)  
**2022 Board Attendance:** 5 of 6 (83%)  
**Other Public Company Boards:** None.

MARK EATON

AGE: 59

DIRECTOR SINCE FEBRUARY 2010

ONTARIO, CANADA

Mr. Eaton is the former President and CEO of the Corporation and is currently the Executive Chairman of the Corporation. Mr. Eaton is a graduate from Hull University, England and is an experienced investment professional with over 20 years of experience in equity capital markets specializing in the resource sector. From 1998 to 2007 he held the position of Managing Director of Global Mining Sales at CIBC World Markets of Toronto and Manager of US Equity Sales for CIBC World Markets. Prior to joining the Corporation, Mr. Eaton's most recent position was as a Partner and Director of Loewen Ondaatje McCutcheon Ltd., a Toronto-based investment dealer.

**Shareholdings:** 11,244,289 Common Shares (2.4%)  
**2022 Board Attendance:** 6 of 6 (100%)  
**Other Public Company Boards:** K92 Mining Inc.

CAROL FRIES

AGE: 63

DIRECTOR SINCE MAY 2015

MINNESOTA, UNITED STATES

Ms. Fries has over 30 years of experience in the extractive industries sector, 20 years of which have been spent promoting best management practices and corporate social responsibility in the mining sector. She has worked in all phases of mine project development and construction, securing required permits and approvals, investing in community infrastructure projects and building human and social capital. Ms. Fries has held senior and executive level positions with Minera Antamina S.A., Falconbridge Ltd., Chariot Resources Limited and Rio Tinto plc. Ms. Fries was VP, Corporate Social Responsibility (CSR) for Norsemont Mining Inc. until they were acquired by HudBay Minerals Inc. and Vice President, CSR for Sulliden Gold Corporation Ltd. Ms. Fries continues to provide CSR consulting services to the mining industry and has more recently worked on mining projects in Armenia and Brazil.

**Shareholdings:** 20,000 (0.00004%)  
**2022 Board Attendance:** 6 of 6 (100%)  
**Other Public Company Boards:** None.

PETER NIXON





AGE:76  
ONTARIO, CANADA

DIRECTOR SINCE FEBRUARY 2020

Mr. Nixon is a Corporate Director. Mr. Nixon spent has spent more than three decades in the investment industry, specializing in the Natural Resource Sector primarily in Research and Institutional Sales. He was also a founder of Goepel Shields & Partners (now Raymond James Canada) and was subsequently President of the firm's U.S. subsidiary. Mr. Nixon was President of Dundee Securities USA from 1998 - 2002 where his mandate was to expand the company's in the United States. Mr. Nixon has served on the boards of several publicly traded junior mining companies and has experience in guiding them through the permitting and development stages. Mr. Nixon holds a degree in Economics and History from McGill University. He is also a member of the Institute of Corporate Directors.

**Shareholdings:** Nil  
**2022 Board Attendance:** 6 of 6 (100%)  
**Other Public Company Boards:** Dundee Corporation

RUI BOTICA SANTOS

AGE: 55  
MACAU, CHINA

DIRECTOR SINCE JULY 2020

Mr. Santos is a qualified lawyer in Brazil, Portugal, Macau and Timor-Leste. Mr. Santos is widely regarded as a leading lawyer in the mining sector and has over 25 years representing and assisting international corporations in negotiations and disputes with the State regarding mining businesses activities, namely on M&A, exploration, extraction and environmental licenses, for both the mining and oil and gas industries. Mr. Santos has strong experience in dealing with Portugal, Brazil, Timor-Leste, Macau and Timor-Leste jurisdictions. Mr. Santos was an independent Director of Belo Sun during the period from 2007 to 2015. Currently, he is a board member of Somincor, a copper producing mine in Portugal fully owned and operated by Lundin Mining and of Ascendant Resources Inc, a resource company listed on the TSX. Mr. Santos is a Partner of CRA - Coelho Ribeiro e Associados – a Portuguese Law Firm, where he leads the firm's Arbitration and Mining practices. He is also the founding partner of CRA Timor-Leste, a law firm based in Timor-Leste focused on mining and Oil & Gas. Mr. Santos is also an expert on dispute resolution matters. Currently has the position of President of the International Tribunal of FIA – Fédération Internationale de Automobile, (Paris, France), Judge of the International Court of Appeal of FIA and arbitrator at the Court of Arbitration for Sport in Lausanne, Switzerland.

**Shareholdings:** 1,194,100 (0.002%)  
**2022 Board Attendance:** 6 of 6 (100%)  
**Other Public Company Boards:** Ascendant Resources Inc.

AYESHA HIRA

AGE: 50  
LONDON, UNITED KINGDOM

DIRECTOR SINCE JUNE 2022

Ms. Hira is an experienced mining executive and board member with over 25 years experience in the mining sector spanning geological exploration, mining and capital markets. Her career as a geologist, working across a variety of commodities and project types, provided the technical foundation for transitioning into capital markets, where she developed extensive experience in asset/company valuation, capital raising and transactional knowledge, and built an international reputation for delivering value to institutional clients and corporates globally. Ms. Hira has been part of the mining teams at CIBC World Markets, and RBC Capital Markets, and was formerly a member of the executive leadership team at Lucara Diamond Corp., a Lundin Group company, where she served as VP Corporate Development and Strategy responsible for the corporate growth strategy, including M&A, capital raising, shareholder and stakeholder communications, and assisting with ESG alignment and implementation. She has held board positions with Lucara Botswana, Clara Diamond Solutions, and the Responsible Jewellery Council representing the Mining Forum. Ms. Hira

holds a Bachelor of Science Honours degree in Geology from Queen's University, Canada and is a CFA charterholder.

**Shareholdings:** Nil.  
**2022 Board Attendance:** 3 of 3 (100%)  
**Other Public Company Boards:** None.

### Meeting Attendance

The following table shows the director attendance record for 2022.

Director	Board	Audit Committee	Compensation Committee	Corporate Governance Committee
Peter Tagliamonte	5 of 6 (83%)	N/A	N/A	N/A
Mark Eaton	6 of 6 (100%)	N/A	N/A	N/A
Carol Fries <sup>(1)</sup>	6 of 6 (100%)	4 of 4 (100%)	4 of 4 (100%)	4 of 4 (100%)
Peter Nixon <sup>(1)</sup>	6 of 6 (100%)	4 of 4 (100%)	4 of 4 (100%)	4 of 4 (100%)
Rui Botica Santos <sup>(1)</sup>	6 of 6 (100%)	4 of 4 (100%)	4 of 4 (100%)	4 of 4 (100%)
Ayesha Hira <sup>(1)</sup>	3 of 3 (100%)	3 of 3 (100%)	3 of 3 (100%)	3 of 3 (100%)

(1) Independent Director.

### Other Information about the Director Nominees

Other than disclosed below, no director or executive officer of the Corporation is or has been, within the ten years before the date of this Circular, a director or executive officer of any company (including the Corporation) 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 became 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:

- Mr. Nixon was a director of Stornoway Diamond Corporation ("**Stornoway**") until May 14, 2019. Stornoway filed for protection under the *Companies' Creditors Arrangement Act* (Canada) ("**CCAA**") on September 9, 2019. The CCAA process was concluded by order of the Superior Court of Quebec in November 2019 and Stornoway's operating subsidiary emerged from such process, continuing its operations on a going concern basis after the successful implementation of Stornoway's restructuring transactions. In November 2019, Stornoway made a voluntary assignment into bankruptcy pursuant to the *Bankruptcy and Insolvency Act* (Canada).

No director or executive officer has, within the ten years before the date of this 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 director or executive officer.

No proposed director has been subject to (i) 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 (ii) 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.

No director or executive officer of the Corporation is, or within ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including the Corporation) that, (i) was subject to an order that was issued while the director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an order that was issued after the 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.

## CORPORATE GOVERNANCE

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The Corporation and the Board recognize the importance of corporate governance in effectively managing the company, protecting employees, shareholders and other stakeholders, and enhancing shareholder value.

The Board fulfills its mandate directly and through its committees at regularly scheduled meetings or as required. The directors are kept informed regarding the Corporation's operations at regular meetings and through reports and discussions with management on matters within their particular areas of expertise. Frequency of meetings may be increased and the nature of the agenda items may be changed depending upon the state of the Corporation's affairs and in light of opportunities or risks that the Corporation faces.

The Corporation believes that its corporate governance practices are in compliance with applicable Canadian requirements. The Corporation is committed to monitoring governance developments to ensure its practices remain current and appropriate.

### **Ethical Business Conduct**

The Board is apprised of the activities of the Corporation and ensures that it conducts such activities in an ethical manner. The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to consultants, officers and directors to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of external examples of disciplinary actions for violations of ethical business conduct.

#### *Code of Conduct*

The Board has adopted a Code of Business Conduct and Ethics (the "**Code**") for its directors, officers and employees. The Corporate Governance Committee has responsibility for monitoring compliance with the Code by ensuring all directors, officers and employees receive and become thoroughly familiar with the Code and acknowledge their support and understanding of the Code. Any non-compliance with the Code is to be reported to the CEO. In addition, the Board conducts regular audits to test compliance with the Code.

The Board takes steps to ensure that directors, officers and employees exercise independent judgment in considering transactions and agreements in respect of which a director, officer or employee of the Corporation has a material interest, which include ensuring that directors, officers and employees are thoroughly familiar with the Code and, in particular, the rules concerning reporting conflicts of interest and obtaining direction from the Corporation's Directors and the Chairman and CEO regarding any potential conflicts of interest.

The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations in all jurisdictions in which the Corporation conducts business; providing guidance to directors, officers and employees to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary action for violations of ethical business conduct.

A copy of the Code and other corporate governance policies may be found under the profile of the Corporation on SEDAR at [www.sedar.com](http://www.sedar.com) or upon request to the Corporation by contacting the Corporate Secretary of the Corporation by email at [nsaid@fmresources.ca](mailto:nsaid@fmresources.ca).

#### *Whistleblower Policy*

The Corporation has adopted a Whistleblower Policy that allows its directors, officers, consultants and employees who feel that a violation of the Code has occurred, or who have concerns regarding financial statement disclosure issues, accounting, internal accounting controls or auditing matters, to report such

violations or concerns on a confidential and anonymous basis. Reporting a violation of the Code is made by informing anonymously to the Whistleblower hotline or URL or (if desired) to a member of the Audit Committee, who then investigates each matter so reported and takes corrective and disciplinary action, if appropriate. Reporting concerns regarding financial statement disclosure or other appropriate issues are to be forwarded in a sealed envelope to the Chairman of the Audit Committee who then investigates each matter reported and takes corrective and disciplinary action, if appropriate.

### *Anti-Corruption and Anti-Bribery Policy*

The Corporation has adopted an Anti-Bribery and Anti-Corruption Policy that outlines the requirements that must be fulfilled by all employees, consultants, officers, and directors of the Corporation, as well as any third party working for or acting on behalf of the Corporation. These requirements include the prohibition of bribing government officials and making facilitation payments. The Anti-Bribery and Anti-Corruption Policy also provides the Corporation’s employees with further clarity regarding books and records transparency, as well as the conditions with respect to gift giving to government officials, political contributions, charitable contributions, third party oversight and due diligence, internal controls and management’s responsibility to promote and create awareness of the Anti-Bribery and Anti-Corruption Policy.

### *Executive Compensation Clawback Policy*

The Corporation has adopted an executive compensation clawback policy, which allows the Board to require reimbursement of excess bonus and equity-based compensation paid or granted to the President and Chief Executive Officer, the Chief Financial Officer or Chief Operating Officer after adoption of the policy in certain circumstances where the Corporation is required to restate its financial statements, the executive engaged in fraud or willful misconduct which caused or significantly contributed to the reason for the restatement, and the bonus and equity-based compensation paid to the executive would have been lower had it been based on the restated financial statements.

## **ABOUT THE BOARD**

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### **Independence of the Board**

The Board is currently comprised of five members, three members of whom the Board has determined are independent. As the director nominees are the same as the current directors of the Corporation, the Board will be comprised of six members after the Meeting, four members of whom the Board has determined will be independent.

<b>Director</b>	<b>Independent</b>	<b>Not Independent</b>	<b>Reason for Non-Independence</b>
Peter Tagliamonte		√	President and Chief Executive Officer of the Corporation
Mark Eaton		√	Executive Chairman of the Corporation and former Executive Officer
Carol Fries	√		
Peter Nixon	√		
Rui Botica Santos	√		
Ayesha Hira	√		

To facilitate the functioning of the Board independently of management, the following structures and processes are in place:

- the Board has a Lead Independent Director being Peter Nixon;
- if elected at the Meeting, four of the six directors are not management of the Corporation and are considered independent of the Corporation;
- members of management, including without limitation, the President and CEO of the Corporation, are not present for the discussion and determination of certain matters at meetings of the Board or committees unless required;
- the Audit Committee, Compensation Committee and Corporate Governance Committee of the Board are comprised solely of independent directors;

- under the by-laws of the Corporation, any two directors may call a meeting of the Board;
- the President and CEO's compensation is considered by the Board, in his absence, and by the Compensation Committee when appropriate;
- in addition to the standing committees of the Board, independent committees will be appointed from time to time, when appropriate; and
- the Board policy is to hold in-camera meetings with the independent directors at the end of each Board or committee of the Board meeting to the extent required.

### **The Board Mandate**

The Board has a written mandate attached as Schedule "A" hereto. The duties and responsibilities of the Board are to supervise the management of the business and affairs of the Corporation and to act with a view towards the best interests of the Corporation. In discharging its mandate, the Board is responsible for the oversight and review of:

- the strategic planning process of the Corporation;
- identifying the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to manage these risks;
- succession planning, including appointing, training and monitoring senior management;
- a communications policy for the Corporation to facilitate communications with investors and other interested parties; and
- the integrity of the Corporation's internal control and management information systems.

The Board discharges its responsibilities directly and through its committees, currently consisting of the Audit Committee, the Compensation Committee and the Corporate Governance Committee.

### **The Chairman**

The Executive Chairman of the Board is Mark Eaton. In terms of the governance of the Corporation, the Chairman's primary roles are to chair all meetings of the Board and shareholder meetings in a manner that promotes meaningful discussion, to manage the affairs of the Board, including ensuring the Board is organized properly, functions effectively and meets its obligations and responsibilities. The Chairman's responsibilities include, without limitation, ensuring that the Board works together as a cohesive team with open communication, ensuring that the resources available to the Board are adequate to support its work, and working with the Corporate Governance Committee to ensure that the necessary processes are in place to assess the effectiveness of the Board and its committees at least annually. The Chairman of the Board also acts as the primary spokesperson for the Board, ensuring that management is aware of concerns of the Board, Shareholders, other stakeholders and the public and, in addition, ensures that management strategies, plans and performance are appropriately presented to the Board. The Chairman of the Board maintains communications with the Corporation's executive management and consults regularly with the Board and management on the development and operation of the Corporation's projects.

### **Lead Independent Director**

The Lead Independent Director of the Board is Mr. Nixon. In terms of the governance of the Corporation, the Lead Independent Director, appointed by the Board, is an independent director who is designated to aid and assist the Executive Chair and the remainder of the Board in assuring effective corporate governance in managing the affairs of the Board and the Corporation and to enhance and protect the independence of the Board.

### **Position Descriptions**

The Corporation has developed position descriptions for each of the Executive Chairman of the Board and the Chairman of each of the committees of the Board of the Corporation. The Corporation has not developed a formal position description for the Chief Executive Officer. The Board assists in defining the role of the Chief Executive Officer through its regular meetings. The responsibilities of the Chief Executive Officer are

well-known by the Board and the Chief Executive Officer due to their extensive experience and knowledge in the industry and based on customary practice.

### **Meetings of Independent Directors**

The independent directors comprise the committees of the Board and hold in camera sessions without management at their committee meetings to review the business operations, corporate governance, compensation, and financial results of the Corporation. The Board policy is to hold in-camera meetings with the independent directors at the end of each Board or committee of the Board meeting to the extent required. For each Director's attendance at duly scheduled meetings in 2022, please see above under "Business of the Meeting – Election of Directors – Meeting Attendance".

### **Nomination of Directors**

Generally, the Corporate Governance Committee, which is composed of independent directors, is responsible for identifying and recruiting new candidates for nomination to the Board, and reviewing the qualifications of new candidates proposed by other members of the Board. The process by which the Board anticipates that it will identify new candidates is through recommendations of the Corporate Governance Committee. When considering Board composition, the Corporate Governance Committee takes into consideration the following: (a) the independence of each director; (b) the competencies and skills the Board, as a whole, should possess such as financial literacy, integrity and accountability, the ability to engage in informed judgment, governance, strategic business development, excellent communications skills and the ability to work effectively as a team; (c) the current strengths, skills and experience represented by each director, as well as each director's personality and other qualities as they affect Board dynamics; and (d) the strategic direction of the Corporation.

### **Diversity**

The Board of Directors is committed to maintaining high standards of corporate governance in all aspects of the Corporation's business and affairs, and recognizes the benefits of fostering greater diversity in the boardroom. A fundamental belief of the Board of Directors is that a diversity of perspectives maximizes the effectiveness of the Board of Directors and decision-making in the best interests of the Corporation. This belief in diversity was confirmed by including a provision on diversity within the Corporation's Corporate Governance Charter. The provision states that candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board of Directors, including gender. Accordingly, consideration of the number of women on the Board, along with consideration of whether other diverse attributes are sufficiently represented, is an important component in the search for and selection of candidates.

When the Board of Directors selects candidates for executive officer positions, it considers not only the qualifications, personal qualities, business background and experience of the candidates, it also considers the composition of the group of nominees, to best bring together a selection of candidates allowing the Corporation's management to perform efficiently and act in the best interest of the Corporation and its shareholders. The Corporation is aware of the benefits of diversity both on the Board and at the executive level, and therefore female representation is one factor taken into consideration during the search process to fill leadership roles within the Corporation.

The Corporation aspires towards Board composition in which each gender comprises at least one-third of the independent directors. There is currently one woman on the Board of Directors of the Corporation and assuming all director nominees are elected, two out of six directors will be women (representing 33%).

### **Board Assessments**

The Board and its individual directors are assessed on an informal basis continually as to their effectiveness and contribution. The Chairman of the Board and the Lead Independent Director encourages discussion amongst the members of the Board as to evaluate the effectiveness of the Board as a whole and of each

individual director. All directors are free to make suggestions for improvement of the practice of the Board at any time and are encouraged to do so.

### **Majority Voting Policy**

The Corporation has adopted a Majority Voting Policy to provide a meaningful way for the Corporation's shareholders to hold individual directors accountable and to require the Corporation to closely examine directors that do not have the support of a majority of Shareholders who vote at the Meeting. The policy provides that forms of proxy for the election of directors will permit a Shareholder to vote in favour of, or to withhold from voting, separately for each director nominee and that where a director nominee has more votes withheld than are voted in favour of him or her, the nominee will be considered not to have received the support of the shareholders, even though duly elected as a matter of corporate law. Pursuant to the policy, such a nominee will forthwith submit his or her resignation to the Board, such resignation to be effective on acceptance by the Board. The Board will then establish an advisory committee (the "**Committee**") to which it shall refer the resignation for consideration within an 80 day period. In such circumstances, the Committee will make a recommendation to the Board as to the director's suitability to serve as a director after reviewing, among other things, the results of the voting for the nominee and the Board will consider such recommendation. Any director subject to the Majority Voting Policy will not be a member of the Committee or participate in any Board level discussion where his or her resignation is being considered. Absent exceptional circumstances the Committee and the Board will accept the resignation of the nominee director. Once the Board has made a final decision regarding the resignation, the Company will publicly disclose the Board's decision regarding the resignation, including the reasons for not accepting the resignation, if applicable. If the resignation is accepted, the Board may leave the vacancy unfilled or appoint a new director to fill the vacancy.

This policy does not apply where an election involves a proxy battle (i.e., where proxy material is circulated in support of one or more nominees who are not part of the director nominees supported by the management of the Corporation).

### **Orientation and Continuing Education**

Generally, the Corporate Governance Committee is responsible for ensuring that new directors are provided with an orientation and education program, which will include written information about the duties and obligations of directors, the business and operations of the Corporation, documents from recent board meetings, and opportunities for meetings and discussion with senior management and other directors. Directors are expected to attend all meetings of the board and are also expected to prepare thoroughly in advance of each meeting in order to actively participate in the deliberations and decisions.

The Board recognizes the importance of ongoing director education and the need for each director to take personal responsibility for this process. The Board notes that it has benefited from the experience and knowledge of individual members of the Board in respect of the evolving governance regime and principles. The Board ensures that all directors are apprised of changes in the Corporation's operations and business.

The Board takes an active interest in the progress of the Corporation's properties and assets and members are invited to visit the Corporation's properties in Brazil. In addition, the members of the Board actively participate in mining conferences such as the Prospectors and Developers Association of Canada annual conference where, in addition to meeting with political and industry dignitaries, they attend short courses on developing industry trends and technological advancements within the mining industry.

## **COMMITTEES OF THE BOARD**

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As of the Record Date, the Board had the following three standing committees:

- Audit Committee
- Compensation Committee,
- Corporate Governance Committee.

All of the committees are comprised of directors who are independent of management and each of the committees report directly to the Board. From time to time, when appropriate, ad hoc committees of the Board may be appointed by the Board.

### **Audit Committee**

The purposes of the Audit Committee are to assist the Board's oversight of: the integrity of the Corporation's financial statements; the Corporation's compliance with legal and regulatory requirements; the qualifications and independence of the Corporation's independent auditors; and the performance of the independent auditors and the Corporation's internal audit function.

The Corporation's Audit Committee is comprised of four directors: Carol Fries (Chair), Rui Botica Santos, Peter Nixon and Ayesha Hira. Each member of the Audit Committee is financially literate and independent, as required by applicable securities laws. Please refer to "Director Profiles", commencing on page 6, for the relevant education and experience of each of the members of the Audit Committee.

The members of the Audit Committee are appointed annually by the Board and serve at the pleasure of the Board until their successors are duly appointed.

### *External Auditor*

The Audit Committee pre-approves all non-audit services to be provided to the Corporation or its subsidiary entities by the issuer's external auditors.

Please see page 6 for the fees paid to external auditors in 2022 and 2021. You can find more information about the audit committee in our 2022 Annual Information Form on SEDAR ([www.sedar.com](http://www.sedar.com)). The Annual information Form includes a copy of the Audit Committee Charter attached thereto.

### **Corporate Governance Committee**

The Corporate Governance Committee is comprised of Rui Botica Santos (Chair), Carol Fries, Peter Nixon and Ayesha Hira, each of whom is an independent director. Please refer to "Director Profiles", commencing on page 6, for the relevant education and experience of each of the members of the Corporate Governance Committee.

The Corporate Governance Committee's responsibilities include periodically reviewing the charters of the Board and the committees of the Board; assisting the Chairman of the Board in carrying out his responsibilities; considering and, if thought fit, approving requests from directors for the engagement of independent counsel in appropriate circumstances; preparing and recommending to the Board a set of Corporate Governance guidelines, the Code and annually preparing and reviewing the Corporation's Corporate Governance disclosure to be included in the Corporation's management information circular; annually reviewing the Board's relationship with management to ensure the Board is able to, and in fact does, function independently of management; assisting the Board by identifying individuals qualified to become Board members and members of Board committees; and assisting the Board in monitoring compliance by the Corporation with legal and regulatory requirements.

The members of the Corporate Governance Committee are appointed annually by the Board and serve at the pleasure of the Board until their successors are duly appointed.

### **Compensation Committee**

The Board is responsible for ensuring the Corporation's total compensation strategy is aligned with the Corporation's performance and shareholder interests and equitable for participants. To assist with this, the Board maintains a compensation committee (the "Compensation Committee") which as at the date of this Circular, consists of four independent directors, Peter Nixon (Chairman), Rui Botica Santos, Carol Fries and Ayesha Hira. The skills and experience in relation to executive compensation of the members of the



Compensation Committee are outlined under the section "Director Profiles" above. The members of the Compensation Committee are appointed annually by the Board and serve at the pleasure of the Board until their successors are duly appointed.

The Compensation Committee's objective is to support and advise the Board of its oversight responsibility by focusing on the Company's approach to Board and executive compensation. Further detail on the role of the Compensation Committee is set out in the Compensation Committee Charter, the text of which is attached as Schedule B to this Circular.

The Compensation Committee is responsible for reviewing the salary levels for each of the Corporation's "Named Executive Officers" or "NEOs" (as defined below) and other senior executives on a regular basis.

The Compensation Committee reviews the performance of senior executive officers with the President and CEO and, in an in-camera session without the presence of the President & CEO, reviews the performance of the President & CEO. In evaluating the performance of the Company's executives for the award of bonuses or long-term incentive compensation, the Compensation Committee reviews the progress of project specific milestones in the following areas: health, safety, sustainability, permitting, regulatory matters, community relations, indigenous relations, governmental and political relations, environmental responsibility, shareholder value, technical services, exploration and mining, project scoping and engineering studies and the advancement of projects to development, legal and cost management,. In addition, corporate objectives such as successful capital-raising, peer benchmarking (as further discussed below) and market performance are considered.

To ensure the Compensation Committee is fully informed when making compensation decisions, the Compensation Committee may seek external advice, as required, on compensation policies and practices.

In 2022 the Compensation Committee established a clear and defined matrix of evaluation to improve the process and align the Company with the mining resource industry in general and its peer group. The Compensation Committee understands that review evaluations and modifications may be required and beneficial from time to time.

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

The objectives of the Corporation's compensation strategy are to ensure that compensation for the individuals in Senior Management positions (the "**Named Executive Officers**" or "**NEOs**"), is sufficiently attractive to recruit, retain and motivate high performing individuals with regard to the Corporation's business strategy, objectives and financial resources, and with the view of aligning the financial interests of the NEO's with those of the Shareholders.

In the performance of its duties, the Compensation Committee is guided by the following principles:

- Establishing sound corporate governance and compensation practices that are in the interests of Shareholders and that contribute to effective and efficient decision-making;
- Offering competitive compensation to attract, retain and motivate qualified executives in order for the Corporation to meet its goals and remain competitive with peer group companies; and
- Acting in the interests of the Corporation and the Shareholders by being fiscally responsible

The Compensation Committee recognizes the positive benefits to the advancement of the Volta Grande Gold Project of having the senior executive teams remuneration aligned with community and social license acceptance, a good working relationship with government agencies, a successful legal strategy as well as the ongoing technical advancements.

### *Independent Compensation Consultants and Peer Group*

The Compensation Committee for the year 2022 engaged Mercer (Canada) Limited (“**Mercer**”) to review the Company’s executive compensation against a peer group of 16 companies selected based on the following criteria: (a) listed on the TSX, (b) focused on mining and exploration for gold, (c) in pre-production stage, (d) similarly sized and (e) limited number of projects. Additionally, Mercer was retained by the Compensation Committee to review change of control and termination policies of the Company. The peer group companies included in the review were Sabina Gold & Silver Corp., Marathon Gold Corporation, Orezone Gold Corporation, Perpetua Resources Corp., Ascot Resources Ltd., Liberty Gold Corp., Galiano Gold Inc., International Tower Hill Mines Ltd., First Mining Gold Corp., Freegold Ventures Limited, Moneta Gold Inc., Troilus Gold Corp., Fury Gold Mines Limited, Treasury Metals Inc., Loncor Gold Inc. and Nighthawk Gold Corp.

The table below sets out the aggregate fees billed by Mercer for their services related to determining compensation for the Company’s directors and executive officers for each of the two most recently completed financial years:

<b>Financial Year</b>	<b>Fees Billed</b>
2022	\$32,000
2021	Nil.

Note:

(1) Represents the fees incurred by the Corporation to engage the Compensation Consultant to review the Corporation’s compensation practices and prepare a pay incentive policy.

### *Components of Compensation*

The Compensation Committee attempts to ensure that compensation is fair, balanced and linked to the performance of the Corporation and the individual NEO. Compensation for the NEOs is composed primarily of three components:

- Base fees
- Performance bonuses
- Long-term incentives and options

The determination of each component was based on formal discussions among the members of the Compensation Committee who have drawn upon their experience and broad knowledge of industry standards and performance based on expectations and goals.

In establishing the levels of base fees, performance bonuses, and the award of security-based compensation, the Corporation considered individual performance, responsibilities, and length of service. Performance is broadly reviewed and includes achievement of the Corporation’s strategic objective of permit approvals, social licence, and construction of the Volta Grande Project on a timely basis.

During fiscal 2022, the compensation strategy was based on the evaluation and achievement of specific milestones, internal benchmarks and specific quantified measures that delivered value to Shareholders.

In the last few years Belo Sun’s annual incentive program has shifted from exploration, and engineering and development achievements to a stronger emphasis on permit approvals, health and safety, and community and indigenous relationships. For fiscal 2022, the Compensation Committee believes it is appropriate to continue to focus on excellence in community and indigenous relationship building, permit approvals and to increase the emphasis on Shareholder returns, financial performance and funding objectives while the development of its assets continues.

## *Base Fees and Performance Bonus*

### *Base Fees*

Base fees form an essential component of the Corporation's compensation strategy as a key to the Corporation remaining competitive, are fixed and therefore not subject to uncertainty, and can be used as the base to determine other elements of compensation and benefits. In determining the base fees of executive officers, the Compensation Committee and Board consider the following:

- comparable compensation of executives of companies in the Benchmark Group
- whether a NEO has met corporate objectives and performance level
- the recommendations of the President and Chief Executive Officer of the Corporation (other than with respect to the compensation of the President and Chief Executive Officer);
- the particular responsibilities related to the position;
- the experience, expertise and level of the executive officer;
- the executive officer's length of service to the Corporation; and
- the executive officer's overall performance based on informal feedback.

The emphasis placed on any of these factors is at the discretion of the Compensation Committee and may vary among the executive officers. In respect of the base fees paid to the President and Chief Executive Officer, the Board also broadly considered the performance of the President and Chief Executive Officer against the Corporation's performance in the previous year, including without limitation, the achievement of corporate objectives set forth below.

### *Bonus Payments*

The purpose of the Corporation's bonus program is to provide NEOs with the opportunity to receive a cash incentive that is broadly related to the progress of the Corporation and individual performance. The Compensation Committee annually evaluates the Corporation's progress to set key objectives for NEOs to achieve. Additionally, the performance of NEOs vis-à-vis such objectives are factored into any bonus payments made to such NEOs.

## *Long-term Incentives and Equity Compensation*

### *Deferred Share Unit Incentive Plan*

In 2015, the Board of Directors approved and authorized the creation of a Deferred Share Unit Incentive Plan (the "**DSU Plan**").

The DSU Plan provides for the issuance of units ("**DSUs**") to directors and employees which may be settled by way of: (i) cash payments to each participant in an amount that represents the value of one Common Share for each DSU held on the date upon which the participant ceases to be a director or employee of the Corporation; or (ii) the transfer of Common Shares purchased in the secondary market by a trustee on the date upon which the participant ceases to be a director or employee of the Corporation.

The purpose of the DSU Plan is to attract, retain and motivate individuals with the requisite training, experience and leadership to carry out key roles with the Corporation, to advance the interests of the Corporation by providing such individuals with appropriate compensation and to strengthen the alignment of the DSU holders' interest with the interests of shareholders.

The DSU Plan is administered by the Compensation Committee, which may determine from time to time, the number and timing of DSUs to be awarded and the applicable vesting criteria. The value of a DSU is based on the trading price of the Common Shares. Each vested DSU held by an eligible participant shall be redeemed by the Corporation once the participant ceases to be a director or employee of the Corporation.

During the year ended December 31, 2022, the Corporation granted NIL DSUs.

### *Stock Option Awards*

The Board believes that granting stock options to officers, directors, consultants and employees encourages retention and more closely aligns the interests of such key personnel with the interests of shareholders while at the same time not drawing on the limited cash resources of the Corporation.

Belo Sun does not utilize a set of formal objective measures to determine long-term incentive entitlements, rather, long-term incentive grants, such as stock options, to NEOs are determined in a discretionary manner on a case by case basis, but having consideration to the number of options previously granted. There are no other specific quantitative or qualitative measures associated with option grants and no specific weights are assigned to any criteria individually, rather, the performance of the Corporation is broadly considered as a whole when determining the stock based compensation (if any) to be granted and the Corporation does not focus on any particular performance metric.

The Corporation has adopted a stock option plan (the “**Stock Option Plan**”). In accordance with TSX policy, the Corporation is required to seek shareholder approval for its Stock Option Plan every three years. The Stock Option Plan was approved by the TSX and shareholders of the Corporation at its annual meeting in 2020. The following is a summary of the terms of the Stock Option Plan, which is qualified in its entirety by the provisions of the Stock Option Plan.

- The number of options that may be granted may not exceed 10% of the number of issued and outstanding Common Shares at the time of the stock option grant, from time to time. The Stock Option Plan is considered to be an “evergreen plan” since the Common Shares covered by options which have been exercised shall be available for subsequent grants under the Stock Option Plan, and the number of options available for grant increases as the number of issued and outstanding Common Shares increase.
- Options are non-assignable and may be granted to employees, officers, directors and certain consultants of the Corporation and designated affiliates.
- Upon the termination of an optionholder’s engagement with the Corporation, the cancellation or early vesting of any stock option shall be in the discretion of the Board. In general, the Corporation expects that stock options will be cancelled 90 days following an optionholder’s termination from the Corporation.
- The aggregate number of Common Shares issuable pursuant to the Stock Option Plan and all other share compensation plans to Insiders shall not exceed 10% of the Shares outstanding at any time.
- The aggregate number of Common Shares issued upon exercise of the Options granted pursuant to the Stock Option Plan and all other share compensation plans to Insiders within a one-year period shall not exceed 10% of the Common Shares then outstanding.
- The Board determines the terms and conditions of each option granted under the Stock Option Plan, including vesting terms, provided that no stock option shall be outstanding for a period greater than five years. However, in the event that the expiry of an option period falls within two days of a trading blackout period imposed by the Corporation, (the “**Blackout Period**”), the expiry date of such Option Period shall be automatically extended to the tenth business day following the end of the Blackout Period.
- The exercise price per Option shall be determined by the Board at the time the Option is granted, but, in any event, shall not be less than the closing price of the Shares on the TSX on the trading day immediately preceding the date of the grant of the Option.
- Non-executive directors are not entitled to participate in the Stock Option Plan.
- Amendments to the Stock Option Plan may be made by the Board without shareholder approval, including, but not limited for: (i) amendments of a housekeeping nature; (ii) the addition of or a change to vesting provisions of a security or the Stock Option Plan; (iii) a change to the termination provisions of a security or the Stock Option Plan that does not entail an extension beyond the original expiry date; and (iv) the addition of a cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying securities from the Stock Option Plan reserve.

- The Board may not, without shareholder approval, make the following amendments to the Stock Option Plan: (i) any amendment to the number of securities issuable under the Plan, including an increase to a fixed maximum number of securities or a change from a fixed maximum number of securities to a fixed maximum percentage. A change to a fixed maximum percentage which was previously approved by shareholders will not require additional shareholder approval; (ii) any change to the definition of “Eligible Person” which would have the potential of narrowing or broadening or increasing insider participation; (iii) the addition of any form of financial assistance; (iv) any amendment to a financial assistance provision which is more favourable to Optionees; (v) any addition of a cashless exercise feature, payable in cash or securities, which does not provide for a full deduction in the number of underlying securities from the Plan; (vi) the addition of deferred or restricted share unit or any other provision which results in Optionees receiving securities while no cash consideration is received by the Corporation; (vii) any other amendments that may lead to significant or unreasonable dilution in the Corporation’s outstanding securities or may provide additional benefits to Optionees, especially to insiders of the Corporation, at the expense of the Corporation and its existing shareholders; (viii) any reduction in exercise price or cancellation and reissue of Options, or other entitlements; (ix) any amendment that extends the term of an award beyond the original expiry date; (x) any amendment which would permit equity based awards granted under the Plan to be transferable or assignable other than for normal estate settlement purposes; and (xi) any amendment to the plan amendment provisions.
- There is no transformation of stock options granted under the Stock Option Plan into stock appreciation rights involving the issuance of securities from the treasury of the Corporation.
- The Corporation will not provide financial assistance to any optionholder to facilitate the exercise of options under the Stock Option Plan.

The table below sets out the outstanding options under the Stock Option Plan, being the Corporation’s only compensation plan under which Common Shares are authorized for issuance, as of the Record Date.

	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available under equity compensation plans (excluding securities reflected in column (a))</b>
<b>Plan Category</b>	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>
Equity compensation plans approved by security holders	7,450,000	\$0.84	38,055,525
Equity compensation plans not approved by security holders	NIL	NIL	NIL
<b>TOTAL</b>	<b>7,450,000</b>	<b>\$0.84</b>	<b>38,055,525</b>

There are 7,450,000 options currently outstanding representing approximately 1.64% of the outstanding Common Shares and 38,055,525 Common Shares from options remain available for issuance under the plan (representing approximately 8.36% of the issued and outstanding Common Shares).

### *Risks Associated with Compensation*

In light of the Corporation’s size and the balance between long-term objectives and short-term financial goals with respect to the Corporation’s executive compensation program, the Board does not deem it necessary to consider at this time the implications of the risks associated with its compensation policies and practices.

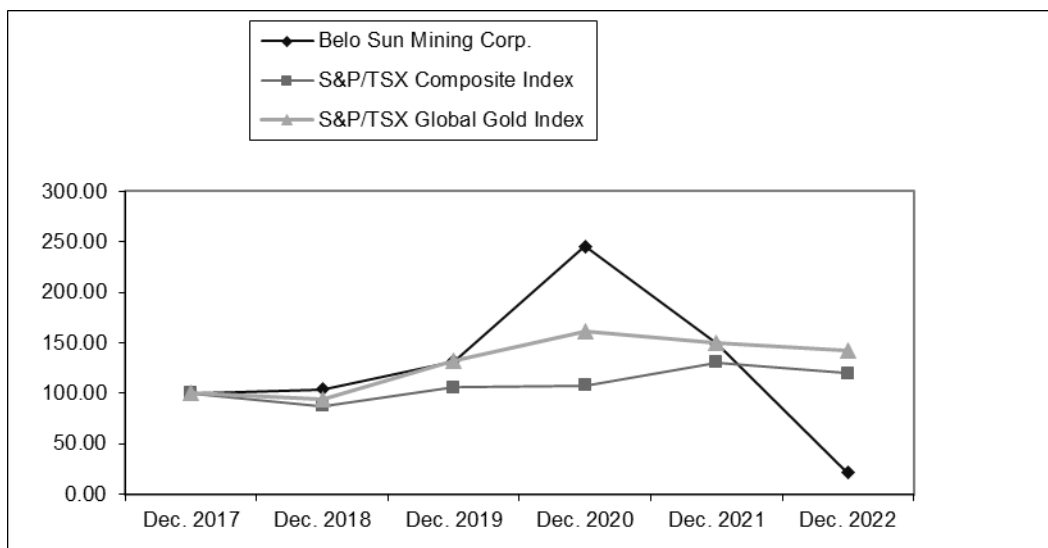
### *Financial Instruments*

The Corporation does not currently have a policy that restricts directors or NEOs from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units

of exchange funds that are designed to hedge or offset a decrease in market value of equity. However, to the knowledge of the Corporation as of the date hereof, no director or NEO of the Corporation has participated in the purchase of such financial instruments.

### Performance Graph

The following graph compares the yearly percentage change in the cumulative total shareholder return for C\$100 invested in Common Shares on the S&P/TSX Composite Index and the S&P/TSX Gold Index for the period of January 1, 2017 to December 31, 2022, assuming the reinvestment of any dividends.



In 2017 injunctions against the Volta Grande Gold Project resulted in a decrease in shareholder value. From 2018 to 2020, the Corporation continued its work in lifting the injunctions against the Volta Grand Gold Project, and while the total shareholder return with respect to the Common Shares over the period were in line with returns on the S&P/TSX Composite Index and the S&P/TSX Gold Index for the same period, total executive compensation decreased in light of the injunction. In 2021, declines were experienced in both the S&P/TSX Gold Index and in the Common Shares, with such declines attributed to a broader decrease in gold prices. In 2022, the drop in the Corporation's share price corresponded with the publication of an Amazon Watch report critical of the Volta Grande Gold Project along with uncertainty in the Brazilian political climate due to the 2022 Brazilian general elections. A large portion of the compensation paid to management and directors of the Corporation is security-based compensation and, as such, the value of compensation is derived from the Black-Sholes valuation model used for options, and ultimately gains relate to the stock performance of the Corporation.

### Other Compensation Matters

#### Indebtedness of Directors and Officers

Except as disclosed below, as at the date of this Circular, and during the financial year ended December 31, 2022, no director or executive officer of the Corporation or Nominee (as defined herein) (and each of their associates and/or affiliates) was indebted, including under any securities purchase or other program, to (i) the Corporation or its subsidiaries, or (ii) any other entity which is, or was at any time during the financial year ended December 31, 2021, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or its subsidiaries.

On April 23, 2018, the Corporation announced that certain of its directors, officers, former directors and former officers (the "Supporting Directors") have agreed to acquire an aggregate of 29,850,746 Common

Shares at a price of \$0.335 per Common Share by a private purchase from an existing shareholder for the purposes of supporting the Corporation's share price and further align their interests with those of the Shareholders. As of the date of this Circular, all of the Supporting Directors have repaid their loans in full with the exception of Mr. Tagliamonte, who has repaid \$532,788 of his loan and interest as at the date of this Circular.

### *Directors' and Officers' Insurance and Indemnification*

The Corporation maintains insurance for the benefit of its directors and officers against liability in their respective capacities as directors and officers. The Corporation has purchased in respect of directors and officers an aggregate of \$20,000,000 in coverage. The approximate amount of premiums paid by the Corporation during the financial year ended December 31, 2022 in respect of such insurance was \$83,250.

## **2022 Executive Compensation**

### *Summary Compensation Table*

The following table summarizes the compensation paid during the three financial years ended December 31, 2022, 2021 and 2020 in respect of the individuals who were carrying out the role of the CEO, the Chief Financial Officer of the Corporation ("**CFO**") and each of the three 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 for that financial year (the "**Named Executive Officers**" or "**NEOs**").

Name and principal position	Year Ended	Salary (\$) <sup>(1)</sup>	Share awards (\$)	Option awards (\$) <sup>(2)</sup>	Non-equity incentive plan compensation (\$)		All other compensation (\$) <sup>(4)</sup>	Total compensation (\$)
					Annual incentive plans <sup>(3)</sup>	Long-term incentive plans		
Peter Tagliamonte, President and CEO <sup>(6)</sup>	2022	500,000	Nil	432,485	400,000	N/A	Nil	1,332,485
	2021	500,000	Nil	888,285	500,833	N/A	Nil	1,889,118
	2020	480,000	30,664	175,728	40,000	N/A	Nil	726,392
Mark Eaton Executive Chairman <sup>(6)</sup>	2022	360,000	Nil	288,324	Nil	N/A	Nil	648,324
	2021	360,000	Nil	661,580	130,000	N/A	Nil	1,151,580
	2020	360,000	30,664	117,152	15,000	N/A	Nil	522,816
Ryan Ptolemy Chief Financial Officer	2022	120,000	Nil	25,187	Nil	N/A	Nil	145,187
	2021	120,000	Nil	48,630	35,000	N/A	Nil	203,630
	2020	180,000	2,261	26,359	15,000	N/A	Nil	223,620
Ian Pritchard Chief Operating Officer <sup>(7)</sup>	2022	100,200	Nil	11,194	Nil	N/A	Nil	111,394
	2021	100,200	Nil	21,613	12,500	N/A	Nil	134,313
	2020	273,360	11,505	11,715	5,000	N/A	Nil	301,580
Stan Bharti Consultant <sup>(5)</sup>	2022	300,000	Nil	Nil	Nil	N/A	Nil	300,000
	2021	300,000	Nil	Nil	Nil	N/A	Nil	300,000
	2020	300,000	Nil	Nil	Nil	N/A	Nil	300,000

Notes:

- (1) Compensation has been paid as consulting fees under the independent contractor agreement with the Named Executive Officer as described under the heading "Executive Compensation – Termination of Employment, Change in Responsibilities and Employment Contracts" of this Circular.
- (2) The value ascribed to option grants represents non-cash consideration and has been estimated using the Black-Scholes Model as at the date of grant, as follows: expected dividend yield — 0%; expected volatility —84%; risk-free interest rate — 0.39%; and expected life — 5 years. This is consistent with the accounting values used in the Corporation's financial statements. The Corporation selected the Black-Scholes model given its prevalence of use in North America.
- (3) Compensation paid in the form of discretionary performance based bonuses.
- (4) Other benefits did not exceed the lesser of \$50,000 and 10% of the total annual compensation for the Named Executive Officer
- (5) Mr. Bharti was appointed as a director and Executive Chairman on February 23, 2010. He ceased to be the Executive Chairman as of February 1, 2012 and ceased to be a director of the Corporation on June 28, 2019. Compensation paid to Mr. Bharti under "Salary" above, equals amounts paid pursuant to a consulting agreement between the Corporation and Forbes (as defined below), a company of which Mr. Bharti is the Executive Chairman. See "Other Arrangements".

### *Incentive Plan Awards*

The following table provides information regarding the incentive plan awards for each Named Executive Officer outstanding as of December 31, 2022.

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

Name	Option-Based Awards				Share-Based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1) (2)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Peter Tagliamonte President and CEO	3,000,000	1,500,000 options at \$0.80 1,500,000 options at \$0.97	July 27, 2025 January 4, 2026	0	0	0	340,000
Ian Pritchard Chief Operating Officer	100,000	100,000 options at \$0.80	July 27, 2025	0	0	0	127,500
Ryan Ptolemy Chief Financial Officer	225,000	225,000 options at \$0.80	July 27, 2025	0	0	0	25,075
Mark Eaton Chairman	2,000,000	1,000,000 options at \$0.80 1,000,000 options at \$0.97	July 27, 2025 January 4, 2026	0	0	0	340,000
Stan Bharti Consultant	NIL	NIL	NIL	0	0	0	357,000

Notes:

- (1) Based on the closing market price of \$0.085 of the Common Shares on December 31, 2022 and subtracting the exercise price of the options.  
(2) These options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

### Value on Pay-Out or Vesting of Incentive Plan Awards

None of the Named Executive Officers exercised any options during the year ended December 31, 2022.

### Termination of Employment, Change in Responsibilities, and Employment Contracts

The following describes the respective consulting and employment agreements entered into by the Corporation and the Named Executive Officers.

Name	Termination Notice Period	Monthly Fees	Severance on Termination	Severance on Change of Control
Peter Tagliamonte, President and CEO	30 days	\$41,667	24 months' fees plus aggregate cash bonuses paid in the 24 months prior	36 months base fees plus aggregate cash bonuses paid in the 36 months prior to the Change in Control and an amount equal to any payments to be received pursuant to any deferred share units issued to such individual. All unvested options and deferred share units shall vest immediately upon a Change in Control.
Ian Pritchard,	30 days	\$8,350	Six months' fees	36 months base fees at a



COO				rate of \$29,167 per month plus aggregate cash bonuses paid in the 36 months prior to the Change in Control and an amount equal to any payments to be received pursuant to any deferred share units issued to such individual. All unvested options and deferred share units shall vest immediately upon a Change in Control.
Ryan Ptolemy, CFO	30 days	\$15,000	24 months' fees plus aggregate cash bonuses paid in the 24 months prior	36 months base fees per month plus aggregate cash bonuses paid in the 36 months prior to the Change in Control and an amount equal to any payments to be received pursuant to any deferred share units issued to such individual. All unvested options and deferred share units shall vest immediately upon a Change in Control.
Mark Eaton, Chairman	30 days	\$30,000	24 months' fees plus aggregate cash bonuses paid in the 24 months prior	36 months base fees plus aggregate cash bonuses paid in the 36 months prior to the Change in Control and an amount equal to any payments to be received pursuant to any deferred share units issued to such individual. All unvested options and deferred share units shall vest immediately upon a Change in Control.
Forbes & Manhattan, Inc. <sup>(1)</sup>	30 days	\$25,000	24 months' fees plus aggregate cash bonuses paid in the 24 months prior	36 months base fees plus aggregate cash bonuses paid in the 36 months prior to the Change in Control and an amount equal to any payments to be received pursuant to any deferred share units issued to such individual. All unvested options and deferred share units shall vest immediately upon a Change in Control.

<sup>(1)</sup>The Corporation has entered into an agreement with Forbes & Manhattan Inc. ("**Forbes**"), of which Mr. Bharti is the Executive Chairman, pursuant to which Forbes agreed to provide consulting services to the Corporation through a number of individuals, including administrative, financial and information technology services. Forbes provides various administrative, strategic and technical services to the Corporation through its team of geologists, mining engineers and financial professionals. The nature of services provided includes assistance with strategic planning and development of business plans, development of capital markets strategy, assessment of strategic transactions, including business, technical and geological, and financial due diligence, fostering public and government relationships and fostering relationships with strategic investors and investment banks. The Corporation believes that these services contribute to the success of the Corporation and its ability to complete strategic acquisitions and financings, and the development of its properties.

### *Change of Control Provisions*

For the purpose of the agreements with the Named Executive Officers as set forth above, "Change in Control" is defined as:

- a. a takeover bid which is successful in acquiring the majority of the Common Shares;
- b. a change of control of the Board resulting from the election of less than a majority of the persons nominated for election by management of the Corporation;

- c. the acquisition, directly or indirectly, through one transaction or a series of transactions, by any person or persons, of an aggregate of more than a 50% interest in the Corporation's qualifying mining property for its listing on the Toronto Stock Exchange;
- d. the acquisition, directly or indirectly, through one transaction or a series of transactions, by any person or persons, of an aggregate of less than a 50% interest in the Corporation's qualifying mining property for its listing on the Toronto Stock Exchange and where the Corporation loses management or operational control over such qualifying mining property;
- e. the sale of all or substantially all the assets of the Corporation;
- f. the sale, exchange or other disposition of a majority of the outstanding Common Shares in a single transaction or series of related transactions;
- g. the dissolution of the Corporation's business or the liquidation of its assets;
- h. a merger, amalgamation or arrangement of the Corporation in a transaction or series of transactions in which the Corporation's shareholders receive less than 51% of the outstanding shares of the new or continuing corporation; or
- i. the acquisition, directly or indirectly, through one transaction or a series of transactions, by any person or group of persons acting jointly or in concert (including without limitation, the power to vote), of an aggregate of more than 30% of the outstanding Common Shares.

Such Change of Control payments may be triggered by either the Corporation or the Named Executive Officer who elects from the date of such Change in Control to elect to have such Named Executive Officer's agreement terminated.

#### Summary of Termination Payments

The estimated incremental payments, payables and benefits that might be paid to the Named Executive Officers pursuant to the above noted agreements in the event of termination without cause or after a Change in Control (assuming such termination or Change in Control is effective as of December 31, 2022) are detailed below:

Named Executive Officer	Termination not for Cause (\$)	Value of Unvested Options and DSUs Vested (\$) upon termination not for cause	Termination on a Change in Control (\$)	Value of Unvested Options and DSUs Vested (\$) upon Change in Control
<b>Peter Tagliamonte</b>				
Salary and Quantified Benefits	1,000,000	0	1,500,000	2,360,000
Bonus	940,833		940,833	
Total	1,940,833		2,278,833	
<b>Ian Pritchard</b>				
Salary and Quantified Benefits	50,100	0	1,050,012	885,000
Bonus	-		19,500	
Total	50,100		1,069,512	
<b>Ryan Ptolemy</b>				
Salary and Quantified Benefits	360,000	0	540,000	174,050
Bonus	50,000		60,000	
Total	410,000		600,000	
<b>Mark Eaton</b>				
Salary and Quantified Benefits	720,000	0	1,080,000	2,360,000
Bonus	25,000		102,000	
Total	745,000		1,182,000	
<b>Forbes &amp; Manhattan</b>				
Salary and Quantified Benefits	600,000	0	900,000	2,478,000
Bonus	0		175,000	
Total	600,000		1,075,000	
<b>TOTAL</b>	<b>3,345,933</b>	<b>0</b>	<b>6,200,345</b>	<b>7,372,050</b>

## DIRECTOR COMPENSATION

Compensation of directors for the financial year ended December 31, 2022 was determined on a case-by-case basis with reference to the role that each director provided to the Corporation. The following information details compensation paid in the recently completed financial year.

During the financial year ended December 31, 2022 non-executive Directors did not receive cash bonuses. The amount of options and shares to be granted is based on the relative contribution and involvement of the individual in question as well as taking into consideration previous option and share grants.

Executive officers who also act as directors of the Corporation do not receive any additional compensation for services rendered in their capacity as directors.

During the financial year ended December 31, 2022, directors were granted the fees and bonuses in their capacity as directors, committee chairs or as lead director of the Corporation as set out in the table below, other than Messrs. Tagliamonte and Eaton, whose compensation was included under Executive Compensation in the Summary Compensation Table for NEOs.

### Director Summary Compensation Table

The following table provides information regarding the compensation awarded to each director during the year ended December 31, 2022, other than Messrs. Tagliamonte and Eaton, whose compensation was included above.

Name	Fees earned (\$)	Share awards (\$)	Option awards (\$)	Non-equity incentive plan compensation (\$) <sup>(1)</sup>	All other compensation (\$) <sup>(2)</sup>	Total (\$)
Carol Fries	50,000	Nil	27,985	Nil	Nil	77,985
Peter Nixon	50,000	1,986	39,180	Nil	Nil	91,166
Rui Botica Santos	45,000	19,423	27,985	Nil	Nil	92,408
Ayesha Hira	20,000	55,343	Nil	Nil	Nil	75,343
<b>TOTALS</b>	<b>165,000</b>	<b>76,752</b>	<b>95,150</b>	<b>Nil</b>	<b>Nil</b>	<b>336,902</b>

Notes:

- (1) Compensation paid in the form of discretionary performance based bonuses.  
(2) All other benefits did not exceed the lesser of \$50,000 and 10% of the total annual compensation for each director.

### Incentive Plan Awards

The following table provides information regarding the incentive plan awards for each director outstanding as of December 31, 2022, other than Messrs. Tagliamonte and Eaton, whose compensation was included above.

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

Name	Option-Based Awards				Share-Based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1) (2)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share awards that have not vested (\$)	Market or payout value of vested share-based awards not
Carol Fries	250,000	0.80	July 27, 2025	0	0	0	38,250
Peter Nixon	350,000	0.80	July 27, 2025	0	0	0	21,250

Rui Botica Santos	250,000	0.80	July 27, 2025	0	0	0	21,250
Ayesha Hira	Nil	Nil	Nil	Nil	166,667	14,167	7,083

Notes:

- (1) Based on the closing market price of \$0.085 of the Common Shares on December 31, 2022 and subtracting the exercise price of the options.  
(2) These options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

### Value on Pay-Out or Vesting of Incentive Plan Awards

None of the independent directors exercised any options during the year ended December 31, 2021.

## ADDITIONAL INFORMATION AND CONTACT INFORMATION

### Additional Information

Additional information relating to the Corporation may be found under the profile of the Corporation on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Corporation's website at [www.belosun.com](http://www.belosun.com). Additional financial information is provided in the Corporation's audited financial statements and related management's discussion and analysis for the financial year ended December 31, 2022, which can be found under the profile of the Corporation on SEDAR. Shareholders may also request these documents from the Corporate Secretary of the Corporation by email at [nsaid@fmresources.ca](mailto:nsaid@fmresources.ca).

### Board of Directors Approval

The contents of this Circular and the sending thereof to the Shareholders of the Corporation have been approved by the Board.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "Peter Tagliamonte"

President and Chief Executive Officer

Toronto, Ontario  
May 8, 2023

## SCHEDULE "A"

### BELO SUN MINING CORP. BOARD MANDATE

#### 1. Introduction

The Board of Directors (the "**Board**") has the responsibility for the overall stewardship of the conduct of the business of Belo Sun Mining Corp. (the "**Company**") and the activities of management, which is responsible for the day-to-day conduct of the business. The Board's fundamental objectives are to enhance and preserve long-term shareholder value, and to ensure that the Company meets its obligations on an ongoing basis and operates in a reliable and safe manner. In performing its functions, the Board should also consider the legitimate interests its other stakeholders, such as employees, customers and communities, may have in the Company. In overseeing the conduct of the business, the Board, through the Chief Executive Officer and Executive Chairman, shall set the standards of conduct for the Company.

#### 2. Procedures and Organization

The Board operates by delegating certain of its authorities to management and by reserving certain powers to itself. The Board retains the responsibility for managing its own affairs including selecting its chair ("**Chair**") and nominating candidates for election to the Board and constituting committees of the Board. If the Chair is an executive of the Company, in order to further enhance the ability of the Board to act independently of management, the independent directors will select a lead independent director ("**Lead Director**"). Subject to the Articles of the Company and the *Business Corporations Act* (Ontario) (the "**Act**"), the Board may constitute, seek the advice of and delegate powers, duties and responsibilities to committees of the Board.

A quorum for the transaction of business at any meeting of the Board shall be a majority of the number of directors then in office. The Corporate Secretary of the Company (or in his or her absence, the person appointed by the Board to take minutes) shall have the responsibility for taking minutes of all meetings of the Board and for circulating drafts of such minutes to the Chair promptly following each meeting. The Corporate Secretary of the Company (or in his or her absence, the person appointed by the Board to take minutes) shall present draft minutes from the previous meeting at the next succeeding Board meeting for comments, approval and execution. In the case of an equality of votes at a meeting of the Board, the chair of the meeting shall not have a second or casting vote.

#### 3. Duties and Responsibilities

The Board's principal duties and responsibilities fall into a number of categories which are outlined below.

##### 3.1 Legal Requirements

- a. The Board, together with management, has the responsibility to ensure that legal requirements have been met and documents and records have been properly prepared, approved and maintained.
- b. The Board has the statutory responsibility to:
  - i. manage or, to the extent it is entitled to delegate such power, supervise the management of the business and affairs of the Company by the senior officers of the Company;
  - ii. act honestly and in good faith with a view to the best interests of the Company;

- iii. exercise the care, diligence and skill that reasonable, prudent people would exercise in comparable circumstances; and
- iv. act in accordance with its obligations contained in the Act and the regulations thereto, the Company's Articles, securities laws of each province and territory of Canada, and other relevant legislation and regulations.

### **3.2 Independence**

The Board has the responsibility to ensure that appropriate structures and procedures are in place to permit the Board to function independently of management, including endeavouring to have a majority of directors who are "independent" as defined by National Instrument 58-101 – Disclosure of Corporate Governance Practices ("NI 58-101"). The Board, in consultation with the Corporate Governance and Nominating Committee, will annually review the relationship of each director and the Company to determine if each director is or remains "independent" as defined by NI 58-101. In addition, the independent directors shall hold an in camera session without the presence of management or any non-independent directors at each meeting.

### **3.3 Strategy Determination**

The Board has the responsibility to ensure, at least annually, that there are long-term goals and a strategic planning process in place for the Company and to participate with management, directly or through the Board's committees, in developing and approving the plan by which the Company proposes to achieve its goals, which plan takes into account, among other things, the opportunities and risks of the Company's business.

### **3.4 Managing Risk**

The Board has the responsibility to identify and understand the principal risks of the business in which the Company is engaged, to achieve a proper balance between risks incurred and the potential return to shareholders, and to ensure that there are appropriate systems in place which effectively monitor and manage those risks with a view to the long-term viability of the Company.

### **3.5 Division of Responsibilities**

The Board has the power to:

- a. appoint and delegate responsibilities to committees where appropriate to do so; and
- b. develop position descriptions for:
  - i. its individual members and/or the individual members of committees of the Board;
  - ii. the Chair and/or Lead Director of the Board;
  - iii. the Chief Executive Officer; and
  - iv. the Chief Financial Officer.

The Board shall be responsible for ensuring that the Company's officers and the directors and officers of the Company's subsidiaries, if any, are qualified and appropriate in keeping with the Company's corporate governance policies, and that they are provided with copies of the Company's policies for implementation by the Company and its subsidiaries.

To assist it in exercising its responsibilities, the Board establishes four standing committees of the Board: the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee and the Health, Safety, Environment & Corporate Social Responsibility Committee. The Board may establish other standing or ad hoc committees from time to time which will function in accordance with such committee's charter.

Each committee shall have a written charter that clearly establishes its purpose, responsibilities, composition, structure and functions. Each committee charter shall be reviewed by the Board at least annually. The Board is responsible for appointing the committee members, including the chair of each committee.

### **3.6 Appointment, Training and Monitoring Senior Management**

The Board has the responsibility:

- a. to appoint the Chief Executive Officer, to monitor and assess the Chief Executive Officer's performance and effectiveness, to satisfy itself as to the integrity of the Chief Executive Officer, and to provide advice and counsel in the execution of the Chief Executive Officer's duties;
- b. to develop or approve the corporate goals or objectives that the Chief Executive Officer is responsible for;
- c. to monitor and assess the Executive Chairman's performance and effectiveness and to satisfy itself as to the integrity of the Executive Chairman;
- d. to approve the appointment of all corporate officers, acting on the advice of the Chief Executive Officer, and to satisfy itself as to the integrity of such corporate officers;
- e. ensure that adequate provision has been made to train, develop and monitor management and for the orderly succession of management;
- f. to create a culture of integrity throughout the Company;
- g. to ensure that management is aware of the Board's expectations of management; and
- h. to avail itself collectively and individually of the open access to the Company's senior management and to advise the Chair of the Board and / or Lead Director of significant matters discussed.

### **3.7 Policies, Procedures and Compliance**

The Board has the responsibility:

- a. to ensure with management that the Company operates at all times within applicable laws, regulations and ethical standards; and
- b. to approve and monitor compliance with significant policies and procedures by which the Company is operated.

### **3.8 Reporting and Communication**

The Board has the responsibility:

- a. to ensure the Company has in place policies and programs to enable the Company to communicate effectively with its shareholders, other stakeholders and the public generally;

- b. to ensure that the financial performance of the Company is adequately reported to shareholders, other securityholders and regulators on a timely and regular basis;
- c. to ensure the timely reporting of developments that have a significant and material impact on the market price or value of the Company's securities;
- d. to report annually to shareholders on its stewardship of the affairs of the Company for the preceding year;
- e. to develop appropriate measures for receiving shareholder feedback; and
- f. to develop the Company's approach to corporate governance and to develop a set of corporate governance principles and guidelines.

### **3.9 Monitoring and Acting**

The Board has the responsibility:

- a. to monitor the Company's progress towards its goals and objectives and to revise and alter its direction through management in response to changing circumstances;
- b. to take action when performance falls short of its goals and objectives or when other special circumstances warrant; and
- c. to ensure that the Company has implemented adequate internal control and management information systems which ensure the effective discharge of the Board's responsibilities.

### **3.10 Membership and Composition**

The Board has the responsibility to determine:

- a. its appropriate size and composition;
- b. the relevant criteria for proposed additions to the Board, having regard to areas of required skills and expertise and other qualities, including independence and diversity;
- c. any maximum number of boards or other engagements considered appropriate for directors, having regard to whether they are independent directors or members of management;
- d. any appropriate age for retirement of directors;
- e. the recommended compensation of directors for their services in that role, after consideration by the Compensation Committee; and
- f. the number of meetings of the Board to be held each year and the time and place of such meetings; provided that the Board shall meet at least on a quarterly basis.

### **3.11 Education and Assessment**

Members of the Board are expected to attend all meetings of the Board in person or by phone and to have reviewed board materials in advance and be prepared to discuss such materials.

The Board has responsibility to ensure that all new directors receive a comprehensive orientation and fully understand the role of the Board and its committees, the nature and operation of the Company's business, the expectations for directors and the contribution that individual directors are required to make. In addition to an initial orientation, members of the Board are expected to pursue educational opportunities, such as



seminars and conferences, as appropriate to assist them in better performing their duties, and directors and are encouraged to visit one of the Company's sites at least once every two years.

Members of the Board will be required to annually assess their own effectiveness and contribution as directors, and the effectiveness of the Board and its committees.

### **3.12 Third Party Advisors**

The Board, and any individual director with the approval of the Board, may retain at the expense of the Company independent counsel and advisers in appropriate circumstances.

## **4. Chair of the Board and Independent Lead Director**

**4.1** The Chair of the Board, with the assistance of the Lead Director (if one is appointed from time to time), will provide leadership to directors in discharging their duties as set out in this Charter, including by:

- a. leading, managing and organizing the Board consistent with the approach to corporate governance adopted by the Board from time to time;
- b. promoting cohesiveness among the directors; and
- c. being satisfied that the responsibilities of the Board and its committees are well understood by the directors.

**4.2** The Chair, with the assistance of the Lead Director (if one is appointed from time to time), will assist the Board in discharging its stewardship function, including by:

- a. satisfying himself as to the integrity of the senior officers of the Company and ensuring that such senior officers create a culture of integrity throughout the organization;
- b. taking part in strategic planning, risk management and succession planning;
- c. together with the Chair of the Corporate Governance and Nominating Committee, reviewing the committees of the Board, the composition and chairs of such committees and the charters of such committees; and
- d. together with the Chair of the Corporate Governance and Nominating Committee, ensuring that the Board, committees of the Board, individual directors and senior management of the Company understand and discharge their duties and obligations under the Company's system of corporate governance.

**4.3** In addition, in conjunction with the Chair of the Corporate Governance and Nominating Committee, the Chair will ensure that:

- a. all directors receive updates to Company policy documents and the listing policies of the applicable exchanges;
- b. regular discussions relating to corporate governance issues and directors' duties are conducted at Board meetings;
- c. the Company's policies are reviewed and updated by the Board as new rules or circumstances dictate; and
- d. appropriate funding is allocated to directors to attend seminars or conferences relevant to their positions as directors of the Company.

- 4.4** In connection with meetings of the directors, the Chair will be responsible for the following (in consultation with the Lead Director, if one is appointed from time to time):
- a. scheduling meetings of the directors;
  - b. coordinating with the chairs of the committees of the Board to schedule meetings of the committees;
  - c. reviewing items of importance for consideration by the Board;
  - d. ensuring that all business required to come before the Board is brought before the Board, such that the Board is able to carry out all of its duties to manage or supervise the management of the business and affairs of the Company;
  - e. setting the agenda for meetings of the Board;
  - f. monitoring the adequacy of materials provided to the directors by management in connection with the directors' deliberations;
  - g. ensuring that the directors have sufficient time to review the materials provided to them and to fully discuss the business that comes before the Board;
  - h. presiding over meetings of the directors; and
  - i. encouraging free and open discussion at meetings of the Board.
- 4.5** In addition, the Lead Director, if one is appointed from time to time, will be responsible for the following:
- a. reviewing items of importance for consideration by the independent directors and setting the agenda for in camera sessions of the independent directors;
  - b. presiding over meetings of the directors at which the Chair is not present and in camera sessions of the independent directors, and apprising the Chair of the issues considered;
  - c. encouraging free and open discussion at in camera sessions of the independent directors;
  - d. serving as liaison between the independent directors and the Chair;
  - e. being available for consultation and direct communication with the Company's shareholders as appropriate;
  - f. together with the Chair of the Board and the Chair of the Corporate Governance and Nominating Committee, providing feedback to directors regarding their performance; and
  - g. performing such other duties as the Board may delegate to the Lead Director from time to time.

The Corporate Governance Committee will annually review this Mandate and submit any recommended changes to the Board for approval.

APPROVED by the Board of Directors on March 27, 2023

## SCHEDULE "B"

### BELO SUN MINING CORP.

#### CHARTER OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

##### 1. PURPOSE OF THIS CHARTER

The Compensation Committee is appointed by the Board of Directors (the "**Board**") of Belo Sun Mining Corp. (the "**Corporation**") to assist the Board in setting director and senior executive compensation and to develop and submit to the Board recommendations with respect to other employee benefits as they see fit. In the performance of its duties, the Committee will be guided by the following principles:

- a) offering competitive compensation to attract, retain and motivate the very best qualified executives in order for the Corporation to meet its goals; and
- b) acting in the interests of the Corporation and its shareholders by being fiscally responsible.

##### 2. COMPOSITION AND MEETINGS

- a) The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including, without limitation, those of the Ontario Securities Commission ("**OSC**"), the *Business Corporations Act* (Ontario), any stock exchange upon which the securities of the Corporation trade and all other applicable securities regulatory authorities.
- b) The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. The members of the Committee shall appoint from among themselves a member who shall serve as Chair. The position description and responsibilities of the Chair are set out in Schedule "A" attached hereto.
- c) At least two members of the Committee shall be "independent" (as defined under section 1.4 of National Instrument 52-110 – *Audit Committees*, of the Canadian Securities Administrators).
- d) Each member of the Committee shall serve at the appointment of the Board and, in any event, only so long as he or she shall be independent. The Committee shall report to the Board.
- e) The Committee shall meet at least annually, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements, and a majority of the members of the Committee shall constitute a quorum.
- f) If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting, at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.
- g) If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
- h) The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by, the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least

48 hours notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.

- i) Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
- j) The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
- k) The Committee may invite such officers, directors and employees of the Corporation and its subsidiaries as it may see fit, from time to time, to attend at meetings of the Committee.
- l) Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose; actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. The Committee shall report its determinations to the Board at the next scheduled meeting of the Board, or earlier as the Committee deems necessary. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation.
- m) The Committee members will be elected annually at the first meeting of the Board following the annual general meeting of shareholders.
- n) The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.

### 3. RESPONSIBILITIES

The responsibilities of the Committee shall be:

- a) Having regard to competitive position and individual performance, annually review, approve and recommend to the Board for approval the remuneration of the senior executives of the Corporation, namely, any executives in the offices of Chief Executive Officer, President, Vice-Presidents, Chief Financial Officer and any senior executives of the Corporation having comparable positions as may be specified by the Board (collectively, the “**Senior Executives**”), the remuneration of the Senior Executives other than the Chief Executive Officer shall be subject to review by the Committee in consultation with the Chief Executive Officer.
- b) If deemed necessary or advisable, to review the Chief Executive Officer’s goals and objectives for the upcoming year and to provide an appraisal of the Chief Executive Officer’s performance at the end of the year.
- c) To meet with the Chief Executive Officer to discuss goals and objectives of other Senior Executives, their compensation and performance.
- d) To review and recommend to the Board for approval any special employment contracts including employment offers, retiring allowance agreements or any agreement to take effect in the event of termination or change in control affecting any Senior Executives.

- e) To review and recommend to the Board for its approval the remuneration of directors and senior executives, and to develop and submit to the Board recommendations with regard to bonus entitlements, other employee benefits and bonus plans.
- f) To compare on an annual basis, formally or informally, the total remuneration (including benefits) and the main components thereof for the Senior Executives with the remuneration practices of peers in the same industry.
- g) To approve and periodically review bonus plans, the stock option plan and other incentive plans and consider these in light of new trends and practices of peers in the same industry.
- h) To review and recommend to the Board for its approval the disclosure required in any management information circular of the Corporation relating to annual and/or special meetings of the shareholders of the Corporation relating to executive compensation as may be required pursuant to any applicable securities regulations, rules and policies and to review and finalize the report on executive compensation required in any management information circular of the Corporation.
- i) Subject to the powers of the Board, shareholder approval of all stock option plans and other security based compensation arrangement and receipt of all necessary regulatory approvals, to determine those directors, officers, employees and consultants of the Corporation who will participate in long term incentive plans; to determine the number of shares of the Corporation allocated to each participant under such plan; to determine the time or times when ownership of such shares will vest for each participant; and to administer all matters relating to any long term incentive plan and any employee bonus plan to which the Committee has been delegated authority pursuant to the terms of such plans or any resolutions passed by the Board.
- j) To determine annually the Chief Executive's entitlement to be paid a bonus under any employee bonus plan.
- k) To adopt such policies and procedures as it deems appropriate to operate effectively.

#### **4. AUTHORITY**

Until the replacement of this Charter, the Committee shall have the authority to:

- a) engage independent counsel and other advisors as it determines necessary to carry out its duties; and
- b) set and pay the compensation for any advisors employed by the Committee.

**Reviewed and approved by the Compensation Committee on March 23, 2023**

## Schedule "A"

### BELO SUN MINING CORP.

#### POSITION DESCRIPTION FOR THE CHAIRMAN OF THE COMPENSATION COMMITTEE

##### 1. Purpose

The Chairman of the Compensation Committee of the Board shall be an independent director who is elected by the Board to act as the leader of the Committee in, among other things: (i) reviewing Board compensation on at least an annual basis; (ii) reviewing and recommending to the Board compensation packages of the President and Chief Executive Officer, as well as other members of senior management; and (iii) establishing periodic review of the management benefits and perquisites.

##### 2. Who may be Chairman

The Chairman will be selected amongst the independent directors of the Corporation who have a sufficient level of experience with compensation issues to ensure the leadership and effectiveness of the Committee.

The Chairman will be selected annually at the first meeting of the Board following the annual general meeting of shareholders.

##### 3. Responsibilities

1) The following are the primary responsibilities of the Chairman:

- a) Chairing all meetings of the Committee in a manner that promotes meaningful discussion.
- b) Ensuring adherence to the Committee's Charter and that the adequacy of the Committee's Charter is reviewed annually.
- c) Providing leadership to the Committee to enhance the Committee's effectiveness, including:
  1. Ensuring the appropriate research and peer group review is done to identify and assess trends in employment benefits and other compensation data.
- d) Managing the Committee, including:
  - a) Adopting procedures to ensure that the Committee can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings;
  - b) Preparing the agenda of the Committee meetings and ensuring pre-meeting material is distributed in a timely manner, is appropriate in terms of relevance and is efficient in format and detail;
  - c) Ensuring meetings are appropriate in terms of frequency, length and content;
  - d) Ensuring that the Committee reviews all executive compensation disclosure before it is publicly disclosed; and
  - e) Annually reviewing with the Committee, its own performance.

## SCHEDULE "C"

### BELO SUN MINING CORP.

#### STOCK OPTION PLAN

#### ARTICLE I

#### INTRODUCTION

##### 1.1 Purpose of Plan

The purpose of the Plan is to secure for the Company and its shareholders the benefits of incentives inherent in the share ownership by the directors, senior officers, key employees and consultants of the Company and its Subsidiaries who, in the judgment of the Board, will be largely responsible for its future growth and success. It is generally recognized that a stock option plan of the nature provided for herein aids in retaining and encouraging employees and directors of exceptional ability because of the opportunity offered them to acquire a proprietary interest in the Company. The number of options that may be granted may not exceed 10% of the number of issued and outstanding Common Shares at the time of the stock option grant, from time to time. The Stock Option Plan is considered to be an "evergreen plan" since the Common Shares covered by options which have been exercised shall be available for subsequent grants under the Stock Option Plan, and the number of options available to grant increases as the number of issued and outstanding Common Shares increase.

##### 1.2 Definitions

- (a) "Associate" has the meaning ascribed thereto in the Securities Act.
- (b) "Board" means the board of directors of the Company, or any committee of the board of directors to which the duties of the board of directors hereunder are delegated.
- (c) "Company" means Belo Sun Mining Corp., a company duly incorporated under the laws of Ontario.
- (d) "Consultant" means a person providing consulting services to the Company or any of its Subsidiaries.
- (e) "Consultant Company" means for an individual Consultant, a company or partnership of which the individual is an employee, shareholder or partner.
- (f) "Director" means a director of the Company or any of its Subsidiaries.
- (g) "Eligible Person" means any employee, Director, senior Officer or Consultant of the Company or any of its Subsidiaries.
- (h) "Exchange" means the Toronto Stock Exchange or any other stock exchange on which the Shares are listed.
- (i) "Insider" of the Company shall mean an Eligible Person who is an "insider" of the Company that is

subject to insider reporting requirements pursuant to National Instrument 55-101 – Insider Reporting Exemptions.

- (j) “Option” shall mean an option granted under the terms of the Plan.
- (k) “Option Commitment” means the notice of grant of an Option delivered by the Company hereunder to an Optionee and substantially in the form of Exhibit A hereto.
- (l) “Option Period” shall mean the period during which an Option may be exercised.
- (m) “Optionee” shall mean an Eligible Person to whom an Option has been granted under the terms of the Plan
- (n) “Plan” means this Incentive Stock Option Plan established and operated pursuant to Article II hereof.
- (o) “Securities Act” means the *Securities Act* (Ontario) as amended from time to time.
- (p) “Share Compensation Arrangement” means the Plan described herein and any other security based compensation arrangements implemented by the Company including stock options, other stock option plans, employee stock purchase plans, share distribution plans, stock appreciation rights, restricted share unit plans or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares of the Company.
- (q) “Shares” shall mean the common shares of the Company.
- (r) “Subsidiary” has the meaning ascribed thereto in the Securities Act.

## ARTICLE II

### STOCK OPTION PLAN

#### 2.1 Participation

Options to purchase Shares may be granted hereunder to Eligible Persons.

#### 2.2 Determination of Option Recipients

The Board shall make all necessary or desirable determinations regarding the granting of Options to Eligible Persons and may take into consideration the present and potential contributions of a particular Eligible Person to the success of the Company and any other factors which it may deem proper and relevant.

#### 2.3 Exercise Price

The exercise price per Share shall be determined by the Board at the time the Option is granted, but, in any event, shall not be less than the closing price of the Shares on the Exchange on the trading day immediately preceding the date of the grant of the Option.



#### 2.4 Grant of Options

The Board may at any time authorize the granting of Options to such Eligible Persons as it may select for the number of Shares that it shall designate, subject to the provisions of the Plan. A director of the Company to whom an Option may be granted shall not participate in the decision of the Board to grant such Option. The date of each grant of Options shall be determined by the Board when the grant is authorized.

#### 2.5 Option Commitment

Each Option granted to an Optionee shall be evidenced by an Option Commitment detailing the terms of the Option and upon delivery of the Option Commitment to the Optionee by the Company the Optionee shall have the right to purchase the Shares underlying the Option at the exercise price set out therein, subject to any provisions as to the vesting of the Option.

#### 2.6 Terms of Options

The periods within which Options may be exercised and the number of Shares which may be issuable upon the exercise of Options in any such period shall be determined by the Board at the time of granting the Options provided, however, that all Options must be exercisable during a period not extending beyond five years from the date of the Option grant.

Notwithstanding the foregoing, in the event that the expiry of an Option Period falls within, or within two (2) days of, a trading blackout period imposed by the Company (the "**Blackout Period**"), the expiry date of such Option Period shall be automatically extended to the 10<sup>th</sup> business day following the end of the Blackout Period.

#### 2.7 Exercise of Option

Subject to the provisions of the Plan, an Option may be exercised from time to time by delivery to the Company of a written notice of exercise specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full of the exercise price of the Shares to be purchased. Certificates for such Shares shall be issued and delivered to the Optionee within a reasonable time following the receipt of such notice and payment.

#### 2.8 Vesting

Options granted pursuant to the Plan shall vest and become exercisable by an Optionee at such time or times as may be determined by the Board.

#### 2.9 Lapsed Options

If Options are surrendered, terminated or expire without being exercised in whole or in part, new Options may be granted covering the Shares not purchased under such lapsed Options.

#### 2.10 Death of Optionee

If an Optionee ceases to be an Eligible Person due to death, any Option held by it at the date of death shall be exercisable by the Optionee's legal heirs or personal representatives. All such Options shall be exercisable only to the extent that the Optionee was entitled to exercise the Option at the date of death and only for 12 months after the date of death or prior to the expiration of the Option Period in respect thereof, whichever is sooner, subject to the Board determining otherwise.

#### 2.11 Termination of Employment

If an Optionee ceases to be an Eligible Person, other than as a result of termination with cause, or ceases to act as a Director, any Option held by such Optionee at the effective date thereof shall be exercisable only to the extent that the Optionee is entitled to exercise the Option and only for 90 days thereafter (or such longer period as may be prescribed by law) or prior to the expiration of the Option Period in respect thereof, whichever is sooner, subject to the Board determining otherwise. In the case of an Optionee being dismissed from employment or service for cause, the Option shall immediately terminate and shall no longer be exercisable as of the date of such dismissal.

#### 2.12 Effect of Take-Over Bid

If a bona fide offer (the "**Offer**") for Shares is made to the Optionee or to shareholders generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror exercising control over the Company within the meaning of the Securities Act, then the Company shall, immediately upon receipt of notice of the Offer, notify each Optionee of the full particulars of the Offer. The Board will have the sole discretion to amend, abridge or otherwise eliminate any vesting schedule so that notwithstanding the other terms of this Plan, such Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Shares received upon such exercise (the "**Optioned Shares**") pursuant to the Offer. If:

- (a) the Offer is not complied with within the time specified therein;
- (b) the Optionee does not tender the Optioned Shares pursuant to the Offer; or
- (c) all of the Optioned Shares tendered by the Optionee pursuant to the Offer are not taken up and paid for by the offeror in respect thereof;

then at the discretion of the Board, the Optioned Shares or, in the case of clause (c) above, the Optioned Shares that are not taken up and paid for, shall be returned by the Optionee to the Company and reinstated as authorized but unissued Shares and the terms of the Option as set forth in this Plan and the Option Commitment shall again apply to the Option. If any Optioned Shares are returned to the Company under this Section, the Company shall refund the exercise price to the Optionee for such Optioned Shares.

#### 2.13 Effect of Reorganization, Amalgamation, Merger, etc.

If there is a consolidation, reorganization, merger, amalgamation or statutory amalgamation or arrangement of the Company with or into another corporation, a separation of the business of the Company into two or more entities or a transfer of all or substantially all of the assets of the Company to another entity, the Board will have the sole discretion to amend, abridge or otherwise eliminate any vesting schedule so that notwithstanding the other terms of this Plan, such Option may be exercised in whole or in part by the Optionee and at the discretion of the Board, upon the exercise of an Option under

the Plan, the holder thereof shall be entitled to receive any securities, property or cash which the Optionee would have received upon such consolidation, reorganization, merger, amalgamation, statutory amalgamation or arrangement, separation or transfer if the Optionee had exercised his Option immediately prior to the applicable record date or event, as applicable, and the exercise price shall be adjusted as applicable by the Board, unless the Board otherwise determines the basis upon which such Option shall be exercisable, and any such adjustments shall be binding for all purposes of the Plan.

#### 2.14 Adjustment in Shares Subject to the Plan

If there is any change in the Shares through or by means of a declaration of stock dividends of Shares or consolidations, subdivisions or reclassifications of Shares, or otherwise, the number of Shares subject to any Option, and the exercise price thereof and the maximum number of Shares which may be issued under the Plan in accordance with Section 3.1 (a) shall be adjusted appropriately by the Board and such adjustment shall be effective and binding for all purposes of the Plan. An adjustment under Section 2.13 or 2.14 (the “**Adjustment Provisions**”) will take effect at the time of the event giving rise to the adjustment, and the Adjustment Provisions are cumulative. The Company will not be required to issue fractional Shares in satisfaction of its obligations hereunder. Any fractional interest in a Share that would, except for this provision, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Company. If any questions arise at any time with respect to the exercise price or number of Shares deliverable upon exercise of an Option in connection with any of the events set out in Sections 2.12, 2.13 or 2.14, such questions will be conclusively determined by the Company’s auditors, or, if they decline to so act, any other firm of Chartered Accountants that the Company may designate and who will have access to all appropriate records and such determination will be binding upon the Company and all Optionees.

### ARTICLE III GENERAL

#### 3.1 Maximum Number of Shares

- (a) The aggregate number of Shares issuable pursuant to this Plan or any other Share Compensation Arrangement shall not exceed 10% of the issued and outstanding Shares at the time of grant.
- (b) The aggregate number of Shares issuable pursuant to this Plan and any other Share Compensation Arrangement (pre-existing or otherwise) to Insiders shall not exceed 10% of the Shares outstanding at any time.
- (c) The aggregate number of Shares issued upon exercise of the Options granted pursuant to this Plan and any other Share Compensation Arrangement (pre-existing or otherwise) to Insiders within a one-year period shall not exceed 10% of the Shares then outstanding.

#### 3.2 Transferability

Options are not assignable or transferable other than by will or by the applicable laws of descent. During the lifetime of an Optionee, all Options may only be exercised by the Optionee.

#### 3.3 Employment

Nothing contained in the Plan shall confer upon any Optionee any right with respect to employment or continuance of employment with the Company or any Subsidiary, or interfere in any way with the right of the Company or any Subsidiary, to terminate the Optionee's employment at any time. Participation in the Plan by an Optionee is voluntary.

#### 3.4 No Shareholder Rights

An Optionee shall not have any rights as a shareholder of the Company with respect to any of the Shares covered by an Option until the Optionee exercises such Option in accordance with the terms of the Plan and the issuance of the Shares by the Company.

#### 3.5 Record Keeping

The Company shall maintain a register in which shall be recorded the name and address of each Optionee, the number of Options granted to an Optionee, the details thereof and the number of Options outstanding.

#### 3.6 Necessary Approvals

The Plan shall be effective only upon the approval of both the Board and the shareholders of the Company by ordinary resolution. The obligation of the Company to sell and deliver Shares in accordance with the Plan is subject to the approval of any governmental authority having jurisdiction or any stock exchanges on which the Shares are listed for trading which may be required in connection with the authorization, issuance or sale of such Shares by the Company. If any Shares cannot be issued to any Optionee for any reason including, without limitation, the failure to obtain such approval, then the obligation of the Company to issue such Shares shall terminate and any exercise price paid by an Optionee to the Company shall be returned to the Optionee.

#### 3.7 Administration of the Plan

The Board is authorized to interpret the Plan from time to time and to adopt, amend and rescind rules and regulations for carrying out the Plan. The interpretation and construction of any provision of the Plan by the Board shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Company and all costs in respect thereof shall be paid by the Company.

#### 3.8 Income Taxes

The Company shall have the power and the right to deduct or withhold, or require an Optionee to remit to the Company, the required amount to satisfy federal, provincial, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of the Plan, including the grant or exercise of any Option granted under the Plan. With respect to any required withholding, the Company shall have the irrevocable right to, and the Optionee consents to, the Company setting off any amounts required to be withheld, in whole or in part, against amounts otherwise owing by the Company to the Optionee (whether arising pursuant to the Optionee's relationship as a director, officer, employee or consultant of the Company or otherwise), or may make such other arrangements that are satisfactory to the Optionee and the Company. In addition, the Company may elect, in its sole discretion, to satisfy the withholding requirement, in whole or in part, by withholding such number of Shares issuable upon exercise of the Options as it determines are required to be sold by the

Company, as trustee, to satisfy any withholding obligations net of selling costs. The Optionee consents to such sale and grants to the Company an irrevocable power of attorney to effect the sale of such Shares issuable upon exercise of the Options and acknowledges and agrees that the Company does not accept responsibility for the price obtained on the sale of such Shares issuable upon exercise of the Options.

### 3.9 Amendment, Modification or Termination of Plan

Subject to the requisite shareholder and regulatory approvals set forth under subparagraphs 3.9(a) and (b) below, the Board may, from time to time, amend or revise the terms of the Plan or may discontinue the Plan at any time provided however that no such right may, without the consent of the Optionee, in any manner adversely affect his rights under any Option theretofore granted under the Plan.

- (a) The Board may, subject to receipt of requisite shareholder and regulatory approval, make the following amendments to the Plan:
- (i) any amendment to the number of securities issuable under the Plan, including an increase to a fixed maximum number of securities or a change from a fixed maximum number of securities to a fixed maximum percentage. A change to a fixed maximum percentage which was previously approved by shareholders will not require additional shareholder approval;
  - (ii) any change to the definition of "Eligible Person" which would have the potential of narrowing or broadening or increasing insider participation;
  - (iii) the addition of any form of financial assistance;
  - (iv) any amendment to a financial assistance provision which is more favourable to Optionees;
  - (v) any addition of a cashless exercise feature, payable in cash or securities, which does not provide for a full deduction in the number of underlying securities from the Plan;
  - (vi) the addition of deferred or restricted share unit or any other provision which results in Optionees receiving securities while no cash consideration is received by the Company;
  - (vii) any other amendments that may lead to significant or unreasonable dilution in the Company's outstanding securities or may provide additional benefits to Optionees, especially to insiders of the Company, at the expense of the Company and its existing shareholders;
  - (viii) any reduction in exercise price or cancellation and reissue of Options, or other entitlements.
  - (ix) any amendment that extends the term of an award beyond the original expiry date;
  - (x) any amendment which would permit equity based awards granted under the Plan to be transferable or assignable other than for normal estate settlement purposes; and

(xi) any amendment to the plan amendment provisions.

(b) The Board may, subject to receipt of requisite regulatory approval, where required, in its sole discretion and without shareholder approval, make all other amendments to the Plan that are not of the type contemplated in subparagraph 3.9(a) above, including, without limitation:

(i) amendments of a housekeeping nature;

(ii) the addition of or a change to vesting provisions of a security or the Plan;

(iii) a change to the termination provisions of a security or the Plan which does not entail an extension beyond the original expiry date; and

(iv) the addition of a cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying securities from the Plan reserve.

(c) Notwithstanding the provisions of subparagraph 3.9(b), the Company shall additionally obtain requisite shareholders approval in respect of amendments to the Plan that are contemplated pursuant to subparagraph 3.9(b) to the extent such approval is required by any applicable law or regulations.

### 3.10 No Representation or Warranty

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

### 3.11 Interpretation

The Plan will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

### 3.12 Compliance with Applicable Law

If any provision of the Plan or any agreement entered into pursuant to the Plan contravenes any law or any order, policy, by-law or regulation of any regulatory body or stock exchange having authority over the Company or the Plan then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith



**EXHIBIT A**

**BELO SUN MINING CORP.  
STOCK OPTION PLAN - OPTION AGREEMENT**

This Option Agreement is entered into between Belo Sun Mining Corp. (the "Company") and the Optionee named below pursuant to the Company's Stock Option Plan (the "Plan"), a copy of which is attached hereto, and confirms that:

1. on \_\_\_\_\_ (the "Grant Date");
2. \_\_\_\_\_ (the "Optionee");
3. was granted the option (the "Option") to purchase <> Common Shares (the "Option Shares") of the Company;
4. for the price of \$<> per share (the "Option Price");
5. which shall, subject to the approval of the Plan by the shareholders of the Company, be exercisable ("Vested") as follows:

The Options shall vest <>, however, certificates shall bear the following legend, if applicable:

Without prior written approval of the Exchange and compliance with all applicable securities legislation, the securities represented by this Stock Option Agreement may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until <>.

6. terminating on <> (the "Expiry Date");

all on the terms and subject to the conditions set out in the Plan. For greater certainty, once Option Shares have become Vested, they continue to be exercisable until the termination or cancellation thereof as provided in this Option Agreement and the Plan.

By signing this Option Agreement, the Optionee acknowledges and confirms that his or her participation is voluntary and the Optionee further acknowledges that he or she has read and understands the Plan, and agrees to the terms and conditions of the Plan and this Option Agreement.

**IN WITNESS WHEREOF** the parties hereto have executed this Option Agreement as of the <> date of <>.

**BELO SUN MINING CORP.**

Per: \_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_

\_\_\_\_\_  
WITNESS

